

WINCHESTER HOMES INC.

Form 424B5

May 24, 2016

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CALCULATION OF REGISTRATION FEE

Title of Securities To Be Registered	Amount To Be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(1)(2)
4.875% Senior Notes due 2021	\$300,000,000	99.437%	\$298,311,000	\$30,039.92

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.

(2) Paid herewith.

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**Filed Pursuant to Rule 424(b)(5)
Registration File No. 333-211523**

Prospectus Supplement

(To Prospectus dated May 23, 2016)

\$300,000,000

TRI Pointe Group, Inc.

4.875% Senior Notes due 2021

We are offering \$300 million aggregate principal amount of our 4.875% Senior Notes due 2021 (the "notes"). The notes will bear interest at a fixed rate of 4.875% per annum. We will pay interest semi-annually on the notes on July 1 and January 1 of each year until maturity, beginning on January 1, 2017. The notes will mature on July 1, 2021 unless earlier redeemed.

We may redeem some or all of the notes at any time prior to the scheduled maturity of such notes at a price equal to 100% of the aggregate principal amount of the notes to be redeemed, plus accrued and unpaid interest, if any, to the redemption date, plus a "make whole" premium. If the notes are redeemed on or after the date that is one month prior to the maturity date of the notes, the redemption price will equal 100% of the principal amount being redeemed plus accrued and unpaid interest, if any, to the redemption date. See "Description of the Notes—Optional Redemption." If we experience certain change of control triggering events, we will be required to offer to purchase the notes at a repurchase price equal to 101% of the principal amount of the notes, plus accrued and unpaid interest to, but not including, the repurchase date. See "Description of the Notes—Change of Control."

Our obligations under the notes will be, jointly and severally, guaranteed by all of our wholly owned domestic subsidiaries to the extent they guarantee our unsecured revolving credit facility. The notes and the guarantees, respectively, will be our and the guarantors' unsubordinated unsecured obligations and will rank *pari passu* in right of payment to all of our and the guarantors' existing and future indebtedness and other liabilities that are not by their terms subordinated in right of payment to the notes (including our unsecured revolving credit facility and our existing 4.375% Senior Notes due 2019 and 5.875% Senior Notes due 2024), and will rank senior in right of payment to any future indebtedness of us or any guarantor that provides by its terms that it is subordinated in right of payment to the notes and the guarantees. The notes and the guarantees will be effectively subordinated to all of our and the guarantors' existing and future secured indebtedness to the extent of the assets securing such indebtedness. There is no sinking fund for the notes. The notes will be issued in registered form and in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Investing in the notes involves a high degree of risk. See Risk Factors beginning on page S-14 of this prospectus supplement, in the accompanying base prospectus and in the documents filed with the U.S. Securities and Exchange Commission (the SEC) and incorporated by reference herein.

	Per note	Total
Public offering price ⁽¹⁾	99.437%	\$ 298,311,000
Underwriting discounts and commissions ⁽²⁾	1.0833%	\$ 3,249,900
Proceeds to us before expenses	98.3537%	\$ 295,061,100

(1) Plus accrued interest, if any, from May 26, 2016.

(2) See Underwriting (Conflicts of Interest) for a description of the compensation payable to the underwriter.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying base prospectus. Any representation to the contrary is a criminal offense.

The notes will not be listed on any securities exchange. Currently, there is no public market for the notes.

We expect that delivery of the notes will be made to investors in book-entry form through the facilities of The Depository Trust Company and its participants, including Clearstream Banking, *société anonyme* and Euroclear Bank S.A./N.V, on or about May 26, 2016.

Joint Book-Running Managers

Citigroup

Credit Suisse

J.P. Morgan

Deutsche Bank Securities

Co-Managers

Wells Fargo Securities

US Bancorp

Fifth Third Securities

May 23, 2016

Zelman Partners LLC

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We have not authorized anyone else to provide you with information other than the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus filed by us with the U.S. Securities and Exchange Commission (the SEC) or to make additional representations. Neither we nor the underwriters take any responsibility for, and can provide no assurances as to the reliability of, any other information that others may give you or representations that others may make. If you are in a jurisdiction in which offers to sell, or solicitations of offers to purchase, the notes offered by this prospectus supplement are unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this prospectus supplement does not extend to you. Neither the delivery of this prospectus supplement, the accompanying prospectus or any free writing prospectus filed by us with the SEC, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in our affairs since the date on their respective filing or that the information contained or incorporated by reference herein is correct as of any time subsequent to the date of such information.

Unless otherwise noted, or the context otherwise requires, TRI Pointe and the terms the Company, we, us and our refer collectively to TRI Pointe Group, Inc. and its subsidiaries. Prior to any purchase of our notes hereunder, you should read this prospectus supplement and the accompanying prospectus, together with the additional information incorporated by reference herein and therein, as described in the section entitled Incorporation of certain documents by reference.

About this prospectus supplement

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of notes and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference herein and therein. The second part, the accompanying prospectus, gives more general information about us and the securities we may offer from time to time under our shelf registration statement, some of which do not apply to this offering of the notes. If the description of the debt securities we may offer in the accompanying prospectus is different from the description of this offering of the notes in this prospectus supplement, you should rely on the information contained in this prospectus supplement.

You should read this prospectus supplement, the accompanying prospectus and any free writing prospectus to which we have referred you and the documents incorporated by reference herein described under Where you can find more information and Information incorporated by reference in this prospectus supplement before deciding whether to invest in the notes offered by this prospectus supplement.

You should not consider any information in this prospectus supplement, the accompanying prospectus or any free writing prospectus to which we have referred you to be investment, legal or tax advice. You should consult your own counsel, accountants and other advisors for legal, tax, business, financial and related advice regarding the purchase of any of the notes offered hereby.

Where you can find more information

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy materials that we have filed with the SEC at the following SEC public reference room: 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information regarding its public reference room.

Our SEC filings, including the complete registration statement of which this prospectus supplement and the accompanying prospectus are a part, are available to the public on the SEC's internet website at www.sec.gov,

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which contains reports, proxy and information statements and other information regarding companies that file electronically with the SEC.

In addition, our common stock is listed on the NYSE and similar information concerning us can be inspected and copied at the offices of the NYSE, Inc., 20 Broad Street, New York, New York 10005.

This prospectus supplement is part of a registration statement that we filed with the SEC, using a shelf registration process under the Securities Act of 1933, as amended (the Securities Act), relating to the securities to be offered. This prospectus supplement does not contain all of the information set forth in the registration statement, certain parts of which are omitted in accordance with the rules and regulations of the SEC. For further information with respect to us and the notes offered hereby, reference is hereby made to the registration statement. The registration statement, including the exhibits thereto, may be inspected at the Public Reference Room maintained by the SEC at the address set forth above or may be obtained at the SEC's website set forth above. Statements contained herein concerning any document filed as an exhibit are not necessarily complete, and, in each instance, reference is made to the copy of such document filed as an exhibit to the registration statement. Each such statement is qualified in its entirety by such reference.

Incorporation of certain documents by reference

The rules of the SEC allow us to incorporate by reference information into this prospectus supplement. This means that we can disclose important information about us and our financial condition to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be a part of this prospectus supplement, and information that we file later with the SEC will automatically update and supersede this information. This prospectus supplement incorporates by reference the documents listed below that we have previously filed with the SEC (other than portions of these documents that are either (i) described in paragraphs (d)(1), (d)(2), (d)(3) or (e)(5) of Item 407 of Regulation S-K promulgated by the SEC or (ii) furnished under applicable SEC rules, rather than filed, and exhibits furnished in connection with such items):

TRI Pointe's Annual Report on Form 10-K for the year ended December 31, 2015 (including the portions of our Definitive Proxy Statement on Schedule 14A, filed on April 22, 2016, incorporated by reference therein);

TRI Pointe's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016;

TRI Pointe's Current Report on Form 8-K filed April 29, 2016;

TRI Pointe's Current Report on Form 8-K filed March 2, 2016;

TRI Pointe's Current Report on Form 8-K filed January 27, 2016; and

the description of TRI Pointe common stock contained in TRI Pointe's registration statement on Form 8-A, filed January 28, 2013;

All reports and other documents subsequently filed by us pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act) on or after the date of this prospectus supplement and prior to the termination of this offering will be deemed to be incorporated by reference in this prospectus supplement and to be part hereof from the date of filing of such reports and other documents. However, we are not incorporating by reference (i) any information provided in these documents that is described in paragraph (d)(1), (d)(2), (d)(3) or (e)(5) of Item 407 of Regulation S-K promulgated by the SEC or furnished under applicable SEC rules, rather than filed, and exhibits furnished in connection with such items, including information furnished under Items 2.02 or 7.01 of Form 8-K or (ii) any Form SD, unless, in either case, otherwise specified in such current report, or in such form or in a particular prospectus supplement.

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

You may request a copy of the filings incorporated herein by reference, including exhibits to such documents that are specifically incorporated by reference, at no cost, by requesting them in writing or by telephone from the Company at the following address and telephone number: 19540 Jamboree Road, Suite 300, Irvine, California 92612, Attention: Investor Relations, Telephone: (949) 478-8696. You may also obtain these documents from the SEC or through the SEC's website, as described above.

Statements contained in this prospectus supplement or the accompanying prospectus as to the contents of any contract or other documents are not necessarily complete, and in each instance investors are referred to the copy of the contract or other document filed as an exhibit to the registration statement, each such statement being qualified in all respects by such reference and the exhibits and schedules thereto.

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Prospectus supplement summary

This summary highlights certain information contained elsewhere in or incorporated by reference into this prospectus supplement or the accompanying prospectus. This summary is not complete and does not contain all of the information that you should consider before deciding whether or not to invest in the notes. You should read this summary together with the more detailed information included elsewhere in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus, including our consolidated condensed financial statements and the related notes. You should carefully consider, among other things, the matters discussed in Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2015, as supplemented by our Quarterly Reports on Form 10-Q for the fiscal quarter ended March 31, 2016, and in the documents that we subsequently file with the SEC as well as the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus.

The Company

TRI Pointe was founded in April 2009, toward the end of an unprecedented downturn in the national homebuilding industry. Since then, we have grown from a Southern California fee homebuilder into a regionally focused national homebuilder with a portfolio of the following six quality homebuilding brands operating in fourteen markets across eight states:

Maracay Homes in Arizona;

Pardee Homes in California and Nevada;

Quadrant Homes in Washington;

Trendmaker Homes in Texas;

TRI Pointe Homes in California and Colorado; and

Winchester Homes in Maryland and Virginia.

Our growth strategy is to capitalize on high demand in selected core markets with favorable population and employment growth as a result of proximity to job centers or primary transportation corridors. As of March 31, 2016, our operations consisted of 125 active selling communities and 27,929 lots owned or controlled. Our construction expertise across an extensive product offering allows us flexibility to pursue a wide array of land acquisition opportunities and appeal to a broad range of potential homebuyers, including entry-level, first time move-up and second-time move-up homes. As a result, we build across a variety of base sales price points, ranging from approximately \$170,000 to \$2.3 million, and home sizes, ranging from approximately 1,000 to 6,200 square feet. For the years ended December 31, 2015 and 2014, we delivered 4,057 and 3,100 homes and the average sales price of our new homes delivered was approximately \$565,000 and \$531,000, respectively.

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The Offering

Issuer	TRI Pointe Group, Inc., a Delaware corporation.
Securities	\$300 million aggregate principal amount of 4.875% Senior Notes due 2021.
Maturity	July 1, 2021.
Interest Rate	The notes will bear interest from May 26, 2016 at the rate of 4.875% per annum, payable semi-annually in arrears.
Interest Payment Dates	July 1 and January 1 of each year, beginning on January 1, 2017.
Record Dates	Interest on the notes will be paid to holders of record at the close of business on each June 15 and December 15 immediately preceding each interest payment date.
Ranking	The notes will be our general unsecured, unsubordinated obligations. Accordingly, they will rank:

senior in right of payment to any of our future subordinated indebtedness to the extent that such indebtedness provides by its terms that it is subordinated in right of payment to the notes;

pari passu in right of payment with any of our existing and future indebtedness and other liabilities that are not by their terms subordinated in right of payment to the notes, including our previously issued \$450 million aggregate principal amount of 4.375% Senior Notes due 2019 (the 2019 Notes), our previously issued \$450 million aggregate principal amount of 5.875% Senior Notes due 2024 (the 2024 Notes, and together with the 2019 Notes, the Existing Senior Notes) and our unsecured revolving credit facility;

effectively subordinated to our existing and future secured indebtedness, to the extent of the value of our assets securing such indebtedness; and

structurally subordinated to any existing and future indebtedness and other liabilities and preferred stock of our subsidiaries that do not guarantee the notes.

As of April 30, 2016, we had total indebtedness of approximately \$1.2 billion, with approximately \$245.3 million of unused availability under our unsecured revolving credit facility.

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Note Guarantees

Our obligations under the notes will be guaranteed, jointly and severally, by all of our wholly owned domestic subsidiaries to the extent they guarantee our unsecured revolving credit facility. Each guarantee of the notes will be an unsecured, unsubordinated obligation of that guarantor and will rank:

senior in right of payment to any future subordinated indebtedness of that guarantor to the extent that such indebtedness provides by its terms that it is subordinated in right of payment to such guarantor's guarantee of the notes;

pari passu in right of payment with any existing and future indebtedness and other liabilities of that guarantor that are not by their terms subordinated in right of payment to the notes, our Existing Senior Notes and our unsecured revolving credit facility;

effectively subordinated to that guarantor's existing and future secured indebtedness, to the extent of the value of the assets of such guarantor securing such indebtedness; and

structurally subordinated to all of the liabilities and preferred stock of any subsidiaries of such guarantor that do not guarantee the notes.

Optional Redemption

We may redeem some or all of the notes at any time prior to the scheduled maturity of the notes at a price equal to 100% of the aggregate principal amount of the notes to be redeemed, plus accrued and unpaid interest, if any, to the redemption date, plus a make-whole premium described under Description of the Notes.

If the notes are redeemed on or after the date that is one month prior to the maturity date of the notes, the redemption price will equal 100% of the principal amount being redeemed, plus accrued and unpaid interest, if any, to the redemption date. See Description of the Notes Optional Redemption .

Certain Covenants

The indenture and supplements indenture governing the notes will contain covenants that, among other things, limit the ability of us and our subsidiaries to create liens securing indebtedness, enter into sale and

leaseback transactions or consolidate, merge or sell all or substantially all of their assets. These covenants are subject to important exceptions and qualifications. See Description of the Notes Certain Covenants.

Change of Control Triggering Event

If we experience certain change of control triggering events, we must make an offer to each holder to repurchase the notes at a price in cash equal to 101% of the principal amount of the notes, plus accrued and unpaid interest, if any, to, but not including, the purchase date. See Description of the Notes Change of Control.

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Use of Proceeds

We expect to receive net proceeds of approximately \$295 million from the sale of the notes offered hereby after deducting transaction fees and expenses. We intend to use a portion of the net proceeds from the sale of the notes to repay approximately \$275 million of borrowings under our \$625 million unsecured revolving credit facility, which matures on May 18, 2019, and the remainder of the net proceeds for general corporate purposes, which may include but are not limited to, the repayment of outstanding indebtedness, the acquisition of additional properties, the repurchase of shares of our common stock pursuant to our previously announced stock repurchase program, working capital and capital expenditures. See Use of Proceeds and Underwriting (Conflicts of Interest).

Form of Notes

The notes will be issued in registered, book-entry form through the facilities of The Depository Trust Company and its participants, including Clearstream Banking, *société anonyme* and Euroclear Bank S.A./N.V and registered in the name of the common depository or its nominee. Except in the limited circumstances described under Description of the Notes Book-Entry; Delivery and Form; Global Notes, owners of beneficial interests in the notes will not be entitled to have notes registered in their names, will not receive or be entitled to receive notes in definitive form and will not be considered to be holders of notes under the indenture. The notes will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Absence of Public Market for the Notes

The notes are new securities and there is currently no established trading market for the notes. We do not intend to apply for listing of the notes on any securities exchange. Although the underwriters have informed us that they intend to make a market in the notes, they are not obligated to do so and they may discontinue market making activities at any time without notice. Accordingly, we cannot assure you that a liquid market for the notes will develop or be maintained. See Underwriting (Conflicts of Interest).

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Conflicts of Interest

Affiliates of certain of the underwriters who are lenders under our unsecured revolving credit facility will receive at least five percent of the net proceeds of this offering to repay indebtedness owed by us to them. See Use of Proceeds. Because affiliates of certain of the underwriters will receive at least five percent of the net proceeds of this offering, not including underwriting compensation, a conflict of interest under FINRA Rule 5121 is deemed to exist. Accordingly, this offer is being made in compliance with FINRA Rule 5121. FINRA Rule 5121 requires that a qualified independent underwriter participate in the preparation of this prospectus supplement, the accompanying prospectus and the registration statement of which this prospectus supplement is a part and exercise the usual standards of due diligence with respect thereto. Credit Suisse Securities (USA) LLC has assumed the responsibilities of acting as the qualified independent underwriter in this offering. We have agreed to indemnify Credit Suisse Securities (USA) LLC against liabilities incurred in connection with acting as a qualified independent underwriter, including liabilities under the Securities Act. See Use of Proceeds and Underwriting (Conflicts of Interest).

Risk Factors

You should consider carefully all the information set forth and incorporated by reference in this prospectus supplement and the accompanying prospectus and, in particular, you should evaluate the specific factors set forth under the heading Risk Factors beginning on page S-14 of this prospectus supplement, as well as the other information contained or incorporated herein by reference, before investing in the notes offered hereby.

Governing Law

The indenture governing the notes is, and the notes will be, governed by, and construed in accordance with, the laws of the State of New York.

Table of Contents**Summary Financial Information****Summary of Selected Historical Financial and Operating Data of TRI Pointe**

The following summary of selected historical financial data of TRI Pointe as of and for the three months ended March 31, 2016 and for the three months ended March 31, 2015 has been derived from the unaudited consolidated financial statements of TRI Pointe which are incorporated by reference into this prospectus and is not necessarily indicative of the results or the financial condition to be expected for the remainder of the year or any future date or period. The summary of selected historical financial data for the twelve months ended March 31, 2016 has been calculated by adding TRI Pointe's historical financial data for the year ended December 31, 2015 and the three months ended March 31, 2016 and subtracting TRI Pointe's historical financial data for the three months ended March 31, 2015 and is not necessarily indicative of the results or the financial condition to be expected for the remainder of the year or any future date or period. TRI Pointe's management believes that the unaudited financial statements reflect all normal and recurring adjustments necessary for a fair presentation of the results as of and for the interim periods presented. The selected financial data as of and for the years ended December 31, 2015 and 2014 have been derived from the audited consolidated financial statements of TRI Pointe which are incorporated by reference into this prospectus. The selected financial data for the year ended December 31, 2013 have been derived from the audited consolidated financial statements which are incorporated by reference into this prospectus. The selected financial data as of December 31, 2013 have been derived from the audited financial statements of TRI Pointe which are not incorporated by reference into this prospectus. This information is only a summary and should be read in conjunction with the audited and unaudited consolidated financial statements of TRI Pointe and the notes thereto and

Management's Discussion and Analysis of Financial Condition and Results of Operations for TRI Pointe which are incorporated by reference in this prospectus supplement and the accompanying prospectus.

	As of and for the Three Months Ended March 31,		As of and for the Year Ended December 31,			For the Twelve Months Ended March 31,
	2016	2015	2015	2014	2013	2016
(dollar amounts in thousands)						
Statement of Operations Data:						
Home sales revenue	\$ 423,055	\$ 374,265	\$ 2,291,264	\$ 1,646,274	\$ 1,218,430	\$ 2,340,054
Homebuilding gross margin	\$ 98,556	\$ 74,358	\$ 482,488	\$ 327,657	\$ 268,150	\$ 506,686
Homebuilding gross margin %	23.3%	19.9%	21.1%	19.9%	22.0%	21.7%
Land and lot gross margin	\$ (424)	\$ (308)	\$ 66,196	\$ 9,754	\$ (329,451)	\$ 66,080
SG&A expense	\$ 54,717	\$ 51,439	\$ 233,713	\$ 185,958	\$ 168,765	\$ 236,991
SG&A expense as a % of home sales revenue	12.9%	13.7%	10.2%	11.3%	13.9%	10.1%
Net income (loss) available to common stockholders	\$ 28,550	\$ 15,297	\$ 205,461	\$ 84,197	\$ (149,455)	\$ 218,714
Other Financial Data:						
EBITDA	\$ 57,267	\$ 33,751	\$ 382,862	\$ 202,544	\$ (176,861)	\$ 406,378
Adjusted EBITDA ⁽¹⁾	\$ 57,584	\$ 34,333	\$ 388,121	\$ 233,562	\$ 179,525	\$ 411,372

Balance Sheet Data:

Cash and cash equivalents	\$ 144,019	\$ 106,573	\$ 214,485	\$ 170,629	\$ 4,510
Real estate inventories	\$ 2,705,251	\$ 2,409,306	\$ 2,519,273	\$ 2,280,183	\$ 1,465,526
Debt	\$ 1,244,331	\$ 1,210,024	\$ 1,170,505	\$ 1,138,493	\$ 834,589
Stockholders equity	\$ 1,694,757	\$ 1,470,602	\$ 1,664,683	\$ 1,454,180	\$ 797,096
Book capitalization	\$ 2,939,088	\$ 2,680,626	\$ 2,835,188	\$ 2,592,673	\$ 1,631,685

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(1) EBITDA and Adjusted EBITDA are non-GAAP financial measures which the management of TRI Pointe believes are useful as measures of its ability to service debt and obtain financing. The following table calculates the non-GAAP measures of EBITDA and Adjusted EBITDA and reconciles those amounts to net income (loss), as reported and prepared in accordance with GAAP. EBITDA means net income (loss) before (a) interest expense, (b) provision (benefit) for income taxes, (c) depreciation and amortization, (d) amortization of interest in cost of home sales and (e) amortization of stock-based compensation. Adjusted EBITDA means EBITDA before (f) impairment and lot option abandonments, (g) restructuring charges and (h) transaction expenses. Other companies may calculate EBITDA and Adjusted EBITDA (or similarly titled measures) differently.

The following table reconciles net income, as reported and prepared in accordance with GAAP, to EBITDA and Adjusted EBITDA (unaudited):

	For the Three Months Ended March 31,		For the Year Ended December 31,			For the Twelve Months Ended March 31,
	2016	2015	2015	2014	2013	2016
	(in thousands)					
Net income (loss) available to common stockholders	\$ 28,550	\$ 15,297	\$ 205,461	\$ 84,197	\$ (149,455)	\$ 218,714
Interest expense:						
Interest incurred	15,149	15,176	60,964	41,706	22,674	60,937
Interest capitalized	(15,149)	(15,176)	(60,964)	(38,975)	(19,081)	(60,937)
Amortization of interest in cost of sales	8,830	6,765	45,114	52,747	36,671	47,179
Provision (benefit) for income taxes	15,490	7,827	112,079	43,767	(86,161)	119,742
Depreciation and amortization	1,792	1,481	8,273	11,423	13,489	8,584
Amortization of stock-based compensation	2,605	2,381	11,935	7,679	5,002	12,159
EBITDA	57,267	33,751	382,862	202,544	(176,861)	406,378
Impairments and lot abandonments	182	360	1,930	2,515	345,448	1,752
Restructuring charges	135	222	3,329	10,543	10,938	3,242
Transaction expenses				17,960		
Adjusted EBITDA	\$ 57,584	\$ 34,333	\$ 388,121	\$ 233,562	\$ 179,525	\$ 411,372

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Recent Developments

In April 1989, Pardee Homes sold real property located in Carmel Valley, California to Scripps Health (Scripps) pursuant to a purchase agreement dated December 18, 1987 (as amended, the Purchase Agreement). In March 2003, Scripps contacted Pardee Homes and alleged Pardee Homes had breached a covenant in the Purchase Agreement by failing to record at the closing of the transaction a restriction against the development of the surrounding property then owned by Pardee Homes for medical office use. In November 2003, the parties entered into a tolling agreement, pursuant to which the parties agreed to toll any applicable statutes of limitation from November 3, 2003 until the expiration of the agreement. The tolling agreement does not revive any cause of action already time barred by a statute of limitation as of November 3, 2003. The parties recently agreed to extend the tolling agreement indefinitely, with either party able to terminate the agreement upon 14 days written notice to the other party. Pardee Homes became an indirect, wholly-owned subsidiary of TRI Pointe on July 7, 2014 in connection with TRI Pointe s acquisition of Weyerhaeuser Real Estate Company.

No lawsuit has been filed to date with respect to this matter, and under the tolling agreement referenced above, no lawsuit may be brought by either party until such party exercises its right to terminate the tolling agreement upon 14 days written notice. If a lawsuit is filed, we intend to vigorously defend the action. Although we cannot predict or determine the timing or final outcome if a lawsuit is filed or the effect that any adverse findings or determinations may have on us, we believe Scripps has no actionable claims against Pardee Homes and that this dispute will not have a material impact on our business, liquidity, financial condition and results of operations. If a lawsuit is filed, an unfavorable determination could result in the payment by us of monetary damages. An estimate of possible loss or range of loss cannot presently be made with respect to this matter. In addition, we believe the likelihood of a material loss related to this matter is remote, and therefore no reserve with respect to this matter has been recorded on our financial statements.

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Forward-looking statements

This prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein or therein, contain and incorporate by reference certain statements that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act and Section 21E of the Exchange Act. In addition, other statements we may make from time to time, such as press releases, oral statements made by Company officials and other reports we file with the SEC, may also contain such forward-looking statements.

These statements:

use forward-looking terminology;

are based on various assumptions made by us; and

may not be accurate because of risks and uncertainties surrounding the assumptions that are made. Factors listed in this section as well as other factors not included may cause actual results to differ significantly from the forward-looking statements included or incorporated by reference in this prospectus supplement and the accompanying prospectus. There is no guarantee that any of the events anticipated by the forward-looking statements included or incorporated by reference in this prospectus supplement and the accompanying prospectus will occur, or if any of the events occurs, there is no guarantee of what effect it will have on our operations, financial condition or share price.

We will not update the forward-looking statements contained in this prospectus supplement, the accompanying prospectus, or the documents incorporated by reference herein and therein, unless otherwise required by law. We nonetheless reserve the right to make such updates from time to time by press release, periodic report or other method of public disclosure without the need for specific reference to this prospectus supplement and the accompanying prospectus. No such update shall be deemed to indicate that other statements not addressed by such update remain correct or create an obligation to provide any other updates.

Statements

These forward-looking statements are generally accompanied by words such as anticipate, believe, could, estimate, expect, goal, intend, may, might, plan, potential, predict, project, will, would, or other words that indicate uncertainty of future events or outcomes. These forward-looking statements include, but are not limited to, statements regarding our anticipated future financial and operating performance and results, including our estimates for growth.

Forward-looking statements are based on a number of factors, including the expected effect of:

the economy;

laws and regulations;

the adverse outcomes of litigation or other disputes and the adequacy of reserves;

changes in accounting principles;

projected benefit payments; and

projected tax rates and credits.

Risks, uncertainties and assumptions

The major risks and uncertainties and assumptions that are made that affect our business and may cause actual results to differ from these forward-looking statements include, but are not limited to:

the effect of general economic conditions, including employment rates, housing starts, interest rate levels, availability of financing for home mortgages and the strength of the U.S. dollar;

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market demand for our products, which is related to the strength of the various U.S. business segments and U.S. and international economic conditions;

levels of competition;

the successful execution of our internal performance plans, including restructuring and cost reduction initiatives;

global economic conditions;

raw material prices;

oil and other energy prices;

the effect of weather, including the continuing drought in California;

the risk of loss from earthquakes, volcanoes, fires, floods, droughts, windstorms, hurricanes, pest infestations and other natural disasters;

transportation costs;

federal and state tax policies;

the effect of land use, environment and other governmental regulations;

legal proceedings and disputes;

risks relating to any unforeseen changes to or effects on liabilities, future capital expenditures, revenues, expenses, earnings, synergies, indebtedness, financial condition, losses and future prospects;

change in accounting principles;

risks related to unauthorized access to our computer systems, theft of our customers' confidential information or other forms of cyber-attack; and

other factors described in Risk factors.

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Risk factors

*An investment in our notes involves a high degree of risk. Please see the risk factors under the heading **Risk Factors** in our Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC, as revised or supplemented by our Quarterly Reports on Form 10-Q filed with the SEC since the filing of our most recent Annual Report on Form 10-K, all of which are incorporated by reference in this prospectus supplement and the accompanying prospectus. Before making an investment decision, you should carefully consider these risks, any risks set forth in the accompanying prospectus, as well as other information we include or incorporate by reference in this prospectus supplement and the accompanying prospectus. Our business, liquidity, financial condition or results of operations (individually and collectively referred to in these risk factors as **Financial Performance**) could be materially adversely affected by any of these risks. In addition, please read **Forward-looking statements** in this prospectus supplement and accompanying prospectus where we describe additional uncertainties associated with our business and the forward-looking statements included or incorporated by reference in this prospectus supplement and the accompanying prospectus. Please note that additional risks not presently foreseen by us or that we currently deem immaterial may also impair our **Financial Performance**.*

In addition to the risks relating to us described in our reports described above and any subsequent filings incorporated by reference herein or that otherwise modify or supplement this prospectus supplement or the accompanying prospectus, the following are additional risks relating to an investment in our notes offered hereby.

Risks related to the notes

We have a significant amount of indebtedness, which could adversely affect our **Financial Performance**.

As of April 30, 2016, we had total indebtedness of approximately \$1.2 billion, with approximately \$245.3 million of unused availability under our unsecured revolving credit facility. Our ability to make payments on indebtedness, to repay existing indebtedness when due and to fund operations and significant planned capital expenditures will depend on our ability to generate cash in the future. Our ability to produce cash from operations will be subject to a number of risks, including:

demand for housing;

availability of land parcels appropriate for development of single-family homes;

our ability to compete effectively with large national and regional homebuilding companies, smaller local homebuilders and the resale, or previously owned, home market;

our ability to develop communities successfully and within expected timeframes; and

homebuyers' ability to obtain suitable financing for their home purchases.

Our substantial debt service obligations could have important material consequences to you, including the following:

limiting our ability to borrow money or sell stock to fund working capital, capital expenditures, debt service requirements, acquisitions, technological initiatives and other general corporate purposes;

making it more difficult for us to make payments on indebtedness and satisfy obligations under the notes;

increasing our vulnerability to general economic downturns and industry conditions and limiting our ability to withstand competitive pressure;

limiting our flexibility in planning for, or reacting to, changes in its business or the homebuilding industry;

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limiting our ability to increase our capital expenditures;

reducing the amount of cash available for working capital needs, capital expenditures for existing and new markets and other corporate purposes by requiring us to dedicate a substantial portion of cash flow from operations to the payment of principal of, and interest on, indebtedness; and

placing us at a competitive disadvantage to our competitors who are less leveraged.

Any of these risks could impair our ability to fund operations or limit our ability to expand our business as planned, which could have a material adverse effect on our Financial Performance.

We may incur additional indebtedness. This could further exacerbate the risks associated with our leverage.

We may be able to incur significantly more debt if market conditions and contractual obligations permit, which could further reduce the cash available to invest in operations, as a result of increased debt service obligations. The terms of the agreements and indentures governing our long-term indebtedness, including the indenture governing the notes offered hereby, allow for the incurrence of additional indebtedness, subject to specified limitations. The more leveraged we become, the more we, and in turn the holders of our indebtedness, become exposed to the risks described above in the risk factor entitled "We have a significant amount of indebtedness, which could adversely affect our Financial Performance."

Under distressed market or other conditions, there can be no assurance that sufficient funds will be available to us under our unsecured revolving credit facility or otherwise. Further, should we need to raise additional capital, we may not be able to do so on terms and conditions acceptable to us, which could limit or preclude our ability to pursue new opportunities, expand business or engage in acquisitions, thus limiting our ability to expand our business, which could have a material adverse effect on our Financial Performance.

The notes are our obligations and our operations are conducted through, and our consolidated assets are primarily held by, our subsidiaries, and as such, our ability to make payments on the notes will be dependent on cash flow generated by our subsidiaries.

The notes are our obligations. Accordingly, our ability to service our indebtedness, including the notes, depends on the results of operations of our subsidiaries and upon the ability of such subsidiaries to provide us with cash, whether in the form of dividends, loans or otherwise, to pay amounts due on our obligations, including the notes. Our subsidiaries are separate and distinct legal entities that have no obligation, contingent or otherwise, to make any funds available for that purpose. In addition, dividends, loans or other distributions to us from such subsidiaries may be subject to future contractual and other restrictions and are subject to other business considerations. The indenture governing the notes will not, and our unsecured revolving credit facility and the indentures governing our Existing Senior Notes do not, limit the ability of our subsidiaries to incur consensual encumbrances or restrictions on their ability to pay dividends or make other intercompany payments to us.

The notes and the related guarantees will be unsecured and effectively subordinated to our and the guarantors existing and future secured indebtedness and structurally subordinated to any future indebtedness and other liabilities of our subsidiaries that do not guarantee the notes.

The notes and the related guarantees will be general unsecured, unsubordinated obligations ranking effectively junior in right of payment to all existing and future secured debt of us and of each guarantor to the extent of the value of the

collateral securing such debt, and will be structurally subordinated to any existing or future indebtedness, preferred stock and other liabilities of our subsidiaries that do not guarantee the notes. The indenture governing the notes will, and our unsecured revolving credit facility as well as the indentures governing our Existing Senior Notes do, permit us to incur certain additional secured debt.

If we or a subsidiary guarantor is declared bankrupt, becomes insolvent or is liquidated or reorganized, any secured debt of us or that subsidiary guarantor will be entitled to be paid in full from the our assets or the assets

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of the guarantor, as applicable, securing that debt before any payment may be made with respect to the notes or the guarantees. Holders of the notes will participate ratably in any remaining assets with all holders of our unsecured indebtedness (including, our unsecured revolving credit facility) that is not by its terms subordinated in right of payment to the notes, including all of our other general unsecured, non-subordinated creditors, based upon the respective amounts owed to each holder or creditor. In any of the foregoing events, there may not be sufficient assets to pay the indebtedness and other obligations owed to secured creditors and the amounts due on the notes. As a result, holders of the notes would likely receive less, ratably, than holders of secured indebtedness. It is possible that there will be no assets from which claims of holders of the notes can be satisfied.

As of April 30, 2016, we had total indebtedness of approximately \$1.2 billion, with approximately \$245.3 million of unused availability under our unsecured revolving credit facility.

In addition, creditors of our current and future subsidiaries that do not guarantee the notes offered hereby will have claims with respect to the assets of those subsidiaries that rank structurally senior to the notes. Certain of our subsidiaries will not be guarantors of the notes. For the quarter ended March 31, 2016, our non-guarantor subsidiaries represented 0.1% of our net sales, held approximately 2.2% of our consolidated assets and had no indebtedness outstanding (excluding intercompany indebtedness). As of March 31, 2016, our non-guarantor subsidiaries had \$5.4 million of total liabilities (including trade payables, deferred tax liabilities and liabilities of consolidated entities not owned, but excluding intercompany liabilities), all of which will be structurally senior to the notes. In the event of any distribution or payment of assets of such subsidiaries in any dissolution, winding up, liquidation, reorganization, or other bankruptcy proceeding, the claims of those creditors must be satisfied prior to making any such distribution or payment to us in respect of direct or indirect equity interests in such subsidiaries. The indenture governing the notes will not limit our ability to incur senior debt nor will it limit our subsidiaries' ability to incur additional liabilities.

To service our debt, we will require a significant amount of cash, which may not be available to us.

Our ability to meet existing or future debt obligations and to reduce indebtedness will depend on future performance and the other cash requirements of our business. Our Financial Performance, to a certain extent, is subject to general economic conditions and financial, competitive, business, political and other factors that are beyond our control. In addition, our ability to borrow funds in the future to make payments on debt will depend on the satisfaction of covenants in the indenture governing the notes offered hereby, the indentures with respect to our prior issuances of notes, the unsecured revolving credit facility, other debt agreements and other agreements we may enter into in the future. There can be no assurance that we will continue to generate sufficient cash flow from operations or that future equity issuances or borrowings will be available to us in an amount sufficient to enable us to service debt or repay all indebtedness in a timely manner or on favorable or commercially reasonable terms, or at all. If we are unable to satisfy financial covenants under our unsecured revolving credit facility or generate sufficient cash to timely repay debt, our lenders could accelerate the maturity of some or all of our outstanding indebtedness. As a result, we may need to refinance all or a portion of our remaining existing indebtedness prior to its maturity. Disruptions in the financial markets, the general amount of debt refinancings occurring at the same time, and our financial position and performance could make it more difficult to obtain debt or equity financing on reasonable terms or at all. Prevailing market conditions could be adversely affected by the ongoing economic developments in the United States or abroad. Instability in the global financial markets has from time to time resulted in periodic volatility in the capital markets. This volatility could limit our access to the credit markets, leading to higher borrowing costs or, in some cases, the inability to obtain financing on terms that are acceptable to us, or at all. Any such failure to obtain additional financing could jeopardize our ability to repay, refinance or reduce debt obligations.

At maturity, the entire outstanding principal amount of the notes, together with accrued and unpaid interest, will become due and payable. We may not have the funds to fulfill these obligations or the ability to renegotiate these

obligations.

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There are limited covenants in the indenture.

Neither we nor any of our subsidiaries are restricted from incurring additional unsecured debt or other liabilities, including additional senior debt, under the indenture. If we incur additional debt or liabilities, our ability to pay our obligations on the notes could be adversely affected. It is expected that we will from time to time incur additional debt and other liabilities. In addition, we are not restricted under the indenture from granting security interests over our assets, except to the extent described under [Description of the Notes](#) [Certain Covenants](#) [Restrictions on Secured Debt](#) in this prospectus supplement, or from paying dividends, making investments or issuing or repurchasing our securities.

In addition, there are no financial covenants in the indenture. You are not protected under the indenture in the event of a highly leveraged transaction, reorganization, restructuring, merger or similar transaction that may adversely affect you, except to the extent described under [Description of the Notes](#) [Change of Control](#).

The change of control triggering event provision in the indenture provides only limited protection against significant events that could negatively impact the value of your notes.

As described under [Description of the Notes](#) [Change of Control](#), upon the occurrence of a change of control triggering event with respect to the notes, we will be required to offer to repurchase the notes at a repurchase price equal to 101% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any. Further, the definition of the term [change of control triggering event](#) is limited and does not cover a variety of transactions (such as certain acquisitions or recapitalizations) that could negatively impact the value of your notes. For a change of control triggering event to occur, there must be both a change of control and a ratings downgrade. As such, if we enter into a significant corporate transaction that negatively impacts the value of your notes, but which does not constitute a change of control triggering event, you would not have any rights to require us to repurchase the notes prior to their maturity or to otherwise seek any remedies. See [Description of the Notes](#) [Change of Control](#).

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

Holders of the notes may require us to repurchase their notes in certain events upon a [change of control](#) as defined under [Description of the Notes](#) [Change of Control](#) in this prospectus supplement. There can be no assurance that we will have sufficient financial resources, or will be able to arrange sufficient financing, to pay the purchase price of the notes, particularly if a change of control triggers a similar repurchase requirement for, or results in the acceleration of, our other then existing debt. In addition, our ability to repurchase the notes for cash may be limited by law, or by the terms of other agreements relating to our indebtedness outstanding at that time, including our unsecured revolving credit facility. Our failure to repurchase the notes as required under the indenture governing the notes would result in a default under the indenture, which could have material adverse consequences for us and for holders of the notes. The terms of the unsecured revolving credit facility restrict us from purchasing any notes as a result of a change of control triggering event. If a change of control triggering event occurs at a time when we are prohibited from purchasing the notes, we could seek the consent of our lenders and debt holders to permit the purchase of the notes or could attempt to refinance the borrowings that contain such prohibition. If we do not obtain such consent or repay such borrowings, we will remain prohibited from purchasing the notes. In such case, our failure to purchase tendered notes would constitute a default under the indenture.

Redemption may adversely affect your return on the notes.

We have the right to redeem some or all of the notes prior to maturity, as described under [Description of the Notes](#) [Optional Redemption](#) in this prospectus supplement. We may redeem the notes at times when prevailing interest rates may be relatively low. Accordingly, you may not be able to reinvest the redemption proceeds in a comparable

security at an effective interest rate as high as that of the notes.

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The subsidiary guarantees can be released under certain circumstances.

Each of the subsidiary guarantees may be released upon the occurrence of certain customary circumstances described in Description of the Notes Note Guarantees in this prospectus supplement, including release as a guarantor under our unsecured revolving credit facility. If the subsidiary guarantee of any subsidiary is released, then the notes will be effectively subordinated to any and all existing and future obligations of such subsidiary.

Our credit ratings may not reflect all risks of an investment in the notes.

The credit ratings assigned to the notes may not reflect the potential effect of all risks related to trading markets, if any, for, or trading value of, your notes. In addition, real or anticipated changes in our credit ratings will generally affect any trading market, if any, for, or trading value of, your notes. Accordingly, you should consult your own financial and legal advisors as to the risks entailed by an investment in the notes and the suitability of investing in the notes in light of your particular circumstances.

The guarantees may not be enforceable because of fraudulent conveyance laws.

The guarantors' guarantees of the notes may be subject to review under federal bankruptcy law or relevant state fraudulent conveyance laws if we or any guarantor files a petition for bankruptcy or our creditors file an involuntary petition for bankruptcy against us or any guarantor. Under these laws, if a court were to find that, at the time a guarantor incurred debt (including debt represented by the guarantee), such guarantor:

incurred this debt with the intent of hindering, delaying or defrauding current or future creditors; or

received less than reasonably equivalent value or fair consideration for incurring this debt, and the guarantor:

was insolvent or was rendered insolvent by reason of the related financing transactions;

was engaged in, or about to engage in, a business or transaction for which its remaining assets constituted unreasonably small capital to carry on its business; or

intended to incur, or believed that it would incur, debts beyond its ability to pay these debts as they mature, as all of the foregoing terms are defined in or interpreted under the relevant fraudulent transfer or conveyance statutes;

then the court could void the guarantee or subordinate the amounts owing under the guarantee to the guarantor's presently existing or future debt or take other actions detrimental to you.

The measure of insolvency for purposes of the foregoing considerations will vary depending upon the law of the jurisdiction that is being applied in any such proceeding. Generally, an entity would be considered insolvent if, at the time it incurred the debt or issued the guarantee:

it could not pay its debts or contingent liabilities as they become due;

the sum of its debts, including contingent liabilities, is greater than its assets, at a fair valuation; or

the present fair saleable value of its assets is less than the amount required to pay the probable liability on its total existing debts and liabilities, including contingent liabilities, as they become absolute and mature.

If a guarantee is voided as a fraudulent conveyance or found to be unenforceable for any other reason, you will not have a claim against that obligor and will only be our creditor or that of any guarantor whose obligation was not set aside or found to be unenforceable. In addition, the loss of a guarantee will constitute an event of default under the indenture relating to the notes offered hereby, the indentures with respect to our prior issuances of notes and our unsecured revolving credit facility, as applicable, which events of default would allow the

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relevant noteholders or lenders, as applicable, to accelerate the amounts due and payable thereunder, and we may not have the ability to pay any such amounts.

The indenture governing the notes offered hereby will contain a provision intended to limit each guarantor's liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent transfer. This provision may not be effective to protect the guarantees from being voided under fraudulent transfer law, or may eliminate the guarantor's obligations or reduce the guarantor's obligations to an amount that effectively makes the guarantee worthless. In a recent Florida bankruptcy case, this kind of provision was found to be ineffective to protect the guarantees.

There is no established trading market for the notes and no guarantee that a market will develop or that you will be able to sell your notes.

The notes are a new issue of securities for which there is no established trading market. An active trading market may not develop for the notes and if no active trading market develops, you may be unable to resell the notes at their fair market value or at all. In addition, subsequent to their initial issuance, the notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar notes, our operating performance and financial condition and other factors. We do not intend to apply for listing or quotation of the notes on any securities exchange or stock market.

The trading prices for the notes will be directly affected by many factors, including our credit rating.

Credit rating agencies continually revise their ratings for companies they follow, including us. These ratings are not recommendations to purchase, hold or sell the notes, inasmuch as the ratings do not comment as to market price or suitability for a particular investor, are limited in scope, and do not address all material risks relating to an investment in the notes, but rather reflect only the view of each rating agency at the time the rating is issued. The ratings are based on current information furnished to the ratings agencies by us and information obtained by the ratings agencies from other sources. An explanation of the significance of such rating may be obtained from such rating agency. There can be no assurance that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in each rating agency's judgment, circumstances so warrant. Actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, could affect the liquidity of the notes, trading price of the notes, or the trading market for the notes, to the extent a trading market for the notes develops, and increase our corporate borrowing costs. The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future and any fluctuation may impact the trading price of the notes.

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The following table sets forth our historical ratios of earnings to fixed charges for the periods shown. This information should be read in conjunction with the information appearing elsewhere in, or incorporated by reference into, this prospectus accompanying notes incorporated by reference in this prospectus supplement. For purposes of determining the ratio of earnings to fixed charges, earnings consist of income (loss) from continuing operations before income taxes, net of non-controlling interests, adjusted for (income) loss of unconsolidated entities, plus returns on investments in unconsolidated entities, net, plus fixed charges and amortization of capitalized interest, less interest capitalized. Fixed charges consist of interest expensed and capitalized, including discount and deferred loan costs, and a portion of rents representative of an interest factor on operating leases.

	Three Months		Fiscal Year Ended December 31,				
	Ended March 31,		2015	2014	2013	2012	2011
	2016						
Ratio of earnings to fixed charges	3.5 (a)	5.8	4.4	(b)	4.9	3.3	

- (a) As adjusted to give effect to the issuance of the notes in this offering and the application of the net proceeds from this offering as described in Use of Proceeds in this prospectus supplement, and assuming the offering had been completed on (i) January 1, 2016, the ratio of earnings to fixed charges would have been 3.2 for the three months ended March 31, 2016 and (ii) January 1, 2015, the ratio of earnings to fixed charges would have been 5.1 for the year ended December 31, 2015. The pro forma ratio of earnings to fixed charges does not necessarily represent what the actual ratio of earnings to fixed charges would have been had those transactions occurred on the date assumed.
- (b) For the year ended December 31, 2013, earnings were insufficient to cover fixed charges for such year by approximately \$218.8 million. This was primarily due to \$343.3 million of impairment and related charges for Coyote Springs, a large master planned community north of Las Vegas, Nevada. Under the terms of the Transaction Agreement dated as of November 3, 2013 by and among Weyerhaeuser Company, TRI Pointe, Weyerhaeuser Real Estate Company (WRECO), and a wholly-owned subsidiary of TRI Pointe, certain assets and liabilities of WRECO and its subsidiaries, were excluded from the transaction and retained by Weyerhaeuser, including assets and liabilities relating to Coyote Springs.

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Use of proceeds

We expect to receive net proceeds of approximately \$295 million from the sale of the notes offered hereby, after deducting transaction fees and expenses. We intend to use a portion of the net proceeds from the sale of the notes to repay approximately \$275 million of borrowings bearing an interest rate of 2.14% per annum under our \$625 million unsecured revolving credit facility, which matures on May 18, 2019, and the remainder of the net proceeds for general corporate purposes, which may include but are not limited to, the repayment of outstanding indebtedness, the acquisition of additional properties, the repurchase of shares of our common stock pursuant to our previously announced stock repurchase program, working capital and capital expenditures.

Affiliates of certain of the underwriters who are lenders under our unsecured revolving credit facility will receive at least five percent of the net proceeds of this offering as a result of our temporary repayment of borrowing under the unsecured revolving credit facility. Therefore, this offering is being made in compliance with FINRA Rule 5121, and Credit Suisse Securities (USA) LLC has agreed to act as the qualified independent underwriter for this offering. See Underwriting (Conflicts of Interest).

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The following table sets forth our cash, cash equivalents, long-term debt, stockholders equity and total capitalization as of March 31, 2016:

on an actual basis; and

on an as adjusted basis to reflect:

the issuance of \$300 million of notes offered hereby;

the repayment of approximately \$275 million of borrowings under our \$625 million unsecured revolving credit facility; and

the receipt of net proceeds (before expenses, but after deducting the underwriting discounts) from the issuance of the notes offered hereby (but not the application of the net proceeds).

You should read the following table along with our financial statements and the accompanying notes to those statements, together with management's discussion and analysis of financial condition and results of operations, contained in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

	As of March 31, 2016	
	Actual	As adjusted
Cash and cash equivalents	\$ 144,019	\$ 162,849
Unsecured revolving credit facility ⁽¹⁾	374,392	99,392
4.375% Senior Notes due 2019	450,000	450,000
5.875% Senior Notes due 2024	450,000	450,000
4.875% Senior Notes due 2021 offered hereby ⁽²⁾		300,000
Discount and deferred loan costs	(30,061)	(36,231)
Total long-term debt	1,244,331	1,263,161
Total stockholders' equity	1,694,757	1,694,757
Total capitalization	\$ 2,939,088	\$ 2,957,918

(1)

As of April 30, 2016, we had approximately \$245.3 million of unused availability under our unsecured revolving credit facility.

- (2) Includes approximately \$1.7 million of issue discount.

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Description of other indebtedness

Unsecured Revolving Credit Facility

In April 2016, we partially exercised the accordion feature under our unsecured revolving credit facility to increase the total commitments from \$550 million to \$625 million. Our unsecured revolving credit facility matures on May 18, 2019, and contains a sublimit of \$75 million for letters of credit. We may borrow under our unsecured revolving credit facility in the ordinary course of business to fund our operations, including our land development and homebuilding activities. Borrowings under our unsecured revolving credit facility are governed by, among other things, a borrowing base. Interest rates on borrowings are based on either a daily Eurocurrency base rate or a Eurocurrency rate, in either case, plus a spread ranging from 1.45% to 2.20%, depending on our leverage ratio. As of April 30, 2016, the outstanding balance under our unsecured revolving credit facility was \$374.4 million with an interest rate of 2.14% per annum and approximately \$245.3 million of availability after considering the borrowing base provisions and outstanding letters of credit. At April 30, 2016 we had outstanding letters of credit of \$5.3 million. These letters of credit were issued to secure various financial obligations. We believe it is not probable that any outstanding letters of credit will be drawn upon.

2019 Notes and 2024 Notes

In May 2015, we exchanged our outstanding unregistered notes, and the related guarantees, that were issued in June 2014, in a private placement pursuant to Rule 144A and Regulation S under the Securities Act for (i) \$450,000,000 aggregate principal amount of our 2019 Notes that were registered under the Securities Act, and the related guarantees, and (ii) \$450,000,000 aggregate principal amount of our 2024 Notes that were registered under the Securities Act, and the related guarantees.

The 2019 Notes and the 2024 Notes mature on June 15, 2019 and June 15, 2024, respectively. Interest is payable semiannually in arrears on June 15 and December 15. As of March 31, 2016, no principal had been paid on the Senior Notes, and there was \$19.5 million of capitalized debt financing costs, included in Senior Notes on our consolidated balance sheet, related to the Senior Notes that will amortize over the lives of the Senior Notes. Accrued interest related to the Senior Notes was \$13.5 million and \$1.9 million as of March 31, 2016 and December 31, 2015, respectively.

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Description of the notes

The following description of the particular terms of the notes offered hereby supplements and, to the extent inconsistent therewith, replaces the description of the general terms of the Debt Securities set forth under the heading "Description of Debt Securities" in the accompanying prospectus, to which description reference is hereby made. You can find the definitions of certain terms used in this Description of the Notes under "Certain Definitions." In this description, references to (1) "Issuer" refer only to TRI Pointe Group, Inc. and not to any of its Subsidiaries. The term "notes" refers to the Issuer's 4.875% senior notes due 2021, including any additional notes issued under an indenture from time to time after this offering (the "Additional Notes").

The Issuer will issue the notes under an indenture dated as of May 23, 2016 (the "base indenture") among the Issuer and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by the supplemental indenture among the Issuer, the Guarantors and the Trustee, to be dated as of May 26, 2016 (the "first supplemental indenture"). The terms of the notes will include those stated in the base indenture as supplemented by the first supplemental indenture as well as those stated in any future supplemental indentures related to the notes (the base indenture, as supplemented by the first supplemental indenture and any future supplemental indentures related to the notes, is referred to herein as the "indenture"). The terms of the notes will include those stated in indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act").

The following description is a summary of the material provisions of the notes and the indenture. It does not purport to be a complete description of such documents and is subject to the detailed provisions of, and qualified in its entirety by reference to these documents. You are urged to read the indenture because it, and not this description, defines your rights as holders of the notes. You may request a copy of the indenture by following the procedures outlined under the caption "Where You Can Find Additional Information."

Principal, Maturity and Interest

The Issuer will issue a total of \$300 million in aggregate principal amount of notes. The notes will mature on July 1, 2021.

The notes bear interest at the rate of 4.875% per annum, payable on July 1 and January 1 of each year, commencing on January 1, 2017 to holders of record at the close of business on June 15 or December 15, as the case may be, immediately preceding the relevant interest payment date.

Interest on the notes will be computed on the basis of a 360-day year of twelve 30-day months.

The notes will be issued in registered form, without coupons, and in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

The Issuer may issue an unlimited amount of Additional Notes having identical terms and conditions to the notes being issued in this offering (other than differences in the issue date, the issue price, interest accrued prior to the issue date of such Additional Notes and, if applicable, restrictions on transfer of such Additional Notes). The Additional Notes will be part of the same issue as the notes being issued in this offering and will vote on all matters as one class with such notes being issued in this offering and the outstanding notes, including, without limitation, waivers, amendments, redemptions and offers to purchase; provided that such Additional Notes will not be issued with the same CUSIP or ISIN, as applicable, as the notes unless such Additional Notes are fungible with the notes for U.S. federal income tax purposes.

Methods of Receiving Payments on the Notes

If a holder of the notes has given wire transfer instructions to the Issuer at least ten business days prior to the applicable payment date, the Issuer will make all payments on such holder's notes in accordance with those

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instructions. Otherwise, payments on the notes will be made at the office or agency of the paying agent and registrar for the notes within the contiguous United States unless the Issuer elects to make interest payments by check mailed to the holders of the notes at their addresses set forth in the register of holders.

Ranking

The notes will be general unsecured obligations of the Issuer. The notes will rank senior in right of payment to all future obligations of the Issuer that are, by their terms, expressly subordinated in right of payment to the notes and *pari passu* in right of payment with each other and all existing and future unsecured obligations of the Issuer (including obligations under the Credit Agreement, the 4.375% senior notes due 2019 and the 5.875% senior notes due 2024) that are not so subordinated. Each note guarantee will be a general unsecured obligation of the Guarantor thereof and ranks senior in right of payment to all future obligations of such Guarantor that are, by their terms, expressly subordinated in right of payment to such note guarantee and *pari passu* in right of each other and payment with all existing and future unsecured obligations of such Guarantor that are not so subordinated.

The notes and each note guarantee will be effectively subordinated to secured Indebtedness of the Issuer and the applicable Guarantor to the extent of the value of the assets securing such Indebtedness. Although the indenture will contain limitations on the amount of additional Secured Debt that the Issuer and the Subsidiaries may incur, under certain circumstances, the amount of this Indebtedness could be substantial. See [Certain Covenants Restrictions on Secured Debt](#).

Note Guarantees

As of the Issue Date, the notes will have the benefit of guarantees by each of the Issuer's Wholly Owned Domestic Subsidiaries that guarantee the Credit Agreement. The Issuer's Foreign Subsidiaries will not guarantee the notes. The notes will be jointly and severally guaranteed by future Domestic Subsidiaries required to become Guarantors as described below under the caption [Certain Covenants Additional Note Guarantees](#).

As of the Issue Date, a substantial majority of the assets and operations of our business are held and conducted by the Guarantors. All of our other subsidiaries have nominal assets and operations and are considered minor, as defined in Rule 3-10(h) of Regulation S-X. In addition, the Issuer has no independent assets or operations, as defined in Rule 3-10(h) of Regulation S-X. There are no significant restrictions upon the ability of any of our wholly owned subsidiaries to pay dividends to their respective parent entity. None of the assets of our subsidiaries represent restricted net assets pursuant to Rule 4-08(e)(3) of Regulation S-X. The supplemental guarantor information footnote in our Form 10-K for the year ended December 31, 2015 reflects the guarantor structure of our 4.375% senior notes due 2019 and our 5.875% senior notes due 2024, in which TRI Pointe Homes, Inc. is a co-issuer of such notes as opposed to a subsidiary guarantor.

As of the Issue Date, all of Issuer's Subsidiaries will be [Restricted Subsidiaries](#). Under the circumstances described below in the definition of [Unrestricted Subsidiaries](#), the Issuer will be permitted to designate certain of its Subsidiaries as [Unrestricted Subsidiaries](#). The Issuer's [Unrestricted Subsidiaries](#) will not be subject to any of the restrictive covenants in the indenture and will not guarantee the notes. See [Risk Factors Risks Related to the Notes](#). The notes and the guarantees will be unsecured and effectively subordinated to the Issuer's and the guarantors' existing and future secured indebtedness and structurally subordinated to any future indebtedness and other liabilities of the Issuer's subsidiaries that do not guarantee the notes.

The obligations of each Guarantor under its note guarantee will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Guarantor and after giving effect to any collections

from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its note guarantee or pursuant to its contribution obligations under the indenture, result in the obligations of such Guarantor under its note guarantee not constituting a fraudulent conveyance or fraudulent transfer under federal or state law. However, this provision may not be effective to protect the subsidiary

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guarantees from being voided under fraudulent conveyance law. Each Guarantor that makes a payment for distribution under its note guarantee is entitled to a contribution from each other Guarantor in a *pro rata* amount based on adjusted net assets of each Guarantor.

In the event (i) of a sale or other disposition of all of the assets of any Guarantor, by way of merger, consolidation or, otherwise, or a sale or other disposition of all of the Equity Interests of any Guarantor then held by the Issuer and the Restricted Subsidiaries to any Person other than the Issuer or a Restricted Subsidiary, (ii) any Guarantor merges with and into the Issuer or another Guarantor, with the Issuer or such other Guarantor surviving such merger, (iii) any Guarantor is designated as an Unrestricted Subsidiary, in accordance with the Indenture or otherwise ceases to be a Restricted Subsidiary (including by way of liquidation or dissolution) in a transaction permitted by the Indenture, (iv) any Guarantor ceases to guarantee any Indebtedness of the Issuer or any other Guarantor which gave rise to such Guarantor guaranteeing the Notes, except as a result of a discharge or release by or as a result of payment under such guarantee of such Indebtedness, (v) the Issuer exercises its Legal Defeasance option or Covenant Defeasance option as described under Legal Defeasance and Covenant Defeasance or (vi) all obligations under the Indenture are discharged in accordance with the terms of the Indenture as described under Satisfaction and Discharge, then, in each such case, such Guarantor will be released and relieved of any obligations under its guarantee.

Optional Redemption

Notes

The Issuer may, at its option, redeem the notes in whole at any time or in part from time to time, on at least 30 but not more than 60 days prior written notice, at a redemption price equal to the greater of:

100% of the principal amount of the notes being redeemed, or

the sum of the present values of the Remaining Scheduled Payments on the notes being redeemed, discounted to the date of redemption, on a semiannual basis, at the Treasury Rate plus 50 basis points (0.50%).

At any time on or after June 1, 2021 (30 days prior to the maturity date of the notes), the Issuer may redeem the notes, in whole at any time or in part from time to time, at 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest to the date of redemption.

The Issuer will also pay accrued interest on the notes being redeemed to the date of redemption. In determining the redemption price and accrued interest, interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Comparable Treasury Issue means the United States Treasury security selected by at least two Reference Treasury Dealers as having a maturity comparable to the remaining term of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the notes.

Comparable Treasury Price means, with respect to any redemption date, (a) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third Business Day preceding such redemption date, as set forth in the daily statistical release (or any successor release)

published by the Federal Reserve Bank of New York and designated Composite 3:30 p.m. Quotations for U.S. Government Securities or (b) if such release (or any successor release) is not published or does not contain such price on such Business Day, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if fewer than four such Reference Treasury Dealer Quotations are provided to the Issuer, the average of all such quotations.

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Reference Treasury Dealer means (a) Citigroup Global Markets Inc. and its successors and (b) any other Primary Treasury Dealer(s) selected by the Issuer; *provided, however*, that, if Citigroup Global Markets Inc. ceases to be a primary U.S. Government securities dealer in the United States (a **Primary Treasury Dealer**), the Issuer will substitute another Primary Treasury Dealer.

Reference Treasury Dealer Quotation means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Issuer, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by the Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

Remaining Scheduled Payments means, with respect to the notes, the remaining scheduled payments of the principal (or of the portion) thereof to be redeemed and interest thereon that would be due after the related redemption date of the notes but for such redemption; *provided, however*, that, if such redemption date is not an interest payment date with respect to the notes, the amount of the next succeeding scheduled interest payment thereon will be reduced by the amount of interest accrued thereon to such redemption date.

Treasury Rate means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

The Issuer may acquire notes by means other than a redemption, whether pursuant to an issuer tender offer, open market purchase or otherwise, so long as the acquisition does not otherwise violate the terms of the indenture.

Selection and Notice of Redemption

In the event that less than all of the notes are to be redeemed at any time pursuant to an optional redemption, selection of the notes for redemption will be made by the Trustee in compliance with the requirements of the depository or principal national securities exchange, if any, on which the notes are listed or, if the notes are not then listed on a national security exchange, on a *pro rata* basis, by lot or by such method as the Trustee shall deem fair and appropriate; *provided, however*, that no notes of a principal amount of \$2,000 or less shall be redeemed in part.

Notice of redemption may state that the redemption is conditioned upon the occurrence of other events, and will be mailed by first-class mail (or delivered electronically in accordance with the procedures of The Depository Trust Company) at least 30 but not more than 60 days before the date of redemption to each holder of the notes to be redeemed at its registered address (with a copy to the Trustee). If any note is to be redeemed in part only, the notice of redemption that relates to that note will state the portion of the principal amount of the note to be redeemed. A new note in a principal amount equal to the unredeemed portion of such note will be issued in the name of the holder of such note upon cancellation of the original note. On and after the date of redemption, interest will cease to accrue on notes or portions thereof called for redemption so long as the Issuer has deposited with the paying agent for such notes funds in satisfaction of the redemption price (including accrued and unpaid interest on such notes to be redeemed) pursuant to the indenture.

Change of Control

Upon the occurrence of a Change of Control Triggering Event, each holder of notes will have the right to require that the Issuer purchase that holder's notes for a cash price (the **Change of Control Purchase Price**) equal to 101% of the principal amount of the notes to be purchased, plus accrued and unpaid interest thereon, if any, to the date of purchase.

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Within 30 days following a Change of Control Triggering Event, the Issuer will send, or caused to be sent, to the holders of notes (with a copy to the Trustee) a notice:

- (1) describing the transaction or transactions that constitute the Change of Control;
- (2) offering to purchase, pursuant to the procedures required by the indenture and described in the notice, on a date specified in the notice (which shall be a business day not earlier than 30 days nor later than 60 days from the date the notice is mailed) and for the Change of Control Purchase Price, all notes under the indenture properly tendered by such holder pursuant to such change of control offer; and
- (3) describing the procedures that holders must follow to accept the change of control offer.

The change of control offer is required to remain open for at least 20 business days or for such longer period as is required by law.

The Issuer will publicly announce the results of the change of control offer on or as soon as practicable after the date of purchase.

If a change of control offer is made, there can be no assurance that the Issuer will have available funds sufficient to pay for all or any of the notes that might be delivered by holders seeking to accept the change of control offer. In addition, there can be no assurance that in the event of a Change of Control Triggering Event the Issuer will be able to obtain the consents necessary to consummate a change of control offer from the lenders under agreements governing outstanding Indebtedness which may prohibit the offer.

The provisions described above that require the Issuer to make a change of control offer following a Change of Control Triggering Event will be applicable regardless of whether any other provisions of the indenture are applicable. Except as described above with respect to a Change of Control Triggering Event, the indenture does not contain provisions that permit the holders of notes to require that the Issuer purchase or redeem any notes in the event of a takeover, recapitalization or similar transaction.

The Issuer's obligation to make a change of control offer will be satisfied if a third party makes the change of control offer in the manner and at the times and otherwise in compliance with the requirements applicable to a change of control offer made by the Issuer and purchases all notes properly tendered and not withdrawn under the change of control offer.

A Change of Control includes certain sales of all or substantially all of the assets of the Issuer and the Subsidiaries. The phrase "all or substantially all" as used in the indenture (including as set forth under "Certain Covenants Limitations on Mergers, Consolidations, Etc." below) varies according to the facts and circumstances of the subject transaction, has no clearly established meaning under New York law (which governs the indenture) and is subject to judicial interpretation. Accordingly, in certain circumstances there may be a degree of uncertainty in ascertaining whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Issuer, and therefore it may be unclear as to whether a Change of Control has occurred and whether the holders have the right to require the Issuer to purchase notes.

The Issuer will comply with applicable tender offer rules, including the requirements of Rule 14e-1 under the Exchange Act and any other applicable laws and regulations in connection with the purchase of notes pursuant to a change of control offer. To the extent that the provisions of any securities laws or regulations conflict with the "Change of Control" provisions of the indenture, the Issuer shall comply with the applicable securities laws and regulations and

will not be deemed to have breached its obligations under the Change of Control provisions of the indenture by virtue of this compliance.

Certain Covenants

In connection with the notes, the Issuer has not agreed to any financial covenants or any restrictions on the payment of dividends or the issuance or repurchase of the Issuer's securities. The Issuer has agreed to no

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covenants or other provisions to protect holders of notes in the event of a highly leveraged transaction, other than with respect to certain change in control transactions. See Change of Control.

Restrictions on Secured Debt

The indenture will provide that the Issuer will not, and will not cause or permit a Restricted Subsidiary to, create, incur, assume or guarantee any Secured Debt unless the notes will be secured equally and ratably with (or prior to) such Secured Debt, with certain exceptions. This restriction does not prohibit (and there shall be no obligation to equally and ratably secure the notes upon) the creation, incurrence, assumption or guarantee of Secured Debt which is secured by:

- (1) Liens on model homes, homes held for sale, homes that are under contract for sale, homes under development, contracts for the sale of homes and/or land (improved or unimproved), land (improved or unimproved), manufacturing plants, warehouses or office buildings and fixtures and equipment located thereat, or thereon;
- (2) Liens on property at the time of its acquisition by the Issuer or a Restricted Subsidiary, including Capitalized Lease Obligations and purchase money obligations, which Liens secure obligations assumed by the Issuer or a Restricted Subsidiary, or Liens on assets of a Person, in each case, existing at the time such property or Person is acquired or merged with or into or consolidated with the Issuer or any such Restricted Subsidiary (and, in each case, not created in anticipation or contemplation thereof);
- (3) Liens arising from conditional sales agreements or title retention agreements with respect to property acquired by the Issuer or a Restricted Subsidiary;
- (4) Liens incurred in connection with pollution control, industrial revenue, water, sewage or public improvement bonds or any similar bonds, or in connection with any agreements for the funding of infrastructure, including in respect of the issuance of community facility district bonds, metro district bonds, mello-roos bonds and subdivision improvement bonds, and similar bonds, in each case, arising in the ordinary course of business;
- (5) any right of a lender or lenders to which the Issuer 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 money of the Issuer or a Restricted Subsidiary with or held by such lender or lenders or its affiliates in the ordinary course of business;
- (6) Liens securing Indebtedness of a Restricted Subsidiary owed to the Issuer or to a Wholly Owned Restricted Subsidiary of the Issuer or Liens securing the Issuer's Indebtedness owing to a Guarantor; or
- (7) Liens securing Indebtedness in an aggregate principal amount not to exceed \$100.0 million at any one time outstanding.

Additionally, such permitted Secured Debt includes any amendment, restatement, supplement, renewal, replacement, extension or refunding in whole or in part, of Secured Debt permitted at the time of the original incurrence thereof.

In addition, the Issuer and its Restricted Subsidiaries may create, incur, assume or guarantee Secured Debt, without equally or ratably securing the notes, if immediately thereafter the sum of (1) the aggregate principal amount of all Secured Debt outstanding (excluding (i) Secured Debt permitted under clauses (1) through (7) above and (ii) any Secured Debt in relation to which the notes have been equally and ratably secured) and (2) all Attributable Debt in respect of Sale and Leaseback Transactions (excluding Attributable Debt in respect of Sale and Leaseback

Transactions satisfying the conditions set forth in clauses (1), (2) and (3) under Restrictions on Sale and Leaseback Transactions) as of the date of determination would not exceed 20% of Consolidated Net Tangible Assets.

The provisions described above with respect to limitations on Secured Debt are not applicable to Non-Recourse Land Financing by virtue of the definition of Secured Debt, and will not restrict or limit the Issuer s or its

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Restricted Subsidiaries ability to create, incur, assume or guarantee any unsecured Indebtedness, or of any subsidiary which is not a Restricted Subsidiary to create, incur, assume or guarantee any secured or unsecured Indebtedness.

Restrictions on Sale and Leaseback Transactions

The indenture will provide that the Issuer will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction, unless:

- (1) notice is promptly given to the Trustee of the Sale and Leaseback Transaction;
- (2) fair value is received by the Issuer or the relevant Restricted Subsidiary for the property sold (as determined in good faith pursuant to a resolution of the Board of Directors of the Issuer delivered to the Trustee); and
- (3) the Issuer or such Restricted Subsidiary, within 365 days after the completion of the Sale and Leaseback Transaction, applies an amount equal to the net proceeds therefrom either:

to the redemption, repayment or retirement of debt securities of any series under the indenture, any 4.375% senior notes due 2019 or any 5.875% senior notes due 2024 (including the cancellation by the applicable trustee of any debt securities of any series delivered by the Issuer to the applicable trustee) or Senior Indebtedness of the Issuer, or

to the purchase by the Issuer or any Restricted Subsidiary of the Issuer of property substantially similar to the property sold or transferred.

In addition, the Issuer and its Restricted Subsidiaries may enter into a Sale and Leaseback Transaction if immediately thereafter the sum of (1) the aggregate principal amount of all Secured Debt outstanding (excluding Secured Debt permitted under clauses (1) through (7) described in Restrictions on Secured Debt, above or Secured Debt in relation to which the notes have been equally and ratably secured) and (2) all Attributable Debt in respect of Sale and Leaseback Transactions (excluding Attributable Debt in respect of Sale and Leaseback Transactions satisfying the conditions set forth in clauses (1), (2) and (3) above) as of the date of determination would not exceed 20% of Consolidated Net Tangible Assets.

Limitations on Mergers, Consolidations, Etc.

The Issuer will not, directly or indirectly, in a single transaction or a series of related transactions, (a) consolidate or merge with or into (other than a merger that satisfies the requirements of clause (1) below with a Wholly Owned Restricted Subsidiary solely for the purpose of changing the Issuer's jurisdiction of incorporation to another State of the United States), or sell, lease, transfer, convey or otherwise dispose of or assign all or substantially all of the assets of the Issuer or the Issuer and its Restricted Subsidiaries (taken as a whole) or (b) adopt a plan of liquidation unless, in either case:

- (1) either:
 - (a) the Issuer will be the surviving or continuing Person; or

(b) the Person formed by or surviving such consolidation or merger or to which such sale, lease, conveyance or other disposition shall be made (or, in the case of a plan of liquidation, any Person to which assets are transferred) (collectively, the **Successor**) is a corporation or limited liability company organized and existing under the laws of any State of the United States of America or the District of Columbia, and the Successor expressly assumes, by a supplemental indenture in form satisfactory to the Trustee, all of the obligations of the Issuer under the notes and the indenture; *provided* that at any time the Successor is a limited liability company, there shall be a co-issuer of the notes that is a corporation; and

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(2) immediately after giving effect to such transaction and the assumption of the obligations as set forth in clause (1)(b) above and the incurrence of any Indebtedness to be incurred in connection therewith, no Default shall have occurred and be continuing.

Except as provided in the fourth paragraph under the caption Note Guarantees, no Guarantor may transfer all or substantially all of its assets to, consolidate with or merge with or into another Person, whether or not affiliated with such Guarantor, unless:

(1) either:

(a) such Guarantor will be the surviving or continuing Person; or

(b) the Person formed by or surviving any such consolidation or merger (the **Successor Guarantor**) assumes, by supplemental indenture in form satisfactory to the Trustee, all of the obligations of such Guarantor under the note guarantee of such Guarantor and the indenture; and

(2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing.

The Issuer shall deliver to the Trustee, on or prior to the consummation of a transaction proposed pursuant to clause (1)(b) of the first or second paragraph in this covenant, one or more opinions of counsel that the proposed transaction and such supplemental indenture comply with the indenture and the supplemental indenture constitutes the legal, valid and binding obligation of the Issuer, enforceable against it in accordance with its terms.

For purposes of the foregoing, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the assets of one or more Restricted Subsidiaries, the Equity Interests of which constitute all or substantially all of the assets of the Issuer, will be deemed to be the transfer of all or substantially all of the assets of the Issuer.

Upon any consolidation, combination or merger of the Issuer or a Guarantor, or any transfer of all or substantially all of the assets of the Issuer in accordance with the foregoing, in which the Issuer or such Guarantor is not the continuing obligor under the notes or its related note guarantees, the surviving entity formed by such consolidation or into which the Issuer or such Guarantor is merged or to which the conveyance, lease or transfer is made will succeed to, and be subs