# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, D.C. 20549**
# FORM 10-K

**(Mark One)**

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

**For the fiscal year ended December 31, 2020**

**OR**

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

**For the transition period from to**

**Commission file number: 001-38545**

# LANDSEA HOMES CORPORATION

**(Exact name of registrant as specified in its charter)**

| | |
|---|---|
| **Delaware** | **82-2196021** |
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification No.)** |
| **660 Newport Center Drive, Suite 300** | |
| **Newport Beach, California** | **92660** |
| **(Address of principal executive offices)** | **(Zip Code)** |

**Registrant's telephone number, including area code (949) 345-8080**

**Securities registered pursuant to Section 12(b) of the Act:**

| Title of each class | Trading symbol(s) | Name of each exchange on which registered |
|---|---|---|
| **Common Stock, $0.0001 par value per share** | **LSEA** | **The Nasdaq Capital Market** |
| **Warrants exercisable for Common Stock** | **LSEAW** | **The Nasdaq Capital Market** |

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☐ No ☒

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

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☐ |
| Non-accelerated Filer | ☒ | Smaller reporting company | ☒ |
| Emerging growth company | ☒ | | |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☐ No ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 30, 2020, the aggregate market value of the registrant's common stock held by non-affiliates was approximately $146,355,252.70 based on the closing sale price as reported on The Nasdaq Capital Market.

There were 46,231,025 shares of the registrant's common stock issued and outstanding as of the close of business on March 8, 2021.

**DOCUMENTS INCORPORATED BY REFERENCE**

The information required by Part III of this Report, to the extent not set forth herein, is incorporated herein by reference from the registrant's definitive proxy statement relating to the Annual Meeting of Stockholders to be held in 2021, which definitive proxy statement shall be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year to which this Report relates.

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## EXPLANATORY NOTE

Landsea Homes Corporation (formerly known as LF Capital Acquisition Corp. or "LF Capital") was originally incorporated on June 29, 2017 for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. On June 22, 2018, LF Capital consummated an initial public offering, after which its securities began trading on The Nasdaq Capital Market ("Nasdaq").

On January 7, 2021 (the "Closing Date"), Landsea Homes Corporation consummated the previously announced business combination pursuant to that certain Agreement and Plan of Merger dated August 31, 2020 (the "Merger Agreement"), by and among LF Capital, LFCA Merger Sub, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of LF Capital ("Merger Sub"), Landsea Homes Incorporated, a Delaware corporation ("Landsea"), and Landsea Holdings Corporation, a Delaware corporation (the "Seller" or "Landsea Holdings"), which provided for the merger of Merger Sub with and into Landsea, with Landsea continuing as the surviving corporation (the "Merger" and, together with the other transactions contemplated by the Merger Agreement, the "Business Combination").

In connection with the Business Combination, the registrant changed its name from LF Capital Acquisition Corp. to Landsea Homes Corporation, and Landsea changed its name from Landsea Homes Incorporated to Landsea Homes US Corporation. Following the Business Combination, Landsea Holdings Corporation beneficially holds a majority of the voting power of all outstanding shares of the common stock, par value $0.0001 per share, of Landsea Homes Corporation ("Common Stock"). Following the Closing Date, Landsea Homes Corporation changed the trading symbols for its Common Stock (formerly Class A common stock) and warrants on Nasdaq from "LFAC" and "LFAC-W" to "LSEA" and "LSEA-W."

Unless the context otherwise requires, references to "the Company," "we," "us" and "our" refer to LF Capital Acquisition Corp. prior to the closing of the Business Combination and to the post-combination company and its consolidated subsidiaries following the Business Combination, and "Landsea Homes" refers to the business of Landsea Homes Incorporated prior to the Business Combination. This Annual Report on Form 10-K (the "Annual Report") principally describes the business and operations of the Company following the Business Combination, other than the audited consolidated financial statements for the year ended December 31, 2020 and related Management's Discussion and Analysis of Financial Condition and Results of Operations of LF Capital prior to the Business Combination. Substantially concurrently with the filing of this Annual Report, we will be filing Amendment No. 1 to our Current Report on Form 8-K, initially filed on January 13, 2021, which will include the audited consolidated financial statements of Landsea Homes Corporation for the year ended December 31, 2020 and related Management's Discussion and Analysis of Financial Condition and Results of Operations. Interested parties should refer to our Current Report on Form 8-K for more information.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Report may constitute "forward-looking statements" within the meaning of the federal securities laws, including, but not limited to, our expectations for future financial performance, business strategies or expectations for our business, including as they relate to anticipated effects of the Business Combination. These statements constitute projections, forecasts and forward-looking statements, and are not guarantees of performance. Landsea Homes cautions that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Words such as "may," "can," "should," "will," "estimate," "plan," "project," "forecast," "intend," "expect," "anticipate," "believe," "seek," "target," "look" or similar expressions may identify forward-looking statements. Specifically, forward-looking statements may include statements relating to:

- the benefits of the Business Combination;
- the future financial performance of the Company following the Business Combination;
- changes in the market for Landsea Homes' products and services; and
- expansion plans and opportunities.

These forward-looking statements are based on information available as of the date of this Annual Report and our management's current expectations, forecasts and assumptions, and involve a number of judgments, risks and uncertainties that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described in Item 1A. Risk Factors of this Annual Report and subsequent filings with the Securities and Exchange Commission (the "SEC"), as well as:

- the ability to recognize the anticipated benefits of the Business Combination, which may be affected by, among other things, competition, the ability to integrate the combined businesses, and the ability of the combined business to grow and manage growth profitably;
- costs related to the Business Combination;
- the ability to maintain the listing of Landsea Homes' securities on Nasdaq;
- the outcome of any legal proceedings that may be instituted against the Company following consummation of the Business Combination;
- changes in applicable laws or regulations;
- the inability to launch new Landsea products or services or to profitably expand into new markets;
- the possibility that the Company may be adversely affected by other economic, business, and/or competitive factors; and
- other risks and uncertainties indicated in Landsea Homes' SEC reports or documents filed or to be filed with the SEC by Landsea Homes.

Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date, and you should not place undue reliance on these forward-looking statements in deciding whether to invest in our securities. We do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

## PART I

### Item 1. Business

#### Overview

We are a rapidly growing homebuilder focused on providing High Performance Homes that deliver energy efficient living in highly attractive geographies. Headquartered in Newport Beach, California, we primarily engage in the design, construction, marketing and sale of suburban and urban single-family detached and attached homes in California, Arizona and Metro New York. While we offer a wide range of properties, we primarily focus on entry-level and first-time move-up homes. We maintain a conservative capital structure and we believe our markets are characterized by attractive long-term housing fundamentals.

Building on the global homebuilding experience and environmentally focused strategy of Landsea Green Properties Co., Ltd. ("Landsea Green"), who indirectly owns 100% of our largest stockholder Landsea Holdings, we are driven by a pioneering commitment to sustainability. Drawing on new-home innovation and technology, including a partnership with a leading technology company, we are focused on sustainable, energy-efficient and environmentally friendly building practices that result in a lighter environmental impact, lower resource consumption and a reduced carbon footprint. The three pillars of our High Performance Homes platform are home automation, energy efficiency and sustainability. These pillars are reflected in such features as WiFi mesh networking, smart light switches, smart door locks, smart thermostats, WiFi garage door openers; LED lighting and upgraded insulation. Our efficient home designs help reduce lumber, concrete and building material waste on our jobsites.

Our communities are positioned in attractive markets like California and Arizona that, based on market conditions like low new home supply levels and high levels of employment relative to permits, are poised for growth. We are also prudently evaluating opportunities in new regional markets in which there is high demand and favorable population and employment growth as a result of proximity to job centers or primary transportation corridors. We are committed to achieving among the highest standards in design, quality and customer satisfaction and are a leader among our peers on several key operating and homebuilding metrics.

We have developed several award-winning master-planned communities. We have been recognized locally and nationally for our communities, including as recipient of the OC Register's Best Home Builder and Best New Home Community awards and placing in the top 3% of all homebuilders for positive customer experience in Eliant Homebuyers' survey.

While we have construction expertise across a wide array of product offerings, we are focused on entry-level and first-time move-up homes. Additionally, we believe our high concentration in entry-level homes positions us to meet changing market conditions and to optimize returns while strategically reducing portfolio risk. In addition, our attached and higher density product in certain markets enables us to keep our entry-level price point "attainable" and within reach of more new homebuyers. We believe that bringing attainable housing product helps to offset rising land and home costs and support our expansion into densely populated markets.

Landsea Homes' home sales revenue has grown rapidly from approximately $29 million in 2017 to $735 million in 2020. As of December 31, 2020, Landsea Homes owned or controlled almost 6,700 lots, of which more than 2,400 lots were under land option contracts or purchase contracts and more than 4,200 lots were owned. We believe that this represents approximately 3 to 4 years of supply under our current growth plan. We seek to invest in land inventory that we can efficiently develop over a 24-to-36-month horizon in order to maximize our returns on capital and minimize our exposure to market risk. We continue to evaluate new communities and to develop an attractive pipeline of land acquisition opportunities.

In California, Landsea Homes owned and controlled almost 1,800 lots as of December 31, 2020 in the high-demand San Francisco Bay Area and Los Angeles, Ventura, Orange and San Bernardino counties.

In Arizona, Landsea Homes owned and controlled more than 4,800 lots as of December 31, 2020. Since entering the Arizona market less than two years ago, Landsea Homes has acquired several communities organically in addition to two Phoenix-based homebuilders. In June 2019, Landsea Homes acquired Pinnacle West Homes ("Pinnacle West"), a homebuilder focused in the Phoenix market. In January 2020, Landsea Homes acquired Garrett Walker Homes ("Garrett Walker"), a leading homebuilder and brand also in the metropolitan Phoenix area that boasts a management team with decades of combined homebuilding experience. These acquisitions expanded our portfolio and breadth in the Arizona market. As a result of these acquisitions, we have become one of the largest homebuilders in Arizona.

In Metro New York, after giving effect to the Distribution (as defined below), Landsea Homes owned 50 lots as of December 31, 2020 related to one project in Manhattan, and almost 40 lots within LS-NJ Port Imperial Member, LLC (the "Avora JV"), an unconsolidated joint venture.

Net new home orders for Landsea Homes for the years ended December 31, 2020 and December 31, 2019 were approximately 1,900 and 480, respectively. For the year ended December 31, 2020, Landsea Homes delivered more than 1,500 homes for total home sales revenue of $735 million. For the year ended December 31, 2019, Landsea Homes delivered nearly 600 homes for total home sales revenue of $569 million.

For the years ended December 31, 2020 and 2019, the average selling price ("ASP") of homes delivered was approximately $481,000 and $953,000, respectively. As of December 31, 2020 and December 31, 2019, Landsea Homes had a backlog of 750 and 121 sold but unclosed homes, respectively with an associated sales value of $389 million and $84 million. The average selling price of homes in backlog as of December 31, 2020 and December 31, 2019 was approximately $519,000 and $694,000, respectively.

**Metro New York**

On June 30, 2020, Landsea Homes effectuated a distribution (the "Distribution"), pursuant to which Landsea Urban LLC, a wholly-owned subsidiary of Landsea Homes, distributed 100% of its membership interests in LS-212 West 93 Member LLC (the "212 Project Entity") to Landsea Holdings. The 212 Project Entity owns 20 condo units in Manhattan that are currently under construction. The total assets, liabilities, and equity of the 212 Project Entity as of the date of Distribution were $50 million, $21 million and $29 million, respectively.

We are currently a joint venture partner in LS-14 Ave JV LLC (the "14$^{th}$ Street JV"), that has a development project located at 14th Street and 6$^{th}$ Ave., New York (the "14$^{th}$ Street Project"). The 14$^{th}$ Street JV is 95.89% held by us and owns 50 condo units and a retail space in Manhattan that are currently under construction and nearing "top off."

We are currently a joint venture partner in the Aurora JV, that has a development project located on the New Jersey Gold Coast in the city of Weehawken (the "Avora Project"). The Avora JV is 51% held by us and owns 39 condo units, of which 35 were unsold as of December 31, 2020.

**Our Markets**

We operate in three primary markets: California, Arizona and Metro New York. The following table sets forth homebuilding revenue from each of these markets for the years ended December 31, 2020, 2019 and 2018 (in thousands):

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| Arizona (1) | $ 320,691 | $ 40,024 | $ - |
| California (2) | 413,917 | 528,848 | 347,828 |
| Metro New York (3) | - | - | - |
| | $ 734,608 | $ 568,872 | $ 347,828 |

(1) The Arizona market consists primarily of entry-level, single-family homes in Goodyear, Buckeye, Chandler, Mesa, Avondale, Tolleson, Queen Creek and Phoenix counties in Arizona.

(2) The California market consists of single-family detached and attached homes in (i) Marin, Santa Clara, Contra Costa and Alameda counties in Northern California and (ii) Orange, Los Angeles, Ventura and San Bernardino counties in Southern California.

(3) The Metro New York market consists of two condominium projects in premier locations: Chelsea, New York and Weehawken, New Jersey along the gold coast. The Avora Project in Weehawken is an unconsolidated joint venture.

These markets are generally characterized by high job growth and increasing populations, creating strong demand for new housing, and we believe they represent attractive homebuilding markets with opportunities for long-term growth. Moreover, our management team has deep local market knowledge of the California and Arizona homebuilding and development industries. We believe this experience and strong relationships with local market participants enable us to efficiently source, entitle and close on land.

**Impact of COVID-19**

The spread of a novel strain of coronavirus ("COVID-19") around the world caused significant volatility in the U.S. market beginning in early 2020. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. economy. The homebuilding industry was impacted by COVID-19, which saw reduced levels of orders and deliveries primarily in March, April and May 2020, with partial recovery beginning in June 2020.

During the first and second quarters of 2020, when restrictive stay-at-home orders were in place for many markets across the United States, we experienced meaningful increases in sales cancellations and decreases in sales orders, particularly in California and New York. However, as economic activity began to resume and restrictive orders began to be lifted, our pace of sales increased and our cancellation rate returned to normal levels. For the fourth quarter of 2020, we had almost 600 home deliveries and home sales revenues of $284.7 million, as compared to less than 300 home deliveries and home sales revenues of $136.3 million in the first quarter of 2020, less than 250 home deliveries and home sales revenues of $95.1 million in the second quarter of 2020, and more than 400 home deliveries and home sales revenues of $218.5 million in the third quarter of 2020.

We believe the increase in demand in the third and fourth quarters of 2020 was fueled by increased buyer urgency due to lower interest rates on mortgage loans, the limited supply of homes at affordable price points across most of our markets and to some extent the lower levels of home sales from mid-March through early April, which caused some pent-up demand. We were and remain well positioned for increased demand with our affordable product offerings, lot supply and housing inventory.

In response to the pandemic and government restrictions, we implemented new operating measures relating to our sales, construction and other operations. Under these measures, we shifted our sales process to offer additional virtual online tours and appointments and, where permitted, appointment-only, in-person meetings intended to comply with social distancing and other health and safety requirements and protocols. We have also instituted social distancing, hygiene and sanitation guidelines in accordance with recommended protocols throughout the organization. We have encouraged employees at our corporate and division offices whose duties could be performed from home to work remotely, and we have implemented flexible schedules for employees that are permitted by applicable government orders or guidelines to be back in our corporate and division offices to limit the number of individuals in our offices on a given day. We have also encouraged our employees to use our virtual working and communication platforms in lieu of holding in-person meetings whenever possible.

Construction and sale of residential real estate has been determined to be an essential business in many of the regions in which we operate, and accordingly our operations, other than in certain markets during March and April 2020, have been exempted from certain health orders. There is still uncertainty regarding the extent and duration of the COVID-19 pandemic, as the situation has continued to evolve, and associated government and consumer responses have remained in a state of flux, especially in light of recent spikes in infections in key markets and the rollout of vaccines. In addition, because the full magnitude and duration of the COVID-19 pandemic is uncertain and difficult to predict, changes in our cash flow projections may change our conclusions on the recoverability of inventory in the future.

**Our Competitive Strengths**

Our primary business objective is to create long-term, above industry average returns for our stockholders through our commitment to securing growth-oriented land positions, imposing strong operational discipline and control and providing High Performance Homes to our customers. We believe that the following strengths differentiate us from other public company homebuilders and position us well to execute our business strategy and capitalize on opportunities across our footprint:

***Attractive Land Positions Focused on High Growth***

We have positioned our business to strategically grow by selecting markets with favorable population and employment growth as a result of proximity to job centers or primary transportation corridors. Currently, we are focused on the design, construction and sale of innovative single-family detached and attached homes in planned communities in major metropolitan areas in California and Arizona. Additionally, we plan to evaluate opportunities in other markets opportunistically.

Generally, we believe that we have strong land positions strategically located within our core markets. We select communities in markets across the United States with high demand and convenient access to metropolitan areas that are generally characterized by a robust local economy and continued job growth, attraction of new residents and opportunities for potential homebuyers.

***Strong Operational Discipline and Controls***

Our management team possesses significant operating expertise, gleaned from its experiences with much larger public homebuilders. The perspective gained from that experience has helped shape the strict discipline and hands-on approach with which we are managed. From real-time "dashboard" updates on each project to monthly operating committee review and financial accountability at the project management level, our strict operating discipline is a key part of our strategy to maximize returns while minimizing risk.

***High Performance Homes***

We are committed to sustainability. We place heavy emphasis on environmental protection and are committed to delivering comfortable and eco-friendly residential properties to the market. Landsea Green has received numerous awards and recognition for various properties and enjoys broad recognition among its customers as one of the few brand names representative of eco-friendly building design and construction.

We are committed to sustainable building practices and conduct a multitude of energy-efficient, sustainable and environmentally-friendly practices that result in a lighter environmental impact, lower resource consumption and a reduced carbon footprint.

In 2019, Landsea Homes officially launched a High Performance Homes program in select communities across California and Arizona. The new program focuses on home automation, sustainability and energy savings, three factors that we believe are highly desired by our customers.

As part of the High Performance Homes program, we have established a partnership with a leading technology company. High Performance Homes utilize such company's proprietary software, which offers home automation options through applications on homebuyers' mobile phones. Smart home automation options include a media manager device, MeshNet wireless internet throughout the home, entry door locks, thermostat control, garage door opener control, light dimmer switches, doorbell camera pre-wire and high-touch customer service with an individualized training session.

In addition, each High Performance Home includes upgraded roof insulation, upgraded wall insulation, upgraded floor insulation, more efficient mechanical systems, ENERGY STAR® rated appliances and LED lighting. The cost-in-use features lower homebuyers' monthly bills and are intended to encourage environmental awareness and stewardship.

**Our Growth Strategies**

Building upon our success to date, we see a significant opportunity to drive long-term growth across our business by executing on the following growth strategies:

***Strategy and Lot Position***

Landsea Homes owned approximately 4,200 lots and had options to purchase an additional 2,400 lots, approximately, as of December 31, 2020. We intend to continue to utilize our current inventory of lots and future land acquisitions to conduct our operating strategy, which consists of:

- converting our lot supply into active projects;
- maximizing revenue at communities;
- maintaining a low cost structure;
- acquiring land positions through disciplined acquisition strategies in key markets;
- leveraging an experienced management team;
- gaining access to growth capital while keeping a conservative leverage profile; and
- generating positive cash flows.

***Acquire Attractive Land Positions While Reducing Risk***

We believe that our reputation and extensive relationships with land sellers, master plan developers, financial institutions, brokers and other builders will enable us to continue to acquire well-positioned land parcels in our target markets. Before contracting to acquire land, we complete our land acquisition process, which consists of performing due diligence, reviewing the status of entitlements to mitigate zoning and other development risk and focusing on land as a component of a home's cost structure, rather than on the land's speculative value.

We believe that our expertise in land development and planning enables us to create desirable communities that meet or exceed our target customer's expectations, while operating at competitive costs. We also seek to minimize our exposure to land risk through disciplined management of entitlements, as well as the use of land options and other flexible land acquisition arrangements.

We believe that there are significant opportunities to expand in our existing and target markets, and we continually review our selection of markets based on both aggregate demographic information and our own operating results. We use the results of these reviews to reallocate our investments to maximize our profitability and return on capital over a two to three year timeframe. Our growth strategy will focus on increasing our market position in our existing markets and exploring expansion into other markets through organic growth or acquisitions.

***Offer a Diverse Range of Products with a Focus on Entry-Level and First Move-Up***

While 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, we are currently focused on entry-level and first-time move-up homes. We believe our high concentration in entry level and first-time move-up homes positions us to meet changing market conditions and to optimize returns while strategically reducing portfolio risk. In addition, our attached and higher density product in certain markets enables us to keep our entry-level price point "attainable" and within reach of more new homebuyers. We believe that bringing attainable housing products helps to counter rising land and home costs and support our expansion into densely populated markets.

We spend extensive time studying and designing our products through the use of architects, consultants and homeowner focus groups in our target markets. Our focus on entry-level and first-time move-up homes is a part of our "pyramid" strategy in which the largest ratio of communities of entry level homes forms the base of the pyramid, followed by first move-up and second move-up. At the top of the pyramid are our luxury homes that are the lowest in count and most selective in opportunistic locations.

***Focus on Efficient Cost Structure and Target Attractive Returns***

We believe that our homebuilding platform and focus on controlling costs position us well to generate attractive returns for our investors. Our experienced management team is vigilant in maintaining its focus on controlling costs. We competitively bid each phase of development while maintaining strong relationships with our trade partners by managing production schedules closely and paying our vendors on time.

We combine decentralized management in those aspects of our business where we believe detailed knowledge of local market conditions is critical (such as governmental processing, construction, land development, accounts payable and sales and marketing), with centralized management in those functions where we believe central control is required (such as approval of land acquisitions, financial, treasury, human resources and legal matters). We have also made significant investments in systems and infrastructure to operate our business efficiently and to support our planned future growth as a result of executing our expansion strategy.

**Description of Projects and Communities Under Development**

The following table presents project information relating to each of Landsea Homes' homebuilding markets as of December 31, 2020 and includes certain information that is forward-looking or predictive in nature and is based on expectations and projections about future events. Such information is subject to a number of risks and uncertainties, and actual results may differ materially from those expressed or forecast in the table below.

| | Backlog (1) | Lots Owned or Controlled (2) | Homes Closed for Year Ended December 31, 2020 | Estimated Average Sales Price Range (3) |
|---|---|---|---|---|
| California | $ 216,410 | 1,766 | 423 | $ 979 |
| Arizona | 172,932 | 4,864 | 1,104 | 290 |
| Metro New York | - | 50 | - | |
| **GRAND TOTALS** | $ 389,342 | 6,680 | 1,527 | $ 481 |

(1) Backlog consists of homes sold under sales contracts that have not yet delivered, and there can be no assurance that delivery of sold homes will occur.

(2) Lots owned or controlled as of December 31, 2020 include lots in backlog. Certain lots controlled are under land banking arrangements which will become owned and begin producing deliveries during 2021. Actual homes at completion may change prior to the marketing and sales of homes in these projects and the sales price ranges for these projects are to be determined and will be based on current market conditions and other factors upon the commencement of active selling. There can be no assurance that we will acquire any of the controlled lots reflected in these amounts.

(3) Estimated average sales price range reflects historical actuals for delivered homes and current pricing estimates for homes not yet delivered and might not be indicative of future pricing. Further, any potential benefit to be gained from an increase in sales prices as compared to previously estimated amounts may be offset by increases in costs, selling commissions and other factors.

**Pending Acquisitions**

As of December 31, 2020, Landsea Homes had options to acquire or were under contract to acquire land for an aggregate purchase price of approximately $257.6 million (net of deposits) on which it expects to build almost 2,500 homes in approximately 20 new communities in California and Arizona. As of December 31, 2020, Landsea Homes had paid $32.0 million in deposits relating to these pending acquisitions of which $31.0 million was nonrefundable.

**Acquisition Process**

As of December 31, 2020, Landsea Homes owned or controlled approximately 60 communities containing almost 6,700 lots under various stages of development. We believe that our current inventory of owned and controlled lots and lots under land option or purchase contracts will be adequate to supply our homebuilding operations for approximately three to four years.

Our acquisition strategy focuses on the development of entitled parcels that we can complete within approximately two to three years from the start of sales in order to reduce development and market cycle risk while maintaining an inventory of owned lots and lots under land option or purchase contracts sufficient for construction of homes over a three to four-year period. Our acquisition process generally includes the following steps to reduce development and market cycle risk:

1. review of the status of entitlements and other governmental processing, including title review;
2. limitation on the size of an acquisition to minimize investment levels in any one project;
3. completion of due diligence on the land parcel and/or holding entity prior to committing to the acquisition;
4. preparation of detailed budgets for all cost categories;
5. completion of environmental reviews and third-party market studies;
6. utilization of options, joint ventures, mergers, equity purchases and other acquisition arrangements, if necessary; and
7. employment of centralized control of approval over all acquisitions through a land committee process.

Before purchasing a land parcel or entity, we also engage outside consultants to help review our proposed acquisition and design our homes and communities.

We acquire land parcels pursuant to purchase agreements, many of which are structured as option contracts. Such option contracts require us to pay non-refundable deposits, which can vary by transaction, and entitle (but do not obligate) us to acquire the land typically at fixed prices. The term within which we can exercise our option varies by transaction and the acquisition is often contingent upon the completion of entitlement or other work with regard to the land (which often include “backbone” improvements, such as the installation of main roads or sewer mains). Depending upon the transaction, we may be required to purchase all of the land subject to the option at once or we may have a right to acquire identified groups of lots over a specified timetable. In some transactions, a portion of the consideration that we pay for the land may be in the form of a profit share, which would be triggered upon exceeding an agreed-upon level of profit. In limited instances such as where we acquire land from a master developer that is part of a larger project, the seller may have repurchase rights entitling it to repurchase the land if we do not develop the land by an outside deadline (unless the delay is caused by certain circumstances outside our control) or seek to sell the land directly to a third party or indirectly through a change in control. Repurchase rights typically allow the seller to repurchase the land at our acquisition cost plus the cost of improvements made to the land and less a specified discount.

**Sales and Marketing**

We market homes through the extensive use of advertising and other promotional activities, including our website (www.landseahomes.com), in-house sales teams, mass-media advertisements, brochures, direct mail and the placement of signboards in the immediate areas of developments.

We normally build, decorate, furnish and landscape model homes for each product line and maintain on-site sales offices, which typically are open seven days a week. We believe that model homes and sales offices play a particularly important role in our marketing efforts. Consequently, we expend a significant amount of effort to create an attractive atmosphere at our model homes and tailor the exteriors and interiors of each home to coincide with the lifestyles of targeted homebuyers.

We employ in-house commissioned sales personnel and occasionally outside brokers to sell our homes. In-house sales personnel typically work from sales offices located in model homes close to or in each community. Sales representatives assist potential buyers by providing them with basic floor plans, price information, development and construction timetables, tours of model homes and the selection of options. Sales personnel are licensed by the applicable real estate bodies in their respective markets, are trained by us and generally have had prior experience selling new homes in the local market.

We also offer a virtual sales experience, which provides potential home shoppers with a "you are here" experience that combines a variety of online tools, including 360° virtual tours, photo galleries, videos, interactive floor plans, site maps and local area maps. We employ a team of dedicated inside sales counselors who support all division and community web leads, phone calls, and on-site appointments, seven (7) days a week. For the year ended December 31, 2020, Landsea Homes' virtual sales team managed almost 3,000 on-site appointments, 1,900 net orders, 39,000 direct phone calls, and 836,000 unique web users.

Our residences are typically sold before or during construction through sales contracts accompanied by a small cash deposit. Such sales contracts are usually subject to certain contingencies such as the buyer's ability to qualify for financing. The cancellation rate of buyers who contracted to buy a home but did not close escrow at Landsea Homes was approximately 12.7% during 2020 and 12.4% during 2019. Cancellations are caused by a variety of factors beyond our control such as a buyer's change in ability to secure financing over time, individual life changing events, or overall economic market conditions.

In addition, our High Performance Homes are equipped with a proprietary software from a leading technology company, which offers home automation features through applications on homebuyers' mobile phones. Such software comprises a significant portion of the High Performance Homes program, which is central to our marketing strategy.

**Customer Financing**

We seek to assist our homebuyers in obtaining financing by arranging with certain preferred mortgage lenders to offer qualified buyers a variety of financing options. These arrangements with preferred mortgage lenders are informal and non-binding. Unlike other homebuilders, we do not offer residential mortgages or other financing alternatives, whether directly or through any of our joint ventures. Instead, we offer certain incentives to our homebuyers if they go through preferred mortgage lenders. Using preferred mortgage lenders affords us greater control and transparency, as well as possible options that may not otherwise be made available by other mortgage lenders.

The following is a summary of our preferred lending relationships by region:

Northern California: We offer qualified homebuyers up to $2,500 towards closing costs if they use the preferred mortgage lender, Wells Fargo.

Southern California: We offer qualified homebuyers $5,000 to $10,000 towards closing costs if they use the preferred mortgage lender, Loan Depot, and the preferred title providers, First American and Fidelity (depending on community). Of this amount, the preferred mortgage lender contributes $2,500 and we contribute the balance.

Arizona: We offer qualified homebuyers $5,000 towards closing costs if they use the preferred mortgage lenders, NFM Inc. and VIP Mortgage (depending on community), and the preferred title providers, First American and DHI Title (depending on community). Of this amount, the preferred mortgage lender contributes $3,000 and we contribute the balance.

Metro New York: We do not have a preferred mortgage lender and do not offer closing cost incentives to our homebuyers.

Substantially all homebuyers utilize long-term mortgage financing to purchase a home and mortgage lenders will usually make loans only to qualified borrowers.

**Quality Control and Customer Service**

We strive to provide a high level of customer service throughout the entire sales process and after a home has closed escrow. The participation of the sales representatives, on-site construction supervisors and the post-closing customer service personnel, working in a team effort, is intended to foster our reputation for quality and service and ultimately lead to an overall better customer home-buying experience that will benefit not only the customer directly, but also benefit us in improving buyer retention and future homeowner referrals.

**Warranty Program**

We provide our homebuyers with a limited warranty, covering workmanship and materials. The scope and duration of the limited warranty varies based on the location of the project. This limited warranty covers "construction defects," as defined in the limited warranty agreement provided to each home buyer, for the length of its legal liability for such defects (which may be up to ten years in some circumstances), as determined by the law of the state in which we build. The limited warranty covering construction defects is transferable to subsequent buyers not under direct contract with us and requires that homebuyers agree to the definitions and procedures set forth in the warranty, including the submission of unresolved construction-related disputes to binding arbitration.

In connection with the limited warranty covering construction defects, we maintain general liability insurance coverage. We believe that our insurance policies will respond to construction defect claims on homes that close during each policy period for the duration of our legal liability, upon satisfaction of the applicable self-insured retention. In California, each of our insurance policies provides a single wrap-up policy of insurance to us and our subcontractors. As a result, we are not required to obtain proof of insurance from our subcontractors nor be named as an additional insured under their individual insurance policies regarding the subcontractors' general liability policies for work on our projects. The subcontractors still must provide proof of insurance regarding general liability coverage for off-site work, worker's compensation and auto coverage. Furthermore, we generally require that each subcontractor and design professional agreement provide us with an indemnity, subject to various limitations. In Arizona, we maintain excess liability insurance covering products and completed operations and obtain indemnities and certificates of insurance from subcontractors generally covering claims related to damages resulting from faulty workmanship and materials. In addition, we maintain warranty and other reserves for homes based on our historical market experience and judgment of the risks associated with the types of homes built.

There can be no assurance, however, that the terms and limitations of the limited warranty will be enforceable against the homebuyers, that we will be able to renew our insurance coverage or renew it at reasonable rates, that we will not be liable for damages, the cost of repairs and/or the expense of litigation surrounding possible construction defects, soil subsidence or building-related claims or that claims will not arise out of uninsurable events not covered by insurance and not subject to effective indemnification agreements with our subcontractors and design professionals or that such subcontractors and design professionals will be viable entities at the time of the claim. Although we actively monitor our insurance reserves and coverage, because of the uncertainties inherent to these matters, we cannot provide assurance that our insurance coverage, our subcontractors' indemnities and warranty arrangements, and our reserves will collectively be adequate to address all warranty and construction defect claims in the future. In addition, contractual indemnities with subcontractors may be difficult to enforce. We may also be responsible for applicable self-insured retentions and some types of claims may not be covered by insurance or may exceed applicable coverage limits. Additionally, the coverage offered by and the availability of products and completed operations excess liability insurance for construction defects is currently limited and costly. This coverage may be further restricted or become more costly in the future.

**Raw Materials**

Typically, the raw materials and most of the components used in our business are readily available in the United States. Most are standard items carried by major suppliers. However, a rapid increase in the number of homes started or other market conditions could cause delays in the delivery of, shortages in, or higher prices for necessary materials. Delivery delays or the inability to obtain necessary materials could result in delays in the delivery of homes under construction. We have established national and regional purchase programs for certain materials and will continue to monitor the supply markets to achieve competitive pricing.

**Intellectual Property**

We rely on a combination of trademark and copyright law, trade-secret protection, and confidentiality, nondisclosure, license agreements and/or other contractual provisions and technical measures with our employees, customers, partners, and others to protect our proprietary rights. We have registered, or applied for the registration of, a number of U.S. domain names, trademarks, service marks, and copyrights. We also use the "Landsea" trademark pursuant to an exclusive license and its terms as granted under the License Agreement described below. While all of these proprietary rights are important to our operations, we do not consider any particular trademark, license, franchise, or concession to be material to our overall business.

**Sale of Lots and Land**

In the ordinary course of business, we continually evaluate land sales and have sold and expect that we will continue to sell land as market and business conditions warrant. We may also sell both multiple lots to other builders (bulk sales) and improved individual lots for the construction of custom homes where the presence of such homes adds to the quality of the community. In addition, in the future we may acquire sites with commercial, industrial and multi-family parcels which will generally be sold to third-party developers.

**Information Systems and Controls**

We assign a high priority to the development and maintenance of our budget and cost control systems and procedures. Through our fully integrated accounting, financial and operational management information system, management regularly evaluates the status of our projects in relation to budgets to determine the cause of any variances and, where appropriate, adjusts our operations to capitalize on favorable variances or to limit adverse financial impacts.

**Regulation**

We and our competitors are subject to various local, state and federal statutes, ordinances, rules and regulations concerning zoning, building design, construction and similar matters, including local regulation which imposes restrictive zoning and density requirements in order to limit the number of homes that can ultimately be built within the boundaries of a particular project. We and our competitors may also be subject to periodic delays or may be precluded entirely from developing in certain communities due to building moratoriums or "slow-growth" or "no-growth" initiatives that could be implemented in the future in the states in which we operate. Because we usually purchase entitled land, we believe that the moratoriums would adversely affect us only if they arose from unforeseen health, safety and welfare issues such as insufficient water or sewage facilities. Local and state governments also have broad discretion regarding the imposition of development fees for projects in their jurisdiction. However, these are normally locked-in when we receive entitlements.

We and our competitors are also subject to a variety of local, state and federal statutes, ordinances, rules and regulations concerning protection of health and the environment. The particular environmental laws which apply to any given community vary greatly according to the community site, the site's environmental conditions and the present and former uses of the site. These environmental laws may result in delays, cause us and our competitors to incur substantial compliance and other costs and prohibit or severely restrict development in certain environmentally sensitive regions or areas. Environmental laws and regulations can also have an adverse impact on the availability and price of certain raw materials such as lumber. Our projects in California and New York are especially susceptible to restrictive government regulations and environmental laws. California, for example, includes a ten-year, strict liability tail on many construction liability claims and imposes notification obligations respecting environmental conditions, sometimes recorded on deeds, and also those required to be delivered to persons accessing property or to home buyers or renters, which may cause some persons, or their financing sources, to view the subject parcels as less valuable or as impaired. However, environmental laws have not, to date, had a material adverse impact on our operations.

**Competition**

The homebuilding industry is highly competitive and fragmented. While our competitors vary by market, we compete directly with major national builders such as KB Home, Lennar Corp., Tri Pointe Homes, Inc., PulteGroup, Inc. and D.R. Horton, Inc. Homebuilders compete for, among other things, homebuyers, desirable land parcels, financing, raw materials and skilled labor. We compete for homebuyers on the basis of a number of interrelated factors including home design and location, construction quality, customer service and satisfaction and reputation. We believe that we compete effectively in our existing markets as a result of our product differentiation through environmentally focused technology homebuilding, home automation, geographic diversity and substantial development expertise. Further, we believe that we are adept at acquiring and integrating existing homebuilders based on our recent acquisition history, allowing us to grow both organically and via acquisition.

**Seasonality**

Our operations are historically seasonal, with the highest new order activity typically occurring in the spring and summer, although this is impacted by the timing of project openings and competition in surrounding projects, among other factors. In addition, a majority of our home deliveries typically occur in the third and fourth quarter of each fiscal year, based on the construction cycle times of our homes. As a result, our revenues, cash flow and profitability are higher in that same period. We expect this seasonal pattern to continue over the long-term, although it may be affected by volatility in the homebuilding industry.

**Employees and Human Capital Resources**

We believe that we maintain strong relations with our employees. Some employees of the subcontractors we utilize are unionized, but none of our employees are unionized.

*Number of Employees*. As of December 31, 2020, Landsea Homes employed 253 employees, including corporate staff, supervisory personnel of construction projects, warranty service personnel for completed projects, as well as persons engaged in administrative, finance and accounting, human resources, legal, sales and marketing activities. 252 of these employees were full-time employees.

*Retention and Turnover*. We focus significant attention on attracting and retaining talented and experienced individuals to manage and support our operations, and our management team routinely reviews employee turnover rates at various levels of the organization. As of December 31, 2020, with a 12-month lookback period, Landsea Homes had a voluntary turnover rate of approximately 14.6%. In total, during this period, Landsea Homes had an involuntary turnover rate of approximately 18.2%, which was largely attributable to corporate restructuring to reduce overhead in response to the COVID-19 pandemic, representing approximately 12.6% of its workforce. During this period, approximately 5.1% of involuntary turnover was the result of operational restructuring of overlapping functions as a result of Landsea Homes' recent acquisition of Garrett Walker.

*Internal Promotion and Compensation*. Every year, each manager helps set his or her employees' professional goals for internal promotion, and monitors employees' progress throughout the year. Employee compensation is determined based on industry benchmarks and cost of living factors. Bonus incentives are primarily paid out annually based on division performance goals. We recommend and promote continuing education for all employees, and offers tuition reimbursement for job-related curriculum.

*Employee Productivity.* Senior management works with department level leads to appropriately tailor and establish annual, quarterly, and monthly goals, depending on position. These metrics are actively monitored via the use of third-party service providers and internal workflow programs. In addition, division level leads regularly meet with staff on a weekly basis to discuss workplace metrics. We also utilize a number of third-party services providers to track employee metrics.

*Worker Safety and Compliance with Laws.* We actively train our employees and management on workplace safety and related laws and regulations. With respect to workplace safety, we utilize a third-party vendor to ensurecompliance with California/Occupational Safety and Health Administration ("OSHA") and federal OSHA safety requirements. Internally, we have a formal safety committee that meets quarterly to review employee safety protocols. During the COVID-19 pandemic, we adopted office and field safety guidelines, supplied personal protective equipment to all staff and implemented work from home protocols as recommended by the Centers for Disease Control and Prevention. With respect to compliance with employment related laws and regulations, we continuously provide management training on leadership development, the progressive discipline process, and updates on labor laws, protected leaves and wage and hour rules. In addition, each of our employees is required to complete a two-hour harassment prevention training.

**Business Combination**

On the Closing Date, Landsea Homes Corporation (formerly known as LF Capital Acquisition Corp.), consummated the Business Combination pursuant to that certain Merger Agreement, by and among the Company, Merger Sub, Landsea and the Seller. As contemplated by the Merger Agreement, Merger Sub merged with and into Landsea, with Landsea continuing as the surviving entity. In connection with the merger of Merger Sub, Landsea changed its name to Landsea Homes US Corporation. As a result of the Merger, the Company owns 100% of the outstanding common stock of Landsea and each share of common stock of Landsea has been cancelled and converted into the right to receive a portion of the consideration payable in connection with the Merger. In connection with the closing of the Business Combination, (a) the Company owns, directly or indirectly, 100% of the stock of Landsea and its subsidiaries and (b) the Seller holds approximately 71% of our Common Stock.

In connection with the Business Combination, the Company changed its name from LF Capital Acquisition Corp. to "Landsea Homes Corporation."

On December 15, 2020, the Company's stockholders, at a special meeting of the Company, approved and adopted the Merger Agreement, and approved the Business Combination proposal and the other related proposals presented in the definitive proxy statement filed with the SEC on November 23, 2020.

The aggregate merger consideration paid by the Company to the Seller in connection with the consummation of the Business Combination was approximately $344 million of stock consideration (the "Merger Consideration"), consisting of approximately 32,557,303 newly-issued shares of our Common Stock, which shares were valued at $10.56 per share for purposes of determining the number of shares payable to the Seller for its ownership interests therein. Additionally, concurrent with the closing of the Business Combination, the Company also paid 250,415 newly-issued shares of our Common Stock to certain investors, in connection with the Forward Purchase and Subscription Agreements (described below).

**Related Agreements**

*Forward Purchase and Subscription Agreements*

Concurrently with the execution of the Merger Agreement, the Company and Level Field Capital, LLC, a Delaware limited liability company (the "Sponsor") entered into Forward Purchase and Subscription Agreements with certain investors ("FPSA Investors"), whereby each of the FPSA Investors (i) committed to purchase certain amounts of shares of Class A common stock from public stockholders or in the open market or in privately negotiated transactions at or less than $10.56 per share, inclusive of any fees and commissions (the "Purchase Allocation"), which in the aggregate total a commitment to purchase $35 million in shares of Class A common stock, (ii) vote its Class A common stock owned prior to the record date (up to the Purchase Allocation) in favor of the proposals in furtherance of the Business Combination, and (iii) not transfer or redeem its Class A common stock acquired pursuant to the Forward Purchase and Subscription Agreement prior to the consummation of the Business Combination or if the Merger Agreement was otherwise terminated. In consideration for entering into the Forward Purchase and Subscription Agreement, the Company issued an aggregate of 250,415 shares of Common Stock to the FPSA Investors.

*Sponsor Surrender Agreement*

Concurrently with the execution of the Merger Agreement, the Sponsor, the Company, the Seller, and Landsea entered into the Sponsor Surrender Agreement, pursuant to which, the Sponsor has agreed to (i) forfeit to the Company for no consideration 2,260,000 private placement warrants (such private placement warrants, each exercisable to purchase one share of Common Stock at an exercise price of $11.50 per share, the "Private Placement Warrants") and 600,000 shares of Class B common stock that were converted into shares of our Common Stock at the closing of the Business Combination (such Class B common stock, the "Founder Shares"), (ii) forfeit up to 500,000 shares of its converted Founder Shares contingent upon the valuation of the Common Stock reaching certain thresholds during the twenty-four month period following the closing of the Business Combination, (iii) transfer to the Seller 2,200,000 Private Placement Warrants immediately prior to the closing of the Business Combination and 500,000 shares of Common Stock immediately after the closing of the Business Combination (with such Common Stock subject to the contingencies noted in clause (ii) above), (iv) cancel and forgive all amounts owed to Sponsor pursuant to the Promissory Note (described below), and (v) receive a cash payment in lieu of converting outstanding amounts due under the Convertible Note (described below) upon the consummation of the Business Combination, in each case on terms and subject to the conditions set forth therein.

*Waiver Agreements*

Concurrently with the execution of the Merger Agreement, the Company, the Seller, Landsea and each of those persons holding Founder Shares (each an "LF Capital Restricted Stockholder") entered into Founders' Waiver Agreements, pursuant to which each LF Capital Restricted Stockholder agreed to (i) waive certain of their anti-dilution, conversion, and redemption rights with respect to their Founder Shares and (ii) agreed to convert their Founder Shares into shares of the Company's Common Stock on a one-for-one basis. Additionally, each of the LF Capital Restricted Stockholders, other than BlackRock Credit Alpha Master Fund L.P. and HC NCBR Fund (the "BlackRock Holders"), agreed to waive their redemption rights with respect to any Common Stock they own.

Additionally, the Company and the BlackRock Holders entered into the BlackRock Waiver Agreement, pursuant to which each of the BlackRock Holders agreed to (i) waive certain of their anti-dilution and conversion rights with respect to their Founder Shares and (ii) agreed to convert their Founder Shares into shares of the Company's Common Stock on a one-for-one basis. In addition, the LF Capital Restricted Stockholders, other than the BlackRock Holders, entered into letter agreements providing that, during the period commencing on the Closing Date and continuing until the earlier of (i) one year following the closing of the Business Combination and (ii) subsequent to the closing of the Business Combination, (x) if the last sale price of the Common Stock equals or exceeds $12.00 per share (adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days following the closing of the Business Combination or (y) the date following the closing of the Business Combination on which the Company completes a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of the Company's stockholders having the right to exchange their shares of the Company for cash, securities or other property, are restricted from transferring or selling their Common Stock, in each case on terms and subject to the conditions set forth therein. The Company also entered into Lock-up Agreements (described below) at the closing of the Business Combination, with each of the Seller and the Sponsor, on similar terms to the aforementioned letter agreement.

*Stockholder's Agreement*

On the Closing Date, pursuant to the Merger Agreement, the Company and the Seller entered into a Stockholder's Agreement, whereby, among other things, the parties agreed (i) to certain board composition and nomination requirements, including rights to nominate directors in accordance with defined ownership thresholds, establish certain committees and their respective duties and allow for the compensation of directors, (ii) to provide the Seller with certain inspection and visitation rights, access to Company management, auditors and financial information, (iii) to provide the Seller with veto rights with respect to certain actions of the Company, (iv) not to, to the extent permitted by applicable law, share confidential information related to the Company, (v) to waive their right to jury trial and choose Delaware as the choice of law, and (vi) to vote their Common Stock in furtherance of the aforementioned rights, in each case on terms and subject to the conditions set forth therein. In addition, the Seller also agreed not to compete with the Company in the "domestic homebuilding business," as such term is defined therein, so long as it, together with its affiliates, controls more than 10% of the Company or has a representative serving on the board of directors.

*Investor Representation Letter*

On the Closing Date, the Seller delivered an Investor Representation Letter, whereby, among other things, the Seller represented to the Company that (i) it is an accredited investor and is otherwise qualified to receive the Merger Consideration pursuant to a private placement effected in reliance on the exemption from the registration requirements of the Securities Act, provided by Section 4(a)(2) of the Securities Act and/or Regulation D promulgated under the Securities Act, and exemptions from the qualification requirements of applicable state law and (ii) the Seller will not transfer any of the Common Stock within 180 days following the Closing Date, in each case on terms and subject to the conditions set forth therein.

*Lock-up Agreements*

On the Closing Date, each of the Sponsor and certain other holders of converted Founder Shares entered into an equity lock-up letter agreement with the Company, which provides that their shares of Common Stock are not transferable or salable until the earlier of (A) one year after the completion of the Business Combination or (B) subsequent to the Business Combination, (x) if the last sale price of our Common Stock equals or exceeds $12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after the Business Combination, or (y) the date on which we complete a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of our stockholders having the right to exchange their shares of Common Stock for cash, securities or other property, except (a) to our officers or directors, any affiliates or family members of any of our officers or directors, any members of the Sponsor, or any affiliates of the Sponsor, (b) in the case of an individual, by gift to a member of the individual's immediate family, to a trust, the beneficiary of which is a member of the individual's immediate family or an affiliate of such person, or to a charitable organization; (c) in the case of an individual, by virtue of laws of descent and distribution upon death of the individual; (d) in the case of an individual, pursuant to a qualified domestic relations order; (e) by private sales; (f) in the event of our liquidation; (g) by virtue of the laws of Delaware or the Sponsor's limited liability company agreement upon dissolution of the Sponsor; (h) in the event of our liquidation, merger, capital stock exchange, reorganization or other similar transaction which results in all of our stockholders having the right to exchange their shares of Common Stock for cash, securities or other property subsequent to the completion of the Business Combination; provided, however, that in the case of clauses (a) through (e) these permitted transferees must enter into a written agreement agreeing to be bound by these transfer restrictions.

On the Closing Date, the Seller also entered into an equity lock-up agreement with the Company, which provides that, subject to certain exceptions, that its shares of Common Stock are not transferable or salable until the earlier of (A) one year following the closing of the Business Combination and (B) subsequent to the closing of the Business Combination, (x) if the last sale price of the Common Stock equals or exceeds $12.00 per share as quoted on Nasdaq (adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days following the closing of the Business Combination or (y) the date following the closing of the Business Combination on which the Company completes a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of the Company's stockholders having the right to exchange their shares of the Company for cash, securities or other property, as set forth in such letter agreement, except (a) to the Seller's officers or directors, any affiliates or family members of any of the Seller's officers or directors, any affiliates or family members of the Seller, or any affiliates of the Seller, (b) in the case of an individual, by gift to a member of the individual's immediate family, to a trust, the beneficiary of which is a member of the individual's immediate family or an affiliate of such person, or to a charitable organization; (c) in the case of an individual, by virtue of laws of descent and distribution upon death of the individual; (d) in the case of an individual, pursuant to a qualified domestic relations order; (e) by private sales; (f) in the event of our liquidation; (g) by virtue of the laws of Delaware or the Seller's limited liability company agreement upon dissolution of the Seller; (h) in the event of our liquidation, merger, capital stock exchange, reorganization or other similar transaction which results in all of our stockholders having the right to exchange their shares of Common Stock for cash, securities or other property subsequent to the completion of the Business Combination; provided, however, that in the case of clauses (a) through (e) these permitted transferees must enter into a written agreement agreeing to be bound by these transfer restrictions.

*License Agreement*

On the Closing Date, an affiliate of the Seller (the "Licensor"), the Company and each of the Company's greater than 50% owned subsidiaries (the "Licensees"), entered into the License Agreement, pursuant to which, the Licensor agreed, among other things, to grant the Licensees an exclusive license to use the "Landsea" trademark in connection with the "domestic homebuilding business" (as such term is defined in the Stockholder's Agreement). The License Agreement is for a term of ten years from the Closing Date, subject to customary notification and extension terms. In addition, the License Agreement is subject to certain Company usage standards and the Seller continuing to indirectly own, together with its affiliates, more than 6% of our Common Stock, in each case on terms and subject to the conditions set forth therein.

*Management Agreement*

On January 6, 2021, the Seller and Landsea entered into a Management Agreement, whereby Landsea agreed to provide certain management services for the Seller with respect to the Seller's development located at 212 W. 93rd Street, New York, New York.

**Implications of Being an Emerging Growth Company and a Smaller Reporting Company**

We qualify as an "emerging growth company," as defined in Section 2(a)(19) of the Securities Act, as modified by the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002 ("SOX"), reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. We have elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year (a) following June 22, 2023, the fifth anniversary of our IPO, (b) in which we have total annual gross revenue of at least $1.07 billion or (c) in which we are deemed to be a large accelerated filer, which means the market value of our Common Stock and public warrants that is held by non-affiliates exceeds $700 million as of the last business day of our prior second fiscal quarter, and (ii) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period. References herein to "emerging growth company" shall have the meaning associated with it in the JOBS Act.

We also qualify as a smaller reporting company ("smaller reporting company"), as defined in the Exchange Act. We may continue to be a smaller reporting company even after we are no longer an emerging growth company. We may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as (i) our voting and non-voting common stock held by non-affiliates is less than $250.0 million measured on the last business day of our second fiscal quarter or (ii) our annual revenue is less than $100.0 million during the most recently completed fiscal year and our voting and non-voting common stock held by non-affiliates is less than $700.0 million measured on the last business day of our second fiscal quarter.

**Available Information**

Our Internet address is http://www.landseahomes.com. The information contained on our website is not incorporated by reference into this filing, should not be considered part of this filing, and is provided only for reference. Our principal executive offices are located at 660 Newport Center Drive, Suite 300, Newport Beach, California 92660 and our telephone number is (949) 345-8080.

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's website at www.sec.gov and at our website free of charge at www.landseahomes.com as soon as reasonably practicable after filing.

**Item 1A. Risk Factors**

**Summary of Risk Factors**

An investment in our securities involves risks and uncertainties. The following summarizes the material factors that make an investment in us speculative or risk, all of which are more fully described in the Risk Factors section below. You should read and carefully consider this summary in conjunction with the Risk Factors section as well as the other information included in this Annual Report, including "Cautionary Note Regarding Forward-Looking Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and the related notes thereto included elsewhere in this Annual Report, before investing in our securities. We operate in a changing environment that involves numerous known and unknown risks and uncertainties that could materially adversely affect our operations. Any of the following risks could materially and adversely affect our business, financial condition, results of operations or prospects. However, the selected risks described below are not the only risks facing us. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially and adversely affect our business, financial condition, results of operations or prospects. In such a case, the trading price of our securities could decline and you may lose all or part of your investment in us.

- Actual or threatened public health crises, epidemics, or outbreaks, including the outbreak of COVID-19, may have a material adverse effect on our business, financial condition, and results of operations.
- Our industry is cyclical and adverse changes in general and local economic conditions could reduce the demand for homes and, as a result, could have a material adverse effect on us.
- If we are not able to develop communities successfully and in a timely manner, our revenues, financial condition and results of operations may be adversely impacted.
- We may suffer uninsured losses or suffer material losses in excess of insurance limits.
- Our geographic concentration could materially and adversely affect us if the homebuilding industry in our current markets should experience a decline.
- Inflation and interest rate changes could adversely affect our business and financial results.
- We may not be successful in integrating acquisitions, expanding into new markets or implementing our growth strategies.
- Landsea Green can determine the outcome of major corporate transactions that require the approval of our stockholders and may take actions that conflict with the interests of other of our stockholders.
- We are a "controlled company" within the meaning of Nasdaq rules and, as a result, may qualify for, and may choose to rely on, exemptions from certain corporate governance requirements.
- Our internal controls over financial reporting may not be effective and our independent registered public accounting firm may not be able to certify as to their effectiveness, which could have a significant and adverse effect on our business and reputation.
- If the Business Combination's benefits do not meet the expectations of investors, stockholders or financial analysts, the market price of our securities may decline.
- A significant portion of our total outstanding shares are restricted from immediate resale but may be sold into the market in the near future. Resales of the shares of Common Stock included in the Merger Consideration could depress the market price of our Common Stock.
- Because homes are relatively illiquid, our ability to promptly sell one or more properties for reasonable prices in response to changing economic, financial and investment conditions may be limited and we may be forced to hold non-income producing properties for extended periods of time.
- New and existing laws and regulations or other governmental actions may increase our expenses, limit the number of homes that we can build or delay completion of our projects.
- We rely on third-party suppliers and long supply chains, and if we fail to identify and develop relationships with a sufficient number of qualified suppliers, or if there is a significant interruption in our supply chains, our ability to timely and efficiently access raw materials that meet our standards for quality could be adversely affected.
- Our business and results of operations are dependent on the availability, skill and performance of subcontractors.

- The long-term sustainability and growth in our number of homes delivered depends in part upon our ability to acquire developed lots ready for residential homebuilding on reasonable terms.

## Risk Factors

### Operational Risks Related to Our Business

***Actual or threatened public health crises, epidemics, or outbreaks, including the outbreak of COVID-19, have had and may again have a material adverse effect on our business, financial condition, and results of operations.***

Our business operations and supply chains may be negatively impacted by regional or global public health crises, epidemics, or outbreaks. For example, in December 2019, a novel strain of coronavirus, now known as COVID-19, emerged in Wuhan, Hubei Province, China. On March 11, 2020, the International Health Regulations Emergency Committee of the World Health Organization declared the outbreak a global pandemic. The outbreak has spread rapidly throughout the world and has caused severe disruption to the global economy. The COVID-19 outbreak has led governments across the globe to impose a series of measures intended to contain its spread, including border closures, travel bans, quarantine measures, social distancing, and restrictions on business operations and large gatherings. Such measures have adversely impacted our business, financial condition, and results of operations. In addition, a significant public health crisis, epidemic or outbreak of contagious disease in the human population may adversely affect the economies and financial markets of many countries, including those in which we operate, resulting in an economic downturn that could affect the supply or demand for our products and services.

The outbreak of COVID-19 has caused companies like us and our business partners to implement temporary adjustments to work schedules and travel plans, allowing employees to work from home and collaborate remotely. As a result, we have experienced lower efficiency and productivity, internally and externally, which may adversely affect our service quality. Moreover, our business depends on our employees and the continued services of these individuals. If an employee contracts or is suspected of having contracted COVID-19, such an employee is required under our policies to be quarantined. That employee could expose and transmit to other employees, potentially resulting in severe disruption to our business.

Furthermore, our results of operations have been severely affected by the COVID-19 outbreak, resulting in significant slowing and/or ceasing of construction, sales, warranty, and administrative support in our markets. In addition, depending on the specific jurisdiction, we are required to implement certain safety protocols and procedures that have materially impacted our ability to develop communities, maintain sales velocity, build homes, timely deliver homes, and service customers. The COVID-19 outbreak has had, and future outbreaks can have, a material impact on cycle times, cancellation rates, availability of trades, costs, supplies, and new home demand.

More broadly, the COVID-19 outbreak threatens global economies and may cause significant market volatility and declines in general economic activities. This may severely dampen investor confidence in global markets, resulting in decreases in overall trading activities and restraint in their investment decisions.

The extent to which COVID-19 will impact our operations depends on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration and severity of the outbreak, actions taken by government authorities or other entities to contain the coronavirus or treat its impact, including vaccines, and volatility in the capital and real estate markets, among others. Given the general slowdown in economic conditions globally, we cannot assure you that we will be able to develop new products and services in a timely manner or that we can maintain the growth rate we have previously experienced or projected. Because of these uncertainties, we cannot reasonably estimate the financial impact related to the COVID-19 outbreak and the response to it at this time. In addition, COVID-19 may foster or worsen the occurrence of any of the other risk factors discussed in this Annual Report.

***If we are not able to develop communities successfully and in a timely manner, our revenues, financial condition and results of operations may be adversely impacted.***

Before a community generates any revenue, time and material expenditures are required to acquire land, obtain or renew permits and development approvals and construct significant portions of project infrastructure, amenities, model homes and sales facilities. There may be a significant lag from the time we acquire land or options for land for development or developed home sites and the time we can bring the communities to market and sell homes. Our ability to process a significant number of transactions (which include, among other things, evaluating the site purchase, designing the layout of the development, sourcing materials and subcontractors and managing contractual commitments) efficiently and accurately is important to our success. Errors by employees, failure to comply with or changes in regulatory requirements and conduct of business rules, failings or inadequacies in internal control processes, equipment failures, natural disasters or the failure of external systems, including those of suppliers or counterparties, could result in delays and operational issues that could adversely affect our business, financial condition and operating results and relationships with customers. We can also experience significant delays in obtaining permits, development approvals, entitlements, and local, state or federal government approvals (including due to an extended failure by lawmakers to agree on a budget or appropriation legislation to fund relevant operations or programs), utility company constraints or delays, delays in a land seller's lot deliveries or delays resulting from rights or claims asserted by third parties, which may be outside of our control. Additionally, we may also have to renew existing permits and there can be no assurances that these permits will be renewed. Delays in the development of communities also expose us to the risk of changes in market conditions for homes. A decline in our ability to develop and market communities successfully and to generate positive cash flow from these operations in a timely manner could have a material adverse effect on our business and results of operations and on our ability to service our debt and to meet our working capital requirements.

***We are subject to warranty and liability claims arising in the ordinary course of business that can be significant.***

As a homebuilder, we are subject to construction defect, product liability, home warranty, and other claims, arising in the ordinary course of business or otherwise. There can be no assurance that our general liability insurance and other insurance rights or the indemnification arrangements with subcontractors and design professionals and other indemnities will be collectible or adequate to cover any or all construction defect and warranty claims for which we may be liable. Some claims may not be covered by insurance or may exceed applicable coverage limits. We may not be able to renew our insurance coverage or renew it at reasonable rates and may incur significant costs or expenses (including repair costs and litigation expenses) surrounding possible construction defects, product liability claims, soil subsidence or building related claims. Some claims may arise out of uninsurable events or circumstances not covered by insurance or that are not subject to effective indemnification agreements with our trade partners. In addition, we typically act as the general contractor for the homes we build for third party landowners on fee. In connection with these fee building agreements, we indemnify the landowner for liabilities arising from our work. There can be no assurance that our general liability insurance (procured by us or the landowner) or indemnification arrangements with subcontractors will be collectible and some claims may arise out of uninsurable events or circumstances not covered by insurance. Furthermore, most insurance policies have some level of a self-insured retention that we are required to satisfy per occurrence in order to access the underlying insurance, which levels can be significant. Any such claims or self-insured retentions can be costly and could result in significant liability.

With respect to certain general liability exposures, including construction defects and related claims and product liability claims, interpretation of underlying current and future trends, assessment of claims and the related liability and reserve estimation process require us to exercise significant judgment due to the complex nature of these exposures, with each exposure often exhibiting unique circumstances. Furthermore, once claims are asserted against us for construction defects, it is difficult to determine the extent to which the assertion of these claims will expand. Plaintiffs may seek to consolidate multiple parties in one lawsuit or seek class action status in some of these legal proceedings with potential class sizes that vary from case to case. Consolidated and class action lawsuits can be costly to defend and, if we were to lose any consolidated or certified class action suit, it could result in substantial liability.

We also expend significant resources to repair items in homes we have sold to fulfill the warranties we have issued to homebuyers. Additionally, construction defect claims can be costly to defend and resolve in the legal system. Warranty and construction defect matters can also result in negative publicity in the media and on the internet, which can damage our reputation and adversely affect our ability to sell homes.

In addition, we conduct much of our business in California, one of the most highly regulated and litigious jurisdictions in the United States, which imposes a ten-year, strict liability tail on many construction liability claims. As a result, our potential losses and expenses due to litigation, new laws and regulations may be greater than those of competitors who have smaller California operations as a percentage of the total enterprise.

***We may suffer uninsured losses or suffer material losses in excess of insurance limits.***

In addition to difficulties with respect to claim assessment and liability and reserve estimation, some types of claims may not be covered by our insurance or may exceed our applicable coverage limits. We may also be responsible for applicable self-insured retentions with respect to our insurance policies. Furthermore, contractual indemnities with contractors and subcontractors can be difficult to enforce and we include our subcontractors on our general liability insurance which may significantly limit our ability to seek indemnity for insured claims. Furthermore, any product liability or warranty claims made against us, whether or not they are viable, may lead to negative publicity, which could impact our reputation and future home sales. In addition, manufactured product defects may result in delays, additional costs and remediation efforts which could have a negative impact on our new home deliveries and financial and operating results.

Our insurance for construction defect claims, subject to applicable self-insurance retentions, may not be available or adequate to cover all liability for damages, the cost of repairs, or the expense of litigation surrounding current claims, and future claims may arise out of events or circumstances not covered by our insurance and not subject to effective indemnification agreements with subcontractors.

Because of the uncertainties inherent in litigation, we cannot provide assurance that our insurance coverage, indemnity arrangements and reserves will be adequate to cover liability for any damages, the cost of repairs and litigation, or any other related expenses surrounding the current claims to which we are subject or any future claims that may arise. Such damages and expenses, to the extent that they are not covered by our insurance or redress against contractors and subcontractors, could materially and adversely affect our consolidated financial statements and results.

***The long-term sustainability and growth in our number of homes delivered depends in part upon our ability to acquire developed lots ready for residential homebuilding on reasonable terms.***

Our future growth depends upon our ability to successfully identify and acquire attractive lots ready for development of homes at reasonable prices and with terms that meet our underwriting criteria. Our ability to acquire lots for new homes may be adversely affected by changes in the general availability of lots, the willingness of land sellers to sell lots at reasonable prices, competition for available lots, availability of financing to acquire lots, zoning and other market conditions. We currently depend primarily on the California and greater Phoenix area markets and the availability of lots in those markets at reasonable prices is limited. If the supply of lots appropriate for development of homes is limited because of these factors, or for any other reason, our ability to grow could be significantly limited, and the number of homes that we build and sell could decline. Additionally, our ability to begin new projects could be impacted if we elect not to purchase lots under option contracts. To the extent that we are unable to purchase lots timely or enter into new contracts for the purchase of lots at reasonable prices, our home sales revenue and results of operations could be negatively impacted or we may be required to decrease our operations in a given market.

***If the market value of our developed lot inventory decreases, our results of operations could be adversely affected by impairments and write-downs.***

The market value of our land and housing inventories depends on market conditions. We acquire land for expansion into new markets and for replacement of land inventory and expansion within our current markets. There is an inherent risk that the value of the land we own or control may decline after purchase. The risks inherent in purchasing and developing land parcels increase as consumer demand for housing decreases. As a result, we may buy and develop land parcels on which homes cannot be profitably built and sold. The valuation of property is inherently subjective and based on the individual characteristics of each property. When market conditions drive land values down, land we have purchased or option agreements we have previously entered into may become less desirable because we may not be able to build and sell homes profitably, at which time we may elect to sell the land or, in the case of options contracts, to forego pre-acquisition costs and forfeit deposits and terminate the agreements. Factors such as changes in regulatory requirements and applicable laws (including in relation to building regulations, taxation and planning), political conditions, the condition of financial markets, both local and national economic conditions, the financial condition of customers, potentially adverse tax consequences, and interest and inflation rate fluctuations subject the market value of land owned, controlled or optioned by us to uncertainty. Moreover, all valuations are made on the basis of assumptions that may not prove to reflect economic or demographic reality. If housing demand decreases below what we anticipated when we acquired the inventory, our results of operations and financial conditions may be adversely affected and we may not be able to recover our costs when we build and sell houses.

***Risks associated with our developed lot inventories could adversely affect our business or financial results.***

Land parcels, building lots and housing inventories are illiquid assets, and we may not be able to dispose of them efficiently or at all if we or the housing market and general economy are in financial distress. In addition, inventory carrying costs can be significant and can result in losses in a poorly performing project or market. We regularly review the value of our land holdings and continues to review our holdings on a periodic basis. Material impairments in the value of our inventory may be required, and we may in the future sell land or homes at significantly lower margins or at a loss, if we are able to sell them at all, which could adversely affect our results of operations and financial condition.

***Increases in our cancellation rate may adversely impact our revenue and homebuilding margins.***

In connection with the sale of a home, we collect a deposit from the homebuyer that is a small percentage of the total purchase price. During the years ended December 31, 2020 and 2019, Landsea Homes experienced cancellation rates of 12.7% and 12.4%, respectively. Cancellations negatively impact the number of closed homes, net new home orders, home sales revenue and our results of operations, as well as the number of homes in backlog. Home order cancellations can result from a number of factors, including but not limited to declines or slow appreciation in the market value of homes, increases in the supply of homes available to be purchased, increased competition, higher mortgage interest rates, buyer's remorse, homebuyers' inability to sell their existing homes, homebuyers' inability to obtain suitable financing, including providing sufficient down payments, and adverse changes in economic conditions. Many of these factors are beyond our control. Increased levels of home order cancellations would have a negative impact on our home sales revenue and financial and operating results.

***Third-party lenders may not complete mortgage loan originations for our homebuyers in a timely manner or at all, which can lead to cancellations and a lesser backlog of orders, or significant delays in our closing homes sales and recognizing revenues from those homes.***

Our buyers may obtain mortgage financing for their home purchases from any lender or other provider of their choice, including an unaffiliated lender. If, due to credit or consumer lending market conditions, regulatory requirements, or other factors or business decisions, these lenders refuse or are unable to provide mortgage loans to our buyers, the number of homes that we deliver and our consolidated financial statements may be materially and adversely affected.

We can provide no assurance as to a lenders' ability or willingness to complete, in a timely fashion or at all, the mortgage loan originations they start for our homebuyers. Such inability or unwillingness may result in mortgage loan funding issues that slow deliveries of our homes or cause cancellations, which in each case may have a material adverse effect on our consolidated financial statements. In addition, recent changes to mortgage loan disclosure requirements to consumers may potentially delay lenders' completion of the mortgage loan funding process for borrowers. Specifically, the Consumer Financial Protection Bureau has adopted a rule governing the content and timing of mortgage loan disclosures to borrowers, commonly known as TILA-RESPA Integrated Disclosures ("TRID"). Lender compliance with TRID could result in delays in loan closings and the delivery of homes that materially and adversely affect our financial results and operations.

***Difficulties with appraisal valuations in relation to the proposed sales price of our homes could force us to reduce the price of our homes for sale.***

Each of our home sales may require an appraisal of the home value before closing. These appraisals are professional judgments of the market value of the property and are based on a variety of market factors. If our internal valuations of the market and pricing do not line up with the appraisal valuations and appraisals are not at or near the agreed upon sales price, we may be forced to reduce the sales price of the home to complete the sale. These appraisal issues could have a material adverse effect on our business and results of operations.

***Our business and results of operations are dependent on the availability, skill and performance of subcontractors.***

Our business and results of operations are dependent on the availability and skill of subcontractors, as substantially all construction work is done by subcontractors with us acting as the general contractor. Accordingly, the timing and quality of construction depend on the availability and skill of unaffiliated, third party subcontractors. As the homebuilding market returns to full capacity, we have previously experienced and may again experience skilled labor shortages. Throughout the homebuilding cycle, we have experienced shortages of skilled labor in a number of our markets which has led to increased labor costs and increased the cycle times of completion of home construction and our ability to convert home sales into closings. The cost of labor may also be adversely affected by shortages of qualified tradespeople, changes in laws and regulations relating to union activity and changes in immigration laws and trends in labor migration. We cannot be assured that there will be a sufficient supply of, or satisfactory performance by, these unaffiliated third-party consultants and subcontractors, which could have a material adverse effect on our business.

The residential construction industry also experiences labor shortages and disruptions from time to time, including: work stoppages, labor disputes, shortages in qualified tradespeople, lack of availability of adequate utility infrastructure and services, our need to rely on local subcontractors who may not be adequately capitalized or insured, and delays in availability of building materials. Additionally, we could experience labor shortages as a result of subcontractors going out of business or leaving the residential construction market due to low levels of housing production and volumes. Any of these circumstances could give rise to delays in the start or completion of our communities, increase the cost of developing one or more of our communities and increase the construction cost of our homes. To the extent that market conditions prevent the recovery of increased costs, including, among other things, subcontracted labor, finished lots, building materials, and other resources, through higher sales prices, our gross margins from home sales and results of operations could be adversely affected.

In addition, some of the subcontractors we engage are represented by labor unions or are subject to collective bargaining arrangements that require the payment of prevailing wages that are typically higher than normally expected on a residential construction site. A strike or other work stoppage involving any of our subcontractors could also make it difficult for us to retain subcontractors for their construction work. In addition, union activity could result in higher costs for us to retain our subcontractors. Access to qualified labor at reasonable rates may also be affected by other circumstances beyond our control, including: shortages of qualified tradespeople, such as carpenters, roofers, electricians and plumbers; high inflation; changes in laws relating to employment and union organizing activity; changes in trends in labor force migration; and increases in contractor, subcontractor and professional services costs. The inability to contract with skilled contractors and subcontractors at reasonable rates on a timely basis could materially and adversely affect our financial condition and operating results.

Further, the enactment and implementation of federal, state or local statutes, ordinances, rules or regulations requiring the payment of prevailing wages on private residential developments would materially increase our costs of development and construction, which could materially and adversely affect our results of operations and financial conditions.

***We rely on third-party suppliers and long supply chains, and if we fail to identify and develop relationships with a sufficient number of qualified suppliers, or if there is a significant interruption in our supply chains, our ability to timely and efficiently access raw materials that meet our standards for quality could be adversely affected.***

Our ability to identify and develop relationships with qualified suppliers who can satisfy our standards for quality and our need to access products and supplies in a timely and efficient manner is a significant challenge. We may be required to replace a supplier if their products do not meet our quality or safety standards. In addition, our suppliers could discontinue selling products at any time for reasons that may or may not be in our control or the suppliers' control. Our operating results and inventory levels could suffer if we are unable to promptly replace a supplier who is unwilling or unable to satisfy our requirements with a supplier providing similar products. Our suppliers' ability to deliver products may also be affected by financing constraints caused by credit market conditions, which could negatively impact our revenue and cost of products sold, at least until alternate sources of supply are arranged.

***Fluctuating materials prices may adversely impact our results of operations.***

The residential construction industry experiences labor and raw material shortages from time to time, including shortages in qualified tradespeople, and supplies of insulation, drywall, cement, steel and lumber. These labor and raw material shortages can be more severe during periods of strong demand for housing or during periods where the regions in which we operate experience natural disasters that have a significant impact on existing residential and commercial structures. The cost of labor and raw materials may also increase during periods of shortage or high inflation. During the downturn in 2007 to 2011, a large number of qualified trade partners went out of business or otherwise exited the market into new fields. A reduction in available trade partners exacerbates labor shortages as demand for new housing increases. Shortages and price increases could cause delays in and increase our costs of home construction, which we may not be able to recover by raising home prices due to market demand and because the price for each home is typically set prior to its delivery pursuant to the agreement of sale with the homebuyer. In addition, the federal government has, at various times, imposed tariffs on a variety of imports from foreign countries and may impose additional tariffs in the future. Significant tariffs or other restrictions placed on raw materials that we use in our homebuilding operation, such as lumber or steel, could cause the cost of home construction to increase, which we may not be able to recover by raising home prices or which could slow our absorption due to being constrained by market demand. As a result, shortages or increased costs of labor and raw materials could have a material adverse effect on our business, prospects, financial condition and results of operations.

***We could be adversely affected by efforts to impose joint employer liability for labor law violations committed by subcontractors.***

Several other homebuilders have received inquiries from regulatory agencies concerning whether homebuilders using contractors are deemed to be employers of the employees of such contractors under certain circumstances. Contractors are independent of the homebuilders that contract with them under normal management practices and the terms of trade contracts and subcontracts within the homebuilding industry; however, if regulatory agencies reclassify the employees of contractors as employees of homebuilders, homebuilders using contractors could be responsible for wage and hour labor laws, workers' compensation and other employment-related liabilities of their contractors. Even if we are not deemed to be a joint employer with our contractors, we may be subject to legislation that requires us to share liability with our contractors for the payment of wages and the failure to secure valid workers' compensation coverage. In addition, under California law, direct construction contractors are required to assume and be liable for unpaid wages, fringe or other benefit payments or contributions, including interest, incurred by a subcontractor at any tier for contracts entered into on or after January 1, 2018, which may result in increased costs.

***We may not be successful in integrating acquisitions, expanding into new markets or implementing our growth strategies.***

In June 2019, Landsea Homes closed the acquisition of Arizona-based homebuilders Pinnacle West, in the greater Phoenix area market, and in January 2020, Landsea Homes closed the acquisition of Garrett Walker, increasing our footprint in the greater Phoenix area market. We may in the future consider growth or expansion of our operations in our current markets or in new markets, whether through strategic acquisitions of homebuilding companies or otherwise. The magnitude, timing and nature of any future expansion will depend on a number of factors, including our ability to identify suitable additional markets or acquisition candidates, the negotiation of acceptable terms, our financial capabilities and general economic and business conditions. Our expansion into new or existing markets, whether through acquisition or otherwise, could have a material adverse effect on our business, prospects, liquidity, financial condition or results of operations. Acquisitions also involve numerous risks, including difficulties in the assimilation of the acquired company's operations, the incurrence of unanticipated liabilities or expenses, the risk of impairing inventory and other assets related to the acquisition, the potential loss of key employees of the acquired company, the diversion of management's attention and resources from other business concerns, risks associated with entering markets in which we have limited or no direct experience and the potential loss of key employees of the acquired company.

***We may be unable to obtain additional financing to fund our operations and growth.***

We may require additional financing to fund our operations or growth. Our failure to secure additional financing could have a material adverse effect on our continued development or growth.

***Adverse weather and geological conditions may increase costs, cause project delays and reduce consumer demand for housing, all of which could materially and adversely affect us.***

As a homebuilder and land developer, we are subject to the risks associated with numerous weather-related and geologic events, many of which are beyond our control. These weather-related and geologic events include but are not limited to droughts, floods, wildfires, landslides, soil subsidence and earthquakes. The occurrence of any of these events could damage our land parcels and projects, cause delays in the completion of our projects, reduce consumer demand for housing and cause shortages and price increases in labor or raw materials, any of which could harm our sales and profitability. Our California markets are in areas which have historically experienced significant earthquake activity, seasonal wildfires and related power outages, droughts and water shortages. In addition to directly damaging our land or projects, earthquakes, floods, landslides, wildfires or other geologic events could damage roads and highways providing access to those projects, thereby adversely affecting our ability to market homes in those areas and possibly increasing the costs of completion.

***Failure by our directors, officers or employees to comply with applicable policies, regulations and rules could materially and adversely affect us.***

We have adopted an employee handbook, which includes policies, regulations and rules, for our directors, officers and employees. Our adoption of these policies, regulations and rules is not a representation or warranty that all persons subject to such standards are or will be in complete compliance. The failure of a director, officer or employee to comply with the applicable policies, regulations and rules may result in termination of the relationship or adverse publicity, which could materially and adversely affect us.

***Our officers and directors may allocate their time to other businesses thereby causing conflicts of interest in their determination as to how much time to devote to our affairs.***

Our officers and directors are not required to commit their full time to our affairs, which could create a conflict of interest when allocating their time between our operations and their other commitments. Some of our officers and directors are engaged in other business endeavors and are not obligated to devote any specific number of hours to our affairs. If our officers' and directors' other business affairs require them to devote more substantial amounts of time to such affairs it could limit their ability to devote time to our affairs and could have a negative impact on our ability to consummate our business, prospects, liquidity, financial condition and results of operations. We cannot assure you that these conflicts will be resolved in our favor.

***Poor relations with the residents of our communities could negatively impact sales, which could cause our revenue or results of operations to decline.***

Residents of communities we develop may look to us to resolve issues or disputes that may arise in connection with the operation or development of their communities. Efforts we make to resolve these issues or disputes could be deemed unsatisfactory by the affected residents, and subsequent actions by these residents could adversely affect our sales or reputation. In addition, we could be required to make material expenditures related to the settlement of such issues or disputes or to modify our community development plans, which could adversely affect our results of operations.

***We may write-off intangible assets, such as goodwill.***

We have recorded intangible assets, including goodwill, in connection with the acquisitions of Pinnacle West and Garrett Walker Homes. On an ongoing basis, we evaluate whether facts and circumstances indicate any impairment of the value of intangible assets. As circumstances change, we can make no assurances that we will realize the value of these intangible assets. If we determine that a significant impairment has occurred, we will be required to write-off the impaired portion of intangible assets, which could have a material adverse effect on our results of operations in the period in which the write-off occurs.

***We may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on our financial condition, results of operations and our stock price, which could cause you to lose some or all of your investment.***

Moreover, factors outside of our business and outside of our control may later arise. As a result of these factors, we may be forced to write down or write off assets, restructure operations, or incur impairment or other charges that could result in losses. Further, unexpected risks may arise and previously known risks may materialize in a manner not consistent with our risk analysis. Even though these charges may be non-cash items and not have an immediate impact on our liquidity, the fact that we report charges of this nature could contribute to negative market perceptions about us or our securities. Accordingly, our securities could suffer a reduction in value. Our securityholders are unlikely to have a remedy for such reduction in value, unless stockholders are able to successfully claim that the reduction in stock value was due to the breach by our officers or directors of a duty of care or other fiduciary duty owed to them, or if they are able to bring a private claim that the proxy statement relating to the Business Combination contained an actionable material misstatement or material omission.

***Our business or financial results may be adversely affected if the value of the land we purchase declines. We have, and may continue, to incur impairments on the carrying values of the real estate inventories we own.***

There are inherent risks in controlling, owning and developing land, as housing inventories are illiquid assets. We own land or homesites that were acquired at costs we may not be able to recover fully, or on which we cannot build and sell homes profitably, including but not limited to periods of reduced housing demand. This is particularly true when entitled land becomes scarce, as it has recently, especially in the markets in which we build, and the cost of purchasing such land is relatively high. Changes in regulatory requirements and applicable laws, such as those related to building regulations, taxation and planning, as well as political conditions, financial market conditions, local and national economic conditions, customers' financial condition, potentially adverse tax consequences, and interest and inflation rate fluctuations, among other factors, subject our land's market value to uncertainty. As a result, we may have to sell homes or land for lower than anticipated profit margins, record inventory impairment charges, or sell land at a loss. We may be required to take significant write-offs of deposits and pre-acquisition costs if we elect not to move forward or exercise our options to purchase land. In addition, inventory carrying costs can be significant and can result in losses in a poorly performing project or market or result in impairment charges. Material impairment charges, abandonment charges or other write-downs of assets could adversely affect our financial condition and results of operations.

***Legal, Regulatory and Compliance Risks Related to Our Business***

***An adverse outcome in litigation to which we are or become a party could materially and adversely affect us.***

Presently and in the future, we are and may become subject to litigation, including claims relating to our operations, breach of contract, securities offerings or otherwise in the ordinary course of business or otherwise. Some of these claims may result in significant defense costs and potentially significant judgments against us, some of which are not, or cannot be, insured against. We cannot be certain of the ultimate outcomes of any claims that now exist or may arise in the future. Resolution of these types of matters against us may result in significant fines, judgments or settlements, which, if uninsured, or if the fines, judgments and settlements exceed insured levels, could adversely impact our earnings and cash flows, thereby materially and adversely affecting us. Litigation or the resolution of litigation may affect the availability or cost of our insurance coverage, which could materially and adversely impact us.

***New and existing laws and regulations or other governmental actions may increase our expenses, limit the number of homes that we can build or delay completion of our projects.***

We are subject to numerous local, state, federal and other statutes, ordinances, rules and regulations concerning zoning, development, building design, construction and similar matters which impose restrictive zoning and density requirements, which can limit the number of homes that can be built within the boundaries of a particular area. Projects that are not entitled may be subjected to periodic delays, changes in use, less intensive development or elimination of development in certain specific areas due to government regulations. We may also be subject to periodic delays or may be precluded entirely from developing in certain communities due to building moratoriums or "slow-growth" or "no-growth" initiatives that could be implemented in the future. Local governments also have broad discretion regarding the imposition of development fees, assessments and exactions for projects in their jurisdiction. Projects for which we have received land use and development entitlements or approvals may still require a variety of other governmental approvals and permits during the development process and can also be impacted adversely by unforeseen health, safety and welfare issues, which can further delay these projects or prevent their development. As a result, home sales could decline and costs could increase, which could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations.

We are also subject to a significant number and variety of local, state and federal laws and regulations concerning protection of health, safety, labor standards and the environment. The particular environmental laws which apply to any given property vary according to multiple factors, including the property's location, its environmental conditions and geographic attributes or historical artifacts, the present and former uses of the property, the presence or absence of endangered plants, animals or sensitive habitats, as well as conditions at nearby properties. Environmental laws and conditions may result in delays, may cause us to incur substantial compliance and other costs and can prohibit or severely restrict development and homebuilding activity in environmentally sensitive regions or areas. For example, under certain environmental laws and regulations, third parties, such as environmental groups or neighborhood associations, may challenge the permits and other approvals required for our projects and operations. Any such claims may adversely affect our business, prospects, liquidity, financial condition and results of operations. Insurance coverage for such claims may be limited or non-existent.

In addition, in those cases where an endangered or threatened species is involved and agency rulemaking and litigation are ongoing, the outcome of such rulemaking and litigation can be unpredictable, and at any time can result in unplanned or unforeseeable restrictions on or even the prohibition of development in identified environmentally sensitive areas. From time to time, the Environmental Protection Agency and similar federal, state or local agencies review land developers' and homebuilders' compliance with environmental laws and may levy fines and penalties for failure to strictly comply with applicable environmental laws, including those applicable to control of storm water discharges during construction, or impose additional requirements for future compliance as a result of past failures. Any such actions taken with respect to us may increase our costs and result in project delays. We expect that increasingly stringent requirements will be imposed on land developers and homebuilders in the future. Environmental regulations can also have an adverse impact on the availability and price of certain raw materials such as lumber, and on other building materials.

California and New York are especially susceptible to restrictive government regulations and environmental laws. For example, California imposes notification obligations respecting environmental conditions, sometimes recorded on deeds, and also those required to be delivered to persons accessing property or to home buyers or renters, which may cause some persons, or their financing sources, to view the subject parcels as less valuable or as impaired.

Under various environmental laws, current or former owners of real estate, as well as certain other categories of parties, may be required to investigate and clean up hazardous or toxic substances or petroleum product releases, and may be held liable to a governmental entity or to third parties for related damages, including for bodily injury, and for investigation and clean-up costs incurred by such parties in connection with the contamination.

***New trade policies could make sourcing raw materials from foreign countries more difficult and more costly.***

The federal government has recently imposed new or increased tariffs or duties on an array of imported materials and goods that are used in connection with the construction and delivery of homes, including steel, aluminum, lumber, solar panels and washing machines, and has threatened to impose further tariffs, duties or trade restrictions on imports. Foreign governments, including China and the European Union, have responded by imposing or increasing tariffs, duties or trade restrictions on U.S. goods, and are reportedly considering other measures. These trading conflicts and related escalating governmental actions that result in additional tariffs, duties or trade restrictions could cause disruptions or shortages in our supply chains, increase our construction costs or home-building costs generally or negatively impact the U.S., regional or local economies, and, individually or in the aggregate, materially and adversely affect our consolidated financial statements.

***We are subject to environmental laws and regulations, which may increase our costs, result in liabilities, limit the areas in which we can build homes and delay completion of our projects.***

We are subject to a variety of local, state, federal and other statutes, ordinances, rules and regulations concerning the environment. The particular environmental laws which apply to any given homebuilding site vary according to the site's location, its environmental conditions and the present and former uses of the site, as well as adjoining properties. Environmental laws and conditions may result in delays, may cause us to incur substantial compliance and other costs, including significant fines and penalties for any violation, and may prohibit or severely restrict homebuilding activity in environmentally sensitive regions or areas, which could negatively affect our results of operations.

Under various environmental laws, current or former owners of real estate, as well as certain other categories of parties, may be required to investigate and clean up hazardous or toxic substances or petroleum product releases, and may be held liable to a governmental entity or to third parties for property damage and for investigation and clean-up costs incurred by such parties in connection with the contamination. In addition, in those cases where an endangered species is involved, environmental rules and regulations may result in the elimination of development in identified environmentally sensitive areas.

***Environmental regulations may have an adverse impact on the availability and price of certain raw materials, such as lumber, and generally increase the cost to construct our homes.***

There is a variety of new legislation being enacted, or considered for enactment at the federal, state and local level relating to energy, emissions and climate change. This legislation relates to items such as carbon dioxide emissions control and building codes that impose energy efficiency standards. New building code requirements that impose stricter energy efficiency standards, including California's solar mandate, which went into effect January 1, 2020, could significantly increase our cost to construct homes and we may be unable to fully recover such costs due to market conditions, which could cause a reduction in our homebuilding gross margin and materially and adversely affect our results of operations. As climate change concerns continue to grow, legislation and regulations of this nature are expected to continue and become more costly to comply with. Similarly, energy-related initiatives affect a wide variety of companies throughout the United States and the world and because our operations are heavily dependent on significant amounts of raw materials, such as lumber, steel and concrete, they could have an indirect adverse impact on our operations and profitability to the extent the manufacturers and suppliers of our materials are burdened with expensive cap and trade and similar energy-related regulations.

***Ownership, leasing and occupation of developed lots and the use of hazardous materials carries potential environmental risks and liabilities.***

We are subject to a variety of local, state and federal statutes, rules and regulations concerning easements, land use and the protection of health and the environment, including those governing discharge of pollutants, including asbestos, to soil, water and air, the handling of hazardous materials and the cleanup of contaminated sites.

We may be liable for the costs of removal, investigation or remediation of man-made or natural hazardous or toxic substances located on, under or in a property currently or formerly owned, leased or occupied by us, whether or not we caused or knew of the pollution.

The particular impact and requirements of environmental laws that apply to any given community vary greatly according to the site, its environmental conditions and the present and former uses of the site. We expect that increasingly stringent requirements may be imposed on land developers and homebuilders in the future. Environmental laws may result in delays, cause us to implement time consuming and expensive compliance programs and prohibit or severely restrict development in certain environmentally sensitive regions or areas, such as wetlands. Concerns could arise due to post-acquisition changes in laws or agency policies, or the interpretation thereof.

Furthermore, we could incur substantial costs, including cleanup costs, fines, penalties and other sanctions and damages from third-party claims for property damage or personal injury, as a result of our failure to comply with, or liabilities under, applicable environmental laws and regulations. In addition, we are subject to third-party challenges, such as by environmental groups or neighborhood associations, under environmental laws and regulations to the permits and other approvals required for our projects and operations. These matters could adversely affect our business, prospects, liquidity, financial condition and results of operations.

As a homebuilding and land development business with a wide variety of historic ownership, development, homebuilding and construction activities, we could be liable for future claims for damages as a result of the past or present use of hazardous materials, including building materials or fixtures known or suspected to be hazardous or to contain hazardous materials or due to use of building materials or fixtures which are associated with mold. Any such claims may adversely affect our business, prospects, financial condition and results of operations. Insurance coverage for such claims may be limited or nonexistent.

***A major health and safety incident relating to our business could be costly in terms of potential liabilities and reputational damage.***

Building sites are inherently dangerous, and operating in the homebuilding and land development industry poses certain inherent health and safety risks to those working at such sites. Due to health and safety regulatory requirements and the number of our projects, health and safety performance is critical to the success of all areas of our business. Any failure in health and safety performance may result in penalties for non-compliance with relevant regulatory requirements or litigation, and a failure that results in a major or significant health and safety incident is likely to be costly in terms of potential liabilities incurred as a result. Such a failure could generate significant negative publicity and have a corresponding impact on our reputation, our relationships with relevant regulatory agencies, governmental authorities and local communities, and our ability to win new business, which in turn could materially and adversely affect our operating results and financial condition.

***Risks Related to Our Organization and Structure***

***Landsea Green can determine the outcome of major corporate transactions that require the approval of our stockholders and may take actions that conflict with the interests of other of our stockholders.***

Landsea Green currently holds, indirectly, a majority of the voting rights in us. As long as Landsea Green holds such majority of voting rights, Landsea Green will have the ability to exercise control in our business, and may cause us to take actions that are not in, or conflict with, the interests of other stockholders such as incurring additional indebtedness, selling assets or other actions that negatively affect our net assets. Similarly, Landsea Green will be able to control our major policy decisions by controlling the selection of senior management, determining the timing and amount of approving annual budgets, deciding on increases or decreases in stock capital, determining issuances of new securities, approving disposals of assets or business, and amending our articles of association. These actions may be taken even if they are opposed by other stockholders.

Our stockholder structure may negatively affect our ability to obtain equity financing required for opportunistic investments or to offset periods of net losses or financial distress. We cannot assure you that we would be able to obtain additional equity financing in a timely fashion or at all. If we were unable to obtain such financing, we may be unable to take advantage of business opportunities or may be unable to avoid defaults under our obligations.

***We are a "controlled company" within the meaning of Nasdaq rules and, as a result, may qualify for, and may choose to rely on, exemptions from certain corporate governance requirements.***

The Seller beneficially owns a majority of the voting power of all outstanding shares of our common stock, making us a "controlled company." Pursuant to Nasdaq listing standards, a "controlled company" may elect not to comply with certain Nasdaq listing standards that would otherwise require it to have: (i) a board of directors comprised of a majority of independent directors; (ii) compensation of our executive officers determined by a majority of the independent directors or a compensation committee comprised solely of independent directors; (iii) a compensation committee charter which, among other things, provides the compensation committee with the authority and funding to retain compensation consultants and other advisors; and (iv) director nominees selected, or recommended for the board's selection, either by a majority of the independent directors or a nominating committee comprised solely of independent directors. We intend to rely on the exemptions described in clauses (i), (ii), (iii) and (iv) above.

Accordingly, our stockholders do not have the same protections afforded to stockholders of companies that are subject to all of the Nasdaq corporate governance requirements.

In addition, on June 20, 2012, the SEC passed final rules implementing provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 pertaining to compensation committee independence and the role and disclosure of compensation consultants and other advisers to the compensation committee. The SEC's rules direct each of the national securities exchanges (including Nasdaq) to develop listing standards requiring, among other things, that: (i) compensation committees be composed of fully independent directors, as determined pursuant to new independence requirements; (ii) compensation committees be explicitly charged with hiring and overseeing compensation consultants, legal counsel and other committee advisors; and (iii) compensation committees be required to consider, when engaging compensation consultants, legal counsel or other advisors, certain independence factors, including factors that examine the relationship between the consultant or advisor's employer and us. As a "controlled company," we are not subject to these compensation committee independence requirements.

***Our only significant asset is our ownership interest in Landsea and such ownership may not be sufficient to pay dividends or make distributions or loans to enable us to pay any dividends on our Common Stock or satisfy our other financial obligations.***

We have no direct operations and no significant assets other than our ownership of Landsea. We depend on Landsea for distributions, loans and other payments to generate the funds necessary to meet our financial obligations, including our expenses as a publicly traded company and to pay any dividends with respect to our Common Stock. The financial condition and operating requirements of Landsea may limit our ability to obtain cash from Landsea. The earnings from, or other available assets of, Landsea may not be sufficient to pay dividends or make distributions or loans to enable us to pay any dividends on our Common Stock or satisfy our other financial obligations.

***The Committee on Foreign Investment in the United States ("CFIUS") may modify, delay or prevent our future acquisition or investment activities.***

For so long as Landsea Green retains a material ownership interest in us, we will be deemed a "foreign person" under the regulations relating to CFIUS. As such, acquisitions of or investments in U.S. businesses or foreign businesses with U.S. subsidiaries that we may wish to pursue may be subject to CFIUS review, the scope of which was recently expanded by the Foreign Investment Risk Review Modernization Act of 2018 ("FIRRMA"), to include certain non-passive, non-controlling investments (including certain investments in entities that hold or process personal information about U.S. nationals), certain acquisitions of real estate even with no underlying U.S. business, transactions the structure of which is designed or intended to evade or circumvent CFIUS jurisdiction and any transaction resulting in a "change in the rights" of a foreign person in a U.S. business if that change could result in either control of the business or a covered non-controlling investment. FIRRMA also subjects certain categories of investments to mandatory filings. If a particular proposed acquisition or investment in a U.S. business falls within CFIUS's jurisdiction, we may determine that we are required to make a mandatory filing or that we will submit to CFIUS review on a voluntary basis, or to proceed with the transaction without submitting to CFIUS and risk CFIUS intervention, before or after closing the transaction. CFIUS may decide to block or delay an acquisition or investment by us, impose conditions with respect to such acquisition or investment or order us to divest all or a portion of a U.S. business that we acquired without first obtaining CFIUS approval, which may limit the attractiveness of or prevent us from pursuing certain acquisitions or investments that we believe would otherwise be beneficial to us and our stockholders. In addition, among other things, FIRRMA authorizes CFIUS to prescribe regulations defining "foreign person" differently in different contexts, which could result in less favorable treatment for investments and acquisitions by companies from countries of "special concern." If such future regulations impose additional burdens on acquisition and investment activities involving PRC and PRC-controlled entities, our ability to consummate transactions falling within CFIUS's jurisdiction that might otherwise be beneficial to us and our stockholders may be hindered.

***We are the managing member in certain joint venture limited liability companies, and therefore may be liable for joint venture obligations.***

Certain of our active joint ventures are organized as limited liability companies. We are the managing member in some of these. As a managing member or general partner, we may be liable for a joint venture's liabilities and obligations should the joint venture fail or be unable to pay these liabilities or obligations. These risks include, among others, that a partner in the joint venture may fail to fund its share of required capital contributions, that a partner may make poor business decisions or delay necessary actions, or that a partner may have economic or other business interests or goals that are inconsistent with ours.

***Risks Related to Our Industry***

***Our industry is cyclical and adverse changes in general and local economic conditions could reduce the demand for homes and, as a result, could have a material adverse effect on us.***

The residential homebuilding industry is cyclical and highly sensitive to changes in general and local economic, real estate or other business conditions that are outside of our control and could reduce the demand for homes, including changes in:

- overall consumer confidence and the confidence of potential homebuyers in particular;
- U.S. and global financial system, macroeconomic conditions, market volatility and credit market stability, such as the ongoing COVID-19 pandemic and government actions and restrictive measures implemented in response;
- employment levels and job and personal income growth;
- availability and pricing of financing for homebuyers;
- short and long-term interest rates;
- demographic trends;
- changes in energy prices;
- housing demand from population growth, household formation and other demographic changes, among other factors;
- private party and governmental residential consumer mortgage loan programs, and federal and state regulation of lending and appraisal practices;
- federal and state personal income tax rates and provisions, government actions, policies, programs and regulations directed at or affecting the housing market, tax benefits associated with purchasing and owning a home, and the standards, fees and size limits applicable to the purchase or insuring of mortgage loans by government-sponsored enterprises and government agencies;
- the supply of and prices for available new or existing homes, including lender-owned homes acquired through foreclosures and short sales and homes held for sale by investors and speculators, and other housing alternatives, such as apartments and other residential rental property;

- homebuyer interest in our current or new product designs and community locations, and general consumer interest in purchasing a home compared to choosing other housing alternatives; and
- real estate taxes.

Adverse changes in these or other general and local economic or business conditions may affect our business nationally or in particular regions or localities. During the most recent economic downturn, several of the markets we serve, and the U.S. housing market as a whole, experienced a prolonged decrease in demand for new homes, as well as an oversupply of new and existing homes available for sale. Demand for new homes is affected by weakness in the resale market because many new homebuyers need to sell their existing homes in order to buy a home from us. In addition, demand may be adversely affected by alternatives to new homes, such as rental properties and existing homes. In the event of another economic downturn or if general economic conditions should worsen, our home sales could decline and we could be required to write down or dispose of assets or restructure our operations or debt, any of which could have a material adverse effect on our financial results.

Adverse changes in economic or business conditions can also cause increased home order cancellation rates, diminished demand and prices for our homes, and diminished value of our real estate investments. These changes can also cause us to take longer to build homes and make it more costly to do so. We may not be able to recover any of the increased costs by raising prices because of weak market conditions and increasing pricing pressure. Additionally, the price of each home we sell is usually set several months before the home is delivered, as many homebuyers sign their home purchase contracts before or early in the construction process. The potential difficulties described above could impact homebuyers' ability to obtain suitable financing and cause some homebuyers to cancel or refuse to honor their home purchase contracts altogether.

***The homebuilding industry is highly competitive and, if our competitors are more successful or offer better value to customers, it may materially and adversely affect our business and financial condition.***

We operate in a very competitive environment that is characterized by competition from a number of other homebuilders and land developers in each geographical market in which we operate. There are relatively low barriers to entry into the homebuilding business. We compete with numerous large national and regional homebuilding companies and with smaller local homebuilders and land developers for, among other things, homebuyers, desirable land parcels, financing, raw materials and skilled management and labor resources. If we are unable to compete effectively in our markets, our business could decline disproportionately to the businesses of our competitors and our financial condition could be materially and adversely affected.

Increased competition could hurt our business by preventing us from acquiring attractive land parcels on which to build homes or making acquisitions more expensive, hindering our market share expansion and causing us to increase selling incentives and reduce prices. Additionally, an oversupply of homes available for sale or a discounting of home prices could materially and adversely affect pricing for homes in the markets in which we operate.

Over the past several years, we have embarked on a strategy to expand our product offerings to include more affordably-priced homes to reach a deeper pool of qualified buyers and grow our overall community count. We anticipate that we will continue to build more affordably-priced homes. We believe there is more competition among homebuilding companies in more affordable product offerings than in the luxury and move-up segments. We also compete with the resale, or "previously owned," home market, the size of which may change significantly as a result of changes in the rate of home foreclosures, which is affected by changes in economic conditions both nationally and locally.

We may be at a competitive disadvantage with regard to certain large national and regional homebuilding competitors whose operations are more geographically diversified, as these competitors may be better able to withstand any future regional downturn in the housing market. We compete directly with a number of large national and regional homebuilders that may have longer operating histories and greater financial and operational resources than we do, including a lower cost of capital. Many of these competitors also have longstanding relationships with subcontractors, local governments and suppliers in the markets in which we operates or in which we may operate in the future. This may give our competitors an advantage in securing materials and labor at lower prices, marketing their products and allowing their homes to be delivered to customers more quickly and at more favorable prices. This competition could reduce our market share and limit our ability to expand our business.

***Our geographic concentration could materially and adversely affect us if the homebuilding industry in our current markets should experience a decline.***

Our current business involves the design, construction and sale of innovative detached and attached homes in planned communities in major metropolitan areas in California, Arizona and Metro New York. Because our operations are concentrated in these areas, a prolonged economic downturn affecting one or more of these areas, or affecting any sector of employment on which the residents of such area are dependent, could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations, and a disproportionately greater impact on us than other homebuilders with more diversified operations. For example, much of the employment base in the San Francisco bay area is dependent upon the technology sector. During the downturn from 2007 to 2011, land values, the demand for new homes and home prices declined substantially in California. Additionally, in the past the state of California has experienced severe budget shortfalls and taken measures such as raising taxes and increasing fees to offset the deficit. Accordingly, our sales, results of operations, financial condition and business would be negatively impacted by a decline in the economy, the job sector or the homebuilding industry in the Western U.S. regions in which our operations are concentrated.

In addition, our ability to acquire land parcels for new homes may be adversely affected by changes in the general availability of land parcels, the willingness of land sellers to sell land parcels at reasonable prices, competition for available land parcels, availability of financing to acquire land parcels, zoning and other market conditions. The availability of land parcels in our California and Arizona markets at reasonable prices is limited. If the supply of land parcels appropriate for development of homes is limited because of these factors, or for any other reason, our ability to grow could be significantly limited, and the number of homes that we build and sell could decline.

***Tightening of mortgage lending standards and mortgage financing requirements and rising interest rates could adversely affect the availability of mortgage loans for potential purchasers of our homes, and increases in property and other local taxes could prevent customers from purchasing homes, which could adversely affect our business or financial results.***

Generally, housing demand is negatively impacted by the unavailability of mortgage financing, as a result of tightening of mortgage lending standards and mortgage financing requirements, in addition to factors that increase the cost of financing a home such as increases in interest rates, down payment requirements, insurance premiums or limitations on mortgage interest deductibility. A substantial percentage of our buyers finance their home purchases with mortgage financing. Additionally, deterioration in credit quality among subprime and other nonconforming loans has caused most lenders to eliminate subprime mortgages and most other loan products that do not conform to Federal National Mortgage Association ("Fannie Mae"), Federal Home Loan Mortgage Corporation ("Freddie Mac"), Federal Housing Administration (the "FHA"), or Veterans Administration (the "VA") standards. In addition, as a result of the turbulence in the credit markets and mortgage finance industry during the last significant economic downturn, in July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act was signed into law. This legislation provided for a number of new requirements relating to residential mortgages and mortgage lending practices that reduce the availability of loans to borrowers or increase the costs to borrowers to obtain such loans. Fewer loan products and tighter loan qualifications, in turn, make it more difficult for a borrower to finance the purchase of a new home or the purchase of an existing home from a potential "move-up" buyer who wishes to purchase one of our homes. The foregoing may also hinder our ability to realize our backlog because our home purchase contracts provide customers with a financing contingency. Financing contingencies allow customers to cancel their home purchase contracts in the event that they cannot arrange for adequate financing. As a result, rising interest rates, stricter underwriting standards, and a reduction of loan products, among other similar factors, can contribute to a decrease in our home sales. Any of these factors could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations.

The federal government has also taken on a significant role in supporting mortgage lending through its conservatorship of Fannie Mae and Freddie Mac, both of which purchase home mortgages and mortgage-backedsecurities originated by mortgage lenders, and its insurance of mortgages originated by lenders through the FHA and the VA. The availability and affordability of mortgage loans, including interest rates for such loans, could be adversely affected by a curtailment or cessation of the federal government's mortgage-related programs or policies. Additionally, the FHA may continue to impose stricter loan qualification standards, raise minimum down payment requirements, impose higher mortgage insurance premiums and other costs, or limit the number of mortgages it insures. Due to federal budget deficits, the U.S. Treasury may not be able to continue supporting the mortgage-related activities of Fannie Mae, Freddie Mac, the FHA and the VA at present levels, or it may revise significantly the federal government's participation in and support of the residential mortgage market. Because the availability of Fannie Mae, Freddie Mac, FHA and VA-backed mortgage financing is an important factor in marketing and selling many of our homes, especially as they move down in price point, any limitations, restrictions or changes in the availability of such government-backed financing could reduce our home sales, which could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations.

Current federal income tax laws cap individual state and local tax deductions at $10,000 for the aggregate of state and local real property and income taxes or state and local sales taxes, and cap mortgage interest deduction to $750,000 of debt ($1,000,000 after 2025) for mortgages taken out after December 15, 2017. Additionally, limits on deductibility of mortgage interest and property taxes may increase the after-tax cost of owning a home for some individuals. Any increases in personal income tax rates or additional tax deduction limits could adversely impact demand for new homes, including homes we build, which could adversely affect our results of operations. Furthermore, increases in real estate taxes and other local government fees, such as fees imposed on developers to fund schools, open space, and road improvements, or provide low- and moderate-income housing, could increase our costs and have an adverse effect on our operations. In addition, increases in local real estate taxes as well as the limitation on deductibility of such costs could adversely affect our potential home buyers, who may consider those costs in determining whether to make a new home purchase and decide, as a result, not to purchase one of our homes or not purchase a resale, which would negatively impact homebuyers that need to sell their home before they purchase one of ours.

***Any limitation on, or reduction or elimination of, tax benefits associated with homeownership would have an adverse effect upon the demand for homes, which could be material to our business.***

Current federal income tax laws include limits on federal tax deductions individual taxpayers may take on mortgage loan interest payments and on state and local taxes, including real estate taxes, that are lower than historical limits. These changes could reduce the perceived affordability of homeownership, and therefore the demand for homes, or have a moderating impact on home sales prices in areas with relatively high housing prices or high state and local income taxes and real estate taxes, including in certain of our served markets in California and New York. In addition, if the federal government further changes, or a state government changes, its income tax laws by eliminating or substantially reducing the income tax benefits associated with homeownership, the after-tax cost of owning a home could measurably increase. Any increases in personal income tax rates or tax deduction limits or restrictions enacted at the federal or state levels could adversely impact demand for or selling prices of new homes, including our homes, and the effect on our consolidated financial statements could be adverse and material.

***We currently have investments in unconsolidated joint ventures with a third party in which we have less than a controlling interest. These investments are highly illiquid and have significant risks due to, in part, a lack of sole decision-making authority and reliance on the financial condition and liquidity of our joint venture partners.***

We own interests in various joint ventures and, as of December 31, 2020 and December 31, 2019, Landsea Homes' investments in and advances to its unconsolidated joint ventures were $21 million and $43 million, respectively. We have entered into joint ventures in order to manage our risk profile and to leverage our capital base. Such joint venture investments involve risks not otherwise present in wholly owned projects, including the following:

- *Control and Partner Dispute Risk*. We do not have exclusive control over the development, financing, management and other aspects of any such project or joint venture, which may prevent us from taking actions that are in our best interest but opposed by our partners. We cannot exercise sole decision-making authority regarding any such project or joint venture, which could create the potential risk of creating impasses on decisions, such as acquisitions or sales. Disputes between us and our partners may result in litigation or arbitration that would increase our expenses and prevent our officers and directors from focusing their time and efforts on our business and could result in subjecting the projects owned by the joint venture to additional risk. Our existing joint venture agreements contain buy-sell provisions pursuant to which one partner may initiate procedures requiring the other partner to choose between buying the other partner's interest or selling our interest to that partner; we may not have the capital to purchase our joint venture parties' interest under these circumstances even if we believe it would be beneficial to do so.

- *Development Risk*. Typically, we serve as the administrative member, managing member, or general partner of our joint ventures and one of our subsidiaries acts as the general contractor while our joint venture partner serves as the capital provider. Due to our respective role in these joint ventures, we may become liable for obligations beyond our proportionate equity share. In addition, the projects we build through joint ventures are often larger and have a longer time horizon than the typical project developed by our wholly owned homebuilding operations. Time delays associated with obtaining entitlements, unforeseen development issues, unanticipated labor and material cost increases, higher carrying costs, and general market deterioration and other changes are more likely to impact larger, long-term projects, all of which may negatively impact the profitability and capital needs of these ventures and our proportionate share of income and capital.

- *Financing Risk*. There are generally a limited number of sources willing to provide acquisition, development and construction financing to land development and homebuilding joint ventures. During difficult market conditions, it may be difficult or impossible to obtain financing for our joint ventures on commercially reasonable terms, or to refinance existing joint venture borrowings as such borrowings mature. In addition, a partner may fail to fund its share of required capital contributions or may become bankrupt, which may cause us and any other remaining partners to need to fulfill the obligations of the venture in order to preserve their interests and retain any benefits from the joint venture. As a result, we could be contractually required, or elect, to contribute our corporate funds to the joint venture to finance acquisition and development or construction costs following termination or step-down of joint venture financing that the joint venture is unable to restructure, extend, or refinance with another third party lender. In addition, our ability to contribute our funds to or for the joint venture may be limited if we do not meet the credit facility conditions discussed above. In addition, we sometimes finance projects in our unconsolidated joint ventures with debt that is secured by the underlying real property. Secured indebtedness increases the risk of the joint venture's loss of ownership of the property (which would, in turn, impair the value of our ownership interests in the joint venture).

- *Contribution Risk*. Under credit enhancements that we typically provide with respect to joint venture borrowings, we and our partners could be required to make additional unanticipated investments in and advances to these joint ventures, either in the form of capital contributions or loan repayments, to reduce such outstanding borrowings. We may have to make additional contributions that exceed our proportional share of capital if our partners fail to contribute any or all of their share. While in most instances we would be able to exercise remedies available under the applicable joint venture agreements if a partner fails to contribute its proportional share of capital, a partner's financial condition may preclude any meaningful cash recovery on the obligation.

- *Completion Risk.* We often sign a completion agreement in connection with obtaining financing for our joint ventures. Under such agreements, we may be compelled to complete a project, usually with costs within the budget related to the project being funded by the lender with any budget shortfalls being borne by us even if we no longer have an economic interest in the joint venture or the joint venture no longer has an interest in the property.

- *Illiquid Investment Risk*. We lack a controlling interest in certain of our joint ventures and therefore are generally unable to compel such joint ventures to sell assets, return invested capital, require additional capital contributions or take any other action without the vote of at least one or more of our venture partners. This means that, absent partner agreement, we may not be able to liquidate our joint venture investments to generate cash.

- *Consolidation Risk*. The accounting rules for joint ventures are complex and the decision as to whether it is proper to consolidate a joint venture onto our balance sheet is fact intensive. If the facts concerning an unconsolidated joint venture were to change and a triggering event under applicable accounting rules were to occur, we might be required to consolidate previously unconsolidated joint ventures onto our balance sheet which could adversely impact our financial statements and our leverage and other financial conditions or covenants.

Any of the above might subject a project to liabilities in excess of those contemplated and adversely affect the value of our current and future joint venture investments.

***Our quarterly operating results fluctuate due to the seasonal nature of our business.***

Our quarterly operating results generally fluctuate by season. We typically achieve our highest new home sales orders in the spring and summer, although new homes sales order activity is also highly dependent on the number of active selling communities and the timing of new community openings. Because it typically takes us four to eight months to construct a new home, we deliver a greater number of homes in the second half of the calendar year as sales orders convert to home deliveries. As a result, our revenues from homebuilding operations are typically higher in the second half of the year, particularly in the fourth quarter, and we generally experience higher capital demands in the first half of the year when we incur construction costs. If, due to construction delays or other causes, we cannot close our expected number of homes in the second half of the year, our financial condition and full year results of operations may be adversely affected.

***Risks Related to Debt and Liquidity***

***Because homes are relatively illiquid, our ability to promptly sell one or more properties for reasonable prices in response to changing economic, financial and investment conditions may be limited and we may be forced to hold non-income producing properties for extended periods of time.***

Homes are relatively difficult to sell quickly. As a result, our ability to promptly sell one or more properties in response to changing economic, financial and investment conditions is limited and we may be forced to hold non-income producing assets for an extended period of time. We cannot predict whether we will be able to sell any property for the price or on the terms that we set or whether any price or other terms offered by a prospective purchaser would be acceptable. We also cannot predict the length of time needed to find a willing purchaser and to close the sale of a property.

***We may not be able to access sufficient capital on favorable terms, or at all, which could result in an inability to acquire lots, increase home construction costs or delay home construction entirely.***

The homebuilding industry is capital-intensive and requires significant up-front expenditures to acquire land and begin development. There is no assurance that cash generated from our operations, borrowings incurred under credit agreements or project-level financing arrangements, or proceeds raised in capital markets transactions will be sufficient to finance our capital projects or otherwise fund our liquidity needs. If our future cash flows from operations and other capital resources are insufficient to finance our capital projects or otherwise fund our liquidity needs, we may be forced to:

- reduce or delay business activities, land acquisitions and capital expenditures;
- sell assets;
- obtain additional debt or equity capital; or
- restructure or refinance all or a portion of our debt on or before maturity.

These alternative measures may not be successful and we may not be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In addition, the terms of our existing debt will limit our ability to pursue these alternatives. Further, we may seek additional capital in the form of project-level financing from time to time. The availability of borrowed funds, especially for land acquisition and construction financing, may be greatly reduced nationally, and the lending community may require increased amounts of equity to be invested in a project by borrowers in connection with both new loans and the extension of existing loans. Land acquisition, development and construction activities may be adversely affected by any shortage or increased cost of financing or the unwillingness of third parties to engage in joint ventures. Any difficulty in obtaining sufficient capital for planned development expenditures could cause project delays and any such delay could result in cost increases and may adversely affect our sales and future results of operations and cash flows.

***We have outstanding indebtedness and may incur additional debt in the future.***

We have outstanding indebtedness and our ability to incur additional indebtedness under our various credit facilities is subject to and potentially restricted by customary requirements and borrowing base formulas. As of December 31, 2020, Landsea Homes had approximately $272 million outstanding under its various credit facilities and loan agreements, with approximately $278 million of additional borrowing capacity, subject to customary borrowing base requirements. Our indebtedness could have detrimental consequences, including the following:

- our ability to obtain additional financing as needed for working capital, land acquisition costs, building costs, other capital expenditures, or general corporate purposes, or to refinance existing indebtedness before its scheduled maturity, may be limited;
- we will need to use a portion of cash flow from operations to pay interest and principal on our indebtedness, which will reduce the funds available for other purposes;
- if we are unable to comply with the terms of the agreements governing our indebtedness, the holders of that indebtedness could accelerate that indebtedness and exercise other rights and remedies against us;
- the terms of any refinancing may not be as favorable as the debt being refinanced, if at all.

We cannot be certain that cash flow from operations will be sufficient to allow us to pay principal and interest on our debt, support operations and meet other obligations. If we do not have the resources to meet our obligations, we may be required to refinance all or part of our outstanding debt, sell assets or borrow more money. We may not be able to do so on acceptable terms, in a timely manner, or at all. If we are unable to refinance our debt on acceptable terms, we may be forced to dispose of our assets on disadvantageous terms, potentially resulting in losses. Defaults under our debt agreements could have a material adverse effect on our business, prospects, liquidity, financial condition or results of operations.

***A breach of the covenants under any of the agreements governing our indebtedness could result in an event of default.***

A default under any of the agreements governing our indebtedness may allow our creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. In addition, an event of default under the credit agreement governing our credit facility would permit the lenders thereunder to terminate all commitments to extend further credit under the applicable facility. Furthermore, if we were unable to repay the amounts due and payable under any secured indebtedness, those lenders could proceed against the collateral granted to them to secure that indebtedness. In the event our lenders or the holders of our notes accelerate the repayment of our borrowings, we cannot assure that we would have sufficient assets to repay such indebtedness. As a result of these restrictions, we may be:

- limited in how we conduct our business;
- unable to raise additional debt or equity financing to operate during general economic or business downturns; or
- unable to compete effectively or to take advantage of new business opportunities.

These restrictions may affect our ability to grow or continue our existing operations.

***The agreements governing our debt impose operating and financial restrictions, which may prevent us from capitalizing on business opportunities and taking some corporate actions.***

The agreements governing our debt impose operating and financial restrictions. These restrictions limit our ability, among other things, to:

- incur or guarantee additional indebtedness or issue certain equity interests;
- pay dividends or distributions, repurchase equity or prepay subordinated debt;
- make certain investments;
- sell assets;
- incur liens;
- create certain restrictions on the ability of restricted subsidiaries to transfer assets;
- enter into transactions with affiliates;
- create unrestricted subsidiaries; and
- consolidate, merge or sell all or substantially all of our assets.

As a result of these restrictions, our ability to obtain additional financing as needed for working capital, land acquisition costs, building costs, other capital expenditures, or general corporate purposes, or to refinance existing indebtedness before its scheduled maturity, may be limited. In addition, our credit facility currently contains certain financial covenants with which we must test compliance periodically. Failure to have sufficient borrowing base availability in the future or to be in compliance with our financial covenants under our credit facility could have a material adverse effect on our operations and financial condition.

In addition, we may in the future enter into other agreements refinancing or otherwise governing indebtedness which impose yet additional restrictions and covenants, including covenants limiting our ability to incur additional debt, make certain investments, reduce liquidity below certain levels, make distributions to stockholders and otherwise affect our operating policies. These restrictions may adversely affect our ability to finance future operations or capital needs or to pursue available business opportunities. A breach of any of these covenants could result in a default in respect of the related indebtedness. If a default occurs, the relevant lenders could elect to declare the indebtedness, together with accrued interest and other fees, to be immediately due and payable and proceed against any collateral securing that indebtedness.

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

Our corporate credit ratings and our current credit condition affect, among other things, our ability to access new capital, especially debt, and negative changes in these ratings may result in more stringent covenants and higher interest rates under the terms of any new debt. Our credit ratings could be downgraded or rating agencies could issue adverse commentaries in the future, which could have a material adverse effect on our business, results of operations, financial condition and liquidity. In particular, a weakening of our financial condition, including a significant increase in our leverage or decrease in our profitability or cash flows, could adversely affect our ability to obtain necessary funds, result in a credit rating downgrade or change in outlook or otherwise increase our cost of borrowing.

***Interest rate changes may adversely affect us.***

We currently do not hedge against interest rate fluctuations. We may obtain in the future one or more forms of interest rate protection in the form of swap agreements, interest rate cap contracts or similar agreements to hedge against the possible negative effects of interest rate fluctuations. However, we cannot assure you that any hedging will adequately relieve the adverse effects of interest rate increases or that counterparties under these agreements will honor their obligations thereunder. In addition, we may be subject to risks of default by hedging counterparties. Adverse economic conditions could also cause the terms on which we borrow to be unfavorable. We could be required to liquidate one or more of our assets at times which may not permit us to receive an attractive return on our assets in order to meet our debt service obligations.

***We may be unable to obtain suitable performance, payment and completion surety bonds and letters of credit, which could limit our future growth or impair our results of operations.***

We provide bonds in the ordinary course of business to governmental authorities and others to ensure the completion of our projects or in support of obligations to build community improvements such as roads, sewers, water systems and other utilities, and to support similar development activities by certain of our joint ventures. As a result of the deterioration in market conditions during the recent downturn, surety providers became increasingly reluctant to issue new bonds and some providers were requesting credit enhancements (such as cash deposits or letters of credit) in order to maintain existing bonds or to issue new bonds, which trends may continue. We may also be required to provide performance bonds or letters of credit to secure our performance under various escrow agreements, financial guarantees and other arrangements. If we are unable to obtain performance bonds or letters of credit when required or the cost or operational restrictions or conditions imposed by issuers to obtain them increases significantly, we may not be able to develop or may be significantly delayed in developing a community or communities or may incur significant additional expenses, and, as a result, our business, prospects, liquidity, financial condition or results of operation could be materially and adversely affected.

***We may be unable to obtain suitable bonding for the development of our communities***.

We provide performance bonds and letters of credit in the ordinary course of business to governmental authorities and others to ensure the completion of our projects or in support of obligations to build community improvements such as roads, sewers, water systems and other utilities. We may also be required to provide performance bonds or letters of credit to secure our performance under various escrow agreements, financial guarantees and other arrangements. If we are unable to obtain performance bonds or letters of credit when required or the cost or operational restrictions or conditions imposed by issuers to obtain them increases significantly, we may be significantly delayed in developing our communities or may incur significant additional expenses and, as a result, our financial condition and results of operations could be materially and adversely affected.

**Risks Related to the Ownership of Our Securities**

***A significant portion of our total outstanding shares are restricted from immediate resale but may be sold into the market in the near future. Resales of the shares of Common Stock included in the Merger Consideration could depress the market price of our Common Stock.***

There may be a large number of our shares of Common Stock sold in the market  The shares held by our public stockholders are freely tradeable.

The LF Capital Restricted Stockholders, including the Sponsor, hold more than 5% of the Common Stock with respect to their converted Founder Shares. Pursuant to the registration rights agreement, dated June 19, 2018, by and between the Company and the LF Capital Restricted Stockholders, the LF Capital Restricted Stockholders are entitled to registration of the converted Founder Shares. In addition, holders of our Private Placement Warrants and their permitted transferees can demand that we register the Private Placement Warrants and the shares of Common Stock issuable upon exercise of the Private Placement Warrants. The holders of these securities are entitled to make up to three demands, excluding short form demands, that we register such securities. These holders also have certain "piggy-back" registration rights with respect to registration statements filed subsequent to the closing of the Business Combination.

Common Stock issued to the Seller pursuant to the Business Combination will be freely tradeable following the expiration of the lock-up on the earlier of (A) one year following the closing of the Business Combination and (B) subsequent to the closing of the Business Combination, (x) if the last sale price of the Common Stock equals or exceeds $12.00 per share as quoted on Nasdaq (adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days following the closing of the Business Combination or (y) the date following the closing of the Business Combination on which the Company completes a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of the Company's stockholders having the right to exchange their shares of the Company for cash, securities or other property, as set forth in the Seller Lock-up Agreement.

Common Stock held by the Sponsor and certain other holders of converted Founder Shares as a result of the conversion of its Class B common stock will be freely tradeable following the expiration of a lock-up for the same duration as the Seller Lock-up Agreement, as set forth in the Sponsor Lock-up Agreement (with 500,000 of such shares being subject to the terms of forfeiture pursuant to that certain Founder's Surrender Agreement). Our Common Stock held by the LF Capital Restricted Stockholders (other than the Sponsor and certain other holders of converted Founder Shares) as a result of the conversion of their Class B common stock is freely tradeable as a result of the registration of the resale thereof pursuant to the related registration statement.

Such sales of shares of our Common Stock or the perception of such sales may depress the market price of our Common Stock or public warrants.

***A market for our securities may not continue, which would adversely affect the liquidity and price of our securities.***

The price of our securities may fluctuate significantly due to the market's reaction to the Business Combination and general market and economic conditions. An active trading market for our securities may never develop or, if developed, it may not be sustained. In addition, the price of our securities may vary due to general economic conditions and forecasts, our general business condition and the release of our financial reports. Additionally, if our securities are not listed on, or become delisted from, Nasdaq for any reason, and are quoted on the OTC Bulletin Board or OTC Pink, an inter-dealer automated quotation system for equity securities that is not a national securities exchange, the liquidity and price of our securities may be more limited than if we were quoted or listed on Nasdaq or another national securities exchange. Nasdaq listing requirements require us to have 400 round lot holders with respect to the warrants. In the event we do not have an adequate number of round lot holders to maintain the listing of the warrants, the warrants will be delisted from Nasdaq. You may be unable to sell your securities unless a market can be established or sustained.

***If the Business Combination's benefits do not meet the expectations of investors or financial analysts, the market price of our securities may decline.***

If the benefits of the Business Combination do not meet the expectations of investors or securities analysts, the market price of our securities may decline.

Fluctuations in the price of our securities could contribute to the loss of all or part of your investment. Immediately prior to the Business Combination, there was no public market for Landsea Homes' stock and trading in the shares of our securities was not active. If an active market for our securities develops and continues, the trading price of our securities could be volatile and subject to wide fluctuations in response to various factors, some of which are beyond our control. Any of the factors listed below could have a material adverse effect on your investment in our securities and our securities may trade at prices significantly below the price you paid for them. In such circumstances, the trading price of our securities may not recover and may experience a further decline.

Factors affecting the trading price of our securities may include:

- actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us;
- changes in the market's expectations about our operating results;
- the public's reaction to our press releases, our other public announcements and our filings with the SEC;
- speculation in the press or investment community;
- success of competitors;
- our operating results failing to meet the expectation of securities analysts or investors in a particular period;
- changes in financial estimates and recommendations by securities analysts concerning us or the market in general;
- operating and stock price performance of other companies that investors deem comparable to us;
- our ability to market new and enhanced products on a timely basis;
- changes in laws and regulations affecting our business;
- commencement of, or involvement in, litigation involving us;

- changes in our capital structure, such as future issuances of securities or the incurrence of additional debt;
- the volume of securities available for public sale;
- any major change in our Board or management;
- sales of substantial amounts of securities by our directors, officers or significant stockholders or the perception that such sales could occur;
- the realization of any of the risk factors presented in this Annual Report;
- additions or departures of key personnel;
- failure to comply with the requirements of Nasdaq;
- failure to comply with SOX or other laws or regulations;
- actual, potential or perceived control, accounting or reporting problems;
- changes in accounting principles, policies and guidelines; and
- general economic and political conditions such as recessions, interest rates, fuel prices, international currency fluctuations and acts of war or terrorism.

Broad market and industry factors may materially harm the market price of our securities irrespective of our operating performance. The stock market in general and Nasdaq have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of our securities, may not be predictable. A loss of investor confidence in the market for the stocks of other companies which investors perceive to be similar to us could depress our stock price regardless of our business, prospects, financial conditions or results of operations. A decline in the market price of our securities also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future.

In the past, securities class action litigation has often been initiated against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs and divert our management's attention and resources, and could also require us to make substantial payments to satisfy judgments or to settle litigation.

***Our quarterly operating results may fluctuate significantly and could fall below the expectations of securities analysts and investors due to seasonality and other factors, some of which are beyond our control, resulting in a decline in our stock price.***

Our quarterly operating results may fluctuate significantly because of several factors, including:

- labor availability and costs for hourly and management personnel;
- profitability of our products, especially in new markets and due to seasonal fluctuations;
- changes in interest rates;
- impairment of long-lived assets;
- macroeconomic conditions, both nationally and locally;
- negative publicity relating to products we serve;
- changes in consumer preferences and competitive conditions;
- expansion to new markets; and
- fluctuations in commodity prices.

***Our internal controls over financial reporting may not be effective and our independent registered public accounting firm may not be able to certify as to their effectiveness, which could have a significant and adverse effect on our business and reputation.***

As a public company, we are required to comply with the SEC's rules implementing Sections 302 and 404 of SOX, which require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of internal control over financial reporting. To comply with the requirements of being a public company, we may need to undertake various actions, such as implementing additional internal controls and procedures and hiring additional accounting or internal audit staff. The standards required for a public company under Section 404 of SOX are significantly more stringent than those required of Landsea Homes as a privately-held company. Further, as an emerging growth company, our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal controls over financial reporting pursuant to Section 404 until the date we are no longer an emerging growth company. At such time, our independent registered public accounting firm may issue a report that is adverse in the event that it is not satisfied with the level at which our internal controls are documented, designed or operating.

Testing and maintaining these controls can divert our management's attention from other matters that are important to the operation of our business. If we identify material weaknesses in the internal control over our financial reporting or are unable to comply with the requirements of Section 404 or assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express a favorable opinion as to the effectiveness of our internal controls over financial reporting when we no longer qualify as an emerging growth company, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our securities could be negatively affected, and we could become subject to investigations by the SEC or other regulatory authorities, which could require additional financial and management resources.

***The JOBS Act permits "emerging growth companies" like us to take advantage of certain exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies.***

We qualify as an "emerging growth company" as defined in Section 2(a)(19) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012, which we refer to as the "JOBS Act." As such, we take advantage of certain exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies for as long as we continue to be an emerging growth company, including (i) the exemption from the auditor attestation requirements with respect to internal control over financial reporting under Section 404 of SOX, (ii) the exemptions from say-on-pay, say-on-frequency and say-on-golden parachute voting requirements and (iii) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. As a result, our stockholders may not have access to certain information they deem important. We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year (a) following June 22, 2023, the fifth anniversary of our IPO, (b) in which we have total annual gross revenue of at least $1.07 billion or (c) in which we are deemed to be a large accelerated filer, which means the market value of our Common Stock and public warrants that is held by non-affiliates exceeds $700 million as of the last business day of our prior second fiscal quarter, and (ii) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period. We cannot predict if investors will find our common stock less attractive if we choose to rely on these exemptions. If some investors find our common stock less attractive as a result of any choices to reduce future disclosure, there may be a less active trading market for our common stock and the price of our common stock may be more volatile. Landsea Homes had total revenues during calendar year 2020 of approximately $734.6 million. If we continue to expand our business through acquisitions or continue to grow revenues organically, we may cease to be an emerging growth company prior to June 22, 2023.

In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the exemption from complying with new or revised accounting standards provided in Section 7(a)(2)(B) of the Securities Act as long as we are an emerging growth company. An emerging growth company can therefore delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies, but any such election to opt out is irrevocable. We have elected to avail ourselves of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company that is neither an emerging growth company nor an emerging growth company that has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

As a result of our reliance on these exemptions or reduced disclosures, investors may not have access to certain information they deem important or may find our securities less attractive. This may result in a less active trading market for our securities and the price of our securities, including our Common Stock or public warrants may be more volatile.

***We are a "smaller reporting company" and, as a result of the reduced disclosure and governance requirements applicable to smaller reporting companies, our common stock may be less attractive to investors.***

We are a "smaller reporting company" because we had public float of less than $250 million on the applicable measurement date. As a smaller reporting company, we are subject to reduced disclosure obligations in our periodic reports and proxy statements. We cannot predict whether investors will find our common stock less attractive as a result of our taking advantage of these exemptions. If some investors find our common stock less attractive as a result of our choices, there may be a less active trading market for our common stock and our stock price may be more volatile.

***The exercise of our warrants will result in dilution to our stockholders.***

We issued warrants to purchase 15,525,000 shares of Common Stock as part of our IPO and, on the IPO closing date, we issued Private Placement Warrants (i) to the Sponsor to purchase 7,760,000 shares of Common Stock (of which 2,260,000 Private Placement Warrants were forfeited in connection with the Business Combination and 2,200,000 were transferred to the Seller in connection with the Business Combination) and (ii) to BlackRock Credit Alpha Master Fund L.P., to purchase 550,440 shares of Common Stock, in each case at $11.50 per share. The public warrants are exercisable for one-tenth of one share at an exercise price of $1.15 per one-tenth share ($11.50 per whole share) pursuant to the Warrant Amendment. The shares of Common Stock issued upon exercise of our warrants will result in dilution to the then existing holders of Common Stock and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market could adversely affect the market price of our Common Stock or public warrants.

The Private Placement Warrants are identical to the public warrants except that, so long as they are held by the Seller, Sponsor or permitted transferees, (i) they will not be redeemable by us, (ii) they (including the Common Stock issuable upon exercise of these warrants) may not, subject to certain limited exceptions, be transferred, assigned or sold by the Sponsor until 30 days after the completion of the Business Combination, (iii) they may be exercised by the holders on a cashless basis and (iv) are subject to registration rights.

***The warrants may not ever be in the money, they may expire worthless and the terms of the warrants may be amended in a manner that may be adverse to holders of our warrants with the approval by the holders of at least 65% of the then outstanding public warrants. As a result, the exercise price of the warrants could be increased, the warrants could be converted into cash or stock (at a ratio different than initially provided), the exercise period could be shortened and the number of shares of our Common Stock purchasable upon exercise of a warrant could be decreased, all without a warrant holder's approval.***

The public warrants may not ever be in the money, and they may expire worthless. Our warrants were issued in registered form under the warrant agreement between Continental Stock Transfer & Trust Company and us (the "Warrant Agreement"). The Warrant Agreement provides that the terms of the warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval by the holders of at least 65% of the then outstanding public warrants to make any change that adversely affects the interests of the registered holders of public warrants. Accordingly, we may amend the terms of the public warrants in a manner adverse to a holder if holders of at least 65% of the then outstanding public warrants approve of such amendment. Although our ability to amend the terms of the public warrants with the consent of at least 65% of the then outstanding public warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the warrants, convert the warrants into cash or stock (at a ratio different than initially provided), shorten the exercise period or decrease the number of shares of our Common Stock purchasable upon exercise of a warrant.

***We may redeem unexpired warrants prior to their exercise at a time that is disadvantageous to a warrant holder, thereby making the warrants worthless.***

We have the ability to redeem outstanding warrants at any time and prior to their expiration, at a price of $0.01 per warrant, provided that the last reported sales price of our Common Stock equals or exceeds $18.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30 trading-day period ending on the third trading day prior to the date we send the notice of redemption to the warrant holders. If and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding warrants could force warrant holders to: (1) exercise their warrants and pay the exercise price therefor at a time when it may be disadvantageous to do so (2) sell their warrants at the then-current market price when they might otherwise wish to hold their warrants; or (3) accept the nominal redemption price which, at the time the outstanding warrants are called for redemption, is likely to be substantially less than the market value of the warrants. None of the Private Placement Warrants will be redeemable by us so long as they are held by the Seller, Sponsor or permitted transferees.

***Nasdaq may delist our securities from trading on its exchange, which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions.***

Our Common Stock and public warrants are listed on Nasdaq. There is no guarantee that these securities will remain listed on Nasdaq. There can be no assurance that these securities will continue to be listed on Nasdaq in the future. In order to continue listing our securities on Nasdaq, we must maintain certain financial, distribution and share price levels. In general, we must maintain a minimum number of holders of our securities.

If Nasdaq delists any of our securities from trading on its exchange and we are not able to list our securities on another national securities exchange, we expect our securities could be quoted on an over-the-counter market. If this were to occur, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that the Common Stock is a "penny stock" which will require brokers trading in our Common Stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

The National Securities Markets Improvement Act of 1996, which is a federal statute, prevents or preempts the states from regulating the sale of certain securities, which are referred to as "covered securities." Because the Common Stock and public warrants are listed on Nasdaq, they will be covered securities. However, if we are no longer listed on Nasdaq, our securities would not be covered securities, and we would be subject to regulation in each state in which we offer our securities.

***If securities or industry analysts do not publish or cease publishing research or reports about us, our business, or our market, or if they change their recommendations regarding our securities adversely, then the price and trading volume of our securities could decline.***

The trading market for our securities will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market, or our competitors. Securities and industry analysts do not currently, and may never, publish research on us. If no securities or industry analysts commence coverage of us, the price and trading volume of our securities would likely be negatively impacted. If any of the analysts that may cover us change their recommendation regarding our securities adversely, or provide more favorable relative recommendations about our competitors, the price of our securities would likely decline. If any analyst that may cover us ceases covering us or fails to regularly publish reports on us, we could lose visibility in the financial markets, which could cause the price or trading volume of our securities to decline.

***Anti-takeover provisions contained in our Second Amended and Restated Certificate of Incorporation and Second Amended and Restated Bylaws, as well as provisions of Delaware law, could impair a takeover attempt, which could limit the price investors might be willing to pay in the future for our common stock.***

Our Second Amended and Restated Certificate of Incorporation contains provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. We are also subject to anti-takeover provisions under Delaware law, which could delay or prevent a change of control. Together, these provisions may make more difficult the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities. These provisions include:

- a prohibition on stockholder action by written consent once the company is no longer controlled, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- a vote of 25% required for stockholders to call a special meeting;
- a "synthetic" anti-takeover provision in lieu of the statutory protections of Section 203 of the Delaware General Corporation Law;
- a vote of 80% required to approve a merger as long as the majority stockholder owns at least 20% of our stock;
- a vote of 70% required to approve certain amendments to the Second Amended and Restated Certificate of Incorporation and the Second Amended and Restated Bylaws;
- a provision allowing the directors to fill any vacancies on the Board, including vacancies that result from an increase in the number of directors, subject to the rights of the holders of any outstanding series of preferred stock to elect directors under specified circumstances; and
- the designation of Delaware as the exclusive forum for certain disputes.

***Our Second Amended and Restated Certificate of Incorporation provides that the Court of Chancery of the State of Delaware is the sole and exclusive forum for certain stockholder litigation matters, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or stockholders.***

Our Second Amended and Restated Certificate of Incorporation provides that, unless we select or consent in writing to the selection of an alternative forum, the sole and exclusive forum, to the fullest extent permitted by law, and subject to applicable jurisdictional requirements, shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have or declines to accept jurisdiction, another state court or a federal court located within the State of Delaware) for any complaint asserting claims, including any derivative action or proceeding brought on our behalf, based upon a violation of a duty by a current or former director, officer, employee or stockholder in such capacity, any action as to which the DGCL confers jurisdiction upon the Court of Chancery, or any other action asserting a claim that is governed by the internal affairs doctrine as interpreted by Delaware state courts. In addition, our Second Amended and Restated Certificate of Incorporation provides that the sole and exclusive forum for any complaint asserting a cause of action arising under the Securities Act, to the fullest extent permitted by law, shall be the federal district courts of the United States, but the forum selection provision will not apply to claims brought to enforce a duty or liability created by the Exchange Act. Any person or entity purchasing or otherwise acquiring or holding any interest in our stock shall be deemed to have notice of and consented to the forum provision in our Second Amended and Restated Certificate of Incorporation.

This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provision contained in our Second Amended and Restated Certificate of Incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition. For example, under the Securities Act, federal courts have concurrent jurisdiction over all suits brought to enforce any duty or liability created by the Securities Act, and investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Accordingly, there is uncertainty as to whether a court would enforce such a forum selection provision as written in connection with claims arising under the Securities Act.

***We do not intend to pay dividends on our common stock for the foreseeable future.***

We currently intend to retain our future earnings to finance the development and expansion of our business and, therefore, do not intend to pay cash dividends on our common stock for the foreseeable future. Any future determination to pay dividends will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements, restrictions contained in any financing instruments, applicable legal requirements and such other factors as our board of directors deems relevant. Accordingly, stockholders may need to sell their shares of our common stock to realize a return on investment and may not be able to sell shares at or above the price paid for them.

**General Risk Factors**

***Our historical financial results are not necessarily indicative of our future results as a public company.***

Our historical financial information is not necessarily indicative of our future results of operations, financial condition or cash flows. Our financial condition and future results of operations could be materially different from amounts reflected in our historical financial statements, so it may be difficult for investors to compare our future results as a public company to historical results or to evaluate our relative performance or trends in our business.

In particular, our historical consolidated financial information is not necessarily indicative of our future results of operations, financial condition or cash flows primarily because of the following factors:

- Prior to the Business Combination, the Seller or one of its affiliates provided support for various corporate functions for Landsea Homes, such as information technology, shared services, medical insurance, procurement, logistics, marketing, human resources, legal, finance and internal audit;
- Our historical consolidated financial results reflect the direct, indirect and allocated costs for such services historically provided by the Seller prior to the Business Combination, and these costs may significantly differ from the comparable expenses we would have incurred as an independent company;
- Prior to the Business Combination, Landsea Homes' working capital requirements and capital expenditures historically were satisfied as part of the Seller's corporate-wide cash management and centralized funding programs, and our cost of debt and other capital may significantly differ from that which is reflected in our historical combined financial statements for the periods prior to the Business Combination; and
- The historical combined financial information for the periods prior to the Business Combination may not fully reflect the costs associated with the Business Combination, including the costs related to being an independent public company.

Similarly, unaudited pro forma financial information previously provided was provided for illustrative purposes only and was prepared based on a number of assumptions including, but not limited to, LF Capital being treated as the "acquired" company for financial reporting purposes in the Business Combination and the total debt obligations and the cash and cash equivalents of Landsea Homes on an assumed date for the Business Combination closing.

***Our ability to be successful will depend upon the efforts of our key personnel, including the key personnel of Landsea and the Seller whom we expect to stay with us. The loss of key personnel could negatively impact the operations and profitability of our business and our financial condition could suffer as a result.***

Our success depends to a significant degree upon the continued contributions of certain key management personnel. It is possible that we will lose some key management personnel in the future, some of whom would be difficult to replace. The loss of key management personnel could negatively impact the operations and profitability of our business. Our ability to retain key management personnel or to attract suitable replacements should any member(s) of our management team leave is dependent on the culture our leadership team fosters and on the competitive nature of the employment market. The loss of services from key management personnel or a limitation in their availability could materially and adversely impact our business, prospects, liquidity, financial condition and results of operations. Further, such a loss could be negatively perceived in the capital markets. We have not obtained key management life insurance that would provide us with proceeds in the event of death or disability of any of our key management personnel.

Experienced employees in the homebuilding, developed lot acquisition and construction industries are fundamental to our ability to generate, obtain and manage opportunities. In particular, relevant licenses and qualifications, local knowledge and relationships are critical to our ability to source attractive lot acquisition opportunities. Experienced employees working in the homebuilding and construction industries are highly sought after. Failure to attract and retain such personnel or to ensure that their experience and knowledge is not lost when they leave the business through retirement, redundancy or otherwise may adversely affect the standards of our service and may have an adverse impact on our business, prospects, liquidity, financial condition and results of operations.

***Negative publicity could adversely affect our reputation as well as our business and financial results.***

Unfavorable media coverage related to our industry, company, brands, marketing, personnel, operations, business performance, or prospects may affect our stock price and the performance of our business, regardless of such media's accuracy or inaccuracy. The speed at which negative publicity can be disseminated has increased dramatically with the capabilities of electronic communication, including social media outlets, websites, blogs or newsletters. Our success in maintaining, extending and expanding our brand image depends on our ability to adapt to this rapidly changing media environment. Adverse publicity or negative commentary from any media outlet could damage our reputation and reduce the demand for our homes, which could adversely affect our business.

***An information systems interruption or breach in security of our systems could adversely affect us.***

We rely on information technology and other computer resources to perform important operational and marketing activities as well as to maintain our business and employee records and financial data. Our computer systems are subject to damage or interruption from power outages, computer attacks by hackers, viruses, catastrophes, hardware and software failures and breach of data security protocols by our personnel or third-party service providers. Computer intrusion efforts are becoming increasingly sophisticated and the controls that we have installed might be breached. Further, many of these computer resources are provided to us or are maintained on our behalf by third-party service providers pursuant to agreements that specify certain security and service level standards, but which are ultimately outside of our control. If we were to experience a significant period of disruption in information technology systems that involve interactions with customers or suppliers, it could result in the loss of sales and customers and significant incremental costs, which could adversely affect our business. Additionally, security breaches of information technology systems could result in the misappropriation or unauthorized disclosure of proprietary, personal and confidential information, including information related to employees, counter-parties, and customers, which could result in significant financial or reputational damage and liability under data privacy laws and regulations, including the California Consumer Privacy Act.

We have experienced cyber security incidents in the past. There can be no assurance that future cyber security incidents will not have a material impact on our business or operations.

***Inflation and interest rate changes could adversely affect our business and financial results.***

Inflation could adversely affect us by increasing the costs of land, raw materials and labor needed to operate our business, which in turn requires us to increase home selling prices in an effort to maintain satisfactory housing gross margins. Inflation typically also accompanies higher interest rates, which could adversely impact potential customers' ability to obtain financing on favorable terms, thereby further decreasing demand. If we are unable to raise the prices of our homes to offset the increasing costs of our operations, our margins could decrease. Furthermore, if we need to lower the prices of our homes to meet demand, the value of our land inventory may decrease. Depressed land values may cause us to abandon and forfeit deposits on land option contracts and other similar contracts if we cannot satisfactorily renegotiate the purchase price of the subject land. We may record charges against our earnings for inventory impairments if the value of our owned inventory, including land we decide to sell, is reduced, or for land option contract abandonments if we choose not to exercise land option contracts or other similar contracts, and these charges may be substantial. Inflation may also raise our costs of capital and decrease our purchasing power, making it more difficult to maintain sufficient funds to operate our business.

***Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our financial condition and results of operations.***

We will be subject to income taxes in the United States, and our domestic tax liabilities will be subject to the allocation of expenses in differing jurisdictions. Our future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

- changes in the valuation of our deferred tax assets and liabilities;
- expected timing and amount of the release of any tax valuation allowances;
- tax effects of stock-based compensation;
- costs related to intercompany restructurings;
- changes in tax laws, regulations or interpretations thereof; or
- lower than anticipated future earnings in jurisdictions where we have lower statutory tax rates and higher than anticipated future earnings in jurisdictions where we have higher statutory tax rates.

In addition, we may be subject to audits of our income, sales and other transaction taxes by U.S. federal and state authorities. Outcomes from these audits could have an adverse effect on our financial condition and results of operations.

***Changes in laws, regulations or rules, or a failure to comply with any laws, regulations or rules, may adversely affect our business, investments and results of operations.***

We are subject to laws, regulations and rules enacted by national, regional and local governments and Nasdaq. In particular, we are required to comply with certain SEC, Nasdaq and other legal or regulatory requirements. Compliance with, and monitoring of, applicable laws, regulations and rules may be difficult, time consuming and costly. Those laws, regulations or rules and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our business, investments and results of operations. In addition, a failure to comply with applicable laws, regulations or rules, as interpreted and applied, could have a material adverse effect on our business and results of operations.

***Changes in accounting rules, assumptions or judgments could materially and adversely affect us.***

Accounting rules and interpretations for certain aspects of our financial reporting are highly complex and involve significant assumptions and judgment. These complexities could lead to a delay in the preparation and dissemination of our financial statements. Furthermore, changes in accounting rules and interpretations or in our accounting assumptions or judgments, such as asset impairments and contingencies are likely to significantly impact our financial statements. In some cases, we could be required to apply a new or revised standard retroactively, resulting in restating financial statements from prior period(s). Any of these circumstances could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations.

***Acts of war or terrorism may seriously harm our business.***

Acts of war or terrorism or any outbreak or escalation of hostilities throughout the world may have a substantial impact on the economy, consumer confidence, the housing market, our employees and our customers. Historically, perceived threats to national security and other actual or potential conflicts or wars and related geopolitical risks have also created significant economic and political uncertainties. If any such events were to occur, or there was a perception that they were about to occur, they could have a material adverse impact on our business, liquidity, financial condition and results of operations.

**Item 1B. Unresolved Staff Comments**

None.

Item 2. Properties

We lease our corporate headquarters located in Newport Beach, California. The lease on this facility consists of approximately 16,209 square feet. Our offices and facilities consist of approximately 53,917 square feet in total as follows:

| Property Location | Interest | Segment Utilizing Location |
|---|---|---|
| Irvine, CA | Leased | California |
| Newport Beach, CA | Leased | All (Corporate Headquarters) |
| San Ramon, CA | Leased | California |
| Phoenix, AZ | Leased | Arizona |
| Scottsdale, AZ | Leased | Arizona |

**Item 3. Legal Proceedings**

We are subject to various legal and regulatory actions that arise from time to time and may be subject to similar or other claims in the future. In addition, we are currently involved in various other legal actions and proceedings. We are currently unable to estimate the likelihood of an unfavorable result or the amount of any eventual settlement or verdict that would not otherwise be covered by insurance, and therefore are unable to estimate whether any liability arising as a result of such litigation will have a material adverse effect on our results of operations, financial position or liquidity.

**Item 4. Mine Safety Disclosures**

None.

## PART II

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchasers of Equity Securities

Our Common Stock and warrants are currently traded on The Nasdaq Capital Market under the trading symbols "LSEA" and "LSEAW," respectively. From June 22, 2018 until the consummation of the Business Combination, our Class A common stock, units, and warrants traded on The Nasdaq Capital Market under the trading symbols "LFAC," "LFACU," and "LFACW," respectively.

As of March 8, 2021, there were 29 holders of record of our Common Stock and 5 holders of record of our warrants.

The Company has not paid any cash dividends on its Common Stock to date and does not intend to pay cash dividends. The payment of cash dividends in the future will be dependent upon the Company's revenues and earnings, if any, capital requirements and general financial condition. The payment of any cash dividends will be within the discretion of the Board at such time. In addition, the Board is not currently contemplating and does not anticipate declaring any stock dividends in the foreseeable future. If we incur any indebtedness, our ability to declare dividends may be limited by restrictive covenants we may agree to in connection therewith.

### Item 6. Selected Financial Data

We are a smaller reporting company, as defined by Rule 12b-2 under the Securities and Exchange Act of 1934 and in Item 10(f)(1) of Regulation S-K, and are not required to provide the information under this item.

**Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*Except where the context requires otherwise, references to "we," "us," "our" or the "Company" in this section are to LF Capital Acquisition Corp. (now known as Landsea Homes Corporation). The following discussion should be read in conjunction with our financial statements and related notes thereto included elsewhere in this Annual Report.*

**Overview**

As of December 31, 2020, we were a blank check company incorporated as a Delaware corporation and formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. We reviewed a number of opportunities to enter into a business combination with an operating business.

On June 22, 2018, we consummated an initial public offering (the "Initial Public Offering") of 15,525,000 units (consisting of one share of Class A common stock, $0.0001 par value, and one warrant to purchase one share of Class A common stock, collectively, a "Unit"), including 2,025,000 Units issued pursuant to the exercise in full of the underwriters' over-allotment option, at $10.00 per Unit, generating gross proceeds of $155.25 million, and incurring offering costs of approximately $9.3 million, inclusive of $5.4338 million in deferred underwriting commissions.

Simultaneously with the closing of the Initial Public Offering, we consummated the private placement (the "Private Placement") of 7,760,000 Private Placement Warrants at a price of $1.00 per Private Placement Warrant in a private placement to the Sponsor and certain funds and accounts managed by subsidiaries of BlackRock, Inc. (collectively, "anchor investor"), generating gross proceeds of $7.76 million.

Upon the closing of the Initial Public Offering and Private Placement, $158.355 million ($10.20 per Unit) of the net proceeds of the sale of the Units in the Initial Public Offering and the Private Placement was placed in a trust account ("Trust Account") and was invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 180 days or less or in any open-ended investment company that holds itself out as a money market fund selected by the Company meeting the conditions of paragraphs (d)(2), (d)(3) and (d)(4) of Rule 2a-7 of the Investment Company Act, as determined by us, until the earlier of: (i) the completion of a business combination and (ii) the distribution of the Trust Account.

Our management had broad discretion with respect to the specific application of the net proceeds of the Initial Public Offering and the Private Placement, although substantially all of the net proceeds were intended to be applied generally toward consummating a business combination.

On June 16, 2020, we held a special meeting of shareholders to extend (the "Extension") the date by which we had to complete an initial business combination from June 22, 2020 to September 22, 2020. The Extension was approved, and in connection with the vote to approve the Extension, the holders of 2,089,939 shares of Class A common stock properly exercised their right to redeem their shares for cash at a redemption price of approximately $10.46 per share, for an aggregate redemption amount of approximately $21.9 million.

On August 31, 2020, we entered into an Agreement and Plan of Merger (the "Merger Agreement"), with LFCA Merger Sub, Inc., a Delaware corporation and our direct, wholly-owned subsidiary ("Merger Sub"), Landsea Homes Incorporated, a Delaware corporation ("Landsea"), and Landsea Holdings Corporation, a Delaware corporation (the "Seller"), which provided for, among other things, the merger of Merger Sub with and into Landsea, with Landsea continuing as the surviving corporation (the "Merger"). This transaction constituted a business combination.

On September 17, 2020, we held a special meeting of shareholders to extend (the "September Extension") the date by which we had to complete an initial business combination from September 22, 2020 to December 22, 2020. The September Extension was approved, and in connection with the vote to approve the September Extension, in September 2020 the holders of 1,215,698 shares of Class A common stock properly exercised their right to redeem their shares for cash at a redemption price of approximately $10.57 per share, for an aggregate redemption amount of approximately $12.8 million.

We had previously deposited into the Trust Account (each deposit being referred to herein as a "Deposit") $0.03 per month (or an aggregate of $0.09) for each public share that was not converted in connection with the Extension of our termination date from June 22, 2020 through September 22, 2020. During the year ended December 31, 2020, we made a Deposit of approximately $1.2 million to the Trust Account. On September 17, 2020, the special meeting held for the September Extension also eliminated the Deposits after September 22, 2020.

On December 21, 2020, we held a special meeting of shareholders to extend (the "December Extension") the date by which we had to complete an initial business combination from December 22, 2020 to January 22, 2021 (the "Combination Period"). The December Extension was approved, and in connection with the vote to approve the December Extension, in December 2020 the holders of 1,826,891 shares of Class A common stock properly exercised their right to redeem their shares for cash at a redemption price of approximately $10.56 per share, for an aggregate redemption amount of approximately $19.3 million.

On January 7, 2021, the Company consummated the Business Combination.

**Results of Operations**

Our entire activity from inception to June 20, 2018 was in preparation for our Initial Public Offering. From the Initial Public Offering to January 7, 2021, our activity was limited to the search for, and completion of, a business combination.

For the year ended December 31, 2020, we had a net loss of approximately $2.1 million, which consisted of approximately $2.5 million in general and administrative expenses, approximately $200,000 in franchise tax expense, and approximately $120,000 in income tax expense which was partially offset by approximately $694,000 in interest earned on investments and marketable securities held in the Trust Account.

For the year ended December 31, 2019, we had net income of approximately $1.8 million, which consisted of approximately $3.5 million in interest earned on investments and marketable securities held in the Trust Account, offset by approximately $826,000 in general and administrative expenses, $200,000 in franchise tax expense, and approximately $676,000 in income tax expense.

**Liquidity and Capital Resources**

As of December 31, 2020, we had approximately $69,000 in our operating bank accounts, and working capital deficit of approximately $4.4 million (including tax obligations of approximately $40,000).

Through December 31, 2020, our liquidity needs were satisfied through receipt of a $25,000 capital contribution from the Sponsor in exchange for the issuance of the Founder Shares to the Sponsor, loans from the Sponsor, and the proceeds from the consummation of the Private Placement not held in Trust Account, and interest earned and released from the Trust Account of approximately $1.7 million since inception to pay for our tax obligations. We fully repaid the loan from the proceeds of the Initial Public Offering not being placed in the Trust Account on June 22, 2018.

On March 4, 2019, we issued a convertible note (the "Convertible Note") to our Sponsor, pursuant to which our Sponsor agreed to provide a working capital loan (the "Working Capital Loan") to us of up to $1.5 million. The Working Capital Loans would either be repaid upon consummation of a business combination, without interest, or, at the lender's discretion, up to $1.5 million of such Working Capital Loan may be convertible into warrants of the

post business combination entity at a price of $1.00 per warrant. The warrants would be identical to the Private Placement Warrants. We were provided $750,000 and $750,000 in loan proceeds during the year ended December 31, 2020 and 2019, respectively, for an aggregate amount of $1.5 million, pursuant to the amended Convertible Note. In connection with the Merger, the Convertible Note was repaid on January 7, 2021.

On July 16, 2020, we issued a $3.0 million promissory note (the "Promissory Note") to our Sponsor, pursuant to which our Sponsor agreed to provide a working capital loan to us of up to $3.0 million. The Promissory Note will be repaid on the earlier of (i) December 31, 2020 and (ii) the effective date of a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination, involving us and one or more businesses, without interest. On January 6, 2021, the Company amended the maturity date of the Promissory Note to be repaid on the later of: (i) December 31, 2020 and (ii) the closing date of the Business Combination. On July 16, 2020, we were provided an advance of $1.0 million in loan proceeds pursuant to the Promissory Note which increased the principal balance of the Promissory Note to $1.0 million. In connection with the Merger, the Promissory Note was repaid on January 7, 2021.

We had sufficient cash on hand to fund operations through the date of the Merger on January 7, 2021. Subsequent to the Merger, management believes that we will be able to fund current and foreseeable liquidity needs with cash on hand, cash generated from operations, and cash expected to be available from credit facilities or through accessing debt or equity capital as needed.

**Related Party Transactions**

*Founder Shares*

In August 2017, we issued the Founder Shares to the Sponsor in exchange for an aggregate capital contribution of $25,000. In February 2018, the Sponsor forfeited 431,250 Founder Shares, resulting in a decrease in the total number of Founder Shares from 4,312,500 to 3,881,250. All share amounts presented in the financial statements have been retroactively restated to reflect these share forfeitures. In June 2018, the Sponsor forfeited 267,300 Founder Shares and the anchor investor purchased 267,300 Founder Shares for an aggregate purchase price of $1,980. Of the 3,881,250 Founder Shares, the Sponsor had agreed to forfeit an aggregate of up to 506,250 Founder Shares to the extent that the over-allotment option is not exercised in full by the underwriters. As of June 22, 2018, the underwriter exercised its over-allotment option in full, hence, these 506,250 shares were no longer subject to forfeiture.

The Founder Shares automatically converted into Class A common stock upon the consummation of a business combination on a one-for-one basis, subject to adjustment. The Sponsor and certain other holders of converted Founder Shares agreed not to transfer, assign or sell any of their converted Founder Shares until the earliest of (A) one year after the completion of the Business Combination or (B) subsequent to the Business Combination, (x) if the last sale price of our Common Stock equals or exceeds $12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after the Business Combination, or (y) the date on which we complete a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of our stockholders having the right to exchange their shares of common stock for cash, securities or other property, except (a) to our officers or directors, any affiliates or family members of any of our officers or directors, any members of the Sponsor, or any affiliates of the Sponsor, (b) in the case of an individual, by gift to a member of the individual's immediate family, to a trust, the beneficiary of which is a member of the individual's immediate family or an affiliate of such person, or to a charitable organization; (c) in the case of an individual, by virtue of laws of descent and distribution upon death of the individual; (d) in the case of an individual, pursuant to a qualified domestic relations order; (e) by private sales; (f) in the event of our liquidation; (g) by virtue of the laws of Delaware or the Sponsor's limited liability company agreement upon dissolution of the Sponsor; (h) in the event of our liquidation, merger, capital stock exchange, reorganization or other similar transaction which results in all of our stockholders having the right to exchange their shares of common stock for cash, securities or other property subsequent to the completion of the Business Combination; provided, however, that in the case of clauses (a) through (e) these permitted transferees must enter into a written agreement agreeing to be bound by these transfer restrictions.

*Office Space and Related Support Services*

We agreed, commencing on the effective date of the Initial Public Offering in June 2018 through the earlier of our consummation of a business combination and our liquidation, to pay our Sponsor a monthly fee of $10,000 or an affiliate of our sponsor for office space, utilities and secretarial and administrative support. We incurred $110,000 and $120,000 in fees related to this service during the years ended December 31, 2020 and 2019 in the accompanying Statements of Operations.

*Board Member Agreement*

In September 2017, we entered into an agreement with B. Prot Conseils, an entity controlled by Mr. Baudouin Prot, one of our board members, pursuant to which the board member will be paid a cash fee of $150,000 per annum in exchange for his service. The agreement was effective as of October 1, 2017 and lasted until December 2019. We incurred $150,000 in fees related to this service during the year ended December 31, 2019 in the accompanying Statements of Operations. On February 20, 2020, we have agreed to amend our arrangement with Mr. Prot, pursuant to which no further monthly fees will be paid on a current monthly basis to Mr. Prot, however, if we complete our acquisition of a target company prior to June 18, 2020, we shall pay Mr. Prot $12,500 for each month Mr. Prot has continued to provide services to us since January 1, 2020. On August 3, 2020, we agreed to amend our arrangement with Mr. Prot pursuant to which he will be paid an aggregate of $75,000 for January through June 2020 so long as Mr. Prot continues to provide services to our company to substantially the same extent as he previously provided such services and we successfully complete our acquisition of a target company prior to December 31, 2020. If we do not complete our acquisition of a target company prior to December 31, 2020, then no further fees will be due to Mr. Prot. The Company accrued $75,000 in fees related to this service for the year ended December 31, 2020, in the accompanying Statements of Operations and paid this out at the time of closing of the Business Combination.

*Promissory Notes - Related Party*

Our Sponsor had agreed to loan us an aggregate of up to $300,000 to be used for the payment of costs related to the Initial Public Offering. In April 2018, our Sponsor amended the note to increase the principal amount to $500,000. The loan was non-interest bearing, unsecured and due on the earlier of December 31, 2019 or the closing of the Initial Public Offering. We fully repaid the loan from the proceeds of the Initial Public Offering not being placed in the Trust Account on June 22, 2018.

On July 16, 2020, we issued the Promissory Note to our Sponsor, pursuant to which our Sponsor agreed to provide a working capital loan to us of up to $3 million. The Promissory Note will be repaid on the earlier of (i) December 31, 2020 and (ii) the effective date of a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination, involving us and one or more businesses, without interest. On January 6, 2021, the Company amended the maturity date of the Promissory Note to be repaid on the later of: (i) December 31, 2020 and (ii) the closing date of the Business Combination. On July 16, 2020, we were provided an advance of $1.0 million in loan proceeds pursuant to the Promissory Note which increased the principal balance of the Promissory Note to $1.0 million. The Sponsor agreed to forgive all amounts due under the Promissory Note for no consideration upon the consummation of the Business Combination. See the "Business Combination" described in Note 1 of the Notes To Financial Statements for additional discussion.

*Related Party Loans*

In order to finance transaction costs in connection with a business combination, the Sponsor or an affiliate of the Sponsor, or certain of our officers and directors may, but are not obligated to, loan us Working Capital Loans. If we complete a business combination, we would repay the Working Capital Loans out of the proceeds of the Trust Account released to us. Otherwise, the Working Capital Loans would be repaid only out of funds held outside the Trust Account. In the event that a business combination does not close, we may use a portion of proceeds held outside the Trust Account to repay the Working Capital Loans but no proceeds held in the Trust Account would be used to repay the Working Capital Loans. The Working Capital Loans would either be repaid upon consummation of a business combination, without interest, or, at the lender's discretion, up to $1,500,000 of such Working Capital Loans may be convertible into warrants of the post business combination entity at a price of $1.00 per warrant. The warrants would be identical to the Private Placement Warrants.

On March 4, 2019, we issued the Convertible Note to our Sponsor, pursuant to which our Sponsor agreed to provide a Working Capital Loan to us of up to $1.5 million. On June 16, 2020, we amended the Convertible Note, pursuant to which the maturity date of the note was extended to the earlier of (i) December 31, 2020 and (ii) the effective date of a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination, involving us and one or more businesses. We were provided $750,000 in loan proceeds during the year ended 2020 and 2019, respectively, for an aggregate of $1.5 million outstanding balance pursuant to the amended Convertible Note. However, the Sponsor agreed to receive as full repayment of the Convertible Note, a cash payment upon the consummation of the Business Combination, which occurred on January 7, 2021. See "Business Combination" described in Note 1 of the Notes To Financial Statements for additional discussion.

**Critical Accounting Policies and Estimates**

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and income and expenses during the periods reported. Actual results could materially differ from those estimates. The Company has identified the following as its critical accounting policies:

*Net Income (Loss) per Share*

We comply with accounting and disclosure requirements of FASB ASC Topic 260, "Earnings Per Share." Net income (loss) per share is computed by dividing net income (loss) applicable to common stockholders by the weighted average number of shares of common stock outstanding for the period. We have not considered the effect of the warrants sold in the Initial Public Offering and Private Placement to purchase an aggregate of 23,285,000 shares of Class A common stock in the calculation of diluted earnings per share, since their inclusion would be anti-dilutive under the treasury stock method. As a result, diluted earnings per share is the same as basic earnings per share for the period. Our condensed statement of operations includes a presentation of income (loss) per share for common stock subject to redemption in a manner similar to the two-class method of income (loss) per share. Net income (loss) per share, basic and diluted for Class A common stock is calculated by dividing the interest income earned on the Trust Account, net of applicable taxes, by the weighted average number of shares of Class A common stock outstanding since the initial issuance. Net income (loss) per share, basic and diluted for Class B common stock is calculated by dividing the net income (loss), less income attributable to Class A common stock, by the weighted average number of shares of Class B common stock outstanding for the period.

*Class A Common Stock Subject to Possible Redemption*

We account for our Class A common stock subject to possible redemption in accordance with the guidance in ASC Topic 480 "Distinguishing Liabilities from Equity." Class A common stock subject to mandatory redemption (if any) are classified as liability instruments and are measured at fair value. Conditionally redeemable Class A common stock (including Class A common stock that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within our control) are classified as temporary equity. At all other times, shares of Class A common stock are classified as stockholders' equity. Our Class A common stock features certain redemption rights that are considered to be outside of our control and subject to the occurrence of uncertain future events. Accordingly, at December 31, 2019, 14,461,820 shares of Class A common stock subject to possible redemption are presented as temporary equity, outside of the stockholders' equity section of our balance sheets. As of December 31, 2020, there were no further redemptions permitted and the shares that were subject to redemption have been reclassified back into Class A common stock.

**Off-Balance Sheet Arrangements and Contractual Obligations**

As of December 31, 2020 and 2019, we did not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K and did not have any commitments or contractual obligations.

**Item 7A. Quantitative and Qualitative Disclosures about Market Risk**

As of December 31, 2020 and 2019, we were not subject to any market or interest rate risk. Following the consummation of our Initial Public Offering, the net proceeds of our Initial Public Offering, including amounts in the Trust Account, were invested in U.S. government treasury bills, notes or bonds with a maturity of 180 days or less or in certain money market funds that invest solely in U.S. treasuries. Due to the short-term nature of these investments, we do not believe that there will be an associated material exposure to interest rate risk.

**Item 8. Financial Statements and Supplementary Data**

**LANDSEA HOMES CORP.**
**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Landsea Homes Corporation

**Opinion on the Financial Statements**
We have audited the accompanying balance sheets of Landsea Homes Corporation (Formerly LF Capital Acquisition Corp.) (the "Company") as of December 31, 2020 and 2019, the related statements of operations, changes in stockholders' equity, and cash flows and the related notes to the financial statements (collectively, the financial statements) for the years ended December 31, 2020 and 2019. In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

**Merger Agreement**
As discussed in Note 10 to the financial statements, on January 7, 2021 the Company completed the business combination pursuant to the Merger Agreement described in Note 1.

**Basis for Opinion**
These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ RSM US LLP

We have served as the Company's auditor since 2017.

New York, New York
March 12, 2021

**LANDSEA HOMES CORP.**
**BALANCE SHEETS**

| | December 31, 2020 | December 31, 2019 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 68,986 | $ 161,405 |
| Prepaid expenses | 1,598 | 304,077 |
| **Total current assets** | 70,584 | 465,482 |
| Marketable securities held in Trust Account | 109,742,246 | 162,019,909 |
| **Total assets** | **$ 109,812,830** | **$ 162,485,391** |
| | | |
| **Liabilities and Stockholders' Equity** | | |
| Current liabilities: | | |
| Accounts payable | $ 1,961,576 | $ 121,516 |
| Accrued expenses | - | 30,610 |
| Convertible note payable - related parties | 1,500,000 | 750,000 |
| Promissory note – related party | 1,000,000 | - |
| Franchise tax payable | 40,051 | 40,000 |
| Total current liabilities | 4,501,627 | 942,126 |
| Deferred tax liabilities | - | 128,105 |
| Deferred underwriting commissions | 5,433,750 | 5,433,750 |
| **Total liabilities** | 9,935,377 | 6,503,981 |
| | | |
| **Commitments** | | |
| Class A common stock, $0.0001 par value; 0 and 14,461,820 shares subject to possible redemption at $0 and $10.44 per share at December 31, 2020 and 2019, respectively | - | 150,981,401 |
| | | |
| **Stockholders' Equity:** | | |
| Preferred stock, $0.0001 par value; 1,000,000 shares authorized; none issued and outstanding at December 31, 2020 and 2019, respectively | - | - |
| Class A common stock, $0.0001 par value; 100,000,000 shares authorized; 10,392,472 and 1,063,180 shares issued and outstanding (excluding 0 and 14,461,820 shares subject to possible redemption) at December 31, 2020 and 2019, respectively | 1,039 | 106 |
| Convertible Class B common stock, $0.0001 par value; 15,000,000 shares authorized; 3,881,250 shares issued and outstanding at December 31, 2020 and 2019, respectively | 388 | 388 |
| Additional paid-in capital | 99,730,418 | 2,757,412 |
| Retained earnings | 145,608 | 2,242,103 |
| **Total stockholders' equity** | 99,877,453 | 5,000,009 |
| **Total Liabilities and Stockholders' Equity** | **$ 109,812,830** | **$ 162,485,391** |

*The accompanying notes are an integral part of these financial statements.*

**LANDSEA HOMES CORP.**
**STATEMENTS OF OPERATIONS**

| | For the Years Ended December 31, | |
|---|---|---|
| | **2020** | **2019** |
| General and administrative expenses | $ 2,470,314 | $ 826,307 |
| Franchise tax expense | 200,051 | 200,000 |
| Loss from operations | (2,670,365) | (1,026,307) |
| Interest earned on investments and marketable securities | 694,319 | 3,473,997 |
| (Loss) income before income tax expense | (1,976,046) | 2,447,690 |
| Income tax expense | 120,449 | 675,854 |
| **Net (loss) income** | $ (2,096,495) | $ 1,771,836 |
| | | |
| **Weighted average shares outstanding of Class A common stock** | 14,006,380 | 15,525,000 |
| **Basic and diluted net income per share, Class A** | $ 0.03 | $ 0.17 |
| **Weighted average shares outstanding of Class B common stock** | 3,881,250 | 3,881,250 |
| **Basic and diluted net loss per share, Class B** | $ (0.64) | $ (0.21) |

*The accompanying notes are an integral part of these financial statements.*

**LANDSEA HOMES CORP.**
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**

| | Common Stock | | | | Additional Paid-in Capital | Retained Earnings (Accumulated Deficit) | Total Stockholders' Equity (Deficit) |
|---|---|---|---|---|---|---|---|
| | Class A | | Class B | | | | |
| | Shares | Amount | Shares | Amount | | | |
| **Balance December 31, 2018** | **1,024,556** | **$ 102** | **3,881,250** | **$ 388** | **$ 4,529,248** | **$ 470,267** | **$ 5,000,005** |
| Common stock subject to possible redemption | 38,624 | 4 | - | - | (1,771,836) | - | (1,771,832) |
| Net income | - | - | - | - | - | 1,771,836 | 1,771,836 |
| **Balance December 31, 2019** | **1,063,180** | **$ 106** | **3,881,250** | **$ 388** | **$ 2,757,412** | **$ 2,242,103** | **$ 5,000,009** |
| Common stock no longer subject to redemption (1) | 9,329,292 | 933 | - | - | 96,973,006 | - | 96,973,939 |
| Net loss | - | - | - | - | - | (2,096,495) | (2,096,495) |
| **Balance December 31, 2020** | **10,392,472** | **$ 1,039** | **3,881,250** | **$ 388** | **$ 99,730,418** | **$ 145,608** | **$ 99,877,453** |

(1) Amount net of redemption of 2,089,939, 1,215,698 and 1,826,891 of Class A common stock on June 16, 2020, September 21, 2020 and December 21, 2020, respectively.

*The accompanying notes are an integral part of these financial statements.*

**LANDSEA HOMES CORP.**
**STATEMENTS OF CASH FLOWS**

| | For the Years Ended December 31, | |
|---|---|---|
| | **2020** | **2019** |
| **Cash Flows from Operating Activities:** | | |
| Net (loss) income | $ (2,096,495) | $ 1,771,836 |
| Adjustments to reconcile net income (loss) to net cash used in operating activities: | | |
| Deferred tax liabilities | (128,105) | 128,105 |
| Interest earned on investments and marketable securities held in Trust Account | (694,311) | (3,473,528) |
| Changes in operating assets and liabilities: | | |
| Prepaid expenses | 302,479 | (260,863) |
| Accounts payable | 1,840,060 | 13,224 |
| Accrued expenses | (30,610) | 24,110) |
| Franchise tax payable | 51 | (160,000 |
| **Net cash used in operating activities** | (806,931) | (1,957,116) |
| | | |
| **Cash Flows from Investing Activities** | | |
| Cash deposited in Trust Account | (1,469,038) | - |
| Withdrawal from Trust upon redemption of Class A common stock | 54,007,462 | - |
| Interest released from Trust Account | 433,550 | 1,171,717 |
| **Net cash provided by investing activities** | 52,971,974 | 1,171,717 |
| | | |
| **Cash Flows from Financing Activities:** | | |
| Proceeds from note payable to related parties | 750,000 | 750,000 |
| Proceeds from promissory note – related party | 1,000,000 | - |
| Redemption of Class A common stock | (54,007,462) | - |
| **Net cash (used in) provided by financing activities** | (52,257,462) | 750,000 |
| | | |
| **Net decrease in cash** | (92,419) | (35,399 |
| | | |
| **Cash and cash equivalents - beginning of the period** | 161,405 | 196,804 |
| **Cash and cash equivalents - end of the period** | **$ 68,986** | **$ 161,405** |
| | | |
| **Supplemental disclosure of noncash investing and financing activities:** | | |
| Change in Class A common stock subject to possible redemption | $ (96,973,939) | $ 1,771,832 |
| | | |
| **Supplemental cash flow disclosure:** | | |
| Cash paid for income taxes | $ 233,500 | $ 811,467 |

*The accompanying notes are an integral part of these financial statements.*

**Note 1. Description of Organization and Business Operations**

LF Capital Acquisition Corp. (now known as Landsea Homes Corp.) (the "Company") was a blank check company incorporated in the state of Delaware on June 29, 2017. The Company was formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses that the Company has not yet identified ("Business Combination"). The Company was not limited to a particular industry or geographic region for purposes of consummating a Business Combination.

On August 31, 2020, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement"), by and among the Company, LFCA Merger Sub, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of the Company ("Merger Sub"), Landsea Homes Incorporated, a Delaware corporation ("Landsea"), and Landsea Holdings Corporation, a Delaware corporation (the "Seller"), which provides for, among other things the merger of Merger Sub with and into Landsea, with Landsea continuing as the surviving corporation (the "Merger"). On January 7, 2021, the Company completed the business combination. See the Business Combination described below.

All activity through December 31, 2020 relates to the Company's formation, the initial public offering ("Initial Public Offering"), and, since the closing of the Initial Public Offering, a search for a Business Combination candidate. The Company has selected December 31 as its fiscal year end.

The registration statement for the Company's Initial Public Offering was declared effective on June 19, 2018. On June 22, 2018, the Company consummated its Initial Public Offering of 15,525,000 units (each, a "Unit" and collectively, the "Units"), including 2,025,000 Units issued pursuant to the exercise in full of the underwriters' over-allotment option, at $10.00 per Unit, generating gross proceeds of $155.25 million, and incurring offering costs of approximately $9.3 million, inclusive of $5.4338 million in deferred underwriting commissions (Note 3).

Simultaneously with the closing of the Initial Public Offering, the Company consummated the private placement ("Private Placement") of 7,760,000 warrants (each, a "Private Placement Warrant" and collectively, the "Private Placement Warrants") at a price of $1.00 per Private Placement Warrant in a private placement to the Sponsor, Level Field Capital, LLC ("Sponsor") and certain funds and accounts managed by subsidiaries of BlackRock, Inc. (collectively, "anchor investor"), generating gross proceeds of $7.76 million (Note 4).

Upon the closing of the Initial Public Offering and Private Placement, $158.355 million ($10.20 per Unit) of the net proceeds of the sale of the Units in the Initial Public Offering and the Private Placement was placed in a trust account ("Trust Account") and is required to be invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 180 days or less or in any open-ended investment company that holds itself out as a money market fund selected by the Company meeting the conditions of paragraphs (d)(2), (d)(3) and (d)(4) of Rule 2a-7 of the Investment Company Act, as determined by the Company, until the earlier of: (i) the completion of a Business Combination and (ii) the distribution of the Trust Account as described below.

The Company's management had broad discretion with respect to the specific application of the net proceeds of its Initial Public Offering and Private Placement Warrants, although substantially all of the net proceeds were intended to be applied generally toward consummating a Business Combination. The Company's initial Business Combination was required to be with one or more target businesses that together had an aggregate fair market value of at least 80% of the assets held in the Trust Account (excluding the deferred underwriting commissions and taxes payable on income earned on the trust account) at the time of the agreement to enter into the initial Business Combination. However, the Company would only complete a Business Combination if the post-transaction company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for it not to be required to register as an investment company under the Investment Company Act 1940, as amended, or the Investment Company Act.

Shareholders of Public shares ("Public Shareholders") had the opportunity to redeem all or a portion of their Public shares upon the completion of a Business Combination either (i) in connection with a shareholder meeting called to approve the Business Combination or (ii) by means of a tender offer. (The decision as to whether the Company would seek shareholder approval of a Business Combination or conduct a tender offer was to be made by the Company, solely in its discretion.) If, however, shareholder approval of the transaction was required by law or stock exchange listing requirement, or the Company decided to obtain shareholder approval for business or other legal reasons, it will: (i) conduct the redemptions in conjunction with a proxy solicitation pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which regulates the solicitation of proxies, and not pursuant to the tender offer rules; and (ii) file proxy materials with the Securities and Exchange Commission ("SEC"). The public shareholders were entitled to redeem their Public shares for a pro rata portion of the amount then in the Trust Account (initially approximately $10.20 per share, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company to pay its tax obligations, less up to $100,000 of interest to pay dissolution expenses).

The per-share amount to be distributed to public shareholders who redeemed their Public shares were not reduced by the deferred underwriting commissions the Company payable to the underwriters (as discussed in Note 6). These Public shares have been recorded at redemption value and classified as temporary equity upon the completion of the Initial Public Offering, in accordance with Accounting Standards Codification ("ASC") Topic 480 "Distinguishing Liabilities from Equity." In such case, the Company will proceed with a Business Combination if the Company has net tangible assets of at least $5,000,001 upon such consummation of a Business Combination and a majority of the shares voted are voted in favor of the Business Combination. If a shareholder vote is not required by the law and the Company does not decide to hold a shareholder vote for business or other legal reasons, the Company will, pursuant to its Amended and Restated Articles of incorporation, conduct the redemptions pursuant to the tender offer rules of the SEC, and file tender offer documents with the SEC prior to completing a Business Combination. If, however, a shareholder approval of the transactions is required by law, or the Company decides to obtain shareholder approval for business or legal reasons, the Company were to redeem shares in conjunction with a proxy solicitation pursuant to the proxy rules and not pursuant to the tender offer rules. Additionally, each public shareholder may elect to redeem their Public shares irrespective of whether they vote for or against the proposed transaction. If the Company seeks shareholder approval in connection with a Business Combination, the initial stockholders have agreed to vote their founder shares (and any Public shares purchased during or after the Initial Public Offering in favor of a Business Combination. In addition, the initial stockholders have agreed to waive their redemption rights with respect to their founder shares and Public shares in connection with the completion of a Business Combination.

Notwithstanding the foregoing, the Company's Amended and Restated Articles of incorporation provides that a public shareholder, together with any affiliate of such shareholder or any other person with whom such shareholder is acting in concert or as a "group" (as defined under Section 13 of the Exchange Act), were restricted from redeeming its shares with respect to more than an aggregate of 20% or more of the Class A common stock sold in the Initial Public Offering, without the prior consent of the Company.

On June 16, 2020, the Company held a special meeting of shareholders to extend (the "Extension") the date by which the Company has to complete an initial Business Combination from June 22, 2020 to September 22, 2020. The Extension was approved, and in connection with the vote to approve the Extension, in June 2020 the holders of 2,089,939 shares of Class A common stock properly exercised their right to redeem their shares for cash at a redemption price of approximately $10.46 per share, for an aggregate redemption amount of approximately $21.9 million.

On September 17, 2020, the Company held a special meeting of shareholders to extend (the "September Extension") the date by which the Company has to complete an initial Business Combination from September 22, 2020 to December 22, 2020. The September Extension was approved, and in connection with the vote to approve the September Extension, in September 2020 the holders of 1,215,698 shares of Class A common stock properly exercised their right to redeem their shares for cash at a redemption price of approximately $10.57 per share, for an aggregate redemption amount of approximately $12.8 million.

On December 21, 2020, the Company held a special meeting of shareholders to extend (the "December Extension") the date by which the Company has to complete an initial Business Combination from December 22, 2020 to January 22, 2021 (the "Combination Period"). The December Extension was approved, and in connection with the vote to approve the December Extension, in December 2020 the holders of 1,826,891 shares of Class A common stock properly exercised their right to redeem their shares for cash at a redemption price of approximately $10.56 per share, for an aggregate redemption amount of approximately $19.3 million.

The Company previously deposited into the Trust Account (each deposit being referred to herein as a "Deposit") $0.03 per month (or an aggregate of $0.09) for each public share that was not converted in connection with the Extension of the Company's termination date from June 22, 2020 through September 22, 2020. During the year ended December 31, 2020, the Company made a Deposit of approximately $1.2 million to the Trust Account. Alternatively, if the Company did not have the funds necessary to make the Deposit referred to above, the Company's officers, directors or any of their affiliates or designees contributed to the Company as a loan (each loan being referred to herein as a "Contribution") $0.03 for each public share that is not converted in connection with the shareholder votes to approve the Extension, for each monthly period, or portion thereof, that was needed by the Company to complete an initial Business Combination from June 22, 2020 until the date of the consummation of its Business Combination. The Contributions did not bear any interest and were repayable by the Company to the officers, directors or affiliates upon consummation of an initial Business Combination. The loans were to be forgiven if the Company was unable to consummate an initial Business Combination except to the extent of any funds held outside of the Trust Account. On September 17, 2020, the Company held a special meeting for the September Extension which eliminated further Deposits after September 22, 2020.

If the Company was unable to complete a Business Combination within the Combination Period, the Company would have been required to (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but no more than ten business days thereafter, redeem 100% of the outstanding public shares which redemption would completely extinguish public stockholders' rights as shareholders (including the right to receive further liquidation distributions, if any), subject to applicable law and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the remaining shareholders and the Company's board of directors, proceed to commence a voluntary liquidation and thereby a formal dissolution of the Company, subject in each case to its obligations to provide for claims of creditors and the requirements of applicable law.

In connection with the redemption of 100% of the Company's outstanding Public shares for a portion of the funds held in the Trust Account, each holder would have received a full pro rata portion of the amount then in the Trust Account, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company to pay for its franchise and income taxes (less up to $100,000 of interest to pay dissolution expenses).

The initial stockholders agreed to waive their liquidation rights with respect to the founder shares if the Company fails to complete a Business Combination within the Combination Period. However, if the initial stockholders acquired Public shares in or after the Initial Public Offering, they were entitled to liquidating distributions from the Trust Account with respect to such Public shares if the Company failed to complete a Business Combination within the Combination Period. The underwriters agreed to waive their rights to their deferred underwriting commission (see Note 6) held in the Trust Account in the event the Company did not complete a Business Combination within the Combination Period and, in such event, such amounts would have been included with the funds held in the Trust Account that were available to fund the redemption of the Company's Public shares. In order to protect the amounts held in the Trust Account, the Sponsor has agreed to be liable to the Company, jointly and severally, if and to the extent any claims by a vendor for services rendered or products sold to the Company, or a prospective target business with which the Company has discussed entering into a transaction agreement, reduce the amount of funds in the Trust Account. This liability did not apply with respect to any claims by a third party who executed a waiver of any right, title, interest or claim of any kind in or to any monies held in the Trust Account or to any claims under the Company's indemnity of the underwriters of the Initial Public Offering against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). Moreover, in the event that an executed waiver was deemed to be unenforceable against a third party, the Sponsor would not be responsible to the extent of any liability for such third-party claims.

The Company sought to reduce the possibility that the Sponsor will have to indemnify the Trust Account due to claims of creditors by endeavoring to have all vendors, service providers (other than the Company's independent auditors), prospective target businesses or other entities with which the Company does business, execute agreements with the Company waiving any right, title, interest or claim of any kind in or to monies held in the Trust Account.

**Business Combination**

On August 31, 2020, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement"), by and among the Company, LFCA Merger Sub, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of the Company ("Merger Sub"), Landsea Homes Incorporated, a Delaware corporation ("Landsea"), and Landsea Holdings Corporation, a Delaware corporation (the "Seller"), which provides for, among other things the merger of Merger Sub with and into Landsea, with Landsea continuing as the surviving corporation (the "Merger"). The transactions set forth in the Merger Agreement, including the Merger, will constitute a "Business Combination" as contemplated by the Company's Amended and Restated Certificate of Incorporation. On January 7, 2021, the Company consummated the Business Combination.

Subject to the terms of the Merger Agreement, the Seller received approximately $344 million of stock consideration, consisting of 32,557,303 newly issued shares of the Company's publicly-traded Class A common stock, which shares will be valued at $10.56 per share for purposes of determining the aggregate number of shares payable to the Seller (the "Stock Consideration"). The number of shares of Class A common stock issued to the Seller as Stock Consideration is not subject to adjustment. The Seller has registration rights under the Merger Agreement in respect of the Stock Consideration.

Each of the Company, Merger Sub and Landsea are making customary representations and warranties for a transaction of this type. The representations and warranties made by parties to the Merger Agreement do not survive after the closing of the Merger. The parties to the Merger Agreement also have agreed to certain customary covenants in connection with the Merger, including, among others, covenants with respect to the conduct of the Company, Merger Sub and Landsea and its subsidiaries prior to the closing of the Merger. The Company has agreed to seek approval of the holders of at least 65% of the Company's public warrants to effect an amendment to the warrant agreement related to the public warrants such that, as of the closing of the Merger, (i) each issued and outstanding public warrant, which currently entitles each holder thereof to purchase one share of Parent Class A Stock at an exercise price of $11.50 per share, will become exercisable for one-tenth of one share at an exercise price of $1.15 per one-tenth share ($11.50 per whole share) and (ii) each holder of public warrants issued and outstanding immediately prior to the closing of the Merger will be entitled to receive from the Company a one-time payment of $1.85 per public warrant, contingent upon the consummation of the closing.

The Merger is subject to customary conditions for a transaction of this type, including, among others: (i) approval of the Company's stockholders; (ii) approval of Landsea's sole stockholder; (iii) there being no laws or injunctions by governmental authorities or other legal restraint prohibiting consummation of the transactions contemplated under the Merger Agreement; (iv) the waiting period applicable to the Merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, having expired (or early termination having been granted); (v) the shares of the Company's Class A common stock to be issued in connection with the closing of the Merger shall have been approved for listing upon the closing on Nasdaq; (vi) the Company having at least $5,000,001 in net tangible assets; (vii) the amount in the Company's trust account equally or exceeding $90,000,000, after deducting certain transaction expenses and other costs; and (viii) receipt of the required regulatory approvals by the Hong Kong Stock Exchange by certain Landsea affiliates.

Concurrent with the execution of the Merger Agreement, the Sponsor, the Company, the Seller, and Landsea entered into the Sponsor Transfer, Waiver, Forfeiture and Deferral Agreement (the "Sponsor Surrender Agreement"), pursuant to which the Sponsor agreed, upon closing of the business combination, to (i) forfeit to the Company for no consideration 2,260,000 warrants held by the Sponsor, (ii) forfeit to the Company for no consideration 600,000 shares of Class B common stock held by the Sponsor, (iii) transfer to the Seller for no consideration 2,200,000 warrants, (iv) transfer to the Seller for no consideration 500,000 shares of Class A common stock held by the Sponsor following the conversion upon consummation of the Merger of 500,000 shares of Class B common stock held by the Sponsor, (v) defer the conversion of 500,000 shares of its Class B common stock contingent upon the valuation of the Class A common stock reaching certain thresholds during the twenty-four month period following the closing of the Merger, (vi) exercise any warrants held by the Sponsor to purchase Class A common stock solely on a cashless basis, (vii) waive its right to convert the outstanding principal due under that certain Convertible Promissory Note, dated March 4, 2019, as amended, by and between Sponsor and the Company, to warrants of the Company in lieu of cash payment upon the consummation of the Merger, and (viii) cancel that certain $1,000,000 working capital loan to the Company pursuant to that certain Promissory Note entered into with the Company, dated as of July 16, 2020, in each case on terms and subject to the conditions set forth therein.

Concurrent with the execution of the Merger Agreement, the Company, the Seller and Landsea, entered into waiver agreements (the "Waiver Agreements") with certain holders of the Company's shares of Class B common stock, pursuant to which, each holder agreed to (i) waive their redemption rights with respect to any Class A common stock they may own, (ii) waive certain of their anti-dilution and conversion and redemption rights with respect to their shares of Class B common stock, and (iii) convert their shares of Class B common stock into shares of Class A common stock on a one-for-one basis, in each case on terms and subject to the conditions set forth therein.

Concurrent with the execution of the Merger Agreement, the Company also entered into a Waiver Agreement with certain funds managed by BlackRock (the "BlackRock Holders") that hold shares of Class B common stock (the "BlackRock Waiver"), pursuant to which, each holder (i) agreed to waive certain of their anti-dilution rights with respect to their shares of Class B common stock, and (ii) acknowledged that the shares of Class B common stock held by the Blackrock Holders convert into shares of the Class A common stock on a one-for-one basis upon the consummation of the Merger, in each case on terms and subject to the conditions set forth in the Amended and Restated Certificate of Incorporation.

Concurrent with the execution of the Merger Agreement, the Company entered into an indemnification agreement with the Seller and the Sponsor (the "Indemnification Agreement"), whereby the Company agreed that it would (i) not amend, waive, terminate or otherwise modify the BlackRock Waiver without the prior written consent of the Seller and (ii) enforce the obligations thereunder. The Sponsor agreed to (i) indemnify the Company and the Seller for all reasonably documented out-of-pocket costs the Company or Seller may incur in connection with enforcing the Indemnification Agreement and the BlackRock Waiver and (ii) immediately after the Closing, forfeit such number of Class A common stock of the Company equal to the number of shares of Class B common stock held by the BlackRock Holders that are converted into Class A common stock at or as a result of the Closing less the number of Class B common stock held by the BlackRock Holders immediately prior to the Closing.

Concurrent with the execution of the Merger Agreement, the Company, the Seller and certain of the holders of the Company's shares of Class B common Stock (the "LF Capital Restricted Stockholders"), entered into a Voting and Support Agreement with the Company (the "Voting and Support Agreement"), pursuant to which each of the LF Capital Restricted Stockholders party to the Voting and Support Agreement agreed to, among other things, vote their Class B common stock and other acquired common stock (representing as of the date hereof approximately 21.01% of the voting power of the Company) (i) in favor of the adoption of the Merger Agreement and the accompanying transaction, (ii) against any action, proposals, transaction or agreement that would result in a breach of any representation, warrant, covenant, obligation or agreement of the Company or Merger Sub contained in the Merger Agreement, and (iii) in favor or the proposals to be set forth in the proxy statement to be filed by the Company with the Securities and Exchange Commission (the "SEC") in connection with the approval of the Merger and each of the other proposals of the Company set forth in therein (the "Proxy Statement"). Additionally, each LF Capital Restricted Stockholder party to the Voting and Support Agreement has agreed to certain standstill obligations, in each case on terms and subject to the conditions set forth therein. The Voting and Support Agreement will terminate upon the earlier to occur of, (x) as to each LF Capital Restricted Stockholder, the mutual written consent of the Seller and such LF Capital Restricted Stockholder, (y) the closing of the Merger, and (z) the date of termination of the Merger Agreement.

Concurrent with the execution of the Merger Agreement, the Company has entered into certain Forward Purchase and Subscription Agreements (each, a "Forward Purchase Agreement") with certain subscribers (the "Subscribers"), pursuant to which the Subscribers have agreed to purchase up to an aggregate of $35 million of shares of the Company's Class A common stock in the public markets at a price per share not greater than $10.56 per share, at any time or from time to time prior to the record date for the special meeting of the Company's stockholders (the "Special Meeting") relating to the approval of the Merger and the other proposals of the Company set forth in the Proxy Statement. The Subscribers have agreed to vote their shares of Class A common stock acquired pursuant to the Forward Purchase Agreement in favor of the Merger and each of the other proposals to be set forth in the Proxy Statement. In addition, the Subscribers have agreed not to exercise their redemption rights with respect to any of their shares of Class A common stock acquired pursuant to the Forward Purchase Agreement in connection with the Special Meeting or in connection with the Company's proposal to extend the Outside Date. In consideration for entering into the Forward Purchase Agreement, the Company will issue a certain number of shares of Class A common stock to such Subscribers for no consideration and the Sponsor has agreed to concurrently forfeit a number of shares of Class B common stock equal to the aggregate issuance to Subscribers. The Company is providing the Subscribers with certain customary registration rights in connection with the Forward Purchase Agreement.

**Liquidity**

As of December 31, 2020, the Company had approximately $69,000 in its operating bank accounts and working capital deficit of approximately $4.4 million (including tax obligations of approximately $40,000).

Subsequent to the consummation of the Initial Public Offering and Private Placement, the Company's liquidity needs have been satisfied the proceeds from the consummation of the Private Placement not held in Trust Account, interest earned released from the Trust Account to pay for its tax obligations, and loans from the Sponsor. In order to finance transaction costs in connection with a Business Combination, the Sponsor or an affiliate of the Sponsor, or certain of the Company officers and directors may, but are not obligated to, provide the Company Working Capital Loans (see Note 5). The Working Capital Loans will either be repaid upon consummation of a Business Combination, without interest, or, at the lender's discretion, up to $1,500,000 of such Working Capital Loans may be convertible into warrants of the post Business Combination entity at a price of $1.00 per warrant. The warrants would be identical to the Private Placement Warrants. On March 4, 2019, the Company issued a convertible note ("Convertible Note") to the Sponsor, pursuant to which the Sponsor agreed to provide a Working Capital Loan to the Company of up to $1.5 million. The Company was provided $750,000 and $750,000 in loan proceeds during the year ended December 31, 2020 and 2019, respectively, for an aggregate amount of $1.5 million, pursuant to the amended Convertible Note (see Note 5). In connection with the Merger, the Convertible Note was repaid on January 7, 2021.

On July 16, 2020, the Company issued a $3.0 million Promissory Note (as defined in Note 5) to the Sponsor. The Promissory Note was to be repaid on the earlier of (i) December 31, 2020 and (ii) the effective date of a Business Combination, without interest. On July 16, 2020, the Company received $1.0 million in loan proceeds pursuant to the Promissory Note which increased the outstanding principal balance of the Promissory Note to $1.0 million. On January 6, 2021, the Company amended the maturity date of the Promissory Note to be repaid on the later of: (i) December 31, 2020 and (ii) the closing date of the Business Combination, which is effective as of December 31, 2020. In connection with the Merger, the Promissory Note was repaid on January 7, 2021.

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak"). In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve. The impact of the COVID-19 outbreak on the Company's results of operations, financial position and cash flows will depend on future developments, including the duration and spread of the outbreak and related advisories and restrictions. These developments and the impact of the COVID-19 outbreak on the financial markets and the overall economy are highly uncertain and cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period, the Company's results of operations, financial position and cash flows may be materially adversely affected. To date, the COVID-19 outbreak has not had a material impact on our results of operations, financial position or cash flows.

**Note 2. Summary of Significant Accounting Policies**

*Basis of presentation*

The Company's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and include all adjustments necessary for the fair presentation of the Company's financial position for the periods presented.

*Emerging growth company*

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart our Business Startups Act of 2012, (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

Further, section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

*Cash and cash equivalents*

The Company considers all highly liquid investments with an original maturity of three months or less when acquired to be cash equivalents.

*Marketable Securities*

The Company's portfolio of marketable securities is comprised solely of U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 180 days or less or in any open-ended investment company that holds itself out as a money market fund selected by the Company meeting the conditions of paragraphs (d)(2), (d)(3) and (d)(4) of Rule 2a-7 of the Investment Company Act, as determined by the Company, classified as trading securities. Trading securities are presented on the balance sheets at fair value at the end of each reporting period. Gains and losses resulting from the change in fair value of these securities is recognized as gains or losses in the accompanying Statements of Operations. The estimated fair values of financial instruments are determined using available market information.

*Use of estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from those estimates.

*Concentration of credit risk*

Financial instruments that potentially subject the Company to concentration of credit risk consist of cash and cash equivalents and marketable securities held for trading. Cash and cash equivalents are maintained in accounts with financial institutions, which, at times may exceed the Federal depository insurance coverage of $250,000. At December 31, 2020 and 2019, the Company had not experienced losses on this account and management believes the Company is not exposed to significant credit risks on such account. The Company's marketable securities portfolio consists of U.S Treasury Bills and money market funds with an original maturity of 180 days or less.

*Fair value of financial instruments*

The fair value of the Company's assets and liabilities, which qualify as financial instruments under ASC Topic 820, "Fair Value Measurements and Disclosures," approximates the carrying amounts represented in the accompanying balance sheet, primarily due to their short-term nature. Marketable securities are classified as trading securities and are therefore recognized at fair value. The fair value for trading securities is determined using quoted market prices.

*Fair Value Measurements*

Fair value is defined as the price that would be received for sale of an asset or paid for transfer of a liability, in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

- Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

ASC 820, Fair Value Measurement and Disclosures, requires all entities to disclose the fair value of financial instruments, both assets and liabilities for which it is practicable to estimate fair value, and defines fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. As of December 31, 2020 and 2019, the recorded values of cash and cash equivalents, prepaid expenses, accounts payable, accrued expenses, and note payable to related parties approximate the fair values due to the short-term nature of the instruments. The Company's portfolio of marketable securities is comprised of an investment in U.S Treasury Bills and money market fund with an original maturity of 180 days or less. The fair value for trading securities is determined using quoted market prices.

*Class A Common Stock Subject to Possible Redemption*

The Company accounts for its Class A common stock subject to possible redemption in accordance with the guidance in ASC Topic 480 "Distinguishing Liabilities from Equity." Class A common stock subject to mandatory redemption (if any) are classified as liability instruments and are measured at fair value. Conditionally redeemable Class A common stock (including Class A common stock that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) are classified as temporary equity. At all other times, shares of Class A common stock are classified as stockholders' equity. The Company's Class A common stock features certain redemption rights that are considered to be outside of the Company's control and subject to the occurrence of uncertain future events. Accordingly, at December 31, 2019, 14,461,820 shares of Class A common stock subject to possible redemption are presented as temporary equity, outside of the stockholders' equity section of the Company's balance sheets. As of December 31, 2020, there were no further redemptions permitted and the shares that were subject to redemption have been reclassified back into Class A common stock.

*Net Income (Loss) per Share*

The Company complies with accounting and disclosure requirements of FASB ASC Topic 260, "Earnings Per Share." Net income (loss) per share is computed by dividing net income (loss) applicable to common stockholders by the weighted average number of shares of common stock outstanding for the period. The Company has not considered the effect of the warrants sold in the Initial Public Offering and Private Placement to purchase an aggregate of 23,285,000 shares of Class A common stock in the calculation of diluted earnings per share, since their inclusion would be anti-dilutive under the treasury stock method. As a result, diluted earnings per share is the same as basic earnings per share for the period.

The Company's statements of operations include a presentation of income (loss) per share for common stock subject to redemption in a manner similar to the two-class method of income (loss) per share. Net income (loss) per share, basic and diluted for Class A common stock is calculated by dividing the interest income earned on the Trust Account, net of applicable taxes, by the weighted average number of shares of Class A common stock outstanding since the initial issuance. Net income (loss) per share, basic and diluted for Class B common stock is calculated by dividing the net income (loss), less income attributable to Class A common stock, by the weighted average number of shares of Class B common stock outstanding for the periods.

**Reconciliation of net income (loss) per share**

The Company's net income is adjusted for the portion of income that was attributable to Class A common stock subject to redemption, as these shares only participate in the earnings of the Trust Account (less applicable taxes) and not the income or losses of the Company. Accordingly, basic and diluted income per Class A common stock is calculated as follows:

| | For the Years Ended December 31, | |
|---|---|---|
| | **2020** | **2019** |
| Net (loss) income | $ (2,096,495) | $ 1,771,836 |
| Less: Income attributable to Class A common stock | (373,819) | (2,598,143) |
| Adjusted net loss attributable to Class B common stock | $ (2,470,314) | $ (826,307) |
| | | |
| Weighted average shares outstanding of Class A common stock | 14,006,380 | 15,525,000 |
| Basic and diluted net income per share, Class A | $ 0.03 | $ 0.17 |
| Weighted average shares outstanding of Class B common stock | 3,881,250 | 3,881,250 |
| Basic and diluted net loss per share, Class B | $ (0.64) | $ (0.21) |

*Income Taxes*

The Company follows the asset and liability method of accounting for income taxes under FASB ASC 740, "Income Taxes." Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that included the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

FASB ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. There were no unrecognized tax benefits as of December 31, 2020 and 2019. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. No amounts were accrued for the payment of interest and penalties at December 31, 2020 and 2019. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position. The Company is subject to income tax examinations by major taxing authorities since inception.

*Recent Accounting Pronouncements*

In December 2019, the FASB issued ASU 2019-12, *"Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, which is intended to simplify various aspects related to accounting for income taxes. The ASU removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020, with early adoption permitted. The Company's adoption of this standard on January 1, 2020, did not have a material impact on its condensed financial statements and related disclosures.

Management does not believe that any other recently issued, but not yet effective, accounting pronouncements, if currently adopted, would have a material effect on the Company's financial statements.

**Note 3. Initial Public Offering**

On June 22, 2018, the Company sold 15,525,000 Units at a price of $10.00 per Unit in the Initial Public Offering. Each Unit consists of one Class A common stock and one redeemable warrant ("Public Warrant"). Each Public Warrant will entitle the holder to purchase one Class A share at an exercise price of $11.50 per share, subject to adjustment (see Note 7).

**Note 4. Private Placement**

Concurrently with the closing of the Initial Public Offering, the Sponsor and the anchor investor purchased an aggregate of 7,760,000 Private Placement Warrants at $1.00 per warrant ($7.76 million in the aggregate) in a private placement. Among the Private Placement Warrants, 7,209,560 warrants were purchased by the Sponsor and 550,440 warrants were purchased by the anchor investor.

Each Private Placement Warrant is exercisable to purchase one Class A share at $11.50 per share. A portion of the proceeds from the Private Placement Warrants was added to the proceeds from the Initial Public Offering to be held in the Trust Account. If the Company did not complete a Business Combination within the Combination Period, the Private Placement Warrants would expire worthless.

See the "Business Combination" described in Note 1 above, including the description of the Sponsor Surrender Agreement, pursuant to which a portion of the Private Placement Warrants will be forfeited immediately prior to (but conditioned and effective upon) completion of the proposed Merger.

**Note 5. Related Party Transactions**

*Founder Shares*

In August 2017, the Company issued an aggregate of 4,312,500 shares of Class B common stock to the Sponsor in exchange for an aggregate capital contribution of $25,000. In February 2018, the Sponsor forfeited 431,250 founder shares, resulting in a decrease in the total number of founder shares from 4,312,500 to 3,881,250. All share amounts presented in the financial statements have been retroactively restated to reflect these share forfeitures. In June 2018, the Sponsor forfeited 267,300 founder shares and the anchor investor purchased 267,300 founder shares for an aggregate purchase price of $1,980. Of the 3,881,250 founder shares, the Sponsor had agreed to forfeit an aggregate of up to 506,250 founder shares to the extent that the over-allotment option is not exercised in full by the underwriters. As of June 22, 2018, the underwriter exercised its over-allotment option in full, hence, these 506,250 shares were no longer subject to forfeiture.

The founder shares will automatically convert into Class A common stock upon the consummation of a Business Combination on a one-for-one basis, subject to adjustment (see Note 7). The initial stockholders agreed not to transfer, assign or sell any of their founder shares until the earliest of (a) one year after the completion of the initial Business Combination, (b) subsequent to the initial Business Combination, if the last reported sale price of the Class A common stock equals or exceeds $12.00 per share (as adjusted) for any 20 trading days within any 30-trading day period commencing at least 150 days after the initial Business Combination, or (C) following the completion of the initial Business Combination, such future date on which the Company completes a liquidation, merger, stock exchange, reorganization or other similar transaction that results in all of our public stockholders having the right to exchange their common stock for cash, securities or other property.

If the anchor investor does not own the number of Public Units equal to 1,336,500 at the time of any stockholder vote with respect to an initial Business Combination or the business day immediately prior to the consummation of the initial Business Combination, the anchor investor will forfeit up to 267,300 founder shares on a pro rata basis. In such case, the Sponsor will repurchase all or a portion of the Private Placement Warrants held by the anchor investor at its original purchase price.

See the "Business Combination" described in Note 1 above, including the description of the Sponsor Surrender Agreement, pursuant to which a portion of the founder shares will be forfeited immediately prior to (but conditioned and effective upon) completion of the proposed Merger.

*Office Space and Related Support Services*

The Company agreed, commencing on the effective date of the Initial Public Offering in June 2018 through the earlier of the Company's consummation of a Business Combination and its liquidation, to pay our Sponsor or an affiliate of our Sponsor a monthly fee of $10,000 for office space, utilities and secretarial and administrative support. The Company incurred $110,000 and $120,000 in expenses in connection with such services during the years ended December 31, 2020 and 2019 as reflected in the accompanying Statements of Operations.

*Board Member Agreement*

In September 2017, the Company entered into an agreement with B. Prot Conseils, an entity controlled by Mr. Baudouin Prot, one of its board members, pursuant to which the board member is paid a cash fee of $150,000 per annum in exchange for his service. The agreement was effective as of October 1, 2017 and lasts until the consummation of the Company's business combination. The Company incurred $150,000 in fees related to this service for the year ended December 31, 2019, in the accompanying Statements of Operations. On February 20, 2020, the Company agreed to amend its arrangement with Mr. Prot, pursuant to which no further monthly fees will be paid on a current monthly basis to Mr. Prot, however, if the Company completes its acquisition of a target company prior to June 18, 2020, the Company shall pay Mr. Prot $12,500 for each month Mr. Prot has continued to provide services to the Company since January 1, 2020. On August 3, 2020, the Company agreed to amend its arrangement with Mr. Prot pursuant to which Mr. Prot will be paid an aggregate of $75,000 for January through June 2020 so long as Mr. Prot continues to provide services to the Company to substantially the same extent as he previously provided such services and the Company successfully completes its acquisition of a target company prior to December 31, 2020. If the Company does not complete its acquisition of a target company prior to December 31, 2020, then no further fees will be due from the Company to Mr. Prot. The Company accrued $75,000 in fees related to this service for the year ended December 31, 2020, in the accompanying Statements of Operations and paid this out at the time of closing of the Business Combination.

*Promissory Note - Related Party*

The Sponsor had agreed to loan the Company an aggregate of up to $300,000 to be used for the payment of costs related to the Initial Public Offering. In April 2018, the Sponsor amended the note to increase the principal amount to $500,000. The loan was non-interest bearing, unsecured and due on the earlier of December 31, 2018 or the closing of the Initial Public Offering. The Company fully repaid the loan from the proceeds of the Initial Public Offering not being placed in the Trust Account on June 22, 2018.

On July 16, 2020, the Company issued a promissory note ("Promissory Note") to the Sponsor, pursuant to which the Sponsor agreed to provide a working capital loan to the Company of up to $3.0 million. The Promissory Note will be repaid on the earlier of (i) December 31, 2020 and (ii) the effective date of a Business Combination, without interest. On July 16, 2020, the Company received $1.0 million in loan proceeds pursuant to the Promissory Note which increased the outstanding principal balance of the Promissory Note to $1.0 million. On January 6, 2021, the Company amended the maturity date of the Promissory Note to be repaid on the later of: (i) December 31, 2020 and (ii) the closing date of the Business Combination, which is effective as of December 31, 2020

See the "Business Combination" described in Note 1 above, including the description of the Sponsor Surrender Agreement, pursuant to which the Sponsor agreed to cancel the outstanding principal balance of the Promissory Note of $1.0 million immediately prior to (but conditioned and effective upon) completion of the proposed Merger.

*Related Party Loans*

In order to finance transaction costs in connection with a Business Combination, the Sponsor or an affiliate of the Sponsor, or certain of the Company's officers and directors agreed to loan the Company funds as may be required ("Working Capital Loans"). If the Company completes a Business Combination, the Company would repay the Working Capital Loans out of the proceeds of the Trust Account released to the Company. Otherwise, the Working Capital Loans would be repaid only out of funds held outside the Trust Account. In the event that a Business Combination did not close, the Company may use a portion of proceeds held outside the Trust Account to repay the Working Capital Loans but no proceeds held in the Trust Account would be used to repay the Working Capital Loans. The Working Capital Loans would either be repaid upon consummation of a Business Combination, without interest, or, at the lender's discretion, up to $1,500,000 of such Working Capital Loans may be convertible into warrants of the post Business Combination entity at a price of $1.00 per warrant. The warrants would be identical to the Private Placement Warrants.

On March 4, 2019, the Company issued a convertible note ("Convertible Note") to the Sponsor, pursuant to which the Sponsor agreed to provide a Working Capital Loan to the Company of up to $1.5 million. On June 16, 2020, the Company amended the Convertible Note, pursuant to which the maturity date of the note was extended to the earlier of (i) December 31, 2020 and (ii) the effective date of a Business Combination. The Company was provided $750,000 and $750,000 in loan proceeds during the year ended 2020 and 2019, respectively, for an aggregate $1.5 million outstanding balance pursuant to the amended Convertible Note.

In addition, in connection with the Extension, the Company's officers, directors or any of their affiliates or designees have agreed, if the Company does not have the funds necessary to make the Deposit, to make Contributions to the Company as a loan of $0.03 for each Public Share that is not converted in connection with the shareholder votes to approve the Extension. The Contributions will not bear any interest and will be repayable by the Company to the officers, directors or affiliates upon consummation of an initial Business Combination (Note 1). The loans were to be forgiven if the Company was unable to consummate an initial Business Combination except to the extent of any funds held outside of the Trust Account. As of December 31, 2020, no Contributions were outstanding.

See the "Business Combination" described in Note 1 above, including the description of the Sponsor Surrender Agreement, pursuant to which the Sponsor agreed to waive its right to convert the outstanding principal due under the Convertible Note to warrants of the Company in lieu of cash payment upon the consummation of the Merger, but conditioned and effective upon) completion of the proposed Merger.

**Note 6. Commitments & Contingencies**

*Registration Rights*

The holders of the founder shares and Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans (and any Class A common stock issuable upon the exercise of the Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans) were entitled to registration rights (in the case of the Founder Shares, only after conversion of such shares to shares of Class A common stock) pursuant to a registration rights agreement to be signed prior to or on the effective date of the Initial Public Offering. The holders of these securities are entitled to make up to three demands, excluding short form demands, that the Company register such securities. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to the consummation of a Business Combination. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

*Underwriting Agreement*

The underwriters were entitled to an underwriting discount of $0.20 per unit, or $3.105 million in the aggregate, paid upon the closing of the Initial Public Offering. Additionally, a deferred underwriting discount of $0.35 per unit, or $5.434 million in the aggregate will be payable to the underwriters from the amounts held in the Trust Account solely in the event that the Company completes a Business Combination, subject to the terms of the underwriting agreement.

**Note 7. Stockholders' equity**

*Class A Common stock*

The Company is authorized to issue 100,000,000 shares of Class A common stock with a par value of $0.0001 per share. At December 31, 2020 and 2019, there were 15,525,000 Class A common stock issued or outstanding, including 0 and 14,461,820 share of Class A common stock subject to possible redemption, respectively.

Holders of the Class A common stock and holders of the Class B common stock will vote together as a single class on all matters submitted to a vote of our stockholders, except as required by law. Each share of common stock will have one vote on all such matters.

*Class B Common stock*

The Company is authorized to issue 15,000,000 shares of Class B common stock with a par value of $0.0001 per share. In August 2017, the Company initially issued 4,312,500 Class B common stock. In February 2018, in connection with the decrease of the size of the Initial Public Offering, the Sponsor forfeited 431,250 shares of Class B common stock, resulting in a decrease in the total number of founder shares from 4,312,500 to 3,881,250. All share amounts presented in the financial statements have been retroactively restated to reflect these share forfeitures. Of the 3,881,250 shares of Class B common stock, an aggregate of up to 506,250 shares were subject to forfeiture to the Company by the Sponsor for no consideration to the extent that the underwriters' over-allotment option was not exercised in full. As of June 22, 2018, the underwriter exercised its over-allotment option in full, hence, these 506,250 shares were no longer subject to forfeiture. At December 31, 2020 and 2019, there were 3,881,250 Class B common stock issued or outstanding.

The Class B common stock would automatically convert into Class A common stock on the first business day following the consummation of the initial Business Combination on a one-for-one basis, subject to adjustment. In the case that additional Class A common stock, or equity-linked securities, are issued or deemed issued in excess of the amounts sold in the Initial Public Offering and related to the closing of the initial Business Combination, the ratio at which the Class B common stock shall convert into Class A common stock will be adjusted (unless the holders of a majority of the outstanding shares of Class B common stock agree to waive such adjustment with respect to any such issuance or deemed issuance, including a specified future issuance) so that the number of Class A common stock issuable upon conversion of all Class B common stock will equal, in the aggregate, 20% of the sum of the total number of all common stock outstanding upon the completion of the Initial Public Offering plus all Class A common stock and equity-linked securities issued or deemed issued in connection with the initial Business Combination, excluding any shares or equity-linked securities issued, or to be issued, to any seller in the initial Business Combination.

*Preferred Stock*

The Company is authorized to issue 1,000,000 preferred shares with a par value of $0.0001 per share. At December 31, 2020 and 2019, there are no preferred shares issued or outstanding.

*Warrants*

At December 31, 2020 and 2019 there are 23,285,000 outstanding warrants, consisting of 15,525,000 Public Warrants and 7,760,000 Private Placement Warrants, each warrant exercisable at $11.50 into one share of Class A common stock.

The Public Warrants will become exercisable on the later of (a) 30 days after the completion of a Business Combination or (b) 12 months from the closing of the Initial Public Offering; provided in each case that the Company has an effective registration statement under the Securities Act covering the Class A common stock issuable upon exercise of the Public Warrants and a current prospectus relating to them is available (or the Company permits holders to exercise their Public Warrants on a cashless basis and such cashless exercise is exempt from registration under the Securities Act). The Company has agreed that as soon as practicable, but in no event later than 15 business days, after the closing of a Business Combination, the Company will use its best efforts to file with the SEC a registration statement for the registration, under the Securities Act, of the Class A common stock issuable upon exercise of the Public Warrants. The Company will use its best efforts to cause the same to become effective and to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration of the Public Warrants in accordance with the provisions of the warrant agreement. If a registration statement covering the Class A common stock issuable upon exercise of the warrants is not effective by the sixtieth (60th) day after the closing of the initial Business Combination, warrant holders may, until such time as there is an effective registration statement and during any period when the Company will have failed to maintain an effective registration statement, exercise warrants on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act or another exemption. The Public Warrants will expire five years after the completion of a Business Combination or earlier upon redemption or liquidation.

The Private Placement Warrants are identical to the Public Warrants underlying the Units sold in the Initial Public Offering, except that the Private Placement Warrants and the Class A common stock issuable upon exercise of the Private Placement Warrants will not be transferable, assignable or salable until 30 days after the completion of a Business Combination, subject to certain limited exceptions. Additionally, the Private Placement Warrants will be non-redeemable so long as they are held by the initial purchasers or such purchasers' permitted transferees. If the Private Placement Warrants are held by someone other than the initial stockholders or their permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

The Company may call the Public Warrants for redemption (except with respect to the Private Placement Warrants):

- in whole and not in part;
- at a price of $0.01 per warrant;
- upon a minimum of 30 days' prior written notice of redemption; and
- if, and only if, the last reported closing price of the shares equals or exceeds $18.00 per share for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the warrant holders.

If the Company calls the Public Warrants for redemption, management will have the option to require all holders that wish to exercise the Public Warrants to do so on a "cashless basis," as described in the warrant agreement.

The exercise price and number of Class A shares issuable upon exercise of the warrants may be adjusted in certain circumstances including in the event of a share dividend, or recapitalization, reorganization, merger or consolidation. However, the warrants will not be adjusted for issuance of Class A shares at a price below its exercise price. Additionally, in no event will the Company be required to net cash settle the warrants shares. If the Company is unable to complete a Business Combination within the Combination Period and the Company liquidates the funds held in the Trust Account, holders of warrants will not receive any of such funds with respect to their warrants, nor will they receive any distribution from the Company's assets held outside of the Trust Account with the respect to such warrants. Accordingly, the warrants may expire worthless.

**Note 8. Fair Value Measurements**

The following table presents information about the Company's assets that are measured on a recurring basis as of December 31, 2020 and 2019 and indicates the fair value hierarchy of the valuation techniques that the Company utilized to determine such fair value.

| Description | Quoted Prices in Active Markets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Other Unobservable Inputs (Level 3) |
|---|---|---|---|
| Assets held in Trust at December 31, 2020: | | | |
| Money market fund | $ 109,742,246 | $ — | $ — |
| | **$ 109,742,246** | **$ —** | **$ —** |

| Description | Quoted Prices in Active Markets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Other Unobservable Inputs (Level 3) |
|---|---|---|---|
| Assets held in Trust at December 31, 2019: | | | |
| U.S. Treasury Securities | $ 161,991,526 | $ — | $ — |
| Money market funds | 28,383 | — | — |
| | **$ 162,019,909** | **$ —** | **$ —** |

Transfers to/from Levels 1, 2, and 3 are recognized at the end of the reporting period. There were no transfers between levels for the years ended December 31, 2020 and 2019.

**Note 9. Income Taxes**

The Company's financial statements include total net income (loss) before taxes of approximately $(2.0) million and $2.4 million for the years ended December 31, 2020 and 2019, respectively. The income tax provision consists of the following:

| | December 31 | |
|---|---|---|
| | 2020 | 2019 |
| Federal | | |
| Current | $ 248,554 | $ 547,749 |
| Deferred | (648,423) | (40,546) |
| State and Local | | |
| Current | — | — |
| Deferred | — | — |
| Change in Valuation allowance | 520,318 | 168,651 |
| Income tax provision (benefit) | $ 120,449 | $ 675,854 |

Reconciliations of the differences between the provision/(benefit) for income taxes and income taxes at the statutory U.S. federal income tax rate is as follows:

| | 2020 | | 2019 | |
|---|---|---|---|---|
| | Amount | Percent of Pretax Income | Amount | Percent of Pretax Income |
| Current tax at U.S. statutory rate | $ (414,970) | 21.00% | $ 514,015 | 21.00% |
| Nondeductible/nontaxable items | 885 | -0.04% | 2,436 | 0.10% |
| State taxes, net of federal benefit | - | 0.00% | - | 0.00% |
| State effect of perm items | - | 0.00% | - | 0.00% |
| Valuation allowance activity | 520,318 | -26.33% | 168,651 | 6.89% |
| Deferred rate change | - | 0.00% | - | 0.00% |
| Federal payable true-up | 16,652 | -0.84% | (9,248) | -0.38% |
| Other | (2,436) | 0.12% | 1 | 0.00% |
| Total Income Tax Provision/(Benefit) | $ 120,449 | -6.10% | $ 675,854 | 27.61% |

The components of deferred tax assets and liabilities as of December 31, 2020 and 2019 are as follows:

| | December 31 | |
|---|---|---|
| | 2020 | 2019 |
| Deferred tax assets: | | |
| Unrealized gain/loss | $ — | $ — |
| Start-up cost | 833,978 | 313,660 |
| Total deferred tax assets | 833,978 | 313,660 |
| Valuation allowance | (833,978) | (313,660) |
| | | |
| Deferred tax liabilities | | |
| Unrealized gain/loss | — | (128,105) |
| Net Deferred tax assets/(liabilities), net of allowance | $ — | $ (128,105) |

As of December 31, 2020 and 2019, the Company has concluded that it is more likely than not that the Company will not realize the benefit of its deferred tax assets associated with start-up costs. Start-up costs cannot be amortized against future operating income until a business combination has occurred. Therefore, a full valuation allowance has been established prior to the company completing a business combination, as future events such as business combinations cannot be considered when assessing the realizability of Deferred Tax Assets. In addition, a reliable forecast of trust investment income and start-up costs expected to be incurred in the period/s prior to a business combination or a dissolution and liquidation is not practicable. Accordingly, the net deferred tax assets have been fully reserved.

**Note 10. Subsequent Events**

On January 7, 2021, the Company completed the Business Combination pursuant to the Merger Agreement as described in Note 1. As contemplated by the Merger Agreement and as described in the Company's definitive proxy statement filed with the United States Securities and Exchange Commission (the "SEC") on November 23, 2020 (the "Proxy Statement"), Merger Sub was merged with and into Landsea, with Landsea continuing as the surviving corporation. As a result of the Merger, the registrant owns 100% of the outstanding common stock of Landsea and each share of common stock of Landsea has been cancelled and converted into the right to receive a portion of the consideration payable in connection with the Merger. In connection with the closing of the Business Combination (the "Closing"), the registrant owns, directly and indirectly, 100% of the stock of Landsea and its subsidiaries and the Seller, the sole stockholder of Landsea, as of immediately after the effective time of the Merger, holds a portion of the Common Stock, par value $0.0001 per share, of the registrant (the "Common Stock").

In connection with the Closing, the registrant changed its name from LF Capital Acquisition Corp. to Landsea Homes Corporation.

On January 6, 2021, in connection with its previously announced proposed Business Combination, the Company entered into amendments (collectively, the "Amendments") to that certain Promissory Note, dated July 16, 2020, by and between the Sponsor and the Company and that certain Convertible Promissory Note, dated March 4, 2019, by and between the Sponsor and the Company (collectively, the "Notes"), each as from time to time amended, in order to change the Maturity Date (as defined in the applicable Note) of the Notes to be the later of December 31, 2020 and the Closing Date (Note 5).

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

**Item 9A. Controls and Procedures**

***Evaluation of Disclosure Controls and Procedures***

Management, under the supervision and with the participation of our principal executive officer and interim principal financial and accounting officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the fiscal year ended December 31, 2020, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer has concluded that during the period covered by this report, our disclosure controls and procedures were effective.

Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

***Management's Report on Internal Control Over Financial Reporting***

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2020, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2020.

***Changes in Internal Control over Financial Reporting***

There was no change in our internal control over financial reporting that occurred during the fiscal year ended December 31, 2020 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**Item 9B. Other Information**

None.

## PART III

### Item 10. Directors, Executive Officers and Corporate Governance

The information regarding our directors, executive officers, and certain corporate governance related matters is included under the headings "Election of Directors," "Information About Our Executive Officers," "Corporate Governance," "Board Committees" and, to the extent applicable, "Delinquent Section 16(a) Reports" in our definitive proxy statement to be filed with the SEC in connection with our 2021 annual meeting of stockholders (the "2021 Proxy Statement") is incorporated herein by reference.

***Code of Business Conduct and Ethics***

We have adopted a Code of Business Conduct and Ethics (the "Code of Ethics") that applies to all of our directors, officers and employees, including our principal executive, principal financial and principal accounting officers, or persons performing similar functions. Our Code of Ethics is posted on the "Governance Documents" section of our investor website located at ir.landseahomes.com. We intend to disclose future amendments to certain provisions of the Code of Ethics, and waivers of the Code of Ethics granted to executive officers and directors, on the website within four business days following the date of the amendment or waiver.

### Item 11. Executive Compensation

Information required by this Item is included in our 2021 Proxy Statement under the headings "Board Committees," "Director Compensation," "Executive Compensation," "Compensation Committee Interlocks and Insider Participation" and "Compensation Committee Report" and is incorporated herein by reference.

### Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information required by this Item is included in our 2021 Proxy Statement under the headings "Equity Compensation Plan Information" and "Beneficial Ownership of Our Securities" and is incorporated herein by reference.

### Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required by this Item is included in our 2021 Proxy Statement under the headings "Certain Relationships and Related Party Transactions" and "Board Committees" and is incorporated herein by reference.

### Item 14. Principal Accountant Fees and Services

Information required by this Item is included in our 2021 Proxy Statement under the heading "Independent Public Accountant" and is incorporated herein by reference.

## PART IV

**Item 15. Exhibits and Financial Statement Schedules**

(a) The following documents are filed as a part of this Annual Report:

1. Index to Consolidated Financial Statements

   Report of Independent Registered Public Accounting Firm

   Balance Sheets as of December 31, 2020 and 2019

   Statements of Operations for the years ended December 31, 2020 and 2019

   Statements of Changes in Stockholders' Equity for the years ended December 31, 2020 and 2019

   Statements of Cash Flows for the years ended December 31, 2020 and 2019

   Notes to Consolidated Financial Statements

2. Financial Statement Schedules

   All schedules have been omitted because the required information is included in the consolidated financial statements or the notes thereto, or because it is not required.

3. Exhibits

   See exhibits listed under Part (b) below.

(b) Exhibits

**EXHIBIT INDEX**

| Exhibit Number | Description |
|---|---|
| 2.1+ | Merger Agreement, dated August 31, 2020, by and among LF Capital Acquisition Corp., LFCA Merger Sub, Inc., Landsea Homes Incorporated and Landsea Holdings Corporation (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the SEC on August 31, 2020) |
| 3.1 | Second Amended and Restated Certificate of Incorporation of Landsea Homes Corporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on January 13, 2021) |
| 3.2 | Second Amended and Restated Bylaws of Landsea Homes Corporation (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on January 13, 2021) |
| 4.1 | Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.2 to the Company's Annual Report on Form 10-K filed with the SEC on February 24, 2020) |
| 4.2 | Specimen Warrant Certificate (incorporated by reference to Exhibit 4.3 to the Company's Annual Report on Form 10-K filed with the SEC on February 24, 2020) |
| 4.3 | Warrant Agreement, dated June 19, 2018, by and between the Company and Continental Stock Transfer & Trust Company (incorporated by reference to Exhibit 4.4 to the Company's Annual Report on Form 10-K filed with the SEC on February 24, 2020) |
| 4.4 | First Amendment to the Warrant Agreement, dated January 7, 2021, by and between the Company and Continental Stock Transfer & Trust Company (incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K filed with the SEC on January 13, 2021) |

| | |
|---|---|
| 4.5* | Description of Securities |
| 10.1 | Stockholder's Agreement, by and between Landsea Homes Corporation and Landsea Holdings Corporation, dated January 7, 2021 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on January 13, 2021) |
| 10.2^ | Landsea Homes Corporation 2020 Stock Incentive Plan (incorporated by reference to Annex F to the Company's Definitive Proxy Statement on Form DEF 14A filed with the SEC on November 23, 2020) |
| 10.3 | Seller Lock-Up Agreement, by and between Landsea Holdings Corporation and Landsea Homes Corporation, dated January 7, 2021 (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on January 13, 2021) |
| 10.4 | Sponsor Lock-Up Agreement, by and between Level Field Capital, LLC, Bandouin Prot, Scott Reed, Elias Farhat, Djemi Traboulsi, James Erwin, Gregory Wilson and Landsea Homes Corporation, dated January 7, 2021 (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed with the SEC on January 13, 2021) |
| 10.5 | Sponsor Lock-Up Agreement, by and among Level Field Capital, LLC, Karen Wendel and Landsea Homes Corporation, dated January 7, 2021 (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed with the SEC on January 13, 2021) |
| 10.6 | Trademark License Agreement, by and among Landsea Homes Corporation and certain of its subsidiaries set forth on Exhibit A thereto and Landsea Group Co., Ltd., dated January 7, 2021 (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed with the SEC on January 13, 2021) |
| 10.7^ | Employment Agreement of John Ho, by and between Landsea Holdings Corporation and John Ho, dated August 31, 2020, and assigned to and assumed by Landsea Homes Corporation on January 7, 2021 (incorporated by reference to Annex O-1-1 to the Company's Definitive Proxy Statement on Form DEF 14A filed with the SEC on November 23, 2020) |
| 10.8^ | Employment Agreement of Michael Forsum, by and between Landsea Holdings Corporation and Michael Forsum, dated August 31, 2020, and assigned to and assumed by Landsea Homes Corporation on January 7, 2021 (incorporated by reference to Annex O-2-1 to the Company's Definitive Proxy Statement on Form DEF 14A filed with the SEC on November 23, 2020) |
| 10.9^ | Employment Agreement of Franco Tenerelli, by and between Landsea Holdings Corporation and Franco Tenerelli, dated August 31, 2020, and assigned to and assumed by Landsea Homes Corporation on January 7, 2021 (incorporated by reference to Annex O-3-1 to the Company's Definitive Proxy Statement on Form DEF 14A filed with the SEC on November 23, 2020) |
| 10.10^* | Form of Landsea Homes Corporation Director and Officer Indemnification Agreement |
| 10.11*+ | Second Modification Agreement to Senior Secured Credit Agreement (Revolving/Borrowing Base), effective as of May 28, 2019, by and among Landsea Homes- WAB LLC, Western Alliance Bank, and lenders |
| 10.12* | Third Amendment to Credit Agreement, dated as of August 28, 2019, by and among Landsea Homes- WAB LLC, Western Alliance Bank, Flagstar Bank, FSB, the lenders and other loan parties |
| 10.13* | Fourth Amendment to Credit Agreement, dated as of August 27, 2020, by and among Landsea Homes- WAB LLC, Western Alliance Bank, the lenders and other loan parties |
| 10.14* | Fifth Amendment to Credit Agreement, dated as of December 14, 2020, by and among Landsea Homes- WAB LLC, Western Alliance Bank, the lenders and other loan parties |
| 10.15* | Sixth Amendment to Credit Agreement, dated as of December 31, 2020, by and among Landsea Homes- WAB LLC, Western Alliance Bank, the lenders and other loan parties |
| 10.16*+ | Credit Agreement, dated January 15, 2020, by and among Landsea Homes- WAB 2 LLC and Western Alliance Bank, and the lenders |
| 10.17*+ | First Amendment to Credit Agreement, dated May 15, 2020, by and among Landsea Homes- WAB 2 LLC and Western Alliance Bank, the lenders and other loan parties |
| 10.18*+ | Second Amendment to Credit Agreement, dated October 27, 2020, by and among Landsea Homes- WAB 2 LLC, Western Alliance Bank, the lenders and loan parties |
| 10.19* | Third Amendment to Credit Agreement, dated December 30, 2020, by and among Landsea Homes- WAB 2 LLC, Western Alliance Bank, the lenders and other loan parties |
| 10.20*+ | Fourth Amendment to Credit Agreement, dated as of February 26, 2021, by and among Landsea Homes- WAB 2 LLC, Western Alliance Bank, the lenders and the other loan parties |
| 10.21 | Letter Agreement, dated June 19, 2018, by and among the Company, each of its officers, directors, and Level Field Capital, LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on June 25, 2018) |

| | |
|---|---|
| 10.22* | Investor Representation Letter, dated January 7, 2021, by Landsea Holdings Corporation |
| 10.23 | Registration Rights Agreement, dated June 19, 2018, by and between the Company and Level Field Capital, LLC, James Erwin, Karen Wendel, Gregory P. Wilson, Multi-Strategy Master Fund Limited, BlackRock Credit Alpha Master Fund L.P and HC NCBR Fund (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on June 25, 2018) |
| 10.24 | Form of LF Capital Acquisition Corp. Director and Officer Indemnity Agreement, incorporated by reference to Exhibit 10.7 to Amendment No. 1 to the Company's registration statement on Form S-1 filed with the SEC on June 13, 2018) |
| 10.25 | Sponsor Waiver, Forfeiture and Deferral Agreement, dated August 31, 2020, by and between Level Field Capital, LLC, LF Capital Acquisition Corp., Landsea Holdings Corporation and Landsea Homes Incorporated (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on August 31, 2020) |
| 21.1* | Subsidiaries of the Registrant |
| 31.1* | Certification of John Ho, Chief Executive Officer of Landsea Homes Corporation, pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934 |
| 31.2* | Certification of John Ho, Interim Chief Financial Officer of Landsea Homes Corporation, pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934 |
| 32.1** | Certification of John Ho, Chief Executive Officer and Interim Chief Financial Officer of Landsea Homes Corporation, pursuant to 18 U.S.C. Section 1350 |
| 101 | The following financial statements from the Company's Annual Report on Form 10-K for the year ended December 31, 2020, formatted in Inline XBRL: (i) Balance Sheets as of December 31, 2020 and 2019; (ii) Statements of Operations for the years ended December 31, 2020 and 2019, (iii) Statements of Changes in Stockholders' Equity for the years ended December 31, 2020 and 2019; (iv) Statements of Cash Flows for the years ended December 31, 2020 and 2019 and (v) Notes to Consolidated Financial Statements, tagged as blocks of text and including detailed tags. |
| 104 | The Cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2020, formatted in Inline XBRL (included as Exhibit 101). |

* Filed herewith.
** Furnished herewith.
^ Management contract or compensatory plan or arrangement.
\+ Certain schedules to or portions of this Exhibit have been omitted in accordance with Item 601(b)(10) of Regulation S-K. The Company hereby agrees to furnish supplementally a copy of all omitted schedules to the SEC upon request.

**Item 16. Form 10-K Summary**

None.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**LANDSEA HOMES CORPORATION**

Date:
March 12, 2021

By: /s/ John Ho
Name: John Ho
Title: Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

| Signature | Title | Date |
|---|---|---|
| /s/ John Ho<br>John Ho | Chief Executive Officer, Interim Chief Financial Officer and Director (Principal Executive Officer and Principal Financial Officer) | March 12, 2021 |
| /s/ Trent Schreiner<br>Trent Schreiner | Senior Vice President of Accounting and Chief Accounting Officer (Principal Accounting Officer) | March 12, 2021 |
| /s/ Ming Tian<br>Ming Tian | Chairman of the Board | March 12, 2021 |
| /s/ Qin Zhou<br>Qin Zhou | Director | March 12, 2021 |
| /s/ Bruce D. Frank<br>Bruce D. Frank | Director | March 12, 2021 |
| /s/ Thomas Hartfield<br>Thomas Hartfield | Director | March 12, 2021 |
| /s/ Robert S. Miller<br>Robert S. Miller | Director | March 12, 2021 |
| /s/ Scott Reed<br>Scott Reed | Director | March 12, 2021 |
| /s/ Elias Farhat<br>Elias Farhat | Director | March 12, 2021 |
| /s/ Tim T. Chang<br>Tim T. Chang | Director | March 12, 2021 |

**Exhibit 4.5**

## DESCRIPTION OF SECURITIES

The following sets forth a summary of the material terms of the securities of Landsea Homes Corporation ("we," "us," "our" or the "Company"), including certain provisions of Delaware law and the material provisions of our Second Amended and Restated Certificate of Incorporation (the "Certificate") and Second Amended and Restated Bylaws (the "Bylaws"). This summary is not intended to be a complete summary of the rights and preferences of such securities and is qualified entirely by reference to the Certificate, Bylaws and the Warrant Agreement, dated as of June 19, 2018, by and between the Company and Continental Stock Transfer & Trust Company (the "Warrant Agreement"). You should refer to our Certificate, Bylaws and the Warrant Agreement, which are included as exhibits to the Annual Report on Form 10-K of which this exhibit is a part, for a complete description of the rights and preferences of our securities. The summary below is also qualified by reference to the provisions of the Delaware General Corporation Law (the "DGCL"), as applicable.

The Company, formerly known as LF Capital Acquisition Corp. ("LF Capital") was originally incorporated on June 29, 2017 for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. On June 22, 2018, LF Capital consummated an initial public offering, after which its securities began trading on The Nasdaq Capital Market ("Nasdaq").

On January 7, 2021 (the "Closing Date"), the Company consummated the business combination pursuant to that certain Agreement and Plan of Merger dated August 31, 2020 (the "Merger Agreement"), by and among LF Capital, LFCA Merger Sub, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of LF Capital ("Merger Sub"), Landsea Homes Incorporated, a Delaware corporation ("Landsea"), and Landsea Holdings Corporation, a Delaware corporation (the "Seller" or "Landsea Holdings"), which provided for the merger of Merger Sub with and into Landsea, with Landsea continuing as the surviving corporation (the "Merger" and, together with the other transactions contemplated by the Merger Agreement, the "Business Combination").

In connection with the Business Combination, the registrant changed its name from LF Capital Acquisition Corp. to Landsea Homes Corporation, and Landsea changed its name from Landsea Homes Incorporated to Landsea Homes US Corporation. Following the Business Combination, Landsea Holdings Corporation beneficially holds a majority of the voting power of all outstanding shares of the common stock, par value $0.0001 per share, of Landsea Homes Corporation ("Common Stock"). Following the Closing Date, Landsea Homes Corporation changed the trading symbols for its Common Stock (formerly Class A common stock) and warrants on Nasdaq from "LFAC" and "LFAC-W" to "LSEA" and "LSEA-W."

### Authorized and Outstanding Stock

Prior to the Business Combination, the Amended and Restated Certificate of Incorporation of LF Capital authorized the issuance of 116,000,000 shares, consisting of (a) 115,000,000 shares of common stock, par value of $0.0001 per share, including (i) 100,000,000 shares of Class A common stock and (ii) 15,000,000 shares of Class B common stock, and (b) 1,000,000 shares of preferred stock, par value $0.0001 per share. Upon the consummation of the Business Combination, all issued and outstanding shares of Class B common stock (the "Founder Shares") converted to shares of Common Stock. Public stockholders were offered the opportunity to redeem, upon closing of the Business Combination, shares of Class A common stock for cash.

Following the completion of the Business Combination, the Certificate authorizes the issuance of 550,000,000 shares of capital stock, consisting of (i) 500,000,000 shares of Common Stock, and (ii) 50,000,000 shares of preferred stock, par value $0.0001 per share. All outstanding shares of Common Stock are validly issued, fully paid and nonassessable.

#### *Voting Power*

Except as otherwise required by law or as otherwise provided in any certificate of designation for any series of preferred stock, under our Certificate, the holders of Common Stock possess all voting power for the election of our directors and all other matters requiring stockholder action and are entitled or will be entitled, as applicable, to one vote per share on matters to be voted on by stockholders. Subject to certain limited exceptions, the holders of

Common Stock shall at all times vote together as one class on all matters submitted to a vote of the holders of Common Stock under the Certificate.

***Preemptive or Other Rights***

The Certificate does not provide for any preemptive, subscription or conversion rights, or other similar rights, including any redemption or sinking fund provisions. There is no liability for further calls or assessments by the Company.

***Election of Directors***

Under the Certificate, directors are elected annually by a plurality voting standard, whereby each of our stockholders may not give more than one vote per share towards any one director nominee.

***Preferred Stock***

Our Certificate provides that shares of preferred stock may be issued from time to time in one or more series. Our Board of Directors (the "Board") is authorized to fix the voting rights, if any, designations, powers, preferences and relative, participating, optional, special and other rights, if any, and any qualifications, limitations and restrictions thereof, applicable to the shares of each series. Our Board is able, without stockholder approval, to issue preferred stock with voting and other rights that could adversely affect the voting power and other rights of the holders of the Common Stock and could have anti-takeover effects. The ability of our Board to issue preferred stock without stockholder approval could have the effect of delaying, deferring or preventing a change of control of us or the removal of existing management.

**Warrants**

***Public Stockholders' Warrants***

Pursuant to the Warrant Amendment, each of our outstanding public warrants entitle the holder thereof to purchase one-tenth of one share of our Common Stock at an exercise price of $1.15 per one-tenth share ($11.50 per whole share of Common Stock). A public warrant holder may not exercise its warrants for fractional shares of Common Stock and therefore only ten warrants (or a number of warrants evenly divisible by ten) may be exercised at any given time by the public warrant holder. The warrants will expire January 7, 2026, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

We are not obligated to deliver any shares of Common Stock pursuant to the exercise of a warrant and have no obligation to settle such warrant exercise unless a registration statement under the Securities Act with respect to the shares of Common Stock underlying the warrants is then effective and a prospectus relating thereto is current, subject to our satisfying our obligations described below with respect to registration. No warrant is exercisable, and we are not obligated to issue shares of Common Stock upon exercise of a warrant, unless Common Stock issuable upon such warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the warrants. In the event that the conditions in the two immediately preceding sentences are not satisfied with respect to a warrant, the holder of such warrant is not entitled to exercise such warrant and such warrant may have no value and expire worthless.

If our Common Stock is at the time of any exercise of a warrant not listed on a national securities exchange such that it satisfies the definition of a "covered security" under Section 18(b)(1) of the Securities Act, we may, at our option, require holders of public warrants who exercise their warrants to do so on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act and, in the event we so elect, we will not be required to file or maintain in effect a registration statement, but we will be required to use our best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

We may call the warrants for redemption:

- in whole and not in part;

- at a price of $0.01 per warrant;
- upon not less than 30 days' prior written notice of redemption (the "30-day redemption period") to each warrant holder;
- if, and only if, the reported last sale price of the Common Stock equals or exceeds $18.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending three business days before we send the notice of redemption to the warrant holders; and
- if and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws.

We have established the last of the redemption criterion discussed above to prevent a redemption call unless there is at the time of the call a significant premium to the warrant exercise price. If the foregoing conditions are satisfied, and we issue a notice of redemption of the warrants, each warrant holder will be entitled to exercise its warrant prior to the scheduled redemption date. However, the price of the Common Stock may fall below the $18.00 redemption trigger price (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) as well as the $11.50 warrant exercise price after the redemption notice is issued.

If we call the warrants for redemption as described above, our management will have the option to require any holder that wishes to exercise its warrant to do so on a "cashless basis." In determining whether to require all holders to exercise their warrants on a "cashless basis," our management will consider, among other factors, our cash position, the number of warrants that are outstanding and the dilutive effect on our stockholders of issuing the maximum number of shares of Common Stock issuable upon the exercise of our warrants. If our management takes advantage of this option, all holders of warrants would pay the exercise price by surrendering their warrants for that number of shares of Common Stock equal to the quotient obtained by dividing (x) the product of the number of shares of Common Stock underlying the warrants, multiplied by the excess of the "fair market value" (defined below) over the exercise price of the warrants by (y) the fair market value. The "fair market value" shall mean the average reported last sale price of the Common Stock for the ten trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of warrants. If our management takes advantage of this option, the notice of redemption will contain the information necessary to calculate the number of shares of Common Stock to be received upon exercise of the warrants, including the "fair market value" in such case. Requiring a cashless exercise in this manner will reduce the number of shares to be issued and thereby lessen the dilutive effect of a warrant redemption. If we call our warrants for redemption and our management does not take advantage of this option, Level Field Capital, LLC, a Delaware limited liability company (the "Sponsor"), and its permitted transferees would still be entitled to exercise their warrants received simultaneously with the Company's initial public offering (the "Private Placement Warrants") for cash or on a cashless basis using the same formula described above that other warrant holders would have been required to use had all warrant holders been required to exercise their warrants on a cashless basis, as described in more detail below.

A holder of a warrant may notify us in writing in the event it elects to be subject to a requirement that such holder will not have the right to exercise such warrant, to the extent that after giving effect to such exercise, such person (together with such person's affiliates), to the warrant agent's actual knowledge, would beneficially own in excess of 9.8% (or such other amount as a holder may specify) of the shares of Common Stock outstanding immediately after giving effect to such exercise.

If the number of outstanding shares of Common Stock is increased by a stock dividend payable in shares of Common Stock, or by a split-up of shares of Common Stock or other similar event, then, on the effective date of such stock dividend, split-up or similar event, the number of shares of Common Stock issuable on exercise of each warrant will be increased in proportion to such increase in the outstanding shares of Common Stock. A rights offering to holders of Common Stock entitling holders to purchase shares of Common Stock at a price less than the fair market value will be deemed a stock dividend of a number of shares of Common Stock equal to the product of (i) the number of shares of Common Stock actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for Common Stock) multiplied by (ii) one minus the quotient of (x) the price per share of Common Stock paid in such rights offering divided by (y) the fair market value. For these purposes (i) if the rights offering is for securities convertible into or exercisable for Common Stock, in determining the price payable for Common Stock, there will be taken into account any

consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (ii) fair market value means the volume weighted average price of Common Stock as reported during the ten trading day period ending on the trading day prior to the first date on which the shares of Common Stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive such rights.

In addition, if we, at any time while the warrants are outstanding and unexpired, pay a dividend or make a distribution in cash, securities or other assets to the holders of Common Stock on account of such shares of Common Stock (or other shares of our capital stock into which the warrants are convertible), other than (a) as described above and (b) certain cash dividends, then the warrant exercise price will be decreased, effective immediately after the effective date of such event, by the amount of cash and/or the fair market value of any securities or other assets paid on each share of Common Stock in respect of such event.

If the number of outstanding shares of our Common Stock is decreased by a consolidation, combination, reverse stock split or reclassification of shares of Common Stock or other similar event, then, on the effective date of such consolidation, combination, reverse stock split, reclassification or similar event, the number of shares of Common Stock issuable on exercise of each warrant will be decreased in proportion to such decrease in outstanding shares of Common Stock.

Whenever the number of shares of Common Stock purchasable upon the exercise of the warrants is adjusted, as described above, the warrant exercise price will be adjusted by multiplying the warrant exercise price immediately prior to such adjustment by a fraction (x) the numerator of which will be the number of shares of Common Stock purchasable upon the exercise of the warrants immediately prior to such adjustment, and (y) the denominator of which will be the number of shares of Common Stock so purchasable immediately thereafter.

In case of any reclassification or reorganization of the outstanding shares of Common Stock (other than those described above or that solely affects the par value of such shares of Common Stock), or in the case of any merger or consolidation of us with or into another corporation (other than a consolidation or merger in which we are the continuing corporation and that does not result in any reclassification or reorganization of our outstanding shares of Common Stock), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of us as an entirety or substantially as an entirety in connection with which we are dissolved, the holders of the warrants will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the warrants and in lieu of the shares of our Common Stock immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of shares of stock or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the warrants would have received if such holder had exercised their warrants immediately prior to such event. If less than 70% of the consideration receivable by the holders of Common Stock in such a transaction is payable in the form of Common Stock in the successor entity that is listed for trading on a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the registered holder of the warrant properly exercises the warrant within thirty days following public disclosure of such transaction, the warrant exercise price will be reduced as specified in the Warrant Agreement based on the Black-Scholes value (as defined in the Warrant Agreement) of the warrant.

The warrants were issued in registered form under the Warrant Agreement. The Warrant Agreement provides that the terms of the warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval by the holders of at least 65% of the then outstanding public warrants to make any change that adversely affects the interests of the registered holders of public warrants.

The warrants may be exercised upon surrender of the warrant certificate on or prior to the expiration date at the offices of the warrant agent, with the exercise form on the reverse side of the warrant certificate completed and executed as indicated, accompanied by full payment of the exercise price (or on a cashless basis, if applicable), by certified or official bank check payable to us, for the number of warrants being exercised. The warrant holders do not have the rights or privileges of holders of Common Stock or any voting rights until they exercise their warrants and receive shares of Common Stock. After the issuance of shares of Common Stock upon exercise of the warrants, each holder will be entitled to one (1) vote for each share held of record on all matters to be voted on by stockholders.

No fractional shares will be issued upon exercise of the warrants. If, upon exercise of the warrants, a holder would be entitled to receive a fractional interest in a share, we will, upon exercise, round down to the nearest whole number of shares of Common Stock to be issued to the warrant holder.

As of March 8, 2021, there were 15,525,000 public warrants and 5,500,000 Private Placement Warrants outstanding.

***Private Placement Warrants***

The Private Placement Warrants and the Common Stock issuable upon exercise of the Private Placement Warrants are transferable, assignable and salable, but they will not be redeemable by us so long as they are held by the Seller, Sponsor or permitted transferees. Each warrant entitles the registered holder to purchase one share of our Common Stock at a price of $11.50 per share, subject to adjustment as discussed below. Other than the foregoing, the Private Placement Warrants have terms and provisions that are identical to those of the public warrants, including as to exercisability and exercise period. If the Private Placement Warrants are held by holders other than the Seller, Sponsor or permitted transferees, the Private Placement Warrants are redeemable by us and exercisable by the holders on the same basis as the public warrants.

If holders of the Private Placement Warrants elect to exercise them on a cashless basis, they would pay the exercise price by surrendering their warrants for that number of shares of Common Stock equal to the quotient obtained by dividing (x) the product of the number of shares of Common Stock underlying the warrants, multiplied by the excess of the "fair market value" (defined below) over the exercise price of the warrants by (y) the fair market value. The "fair market value" shall mean the average reported last sale price of the Common Stock for the ten trading days ending on the third trading day prior to the date on which the notice of warrant exercise is sent to the warrant agent.

**Restrictions on Sales or Transfers of Common Stock**

The Seller delivered an Investor Representation Letter on the Closing Date, whereby, among other things, the Seller represented to the Company that the Seller will not transfer any of the Common Stock within 180 days following the Closing Date, on the terms and subject to the conditions set forth therein.

On the Closing Date, each of the Sponsor and certain other holders of converted Founder Shares entered into an equity lock-up letter agreement with the Company, which provides that their shares of Common Stock are not transferable or salable until the earlier of (A) one year after the completion of the Business Combination or (B) subsequent to the Business Combination, (x) if the last sale price of our Common Stock equals or exceeds $12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after the Business Combination, or (y) the date on which we complete a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of our stockholders having the right to exchange their shares of Common Stock for cash, securities or other property, except (a) to our officers or directors, any affiliates or family members of any of our officers or directors, any members of the Sponsor, or any affiliates of the Sponsor, (b) in the case of an individual, by gift to a member of the individual's immediate family, to a trust, the beneficiary of which is a member of the individual's immediate family or an affiliate of such person, or to a charitable organization; (c) in the case of an individual, by virtue of laws of descent and distribution upon death of the individual; (d) in the case of an individual, pursuant to a qualified domestic relations order; (e) by private sales; (f) in the event of our liquidation; (g) by virtue of the laws of Delaware or the Sponsor's limited liability company agreement upon dissolution of the Sponsor; (h) in the event of our liquidation, merger, capital stock exchange, reorganization or other similar transaction which results in all of our stockholders having the right to exchange their shares of Common Stock for cash, securities or other property subsequent to the completion of the Business Combination; provided, however, that in the case of clauses (a) through (e) these permitted transferees must enter into a written agreement agreeing to be bound by these transfer restrictions.

On the Closing Date, the Seller also entered into an equity lock-up agreement with the Company, which provides that, subject to certain exceptions, its shares of Common Stock are not transferable or salable until the

earlier of (A) one year following the closing of the Business Combination and (B) subsequent to the closing of the Business Combination, (x) if the last sale price of the Common Stock equals or exceeds $12.00 per share as quoted on Nasdaq (adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days following the closing of the Business Combination or (y) the date following the closing of the Business Combination on which the Company completes a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of the Company's stockholders having the right to exchange their shares of the Company for cash, securities or other property, as set forth in such letter agreement, except (a) to the Seller's officers or directors, any affiliates or family members of any of the Seller's officers or directors, any affiliates or family members of the Seller, or any affiliates of the Seller, (b) in the case of an individual, by gift to a member of the individual's immediate family, to a trust, the beneficiary of which is a member of the individual's immediate family or an affiliate of such person, or to a charitable organization; (c) in the case of an individual, by virtue of laws of descent and distribution upon death of the individual; (d) in the case of an individual, pursuant to a qualified domestic relations order; (e) by private sales; (f) in the event of our liquidation; (g) by virtue of the laws of Delaware or the Seller's limited liability company agreement upon dissolution of the Seller; (h) in the event of our liquidation, merger, capital stock exchange, reorganization or other similar transaction which results in all of our stockholders having the right to exchange their shares of Common Stock for cash, securities or other property subsequent to the completion of the Business Combination; provided, however, that in the case of clauses (a) through (e) these permitted transferees must enter into a written agreement agreeing to be bound by these transfer restrictions.

**Dividends**

The payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition. The payment of any cash dividends subsequent to a business combination will be within the discretion of our Board at such time.

**Transfer Agent and Warrant Agent**

The Transfer Agent for our Common Stock and warrant agent for our warrants is Continental Stock Transfer & Trust Company. We have agreed to indemnify Continental Stock Transfer & Trust Company in its roles as transfer agent and warrant agent, its agents and each of its stockholders, directors, officers and employees against all liabilities, including judgments, costs and reasonable counsel fees that may arise out of acts performed or omitted for its activities in that capacity, except for any liability due to any gross negligence, willful misconduct or bad faith of the indemnified person or entity.

**Certain Anti-Takeover Provisions of Delaware Law, the Company's Certificate and Second Amended and Restated Bylaws**

Our Certificate and Bylaws contain provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. We are also subject to anti-takeover provisions under Delaware law, which could delay or prevent a change of control. Together, these provisions may make more difficult the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities. These provisions include:

- a prohibition on stockholder action by written consent once the company is no longer controlled, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- a vote of 25% required for stockholders to call a special meeting;
- a "synthetic" anti-takeover provision in lieu of the statutory protections of Section 203 of the DGCL;
- a vote of 80% required to approve a merger as long as the majority stockholder owns at least 20% of our stock;
- a vote of 70% required to approve certain amendments to the Certificate and the Bylaws;

- a provision allowing the directors to fill any vacancies on the Board, including vacancies that result from an increase in the number of directors, subject to the rights of the holders of any outstanding series of preferred stock to elect directors under specified circumstances; and
- the designation of Delaware as the exclusive forum for certain disputes.

**Forum Selection Clause**

Our Certificate provides that, unless we select or consent in writing to the selection of an alternative forum, the sole and exclusive forum, to the fullest extent permitted by law, and subject to applicable jurisdictional requirements, shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have or declines to accept jurisdiction, another state court or a federal court located within the State of Delaware) for any complaint asserting claims, including any derivative action or proceeding brought on our behalf, based upon a violation of a duty by a current or former director, officer, employee or stockholder in such capacity, any action as to which the DGCL confers jurisdiction upon the Court of Chancery, or any other action asserting a claim that is governed by the internal affairs doctrine as interpreted by Delaware state courts.

In addition, our Certificate provides that the sole and exclusive forum for any complaint asserting a cause of action arising under the Securities Act of 1933 (the "Securities Act"), to the fullest extent permitted by law, shall be the federal district courts of the United States, but the forum selection provision will not apply to claims brought to enforce a duty or liability created by the Securities Exchange Act of 1934.

**Advance Notice of Director Nominations and New Business**

Our Bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as director. In order for any matter to be "properly brought" before a meeting, a stockholder will have to comply with such advance notice procedures and provide us with certain information. Our Bylaws allow the presiding officer at a meeting of stockholders to adopt rules and regulations for the conduct of meetings which may have the effect of precluding the conduct of certain business at a meeting if such rules and regulations are not followed.

These provisions may also defer, delay or discourage a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to influence or obtain control of us.

**Stockholder's Agreement**

On the closing of the Business Combination, the Company and the Seller entered into that certain Stockholder's Agreement, whereby, among other things, the parties agreed (i) to certain board composition and nomination requirements, including rights to nominate directors in accordance with defined ownership thresholds, establish certain committees and their respective duties and allow for the compensation of directors, (ii) to provide the Seller with certain inspection and visitation rights, access to Company management, auditors and financial information, (iii) to provide the Seller with veto rights with respect to certain actions of the Company, (iv) not to, to the extent permitted by applicable law, share confidential information related to the Company, (v) to waive their right to jury trial and choose Delaware as the choice of law, and (vi) to vote their Common Stock in furtherance of the aforementioned rights, in each case on terms and subject to the conditions set forth therein. In addition, the Seller also agreed not to compete with the Company in the "domestic homebuilding business," as such term is defined therein, so long as it, together with its affiliates, controls more than 10% of the Company or has a representative serving on the board of directors.

**Registration Rights**

Under the Warrant Agreement, the Company has agreed to register shares of Common Stock underlying its warrants. Holders of our Private Placement Warrants and their permitted transferees can demand that we register the Private Placement Warrants and the shares of Common Stock issuable upon exercise of the Private Placement Warrants.

Pursuant to that certain Registration Rights Agreement, by and between the Company, dated June 19, 2018, those persons holding Founder Shares (the "LF Capital Restricted Stockholders") and their permitted transferees can demand that we register the shares of Common Stock into which Founder Shares automatically converted at the time of the consummation of the Business Combination. The LF Capital Restricted Stockholders are entitled to make up to three demands, excluding short form demands, that the Company register such securities. In addition, the LF Capital Restricted Stockholders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to the consummation of the Business Combination. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

The Company also provided the Seller, pursuant to the Merger Agreement, and certain investors, pursuant to those certain Forward Purchase and Subscription Agreements entered into in connection with the Merger Agreement, with certain customary registration rights.

**Exhibit 10.10**

**INDEMNIFICATION AGREEMENT**

This Indemnification Agreement (this "Agreement") is entered into as of January __, 2021 by and between Landsea Homes Corporation, a Delaware corporation (the "Company"), and _____ (the "Indemnitee") and shall be deemed effective upon the earliest date that the Indemnitee is duly elected or appointed as a director or officer of the Company.

**RECITALS**

WHEREAS, the Board of Directors has determined that the inability to attract and retain qualified persons as directors and officers is detrimental to the best interests of the Company's stockholders and that the Company should act to assure such persons that there shall be adequate certainty of protection through insurance and indemnification against risks of claims and actions against them arising out of their service to and activities on behalf of the Company;

WHEREAS, the Company has adopted provisions in its Second Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") and Second Amended and Restated Bylaws ("Bylaws") providing for indemnification and advancement of expenses of its directors and officers to the fullest extent authorized by the General Corporation Law of the State of Delaware (the "DGCL"), and the Company wishes to clarify and enhance the rights and obligations of the Company and the Indemnitee with respect to indemnification and advancement of expenses;

WHEREAS, in order to induce and encourage highly experienced and capable persons such as the Indemnitee to serve and continue to serve as directors and officers of the Company and in any other capacity with respect to the Company as the Company may request, and to otherwise promote the desirable end that such persons shall resist what they consider unjustified lawsuits and claims made against them in connection with the good faith performance of their duties to the Company, with the knowledge that certain costs, judgments, penalties, fines, liabilities, and expenses incurred by them in their defense of such litigation are to be borne by the Company and they shall receive the appropriate protection against such risks and liabilities, the Board of Directors of the Company has determined that the following Agreement is reasonable and prudent to promote and ensure the best interests of the Company and its stockholders; and

WHEREAS, the Company desires to have the Indemnitee serve or continue to serve as a director or officer of the Company and in any other capacity with respect to the Company as the Company may request, as the case may be, free from undue concern for unpredictable, inappropriate, or unreasonable legal risks and personal liabilities by reason of the Indemnitee acting in good faith in the performance of the Indemnitee's duty to the Company; and the Indemnitee desires to continue so to serve the Company, provided, and on the express condition, that he or she is furnished with the protections set forth hereinafter.

**AGREEMENT**

NOW, THEREFORE, in consideration of the Indemnitee's continued service as a director or officer of the Company, the parties hereto agree as follows:

1. Definitions. For purposes of this Agreement:

(a) A "Change in Control" will be deemed to have occurred if, with respect to any particular 24-month period, the individuals who, at the beginning of such 24-month period, constituted the Board of Directors of the Company (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to the beginning of such 24-month period whose election, or nomination for election by the stockholders of the Company, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board of Directors.

(b) "Disinterested Director" means a director of the Company who is not or was not a party to the Proceeding in respect of which indemnification is being sought by the Indemnitee.

(c) "Expenses" includes, without limitation, all expenses incurred in connection with the defense or settlement of any action, suit, arbitration, alternative dispute resolution mechanism, inquiry, judicial, administrative, or legislative hearing, investigation, or any other threatened, pending, or completed proceeding, whether brought by or in the right of the Company or otherwise, including any and all appeals, whether of a civil, criminal, administrative, legislative, investigative, or other nature, attorneys' fees, witness fees and expenses, fees and expenses of accountants and other advisors, retainers and disbursements and advances thereon, the premium, security for, and other costs relating to any bond (including cost bonds, appraisal bonds, or their equivalents), and any expenses of establishing a right to indemnification or advancement under this Agreement, but shall not include the amount of judgments, fines, ERISA excise taxes, or penalties actually levied against the Indemnitee, or any amounts paid in settlement by or on behalf of the Indemnitee.

(d) "Independent Counsel" means a law firm or a member of a law firm that neither is presently nor in the past five years has been retained to represent (i) the Company or the Indemnitee in any matter material to either such party or (ii) any other party to the Proceeding giving rise to a request for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or the Indemnitee in an action to determine the Indemnitee's right to indemnification under this Agreement.

(e) "Proceeding" means any action, suit, arbitration, alternative dispute resolution mechanism, inquiry, judicial, administrative, or legislative hearing, investigation, or any other threatened, pending, or completed proceeding, whether brought by or in the right of the Company or otherwise, including any and all appeals, whether of a civil, criminal, administrative, legislative, investigative, or other nature, to which the Indemnitee was or is a party or is threatened to be made a party or is otherwise involved in by reason of the fact that the Indemnitee is or was a director, officer, employee, agent, or trustee of the Company or while a director, officer, employee, agent, or trustee of the Company is or was serving at the request of the Company as a director, officer, employee, agent, or trustee of another corporation or of a partnership, joint venture, trust, or other enterprise, including service with respect to an employee benefit plan (such status, the Indemnitee's "Corporate Status"), or by reason of anything done or not done by the Indemnitee in any such capacity, whether or not the Indemnitee is serving in such capacity at the time any expense, liability, or loss is incurred for which indemnification or advancement can be provided under this Agreement.

2. Service by the Indemnitee. The Indemnitee shall serve and/or continue to serve as a director or officer of the Company faithfully and to the best of the Indemnitee's ability so long as the Indemnitee is duly elected or appointed and until such time as the Indemnitee's successor is elected and qualified or the Indemnitee is removed as permitted by applicable law or tenders a resignation in writing.

3. Indemnification and Advancement of Expenses. The Company shall indemnify and hold harmless the Indemnitee, and shall pay to the Indemnitee in advance of the final disposition of any Proceeding all Expenses incurred by the Indemnitee in defending any such Proceeding, to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended, all on the terms and conditions set forth in this Agreement. Without diminishing the scope of the rights provided by this Section, the rights of the Indemnitee to indemnification and advancement of Expenses provided hereunder shall include but shall not be limited to those rights hereinafter set forth, except that no indemnification or advancement of Expenses shall be paid to the Indemnitee:

(a) to the extent expressly prohibited by applicable law or the Certificate of Incorporation and Bylaws of the Company;

(b) for and to the extent that payment is actually made to the Indemnitee under a valid and collectible insurance policy or under a valid and enforceable indemnity clause, provision of the certificate of incorporation or bylaws, or agreement of the Company or any other company or other enterprise (and the Indemnitee shall reimburse the Company for any amounts paid by the Company and subsequently so recovered by the Indemnitee);

(c) in connection with an action, suit, or proceeding, or part thereof voluntarily initiated by the Indemnitee (including claims and counterclaims, whether such counterclaims are asserted by (i) the Indemnitee, or (ii) the Company in an action, suit, or proceeding initiated by the Indemnitee), except a judicial proceeding or arbitration pursuant to Section 11 to enforce rights under this Agreement, unless (A) the action, suit, or proceeding, or part thereof, was authorized or ratified by the Board of Directors of the Company or the Board of Directors otherwise determines that indemnification or advancement of expenses is appropriate or (B) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law; or

(d) with respect to any Proceeding brought by or in the right of the Company against the Indemnitee that is authorized by the Board of Directors of the Company, except as provided in Sections 5, 6, and 7 below.

4. Action or Proceedings Other than an Action by or in the Right of the Company. Except as limited by Section 3 above, the Indemnitee shall be entitled to the indemnification rights provided in this Section if the Indemnitee was or is a party or is threatened to be made a party to, or was or is otherwise involved in, any Proceeding (other than an action by or in the right of the Company) by reason of the Indemnitee's Corporate Status, or by reason of anything done or not done by the Indemnitee in any such capacity. Pursuant to this Section, the Indemnitee shall be indemnified against all expense, liability, and loss (including judgments, fines, ERISA excise taxes or penalties, amounts paid in settlement by or on behalf of the Indemnitee, and Expenses) actually and reasonably incurred by the Indemnitee, or on behalf of the Indemnitee, in connection with such Proceeding, if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal Proceeding, had no reasonable cause to believe his or her conduct was unlawful.

5. Indemnity in Proceedings by or in the Right of the Company. Except as limited by Section 3 above, the Indemnitee shall be entitled to the indemnification rights provided in this Section if the Indemnitee was or is a party or is threatened to be made a party to, or was or is otherwise involved in, any Proceeding brought by or in the right of the Company to procure a judgment in its favor by reason of the Indemnitee's Corporate Status, or by reason of anything done or not done by the Indemnitee in any such capacity. Pursuant to this Section, the Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by the Indemnitee, or on behalf of the Indemnitee, in connection with such Proceeding if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; provided, however, that no such indemnification shall be made in respect of any claim, issue, or matter as to which the DGCL expressly prohibits such indemnification by reason of any adjudication of liability of the Indemnitee to the Company, unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, the Indemnitee is entitled to indemnification for such expense, liability, and loss as such court shall deem proper.

6. Indemnification for Costs, Charges, and Expenses of Successful Party. Notwithstanding any limitations of Sections 3(c), 4, and 5 above, to the extent that the Indemnitee has been successful, on the merits or otherwise, in whole or in part, in defense of any Proceeding, or in defense of any claim, issue, or matter therein, including, without limitation, the dismissal of any action without prejudice, or if it is ultimately determined, by final judicial decision of a court of competent jurisdiction from which there is no further right to appeal, that the Indemnitee is otherwise entitled to be indemnified against Expenses, the Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by the Indemnitee in connection therewith. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

7. Partial Indemnification. If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the expense, liability, and loss (including judgments, fines, ERISA excise taxes or penalties, amounts paid in settlement by or on behalf of the Indemnitee, and Expenses) actually and reasonably incurred in connection with any Proceeding, or in connection with any judicial proceeding or arbitration pursuant to Section 11 to enforce rights under this Agreement, but not, however, for all of the total amount thereof, the Company shall nevertheless indemnify the Indemnitee for the portion of such expense, liability, and loss actually and reasonably incurred to which the Indemnitee is entitled.

8. Indemnification for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the maximum extent permitted by the DGCL, the Indemnitee shall be entitled to indemnification against all Expenses actually and reasonably incurred by the Indemnitee or on the Indemnitee's behalf if the Indemnitee appears as a witness, responds to a discovery request or otherwise incurs legal expenses as a result of or related to the Indemnitee's service as a director or officer of the Company, in any threatened, pending, or completed action, suit, arbitration, alternative dispute resolution mechanism, inquiry, judicial, administrative, or legislative hearing, investigation, or any other threatened, pending, or completed proceeding, whether of a civil, criminal, administrative, legislative, investigative, or other nature, to which the Indemnitee neither is, nor is threatened to be made, a party.

9. Determination of Entitlement to Indemnification. To receive indemnification under this Agreement, the Indemnitee shall submit a written request to the Secretary of the Company. Such request shall include documentation or information reasonably available to the Indemnitee that is necessary for such determination. Notwithstanding the foregoing, any failure of the Indemnitee to provide such a request to the Company, or to provide such a request in a timely fashion, shall not relieve the Company of any liability that it may have to the Indemnitee unless, and to the extent that, such failure actually and materially prejudices the interests of the Company. Upon receipt by the Secretary of the Company of a written request by the Indemnitee for indemnification pursuant to this Agreement, the entitlement of the Indemnitee to indemnification, to the extent not provided pursuant to the terms of this Agreement, shall be determined by the following person or persons who shall be empowered to make such determination (as selected by the Board of Directors, except with respect to Section 9(e) below): (a) the Board of Directors by a majority vote of Disinterested Directors, whether or not such majority constitutes a quorum; (b) a committee of Disinterested Directors designated by a majority vote of such directors, whether or not such majority constitutes a quorum; (c) if there are no Disinterested Directors, or if the Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the Indemnitee; (d) the stockholders of the Company; or (e) in the event that a Change in Control has occurred, at the option of the Indemnitee, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the Indemnitee. Such Independent Counsel shall be selected by the Board of Directors and approved by the Indemnitee, except that in the event that a Change in Control has occurred, Independent Counsel shall be selected by the Indemnitee. Upon failure of the Board of Directors so to select such Independent Counsel or upon failure of the Indemnitee so to approve (or so to select, in the event a Change in Control has occurred), such Independent Counsel shall be selected upon application to a court of competent jurisdiction. The determination of entitlement to indemnification shall be made and, unless a contrary determination is made, such indemnification shall be paid in full by the Company not later than the earlier of (i) 60 calendar days after receipt by the Secretary of the Company of a written request for indemnification and (ii) 10 calendar days after determination has been made that the Indemnitee is entitled to indemnification pursuant to Section 10 of this Agreement. If the person making such determination shall determine that the Indemnitee is entitled to indemnification as to part (but not all) of the application for indemnification, such person shall reasonably prorate such partial indemnification among the claims, issues, or matters at issue at the time of the determination.

10. Presumptions and Effect of Certain Proceedings. The Secretary of the Company shall, promptly upon receipt of the Indemnitee's written request for indemnification, advise in writing the Board of Directors or such other person or persons empowered to make the determination as provided in Section 9 that the Indemnitee has made such request for indemnification. Upon making such request for indemnification, the Indemnitee shall be presumed to be entitled to indemnification hereunder and the Company shall have the burden of proof in making any determination contrary to such presumption. If the person or persons so empowered to make such determination shall have failed to make the requested determination with respect to indemnification within 60 calendar days after receipt by the Secretary of the Company of such request, a requisite determination of entitlement to indemnification shall be deemed to have been made and the Indemnitee shall be absolutely entitled to such indemnification, absent actual fraud in the request for indemnification. The termination of any Proceeding described in Sections 4 or 5 by judgment, order, settlement, or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself (a) create a presumption that the Indemnitee did not act in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, or with respect to any criminal Proceeding, had reasonable cause to believe his or her conduct was unlawful or (b) otherwise adversely affect the rights of the Indemnitee to indemnification except as may be provided herein.

11. Remedies of the Indemnitee in Cases of Determination Not to Indemnify or to Advance Expenses; Right to Bring Suit. In the event that a determination is made that the Indemnitee is not entitled to indemnification hereunder or if payment is not timely made following a determination of entitlement to indemnification pursuant to Sections 9 and 10, or if an advancement of Expenses is not timely made pursuant to Section 16, the Indemnitee may at any time thereafter bring suit against the Company seeking an adjudication of entitlement to such indemnification or advancement of Expenses, and any such suit shall be brought in the Court of Chancery of the State of Delaware unless, if the Indemnitee is an employee of the Company, otherwise required by the law of the state in which the Indemnitee primarily resides and works. Alternatively, the Indemnitee at the Indemnitee's option may seek an award in an arbitration to be conducted by a single arbitrator in the State of Delaware pursuant to the rules of the American Arbitration Association, such award to be made within 60 calendar days following the filing of the demand for arbitration. The Company shall not oppose the Indemnitee's right to seek any such adjudication or award in arbitration. The Company shall not oppose the Indemnitee's right to seek any such adjudication or award in arbitration. In any suit or arbitration brought by the Indemnitee to enforce a right to indemnification hereunder (but not in a suit or arbitration brought by the Indemnitee to enforce a right to an advancement of Expenses), it shall be a defense that the Indemnitee has not met any applicable standard of conduct for indemnification set forth in the DGCL. Further, in any suit brought by the Company to recover an advancement of Expenses pursuant to the terms of an undertaking, the Company shall be entitled to recover such Expenses upon a final judicial decision of a court of competent jurisdiction from which there is no further right to appeal that the Indemnitee has not met the standard of conduct described above. Neither the failure of the Company (including the Disinterested Directors, a committee of Disinterested Directors, Independent Counsel, or its stockholders) to have made a determination prior to the commencement of such suit or arbitration that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the standard of conduct described above, nor an actual determination by the Company (including the Disinterested Directors, a committee of Disinterested Directors, Independent Counsel, or its stockholders) that the Indemnitee has not met the standard of conduct described above shall create a presumption that the Indemnitee has not met the standard of conduct described above, or, in the case of such a suit brought by the Indemnitee, be a defense to such suit or arbitration. In any suit brought by the Indemnitee to enforce a right to indemnification or to an advancement of Expenses hereunder, or brought by the Company to recover an advancement of Expenses pursuant to the terms of an undertaking, the burden of proving that the Indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Section 11 or otherwise shall be on the Company. If a determination is made or deemed to have been made pursuant to the terms of Section 9 or 10 that the Indemnitee is entitled to indemnification, the Company shall be bound by such determination and is precluded from asserting that such determination has not been made or that the procedure by which such determination was made is not valid, binding, and enforceable. The Company further agrees to stipulate in any court or before any arbitrator pursuant to this Section 11 that the Company is bound by all the provisions of this Agreement and is precluded from making any assertions to the contrary. If the court or arbitrator shall determine that the Indemnitee is entitled to any indemnification or advancement of Expenses hereunder, the Company shall pay all Expenses actually and reasonably incurred by the Indemnitee in connection with such adjudication or award in arbitration (including, but not limited to, any appellate proceedings) to the fullest extent permitted by law, and in any suit brought by the Company to recover an advancement of Expenses pursuant to the terms of an undertaking, the Company shall pay all Expenses actually and reasonably incurred by the Indemnitee in connection with such suit to the extent the Indemnitee has been successful, on the merits or otherwise, in whole or in part, in defense of such suit, to the fullest extent permitted by law.

12. Non-Exclusivity of Rights; Survival of Rights; Insurance; Subrogation.

(a) The rights provided by this Agreement shall not be deemed exclusive of any other rights to which the Indemnitee may at any time be entitled under applicable law, the certificate of incorporation or the bylaws of the Company (including the Certificate Incorporation or Bylaws), any agreement, a vote of stockholders, a resolution of the Board of Directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision of this Agreement shall limit or restrict any right of the Indemnitee under this Agreement in respect of any action taken or omitted by the Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in the DGCL, whether by statute or judicial decision, permits greater indemnification than would be afforded under the current certificate of incorporation or bylaws of the Company and this Agreement, it is the intent of the parties hereto that the Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents or fiduciaries of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that such person serves at the request of the Company, the Company shall obtain coverage for the Indemnitee under such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any other director (if the Indemnitee is a director), or officer (if the Indemnitee is not a director but is an officer), of the Company under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms of this Agreement, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all commercially reasonable steps to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company effectively to bring suit to enforce such rights.

(d) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that the Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

13. Expenses to Enforce Agreement. In the event that the Indemnitee is subject to or intervenes in any action, suit, or proceeding in which the validity or enforceability of this Agreement is at issue or seeks an adjudication or award in arbitration to enforce the Indemnitee's rights under, or to recover damages for breach of, this Agreement, the Indemnitee, if the Indemnitee prevails in whole or in part in such action, suit, or proceeding, shall be entitled to recover from the Company and shall be indemnified by the Company against any Expenses actually and reasonably incurred by the Indemnitee in connection therewith.

14. Continuation of Indemnity. All agreements and obligations of the Company contained herein shall continue during the period the Indemnitee is a director, officer, employee, agent, or trustee of the Company or while a director, officer, employee, agent, or trustee is serving at the request of the Company as a director, officer, employee, agent, or trustee of another corporation or of a partnership, joint venture, trust, or other enterprise, including service with respect to an employee benefit plan, and shall continue thereafter with respect to any possible claims based on the fact that the Indemnitee was a director, officer, employee, agent, or trustee of the Company or was serving at the request of the Company as a director, officer, employee, agent, or trustee of another corporation or of a partnership, joint venture, trust, or other enterprise, including service with respect to an employee benefit plan. This Agreement shall be binding upon all successors and assigns of the Company (including any transferee of all or substantially all of its assets and any successor by merger or operation of law) and shall inure to the benefit of the Indemnitee's heirs, executors, and administrators.

15. Notification and Defense of Proceeding. Promptly after receipt by the Indemnitee of notice of any Proceeding, the Indemnitee shall, if a request for indemnification or an advancement of Expenses in respect thereof is to be made against the Company under this Agreement, notify the Company in writing of the commencement thereof; but the omission so to notify the Company shall not relieve it from any liability that it may have to the Indemnitee unless, and to the extent that, such failure actually and materially prejudices the interests of the Company. Notwithstanding any other provision of this Agreement, with respect to any such Proceeding of which the Indemnitee notifies the Company:

(a) The Company shall be entitled to participate therein at its own expense;

(b) Except as otherwise provided in this Section 15(b), to the extent that it may wish, the Company, jointly with any other indemnifying party similarly notified, shall be entitled to assume the defense thereof, with counsel satisfactory to the Indemnitee. After notice from the Company to the Indemnitee of its election so to assume the defense thereof, the Company shall not be liable to the Indemnitee under this Agreement for any expenses of counsel subsequently incurred by the Indemnitee in connection with the defense thereof except as otherwise provided below. The Indemnitee shall have the right to employ the Indemnitee's own counsel in such Proceeding, but the fees and expenses of such counsel incurred after notice from the Company of its assumption of the defense thereof shall be at the expense of the Indemnitee unless (i) the employment of counsel by the Indemnitee has been authorized by the Company, (ii) the Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and the Indemnitee in the conduct of the defense of such Proceeding, or (iii) the Company shall not within 60 calendar days of receipt of notice from the Indemnitee in fact have employed counsel to assume the defense of the Proceeding, in each of which cases the fees and expenses of the Indemnitee's counsel shall be at the expense of the Company. The Company shall not be entitled to assume the defense of any Proceeding brought by or on behalf of the Company or as to which the Indemnitee shall have made the conclusion provided for in (ii) above; and

(c) Notwithstanding any other provision of this Agreement, the Company shall not be liable to indemnify the Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without the Company's written consent, or for any judicial or other award, if the Company was not given an opportunity, in accordance with this Section 15, to participate in the defense of such Proceeding. The Company shall not settle any Proceeding in any manner that would impose any penalty or limitation on or disclosure obligation with respect to the Indemnitee, or that would directly or indirectly constitute or impose any admission or acknowledgment of fault or culpability with respect to the Indemnitee, without the Indemnitee's written consent. Neither the Company nor the Indemnitee shall unreasonably withhold its consent to any proposed settlement.

16. Advancement of Expenses. All Expenses incurred by the Indemnitee in defending any Proceeding described in Section 4 or 5 shall be paid by the Company in advance of the final disposition of such Proceeding at the request of the Indemnitee. Notwithstanding the foregoing, the Company shall not advance or continue to advance Expenses to the Indemnitee (except by reason of the fact that the Indemnitee is or was a director of the Company) if a determination is reasonably made that the facts known at the time such determination is made demonstrate clearly and convincingly that the Indemnitee acted in bad faith or in a manner that the Indemnitee did not reasonably believe to be in or not opposed to the best interests of the Company, or, with respect to any criminal Proceeding, that the Indemnitee had reasonable cause to believe his or her conduct was unlawful. Such determination shall be made: (i) by the Board of Directors of the Company by a majority vote of Disinterested Directors, whether or not such majority constitutes a quorum; (ii) by a committee of Disinterested Directors designated by a majority vote of such directors, whether or not such majority constitutes a quorum; (iii) if there are no Disinterested Directors, or if the Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the Indemnitee; or (iv) in the event that a Change in Control has occurred, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the Indemnitee. To receive an advancement of Expenses under this Agreement, the Indemnitee shall submit a written request to the Secretary of the Company. Such request shall reasonably evidence the Expenses incurred by the Indemnitee and shall include or be accompanied by an undertaking, by or on behalf of the Indemnitee, to repay all amounts so advanced if it shall ultimately be determined, by final judicial decision of a court of competent jurisdiction from which there is no further right to appeal, that the Indemnitee is not entitled to be indemnified for such Expenses by the Company as provided by this Agreement or otherwise. The Indemnitee's undertaking to repay any such amounts is not required to be secured. Each such advancement of Expenses shall be made within 20 calendar days after the receipt by the Secretary of the Company of such written request. The Indemnitee's entitlement to Expenses under this Agreement shall include those incurred in connection with any action, suit, or proceeding by the Indemnitee seeking an adjudication or award in arbitration pursuant to Section 11 of this Agreement (including the enforcement of this provision) to the extent the court or arbitrator shall determine that the Indemnitee is entitled to an advancement of Expenses hereunder.

17. Severability; Prior Indemnification Agreements. If any provision or provisions of this Agreement shall be held to be invalid, illegal, or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law (a) the validity, legality, and enforceability of such provision in any other circumstance and of the remaining provisions of this Agreement (including, without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal, or unenforceable, that are not by themselves invalid, illegal, or unenforceable) and the application of such provision to other persons or entities or circumstances shall not in any way be affected or impaired thereby, and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing any such provision held to be invalid, illegal, or unenforceable, that are not themselves invalid, illegal, or unenforceable) shall be construed so as to give effect to the intent of the parties that the Company provide protection to the Indemnitee to the fullest enforceable extent set forth in this Agreement. This Agreement shall supersede and replace any prior indemnification agreements entered into by and between the Company and the Indemnitee and any such prior agreements shall be terminated upon execution of this Agreement.

18. Headings; References; Pronouns. The headings of the sections of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof. References herein to section numbers are to sections of this Agreement. All pronouns and any variations thereof shall be deemed to refer to the singular or plural as appropriate.

19. Other Provisions.

(a) This Agreement and all disputes or controversies arising out of or related to this Agreement shall be governed by, and construed in accordance with, the internal laws of the State of Delaware, without regard to the laws of any other jurisdiction that might be applied because of conflicts of laws principles of the State of Delaware, unless, if the Indemnitee is an employee of the Company, otherwise required by the law of the state in which the Indemnitee primarily resides and works.

(b) This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.

(c) This Agreement shall not be deemed an employment contract between the Company and any Indemnitee who is an officer of the Company, and, if the Indemnitee is an officer of the Company, the Indemnitee specifically acknowledges that the Indemnitee may be discharged at any time for any reason, with or without cause, and with or without severance compensation, except as may be otherwise provided in a separate written contract between the Indemnitee and the Company.

(d) This Agreement may not be amended, modified, or supplemented in any manner, whether by course of conduct or otherwise, except by an instrument in writing specifically designated as an amendment hereto, signed on behalf of each party. No failure or delay of either party in exercising any right or remedy hereunder shall operate as a waiver thereof, and no single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, shall preclude any other or further exercise thereof or the exercise of any other right or power.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Company and the Indemnitee have caused this Agreement to be executed as of the date first written above.

LANDSEA HOMES CORPORATION

By:

Name: _____

Title:

[Signature Page to Indemnification Agreement]

INDEMNITEE

[Signature Page to Indemnification Agreement]

**Exhibit 10.11**

Certain portions of this document have been omitted pursuant to Item 601(b)(10) of Regulation S-K and, where applicable, have been marked with "[***]" to indicate where omissions have been made. The marked information has been omitted because it is (i) not material and (ii) would likely cause competitive harm to the registrant if publicly disclosed.

EXHIBIT A

CONFORMED COPY REFLECTING AMENDMENTS MADE PURSUANT
TO SECOND MODIFICATION AGREEMENT DATED AS OF MAY 28, 2019

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# SENIOR SECURED CREDIT AGREEMENT
## (REVOLVING/BORROWING BASE)

DATED AS OF FEBRUARY 1, 2018

BY AND AMONG

LANDSEA HOMES- WAB LLC,
A DELAWARE LIMITED LIABILITY COMPANY

AS BORROWER,

AND

WESTERN ALLIANCE BANK,
AN ARIZONA CORPORATION

AS ADMINISTRATIVE AGENT

AND THE LENDERS

---

[Note: Exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K.]

SENIOR SECURED CREDIT AGREEMENT
(Revolving/Borrowing Base)

This SENIOR SECURED CREDIT AGREEMENT (Revolving/Borrowing Base) dated as of February 1, 2018, is made and entered into by and between LANDSEA HOMES- WAB LLC, a Delaware limited liability company ("Borrower"), and WESTERN ALLIANCE BANK, an Arizona corporation ("Administrative Agent") and the lenders from time to time party hereto.

RECITALS

A. Borrower is engaged in the business of developing residential subdivisions and constructing and selling residential units in such subdivisions.

B. Borrower has requested that Lenders provide a borrowing base revolving line of credit for Borrower, pursuant to which Borrower may finance the construction of residential housing units.

C. Lenders are willing to provide such a borrowing base revolving line of credit upon the terms and conditions hereinafter set forth.

AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower, Administrative Agent and Lenders agree that:

ARTICLE 1
DEFINITIONS

1.1 Definitions. In this Agreement, the following capitalized terms have the following meanings:

"A&D Lot" means an individual Lot in an Approved Subdivision within the Premises as designated on a subdivision plat or map (whether preliminary or final) for the Approved Subdivision which is acquired in an unfinished or substantially unfinished condition and is included or to be included in the Eligible Collateral for development of the Lot Improvements in an Approved Subdivision. Unless the context otherwise requires, the term "A&D Lot" refers to the Lot in an Approved Subdivision prior to a transfer of the Lot for Unit construction and inclusion of the Lot in Eligible Collateral as a Unit.

"A&D Lot Collateral Value" means a valuation of each A&D Lot based upon the A&D Lot Development Completion Percentage. The A&D Lot Collateral Value for a particular A&D Lot equals the sum of (a) the Lot Allocation for the A&D Lot and (b) the result obtained by subtracting the Lot Allocation for the A&D Lot from the Maximum Allowed Advance for the A&D Lot and then multiplying the difference by the A&D Lot Development Completion Percentage.

"A&D Lot Development Budget" means the budget for the acquisition of the applicable Approved Subdivision and the construction of Lot Improvements in such

Approved Subdivision as approved by Administrative Agent in its reasonable discretion, and amended and modified from time to time with Administrative Agent's approval (not to be unreasonably withheld, conditioned or delayed) pursuant to this Agreement or otherwise permitted under this Agreement.

"A&D Lot Development Completion Percentage" means the current percentage of completion of Lot Improvements as determined by Administrative Agent in its reasonable discretion based on its review of the current Collateral Certificate and inspections of the Collateral made pursuant to this Agreement. Administrative Agent shall determine such percentage of completion based on Administrative Agent's determination of actual construction completed (whether or not based on actual inspections) and not, for example, based on a percentage of the A&D Lot Development Budget or Unit Budget, as applicable, expended.

"A&D Lot Development Plans and Specifications" means the plans and specifications for the development of Lot Improvements in an Approved Subdivision that have been prepared by an engineer, together with any amendments or modifications to those plans and specifications.

"A&D Lot Improvement Construction Costs" means with respect to each Approved Subdivision the aggregate "hard" and "soft" costs to plan, design, and construct the Lot Improvements as set forth in the applicable A&D Lot Development Budget (including, without limitation, fees payable to Governmental Authorities); provided, however, that the A&D Lot Improvement Construction Costs shall not exceed the amount of such costs actually incurred by Borrower to plan, design, and construct such Lot Improvements.

"Acquisition Cost" means the actual net purchase price paid by Borrower to acquire the applicable Subdivision or Lots therein, as determined by Administrative Agent in its reasonable discretion.

"Actual Absorption" means, with respect to Units in each Approved Subdivision the number of Units sold and released pursuant to Section 2.17 during the designated period, as determined by Administrative Agent.

"Administrative Agent" means Western Alliance Bank, an Arizona corporation, in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate " of any Person means any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with, such Person.

"Agent Parties" has the meaning specified in Section 10.1(f)(ii).

"Agreement " means this Senior Secured Credit Agreement (Revolving/Borrowing Base), as amended, restated, supplemented or otherwise modified from time to time.

"Applicable Percentage" means, with respect to any Lender, the percentage of the total Commitments represented by such Lender's Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments.

"Appraisal" means, with respect to each Approved Subdivision an appraisal of the Approved Subdivision, Lots in that Approved Subdivision and/or Units in that Approved Subdivision, which meets the following requirements: (a) such appraisal has been independently and impartially prepared by a qualified appraiser directly engaged by the Administrative Agent or its agent; (b) such appraisal satisfies all of the requirements set forth in Section 3.9; (c) such appraisal complies with all applicable federal and state laws and regulations dealing with appraisals or valuations of real property; (d) such appraisal has been reviewed as to form and content and approved by Administrative Agent; and (e) such appraisal is otherwise in form and content satisfactory to Administrative Agent.

"Appraised Absorption" means, with respect to each Approved Subdivision, the number of Units in that Approved Subdivision estimated to be sold and released pursuant to Section 2.17 during the designated period, as determined by Administrative Agent on the basis of the applicable Appraisal.

"Appraised Value" means the value of the Approved Subdivision, Lot or Unit as determined by Administrative Agent pursuant to this Agreement.

"Approvals and Permits" means, with respect to each Approved Subdivision, each and all approvals, authorizations, bonds, consents, certificates, franchises, licenses, permits, registrations, qualifications, entitlements and other actions and rights granted by or filings with any Person necessary or appropriate for acquisition and development of the Approved Subdivision, for construction of Units, for the sale of Units, for occupancy, ownership, and use by Borrower and other Persons of the Lots and Units, or otherwise for the conduct of, or in connection with, the business and operations of the applicable Project Owner.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Approved Lines of Business" means (a) acquiring property intended for residential development projects that are included or intended to be included as Approved Subdivisions; (b) zoning, entitling, subdividing or causing to be subdivided such projects into residential lots and related amenities; (c) installing, or causing to be installed, onsite and/or offsite improvements as needed to create finished residential lots and related amenities for such projects; and (d) constructing and selling Units in such projects to members of the home buying public.

"Approved MSA" means the following MSAs:

(a) [***]

(b) [***]

(c) [***]

(d) [***]

(e) [***]

(f) [***]

(g) [***]

(h) [***]

(i) [***]

(j) [***]

(k) [***]

(l) [***]

(m) [***]

(n) [***]

(o) [***]

(p) [***]

(q) [***]

(r) [***]

(s) [***]

(t) [***]

and such other MSAs in Approved States as Administrative Agent and Required Lenders may approve in their sole and absolute discretion.

"Approved State" means [***]

"Approved Subdivision" means each Subdivision with respect to which Borrower has satisfied the conditions precedent in Section 4.2 and Administrative Agent has issued a Subdivision Approval Letter that has been countersigned by Borrower and the other Loan

Parties. As of the Effective Date (and subject to the satisfaction of the conditions precedent in Section 4.2), the Approved Subdivisions consist of the Vale Subdivisions.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.5), and accepted by the Administrative Agent, in substantially the form of Exhibit A or any other form approved by the Administrative Agent.

"Available Loan Commitment" means at any time, the lesser of:

(a) The Commitment Amount; or

(b) The Collateral Value of the Borrowing Base, as reflected in the most recent Borrowing Base Report,

*less* in either case any remargining payment required pursuant to Section 2.18 but not yet paid.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time that is described in the EU Bail-In Legislation Schedule.

"Bank Product Liability" means any and all obligations of Borrower and the other Loan Parties, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions, and modifications thereof and substitutions therefor) in connection with Bank Products.

"Bank Products" means each and any of the following bank products and services provided to any Loan Party by any Lender or any of its Affiliates: (a) credit cards for commercial customers (including "commercial credit cards" and purchasing cards), (b) stored value cards, and (c) depository, cash management, and treasury management services (including controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services).

"BMR Unit" means Units in the Vale Subdivisions that are treated as "BMR Units" pursuant to that certain Below Market Rate Housing Developer Agreement and Declaration of Restricted Covenants dated October 13, 2016 between the City of Sunnyvale and LS-Sunnyvale LLC, a California limited liability company.

"Borrower" shall have the meaning set forth in the Preamble to this Agreement.

"Borrower Reorganization" means the corporate reorganization with respect to Parent, Borrower and certain Project Owners and Intermediate Entities to occur on or

before the Effective Date pursuant to which the Project Owners and Intermediate Entities with respect to all Approved Subdivisions become direct or indirect Wholly-Owned Subsidiaries of Borrower in a manner consistent with the organization chart set forth on Exhibit B.

"Borrowing Base" consists of the Eligible Collateral as reflected in the most current Borrowing Base Report.

"Borrowing Base Report" means a report prepared by Borrower and approved by Administrative Agent as provided in this Agreement which sets forth the Eligible Collateral then constituting the Borrowing Base, the Collateral Value of the Borrowing Base, and certain other information, in the format prescribed by Administrative Agent from time to time.

"Budgets" means, collectively, each A&D Lot Development Budget and each Unit Budget.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City and Phoenix, Arizona, are authorized or required by law to remain closed.

"Calendar Month" means the twelve (12) calendar months of the year. With respect to any payment or obligation that is due or required to be performed within a specified number of Calendar Months, then such payment or obligation shall become due on the day in the last of such specified number of Calendar Months that corresponds numerically to the date on which such payment or obligation was incurred or commenced; provided, however, that with respect to any obligation that was incurred or commenced on the 29th, 30th or 31st day of any Calendar Month and if the Calendar Month in which such payment or obligation would otherwise become due does not have a numerically corresponding date, such obligation shall become due on the last day of such Calendar Month.

"Capitalized Lease" means each lease that has been or is required to be, in accordance with GAAP, recorded as a capitalized lease.

"Cash Collateralize" means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Issuing Bank or Lenders, as collateral for L/C Obligations or obligations of Lenders to fund participations in respect of L/C Obligations, cash or deposit account balances or, if the Administrative Agent and the Issuing Bank shall agree, each in its sole and absolute discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to the Administrative Agent and the Issuing Bank. "Cash Collateral" shall have a meaning analogous to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"Cash Equivalent Investments" means, collectively, (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency thereof maturing within one hundred twenty (120) days from the date of acquisition thereof; (b) commercial paper maturing no more than one hundred twenty (120) days from the date of creation thereof and currently having the highest rating obtainable from either S&P or

Moody's; (c) certificates of deposit maturing no more than one hundred twenty (120) days from the date of creation thereof issued by Western Alliance Bank or other commercial banks incorporated under the laws of the United States, each having combined capital, surplus and undivided profits of not less than $500,000,000 and having a rating of "A" or better by S&P or Moody's; provided that the aggregate amount invested in such certificates of deposit shall not at any time exceed $5,000,000 for any one such certificate of deposit and $10,000,000 for any one such bank; (d) time deposits maturing no more than thirty (30) days from the date of creation thereof with commercial banks or savings banks or savings and loan associations each either having membership in the FDIC or the deposits of which are insured by the FDIC and in amounts not exceeding the maximum amounts of insurance thereunder; (e) demand deposit accounts maintained in the ordinary course of business with an FDIC insured financial institution; and (f) investment funds at least ninety-five percent (95%) of the assets of which constitute cash or Cash Equivalent Investments of the kinds described in clauses (a) through (e) of this definition.

"CC&Rs" means and includes restrictive covenants, conditions, restrictions, easements, and other rights that exist or are contemplated with respect to the Approved Subdivision.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" means the occurrence of any of the following:

(a) Borrower shall cease to be Wholly-Owned and Controlled by Parent, free and clear of all Liens and Encumbrances;

(b) Borrower shall cease to directly or indirectly wholly own (exclusive of the Permitted JV Interest as in effect on the Effective Date) and Control each Project Owner and each Intermediate Entity, free and clear of all Liens and Encumbrances; and

(c) an event or series of events by which: (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its Subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the

Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right")), directly or indirectly, of 25% or more of the Equity Interests of the Parent entitled to vote for members of the board of directors or equivalent governing body of the Parent on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right); or (ii) during any period of twenty-four (24) consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Parent cease to be composed of individuals (A) who were members of that board or equivalent governing body on the first day of such period, (B) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (A) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (C) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (A) and (B) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.

"Code" means the United States Internal Revenue Code of 1986, as amended from time to time.

" Collateral" means the property, interests in property, and rights to property securing any or all Obligations from time to time.

"Collateral Certificate" means the certificate of Borrower, in form and substance satisfactory to Administrative Agent, that contains such certifications as Administrative Agent may require.

"Collateral Value" means, at each time of determination, the aggregate total of:

(a) The aggregate of the A&D Lot Collateral Values for all A&D Lots included as Eligible Collateral in the Borrowing Base;

(b) The aggregate of the Finished Lot Collateral Values for all Finished Lots included as Eligible Collateral in the Borrowing Base; and

(c) The aggregate of the Unit Collateral Values for all Units included as Eligible Collateral in the Borrowing Base.

"Commitment" means with respect to each Lender, the commitment of such Lender pursuant to this Agreement to (a) make Revolving Loans and (b) purchase a participation in L/C Obligations, in either case expressed as an amount representing the maximum principal and/or face amount of such Revolving Loan and/or Letter of Credit, as such commitment may be reduced or increased from time to time pursuant to Section 10.5. The amount of the Commitment of each Lender as of the Second Amendment Effective Date is set forth on Exhibit N and from and after the Second Amendment Effective Date will be as set forth in amendments entered into pursuant to Section 2.13 and/or in the Assignment

and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable.

"Commitment Amount" means $100,000,000, as increased or reduced from time to time pursuant to the terms hereof, including increases up to a maximum Commitment Amount of $150,000,000 in accordance with Section 2.13.

"Compliance Certificate" means a Certificate in the form of Exhibit C or as otherwise required by Administrative Agent from time to time.

"Condominium Documents" means, with respect to any Approved Subdivisions in which the Units are in a condominium (or similar property regime), (a) the condominium declaration or other applicable documents and instruments establishing and governing the condominium (or similar property regime), (b) all of the other plats, maps, and other documents required by applicable Law in the Approved State in which the Approved Subdivision is located or otherwise relating to the submission of the Approved Subdivision and improvements therein to the provisions of such applicable Law or to the regulation, operation, administration or sale thereof as a condominium (or similar property regime) including bylaws, management agreements, and documents pertaining to the voting rights of owners or declarants, all of which must be acceptable to Administrative Agent in form and substance.

"Consolidated Debt" means, at any date of determination, the aggregate principal amount of all Indebtedness of Parent and its Subsidiaries outstanding at such time, in the amount that would be reflected on a balance sheet prepared at such date, determined on a consolidated basis in accordance with GAAP.

"Consolidated EBITDA" means, with respect to Parent, on a consolidated basis for the applicable period, the sum of the following amounts for such period of (a) Consolidated Net Income, (b) Consolidated Net Interest Expense, (c) the aggregate amount of federal and state taxes, if any, based on income for that period, (d) total depreciation expense, (e) total amortization expense, (f) amortization of capitalized interest to costs of sales, and (g) other non-cash items reducing Consolidated Net Income less other non-cash items increasing Consolidated Net Income, all of the foregoing as determined in accordance with GAAP.

"Consolidated Interest Expense" means for any period, without duplication, the aggregate amount of interest incurred (whether paid, accrued, or capitalized, but not including interest and other charges amortized to cost of sales) of Parent, which, in conformity with GAAP, would be set opposite the caption "Interest Expense" or any like caption on a consolidated income statement for Parent for such period, including, without limitation, imputed interest included in Capitalized Lease Obligations, all commissions, discounts and other fees and charges owed with respect to letters of credit, the interest portion of any deferred payment obligation, amortization of discount or premiums, if any, and all other non-cash interest expense, other than interest and other charges amortized to cost of sales.

"Consolidated Net Income" means, with respect to Parent, for any fiscal year or other fiscal period, the net income of Parent for such fiscal year or other fiscal period, determined on a consolidated basis in accordance with GAAP.

"Consolidated Net Interest Expense" means, with respect to Parent, for any period, Consolidated Interest Expense less interest capitalized during the current period.

"Control" when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, partnership interests, membership interests, by contract or otherwise; and the terms "Controlling" and "Controlled" have the meanings correlative to the foregoing.

"Credit Bid" means to submit a bid at a public or private sale in connection with the purchase of all or any portion of the applicable Collateral, in which any of the Obligations owing to the Lenders under this Agreement are used and applied as a credit on account of the purchase price.

"Credit Extension" means (a) a Revolving Loan or (b) an L/C Credit Extension.

"Debtor Relief Law" means the Bankruptcy Code and all other liquidation, bankruptcy, assignment for the benefit of creditors, conservatorship, moratorium, receivership, insolvency, rearrangement, reorganization or similar debtor relief laws of the U.S. or other applicable jurisdictions in effect from time to time.

"Deed of Trust" and "Deeds of Trust" means, with respect to each Approved Subdivision, each and all deeds of trust, mortgages, assignments of leases and rents, fixture filings, and security agreements, securing the Obligations (or guarantees of the Obligations), granted from time to time by a Project Owner, as mortgagor, trustor, or assignor, to Administrative Agent for the benefit of Lenders, as mortgagee, beneficiary, or assignee, each being in form and substance satisfactory to Administrative Agent, as the same may be amended, modified, supplemented, extended, restated, or renewed from time to time. Each Deed of Trust will conform to the laws and practices, as determined by Administrative Agent in its reasonable discretion, of the Approved State in which the Approved Subdivision is located.

"Default" means an event which, with notice or lapse of time or both, would become an Event of Default.

"Default Rate" means 5% per annum plus the Interest Rate.

"Defaulting Lender" means, subject to Section 2.20(b), any Lender that (a) has failed to (i) fund all or any portion of its Revolving Loans within two (2) Business Days of the date such Revolving Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent,

the Issuing Bank, or any other Lender any other amount required to be paid by it hereunder within two (2) Business Days of the date when due (including in respect of any participation in Letters of Credit), (b) has notified Borrower, the Administrative Agent, or the Issuing Bank in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Revolving Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by the Administrative Agent or Borrower, to confirm in writing to the Administrative Agent and Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law**,** (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-in Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.20(b)) upon delivery of written notice of such determination to Borrower and each Lender.

"Draw Request" means a completed request, in form and substance satisfactory to Administrative Agent, from Borrower to Administrative Agent requesting a Revolving Loan, together with such other documents and information as Administrative Agent may require from time to time.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country that is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country that is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country that is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date" means the date set forth on the first page of this Agreement.

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 10.5(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 10.5(b)(iii)).

"Eligible Collateral" means the A&D Lots, Finished Lots and Units that meet the requirements of this Agreement for inclusion as Eligible Collateral in the Borrowing Base and that are included in the current Borrowing Base Report.

"Entitled Land" means real property with respect to which all of the following are true: (a) the property has a zoning classification approved by Administrative Agent and appropriate for the intended development of such property; (b) no discretionary approvals from any Governmental Authority remain with respect to such zoning classification; and (c) Borrower or the applicable Project Owner has prepared at least a tentative map/preliminary subdivision plat (as applicable) which has been approved by Administrative Agent and applicable Governmental Authorities.

"Environmental Agreement" means (a) that certain Environmental Indemnity Agreement of even date herewith executed by Borrower, each Project Owner, each Intermediate Entity, and Parent for the benefit of Administrative Agent and Lenders, as the same may be amended, restated, supplemented or otherwise modified from time to time and (b) each other Environmental Indemnity Agreement or joinder in an existing Environmental Indemnity Agreement executed in connection with other Approved Subdivisions by Borrower, the applicable Project Owners and Intermediate Entities and Parent for the benefit of Administrative Agent and Lenders, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Environmental Joinder Agreement" means each Joinder Agreement in the form of Exhibit L-1 hereto pursuant to which a Project Owner and applicable Intermediate Entities join in and become indemnitors pursuant to an Environmental Indemnity, as each such Joinder Agreement may be amended, modified, restated and renewed from time to time.

"Environmental Laws" means any federal, state or local law, whether by common law, statute, ordinance, or regulation, pertaining to health, industrial hygiene, or environmental conditions, including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, et seq. ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901, et seq. ("RCRA"); the Toxic Substances Control Act of 1976, 15 U.S.C. Section 2501, et seq. ("TSCA"); the Superfund Amendments and Reauthorization Act of 1986, Title III, 42 U.S.C. Section 11001, et seq. ("SARA"); the Clean Air Act, 42 U.S.C. 7401, et seq.; the Federal Water Pollution Control Act, 33 U.S.C. Section 1251, et seq.; the

Safe Drinking Water Act, 42 U.S.C. Section 300f, et seq.; the Solid Waste Disposal Act, 42 U.S.C. Section 3251, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; and all amendments thereto as of this date and to be added in the future; and any other federal, state, or local law, common law, statute, ordinance, administrative rule, general policy statement or guideline of any regulatory agency, or regulation now in effect or hereinafter enacted that pertains to health, industrial hygiene, or the regulation or protection of the environment.

"Equity Interest" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interest in a trust or other equity ownership interest in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code or Section 302 of ERISA).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) the failure by Borrower or any ERISA Affiliate to meet all applicable requirements under the Pension Funding Rules or the filing of an application for the waiver of the minimum funding standards under the Pension Funding Rules; (c) the incurrence by Borrower or any ERISA Affiliate of any liability pursuant to Section 4063 or 4064 of ERISA or a cessation of operations with respect to a Pension Plan within the meaning of Section 4062(e) of ERISA; (d) a complete or partial withdrawal by Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization or insolvent (within the meaning of Title IV of ERISA); (e) the filing of a notice of intent to terminate a Pension Plan under, or the treatment of a Pension Plan amendment as a termination under, Section 4041 of ERISA; (f) the institution by the PBGC of proceedings to terminate a Pension Plan; (g) any event or condition that constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (h) the determination that any Pension Plan is in at-risk status (within the meaning of Section 430 of the Code or Section 303 of ERISA) or that a Multiemployer Plan is in endangered or critical status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (i) the imposition or incurrence of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon Borrower or any ERISA Affiliate; (j) the engagement by Borrower or any ERISA Affiliate in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; (k) the imposition of a lien upon Borrower pursuant to Section 430(k) of the Code or Section 303(k) of ERISA; or (l) the making of an amendment to a Pension Plan that could result in the posting of bond or security under Section 436(f)(1) of the Code.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Event of Default" means as defined in Section 8.1.

"Evergreen Letter of Credit" has the meaning specified in Section 2.5(c).

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable Lending Installation located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Revolving Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Revolving Loan or Commitment or (ii) such Lender changes its Lending Installation, and (c) any withholding Taxes imposed under FATCA.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"FCPA" has the meaning specified in Section 5.1(r).

"Federal Funds Effective Rate" means, for any day, the greater of (a) the rate calculated by the Federal Reserve Bank of New York based on such day's Federal funds transactions by depositary institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the Federal funds effective rate and (b) 0%.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System of the United States.

"Fee Letter" means the fee letter, dated the same date as this Agreement, between Borrower and the Administrative Agent and joined in by the other Loan Parties, as amended, modified, restated and renewed from time to time.

"Finished Lot" means an individual Lot in an Approved Subdivision as designated on a subdivision plat or map (whether preliminary or final) for the Approved Subdivision, with respect to which (a) the Lot Improvements are finished or substantially finished and (b) there are no other unsatisfied Requirements in effect to obtain building permits for the construction of Units in the Approved Subdivision.

"First Payment Date" means March 5, 2018.

"Fiscal Quarter" means each quarterly period in each Fiscal Year.

"Fiscal Year" means the fiscal year of Borrower and Parent ending on each December 31.

"Floor Rate" means a rate of interest equal to 5.50% per annum.

"Foreign Lender" means any Lender that is not a U.S. Person.

"Foreign Plan" means any employee pension benefit plan, program, policy, arrangement or agreement maintained or contributed to by Borrower or any Subsidiary with respect to employees employed outside the United States (other than any governmental arrangement).

"Fronting Exposure" means, at any time there is a Defaulting Lender, with respect to the Issuing Bank, such Defaulting Lender's Applicable Percentage of the outstanding L/C Obligations with respect to Letters of Credit issued by the Issuing Bank, other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

"Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

"GAAP" means generally accepted accounting principles consistently applied.

"Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Gross Profit Margin" means the total consolidated revenues of Parent from the sale of homes, Lots and land in the ordinary course of business reduced by the "cost of sales" and "impairment of real estate held for sale" as reflected on a consolidated income statement of Parent as approved by Administrative Agent, expressed as a percentage of such total consolidated revenues of Parent from the sale of homes, Lots and land in the ordinary course of business.

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of

such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

"Guarantor" means, collectively, Parent Guarantor and each Subsidiary Guarantor.

"Guarantor Joinder Agreement" means each joinder agreement in the form of Exhibit L-2 hereto pursuant to which a Project Owner and the applicable Intermediate Entitles join in and become guarantors pursuant to a Guaranty as each such agreement may be amended, modified, restated and renewed from time to time.

"Guaranty" means collectively (a) with respect to Parent, a payment guaranty dated as of the Effective Date on Administrative Agent's form; (b) with respect to each Person other than Parent that is a Loan Party as of the Effective Date payment and completion guaranties, dated as of the Effective Date, on Administrative Agent's form; and (c) with respect to each Person, other than Parent, that becomes a Loan Party after the Effective Date, payment and completion guaranties on Administrative Agent's form or, at Administrative Agent's option, a Guarantor Joinder Agreement.

"Hazardous Substance" means all of the following:

(a) Any substance, material, or waste that is included within the definitions of "hazardous substances", "hazardous materials", "hazardous waste", "toxic substances", "toxic materials", "toxic waste", or words of similar import in any Environmental Law;

(b) Those substances listed as hazardous substances by the United States Department of Transportation (or any successor agency) (49 C.F.R. 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) (40 C.F.R. Part 302 and amendments thereto); and

(c) Any substance, material, or waste that is petroleum, petroleum-related, or a petroleum by-product, asbestos or asbestos-containing material, polychlorinated biphenyls, flammable, explosive, radioactive, freon gas, radon, or a pesticide, herbicide, or any other agricultural chemical.

"Highest Lawful Rate" means the maximum non-usurious interest rate, as in effect from time to time, which may be charged, contracted for, reserved, received, or collected by the Lender in connection with this Agreement and the other Loan Documents, it being the express intent of the parties hereto that such maximum non-usurious interest rate shall be determined, to the maximum extent permitted by law, by the internal laws of the State of Arizona applicable to interest rates agreed to and contracted for in writing.

"Holdover Maturity Date" has the meaning specified in Section 2.5.

"Impositions" means any and all of the following:

(a) Real property taxes and assessments (general and special) assessed against or imposed upon or in respect of any of the Collateral or the Obligations;

(b) Personal property taxes assessed against or imposed upon or in respect of any of the Collateral or the Obligations;

(c) Other taxes and assessments of any kind or nature that are assessed or imposed upon or in respect of the Collateral or the Obligations or that may result in a Lien or Encumbrance upon any of the Collateral (including, without limitation, non-governmental assessments, levies, maintenance and other charges whether resulting from covenants, conditions, and restrictions or otherwise, water and sewer rents and charges, assessments on any water stock, utility charges and assessments, and owner association dues, fees, and levies);

(d) Taxes or assessments on any of the Collateral in lieu of or in addition to any of the foregoing;

(e) Taxes on income, revenues, rents, issues, and profits, and franchise taxes; and

(f) Assessment, documentary, indebtedness, license, stamp, and revenue charges, fees, and taxes and any other fees or taxes imposed on Lender and measured by or based in whole or in part upon ownership of the Deed of Trust, interest in Collateral, or any promissory note, guaranty, or indebtedness secured by the Deed of Trust or upon the nature or amount of the Obligations, excluding, however, from all of the foregoing any estate, excess profits, franchise, income, inheritance, or similar tax levied on Administrative Agent or any Lender.

"Improvements" means any and all improvements now or hereafter constructed on the Approved Subdivisions, including, without limitation, Lot Improvements and Units.

"Incremental Commitment" has the meaning specified in Section 2.13(a).

"Incremental Commitment Effective Date" has the meaning specified in Section 2.13(c).

"Incremental Lender" has the meaning specified in Section 2.13(b).

"Indebtedness" means (a) indebtedness or liability for borrowed money; (b) obligations evidenced by bonds, debentures, notes or similar instruments; (c) obligations for the deferred purchase price of property or services (excluding trade obligations in the ordinary course of business); (d) obligations under Capitalized Leases; (e) current liabilities, accounts payable, and unfunded vested benefits under plans covered by ERISA; (f) obligations under letters of credit; (g) obligations under acceptance facilities; (h) all guaranties, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any person or entity, or otherwise to assure a creditor against loss; (i) obligations secured by any Liens and Encumbrances whether or not the obligations have

been assumed; (j) net obligations of such Person under any Swap Contract, and (k) all other obligations that would be reported as a liability in accordance with GAAP. For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of Borrower under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

" Index Rate" means the rate of interest most recently publicly announced in the Western Edition of *The Wall Street Journal* as the "prime rate". Any change in the "prime rate" shall become effective as of the same date of any such change.

"Intercompany Subordination Agreement" means a Subordination Agreement with respect to all Indebtedness of Parent owing to any Affiliate of Parent in form and content approved by Administrative Agent in its sole and absolute discretion.

"Interest Payment Date" means the First Payment Date and the fifth day of each Calendar Month thereafter.

"Interest Rate" means a rate of interest at all times equal to the greater of (a) 1.25% per annum above the Index Rate or (b) the Floor Rate. The Interest Rate shall change from time to time as and when the Index Rate changes.

"Intermediate Entities" means each direct or indirect Subsidiary of Borrower that directly or indirectly owns or manages a Project Owner.

"Investment " means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests or debt or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor incurs Indebtedness in respect of such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of such Person. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment but giving effect to any returns or distributions of capital or repayment of principal actually received in case by such Person with respect thereto.

"Involuntary Lien" means any Lien or Encumbrance (for clarity, to include mechanic's and materialmen's liens) securing the payment of money or the performance of any other obligation created involuntarily under any Law and any claim of any such Lien or Encumbrance.

"IRS" means the United States Internal Revenue Service.

"ISP" means the International Standby Practices, International Chamber of Commerce Publication No. 590 (ISP 98) (or such later version thereof as may be in effect at the applicable time).

"Issuing Bank" means Western Alliance Bank, an Arizona corporation, in its capacity as issuer of Letters of Credit hereunder, and each other Lender (if any) appointed as the Issuing Bank pursuant to Section 2.5(k); provided that such Lender has agreed to be the Issuing Bank.

"Joinder Agreement" means a joinder or similar agreement in form satisfactory to Administrative Agent entered into by any Person (including any Lender) under Section 2.13 pursuant to which such Person shall provide an Incremental Commitment hereunder and (if such Person is not then a Lender) shall become a Lender party hereto.

"Land Seller Documents" means, with respect to an Approved Subdivision, development covenants, profit or price participation agreements and other similar rights of a land seller or master developer approved in writing by Administrative Agent in connection with Administrative Agent's approval of the applicable Approved Subdivision.

"Land Seller Subordination Agreement" means, in connection with each Approved Subdivision, an agreement in form satisfactory to Administrative Agent pursuant to which Land Seller Documents are subordinated to the applicable Deed of Trust.

"Law" means any law (including common law), constitution, statute, treaty, regulation, rule, ordinance, guideline, order, injunction, writ, decree, or award of any Governmental Authority with jurisdiction.

"L/C Commitment Expiration Date" means the date that is one year before the Maturity Date (as the Maturity Date may be extended from time to time).

"L/C Credit Extension" means, with respect to any Letter of Credit, the issuance or renewal thereof or the extension of the expiry date thereof, or the reinstatement or increase of the amount thereof.

"L/C Disbursement" means a payment made by the Issuing Bank pursuant to a Letter of Credit.

"L/C Documents" means, as to any Letter of Credit, each application therefor and any other document, agreement and instrument entered into by the Borrower or a Project Owner with or in favor of the Issuing Bank and relating to such Letter of Credit.

"L/C Fee" has the meaning specified in Section 2.14(c).

"L/C Obligations" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time, including any automatic or scheduled increases provided for by the terms of such Letters of Credit, determined without regard to whether any conditions to drawing could be met at that time, plus (b) the aggregate amount of all L/C Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The L/C Obligations of any Lender at any time shall be its Applicable Percentage of the total L/C Obligations at such time. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Article 29(a) of the UCP or Rule 3.13 or Rule 3.14 of the ISP or similar terms of the Letter of Credit itself, or if compliant documents have been presented but not yet honored, such Letter of Credit shall be deemed to be "outstanding" and "undrawn" in the amount so remaining available to be paid, and the obligations of the Borrower and each Lender shall remain in full force and effect until the Issuing Bank and the Lenders shall have no further obligations to make any payments or disbursements under any circumstances with respect to any Letter of Credit.

"L/C Sublimit" means an amount equal to the lesser of (a) $10,000,000 and (b) the total amount of the Commitments. The L/C Sublimit is part of, and not in addition to, the Revolving Facility.

"Lenders" means the Persons listed on Exhibit N and any other Person that has become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

"Lending Installation" means, with respect to a Lender or the Administrative Agent, the office, branch, subsidiary, or affiliate of such Lender or the Administrative Agent listed on the signature pages hereto or on a Schedule or otherwise selected by such Lender or the Administrative Agent pursuant to Section 2.9.

"Letter of Credit" means any standby letter of credit issued hereunder.

"Lido Subdivision" means the real property described on Exhibit Q hereto.

"Lien ", "Lien or Encumbrance" and "Liens and Encumbrances" mean, respectively, each and all of the following:

(a) Any lease or other right to use;

(b) Any assignment as security, conditional sale, grant in trust, lien, mortgage, pledge, security interest, title retention arrangement, other encumbrance, or other interest or right securing the payment of money or the performance of any other liability or obligation, whether voluntarily or involuntarily created (including, without limitation, Involuntary Liens) and whether arising by agreement, document, or instrument, under any law, ordinance, regulation, or rule (federal, state, or local), or otherwise; and

(c) Any option, right of first refusal, or other interest or right.

"Loan" means the Revolving Loans made by Lenders to Borrower pursuant to this Agreement.

"Loan Documents" means this Agreement, each Subdivision Approval Letter, each Note, each Deed of Trust, each Environmental Agreement, each Guaranty, the L/C Documents, any agreement creating or perfecting rights in Cash Collateral, and any other agreements, assignments, documents or instruments now or hereafter evidencing, guarantying or securing the Obligations, any and all Revolving Loans and any and all L/C Obligations, as such documents may be amended, restated, supplemented or otherwise modified from time to time, but Loan Documents shall not include any Swap Contracts or agreements governing Bank Product Liabilities.

"Loan Party" means Borrower, each Guarantor and each other Person that becomes primarily or secondarily obligated with respect to the Obligations at any time or that provides security for the payment or performance of the Obligations.

"Lot" means, with respect to each Approved Subdivision, an individual lot designated as such on a subdivision plat or map (whether preliminary or final) for the Approved Subdivision and with respect to which a Unit has been constructed or is under construction. Unless the context otherwise requires the term "Lot" refers generally to an A&D Lot or Finished Lot and to a subdivided lot after the transfer of an A&D Lot or Finished Lot for Unit construction and the inclusion of the subdivided lot in Eligible Collateral as a Unit.

"Lot Allocation" means, (a) with respect to each A&D Lot included as Eligible Collateral in the Borrowing Base, the Maximum Allowed Advance for the A&D Lot reduced by the A&D Lot Improvement Construction Costs for that A&D Lot as set forth in the A&D Lot Development Budget and (b) with respect to each Unit included as Eligible Collateral in the Borrowing Base, the Maximum Allowed Advance for the Unit reduced by the Unit Construction Cost as set forth in the Unit Budget.

"Lot Eligibility Date" means, with respect to each A&D Lot or Finished Lot, as applicable, the date such Lot is first included as Eligible Collateral as an A&D Lot or Finished Lot.

"Lot Improvements" means, with respect to each Approved Subdivision, the improvements which may exist or which are to be constructed (including, without limitation, curbs, grading, landscaping, sprinklers, storm and sanitary sewers, paving, sidewalks, and utilities) necessary to make the Approved Subdivision suitable for the construction of single family homes, and any common area improvements for the Approved Subdivision which may exist or which are to be constructed, together with the associated fixtures and other tangible personal property located or used in or on land on which such improvements are constructed. For clarity, Lot Improvements do not include the Units constructed or to be constructed on Lots.

"Lot Limit" is defined in Section 3.5(b).

"Lot Limit Reduction Date" means, with respect to each Approved Subdivision, each date on which the applicable Lot Limit for such Approved Subdivision is reduced as provided in Section 3.5(b), which commences after the end of the ninth calendar month following the first applicable Lot Eligibility Date for such Approved Subdivision.

"Material Adverse Change" means any change in the assets, liabilities, financial condition, or results of operations of Borrower, any other Loan Party or the owners of the Equity Interests in Borrower or any other Loan Party, any other event or condition with respect to Borrower, any other Loan Party, such owners of Equity Interests, or any change in sales of Units, development of Lots and Units, costs and expenses with respect to such development of Lots and Units with respect to any Approved Subdivision that Administrative Agent, in its reasonable discretion, determines would materially and adversely affect any of the following: (a) the likelihood of performance by Borrower or any other Loan Party of any of the Obligations or the ability of Borrower or any other Loan Party to perform such Obligations, (b) the likelihood of performance by any such owners of Equity Interests of any of their material obligations to Borrower or any other Loan Party (including, without limitation, the obligation to make capital contributions to Borrower or any other Loan Party), (c) the likelihood that sales of Units in any Approved Subdivision will meet the requirements of this Agreement or that the costs and expenses of developing such Units will be within the budgets approved by Administrative Agent, (d) the legality, validity or binding nature of any of the Obligations of Borrower or any other Loan Party, (e) any Lien or Encumbrance securing any of such Obligations, or (f) the priority of any Lien or Encumbrance securing any of such Obligations.

"Maturity Date" means February 1, 2022, as such date may be extended pursuant to Section 2.7(a).

"Maximum Allowed Advance" means the following:

(a) With respect to A&D Lots and Finished Lots that are ***not*** located in the Lido Subdivision:

(i) With respect to each A&D Lot, the lesser of (A) 50% of the Appraised Value of the applicable Approved Subdivision (on a bulk wholesale basis), divided by the total number of Lots in the Approved Subdivision (regardless of whether such Lots are Eligible Collateral), and (B) 50% of the Total Lot Cost for the Approved Subdivision, divided by the total number of Lots in the Approved Subdivision (regardless of whether such Lots are Eligible Collateral). For purposes of the foregoing, the number of Lots in the applicable Approved Subdivision will be determined by Administrative Agent based on the applicable subdivision map or plat.

(ii) With respect to each Finished Lot, the lesser of (A) 55% of the Appraised Value of the applicable Approved Subdivision (on a bulk wholesale basis for Finished Lots) divided by the total number of Lots in such Approved Subdivision (regardless of whether such Lots are Eligible Collateral) and (B) 55% of the Total Lot Cost for such Approved Subdivision divided by the total number

of Lots in such Approved Subdivision (regardless of whether such Lots are Eligible Collateral). For purposes of the foregoing, the number of Lots in an Approved Subdivision will be determined by Administrative Agent based on the applicable subdivision map or plat.

(b) With respect to A&D Lots and Finished Lots that are located in the Lido Subdivision:

(i) With respect to each A&D Lot, the lesser of (A) 57% of the Appraised Value of the applicable Approved Subdivision (on a bulk wholesale basis), divided by the total number of Lots in the Approved Subdivision (regardless of whether such Lots are Eligible Collateral), and (B) 57% of the Total Lot Cost for the Approved Subdivision, divided by the total number of Lots in the Approved Subdivision (regardless of whether such Lots are Eligible Collateral). For purposes of the foregoing, the number of Lots in the applicable Approved Subdivision will be determined by Administrative Agent based on the applicable subdivision map or plat.

(ii) With respect to each Finished Lot, the lesser of (A) 63% of the Appraised Value of the applicable Approved Subdivision (on a bulk wholesale basis for Finished Lots) divided by the total number of Lots in such Approved Subdivision (regardless of whether such Lots are Eligible Collateral) and (B) 63% of the Total Lot Cost for such Approved Subdivision divided by the total number of Lots in such Approved Subdivision (regardless of whether such Lots are Eligible Collateral). For purposes of the foregoing, the number of Lots in an Approved Subdivision will be determined by Administrative Agent based on the applicable subdivision map or plat.

(c) With respect to Units:

(i) For Presold Units (other than BMR Units), the lowest of (A) 70% of the Appraised Value of the Presold Unit in question, (B) 70% of the price at which such Presold Unit is to be sold to a purchaser under the Purchase Contract for such Unit, or (C) 70% of the Unit Cost for such Presold Unit.

(ii) For Spec Units (other than BMR Units), the lesser of (A) 65% of the Appraised Value of the Spec Unit in question and (B) 65% of the Unit Cost for such Spec Unit; provided that if the Unit Term is extended from fifteen (15) to eighteen (18) months pursuant to Section 3.4(b), the Maximum Allowed Advance of each such Unit shall be (1) 55% of the Appraised Value of the Spec Unit in question and (2) 55% of the Unit Cost for such Spec Unit.

(iii) For Model Units, the lesser of (A) 65% of the Appraised Value of the Model Unit in question and (B) 65% of the Unit Cost for such Model Unit (including upgrades associated with the use of the Unit as a model).

(iv) For Presold Units that are BMR Units, the lowest of (A) 100% of the Appraised Value of the Presold Unit in question, (B) 100% of the price at which

such Presold Unit is to be sold to a purchaser under the Purchase Contract for such Unit, or (C) 70% of the Unit Cost for such Presold Unit.

(v) For Spec Units that are BMR Units, the lesser of (A) 100% of the Appraised Value of the Spec Unit in question and (B) 65% of the Unit Cost for such Spec Unit; provided that if the Unit Term is extended from fifteen (15) to eighteen (18) months pursuant to Section 3.4(b), the Maximum Allowed Advance of each such Unit shall be (1) 90% of the Appraised Value of the Spec Unit in question and (2) 55% of the Unit Cost for such Spec Unit.

"Minimum Collateral Amount" means, at any time, (a) with respect to Cash Collateral consisting of cash or deposit account balances, an amount equal to 105% of the Fronting Exposure of the Issuing Bank with respect to Letters of Credit issued and outstanding at such time and (b) otherwise, an amount determined by Administrative Agent and the Issuing Bank in their sole discretion.

"Model Unit" means a residential dwelling located in an Approved Subdivision which is open to the general public for viewing purposes and which is not typically available for sale until substantially all units in such Approved Subdivision are sold.

"Moody's" means Moody's Investors Service, Inc.

"MSA" means a primary metropolitan statistical area (or metropolitan statistical area) as defined by the United States Census Bureau.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which Borrower or any ERISA Affiliate makes or is obligated to make contributions, during the preceding five plan years has made or been obligated to make contributions, or has any liability.

"Multiple Employer Plan" means a Plan with respect to which Borrower or any ERISA Affiliate is a contributing sponsor, and that has two or more contributing sponsors at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"Net Profit Margin" means total consolidated revenues of Parent from the sale of homes, Lots and land in the ordinary course of business reduced by (a) the "cost of sales" and "impairment of real estate held for sale", (b) selling expense, (c) general and administrative expense, (d) incentive compensation, and (e) management fee revenue and as further reduced or increased (as applicable) by gain or loss on foreign currency exchange, expressed as a percentage of total consolidated revenues of Parent from the sale of homes, Lots and land in the ordinary course of business.

"Net Sales Proceeds" means in the case of a Unit, the gross sales price of the Unit (including, without limitation, all options and upgrades) set forth in the Purchase Contract for such Unit, less (a) customary tax and assessment prorations, (b) sales concessions and price reductions granted by Borrower or the applicable Project Owner to the purchaser of the Unit in the ordinary course of business, (c) reasonable and customary real estate

brokerage commissions paid to third party brokers unaffiliated with Borrower, and (d) reasonable and customary closing costs, including title insurance premiums and reasonable attorneys' fees paid by Borrower or the applicable Project Owner.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all or all affected Lenders in accordance with the terms of Section 10.2 and (b) has been approved by the Required Lenders.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Note" means each promissory note issued by Borrower pursuant to this Agreement to evidence the Revolving Loans.

"Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, Borrower arising under this Agreement, any other Loan Document, or otherwise with respect to any Revolving Loan or Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against Borrower or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the foregoing, the Obligations include (a) the obligation to pay principal, interest, Letter of Credit commissions, charges, expenses, fees, indemnities and other amounts payable by Borrower under any Loan Document; (b) the obligation of Borrower to reimburse any amount in respect of any of the foregoing that the Administrative Agent or any Lender, in each case in its sole discretion, may elect to pay or advance on behalf of Borrower; and (c) all L/C Obligations of Borrower and all reimbursement and other obligations of Borrower and each other Loan Party in respect of Letters of Credit at any time arising. In addition, "Obligations" includes all Bank Product Liabilities.

"Option Agreement" means a fully executed option or purchase agreement between Borrower (or the applicable Project Owner) and the seller of any Lots providing for periodic purchases of Lots.

"Option Subdivision" means an Approved Subdivision in which Borrower (or the applicable Project Owner) is entitled from time to time to purchase Lots pursuant to an Option Agreement.

"Organizational Documents" means (a) as to any corporation, the charter or certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction), (b) as to any limited liability company, the certificate or articles of formation or organization and operating or limited liability agreement and (c) as to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in

connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

"Outstanding Credit Exposure" means at any time the aggregate outstanding principal amount of Revolving Loans and L/C Obligations outstanding at such time.

"Parent" means Landsea Holdings Corporation, a Delaware corporation.

"Parent Guarantor" means Parent.

"Participant" has the meaning specified in Section 10.5(d).

"Participant Register" has the meaning specified in Section 10.5(d).

"PATRIOT Act" means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Act" means the Pension Protection Act of 2006.

"Pension Funding Rules" means the rules of the Code and ERISA regarding minimum funding standards and minimum required contributions (including any installment payment thereof) to Pension Plans and Multiemployer Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Sections 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

"Pension Plan" means any employee pension benefit plan (including a Multiple Employer Plan, but excluding a Multiemployer Plan) that is maintained or is contributed

to by Borrower or any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

"Permitted Exceptions" means:

(a) Involuntary Liens for Impositions that are not delinquent;

(b) Involuntary Liens (other than for Impositions) with respect to which Borrower satisfies each of the following requirements: (i) Borrower contests the validity of such Involuntary Lien in good faith by appropriate legal proceedings and in accordance with Section 1.17 of the Deed of Trust, (ii) Borrower gives written notice to Lender of Borrower's intent to contest or object to the same, (iii) Borrower demonstrates to Administrative Agent's satisfaction that the procedures will conclusively operate to prevent the sale of any part of the Collateral in order to satisfy the Involuntary Lien prior to the final determination of such proceedings, (iv) the aggregate amount of such Involuntary Liens with respect to Borrower does not exceed $50,000.00 (unless otherwise approved by Administrative Agent), and (v) Borrower takes any and all other actions (including, without limitation, obtaining bonds, title insurance endorsements, or other security) as Administrative Agent may deem necessary or appropriate in order to prevent the sale of any Collateral to satisfy the Involuntary Lien and prevent any impairment of any such Collateral or, if such Collateral is Eligible Collateral, Borrower removes the affected Collateral from the Eligible Collateral;

(c) Utility easements, rights of way, zoning restrictions, covenants, conditions, restrictions, reservations, condominium declarations, plat maps and replats (provided that such plats and replats are consistent with the overall development plans for the applicable Approved Subdivision) and such other burdens, encumbrances or charges, or other minor irregularities of title, as are of a nature generally existing with respect to properties of a similar character and which do not in any material way interfere with the use thereof or the sale thereof in the ordinary course of business of Borrower or the applicable Project Owner or materially detract from the value of the applicable Collateral;

(d) Rights of lessors under Sale Leaseback Transactions that have been released from the applicable Deed of Trust pursuant to Section 2.17(d);

(e) Land Seller Documents; and

(f) All items, except Impositions, in Schedule B to a Title Policy that have been approved by Administrative Agent.

"Permitted Investments" means (a) Cash Equivalent Investments; (b) Investment in Approved Subdivisions and the construction of Units; (c) Investment by Borrower in Project Owners and Intermediate Entities to fund Approved Lines of Business, and (d) other permitted investments pursuant to an investment policy of Borrower approved by Administrative Agent.

"Permitted JV Interest" means the interest of Wai Kee Holdings Limited, a Bermuda corporation, with limited liability, in SF Vale, LLC, which owns a 30.24% of the

legal and beneficial interest in LS -Sunnyvale LLC pursuant to that certain Limited Liability Company Agreement dated as of April 13, 2016.

"Permitted Subordinated Debt" means the Indebtedness subject to subordination in the Intercompany Subordination Agreement.

"Person" means a natural person, a partnership, a joint venture, an unincorporated association, a limited liability company, a corporation, a trust, any other legal entity, or any Governmental Authority.

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA, maintained for employees of Borrower or any Subsidiary, or any such plan to which Borrower or any Subsidiary is required to contribute on behalf of any of its employees or with respect to which Borrower has any liability.

"Platform" means Debt Domain, Intralinks, Syndtrak, DebtX or a substantially similar electronic transmission system.

"Presold Unit" means a Unit that is subject to a Purchase Contract.

"Product Line" means a group of Units which, in the ordinary course of Borrower's or the applicable Project Owner's business are marketed together under a common plan or plans based upon the type of Unit constructed and the price of such Units.

"Project Owner" means each directly or indirectly Wholly-Owned Subsidiary of Borrower that is the owner of an Approved Subdivision; provided, the Persons listed as "Project Owners" on Exhibit P shall be Project Owners so long as they own an Approved Subdivision and are Wholly-Owned Subsidiaries of Borrower except with respect to the Permitted JV Interest.

"Protective Advance" means amounts advanced by Lender to pay the following amounts:

(a) All amounts that are necessary to protect the validity, priority and enforceability of the Liens and Encumbrances in favor of Administrative Agent for the benefit of Lenders arising pursuant to the Loan Documents (such amounts to include, without limitation, payment of taxes, assessments and other Liens and Encumbrances that may have a priority superior to the priority of the Liens and Encumbrances of Administrative Agent for the benefit of Lenders on the Collateral); and

(b) All insurance premiums that are necessary to insure the Collateral against loss, damage or destruction pursuant to the requirements of the Loan Documents.

"Purchase Contract" means a bona fide written agreement between Borrower or the applicable Project Owner and a purchaser who is not an Affiliate of Borrower or the applicable Project Owner entered into in the ordinary course of Borrower's or the applicable Project Owner's business and pursuant to which such purchaser has agreed to purchase a Unit, which agreement (a) shall be accompanied by a cash earnest money

deposit or down payment of at least $10,000, (b) shall be with a purchaser who is using cash to purchase the Unit or has been prequalified for a purchase money loan by Borrower or a mortgage broker, mortgage banker or other residential lending institution, and (c) shall not be subject to contingencies (other than customary contingencies applicable to a closing such as delivery of transfer documents).

"Recipient" means (a) the Administrative Agent, (b) the Issuing Bank, or (c) any Lender, as applicable.

"Reclassification Adjustment" means, for any Unit reclassified as to type pursuant to any provision of this Agreement, a change in the Maximum Allowed Advance for such Unit to the Maximum Allowed Advance applicable to the type of Unit as so reclassified.

"Register" has the meaning specified in Section 10.5(c).

"Regulation U" means Regulation U of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Related Party" means with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Remargining Payment" means as defined in Section 2.18(c).

"Removal Effective Date" has the meaning specified in Section 9.6(b).

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30-day notice period has been waived.

"Required Lenders" means, at any time, Lenders having Total Credit Exposures representing more than 66 2/3% of the Total Credit Exposures of all Lenders. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time. Notwithstanding the foregoing, at any time that there is only one Lender in addition to Western Alliance Bank, Required Lenders shall mean both of the Lenders (other than Defaulting Lenders).

"Requirements" means (a) any and all obligations, requirements, restrictions and other terms and conditions in effect now or in the future by which Borrower, any Loan Party or any or all of the Collateral are bound or which are otherwise applicable to any or all of the Collateral, construction of any Lot Improvements or Units, or occupancy, operation, ownership, or use of Lots or Units, (b) other terms and conditions, restrictions, and requirements imposed by any law, ordinance, regulation, or rule (federal, state, or local), (c) any Approvals and Permits, (d) any Permitted Exceptions, (e) any condition, covenant, restriction, easement, right-of-way, or reservation applicable to such Collateral, (f) any insurance policies, (g) any other agreement, document, or instrument to which Borrower is a party or by which Borrower, any Project Owner, any other Loan Party, or any of the Collateral or the business or operations of Borrower or any other Loan Party is bound, or (h) any judgment, order, or decree of any arbitrator, other private adjudicator, or

Governmental Authority to which Borrower or any other Loan Party is a party or by which Borrower, any other Loan Party or any of the Collateral is bound.

"Resignation Effective Date" has the meaning specified in Section 9.6(a).

"Responsible Officer" means (a) the chief executive officer, president, executive vice president, senior vice president, or chief financial officer of the applicable Loan Party, (b) solely for purposes of the delivery of incumbency certificates and certified Organizational Documents and resolutions pursuant to Section 4.1, any senior vice president, vice president, secretary or assistant secretary of the applicable Loan Party and (c) solely for purposes of Draw Requests, requests for L/C Extensions, prepayment notices and notices for Commitment terminations or reductions given pursuant to Article 2, any other officer or employee of the applicable Loan Party so designated from time to time by one of the officers described in clause (a) in a notice to the Administrative Agent (together with evidence of the authority and capacity of each such Person to so act in form and substance satisfactory to the Administrative Agent). Any document delivered hereunder that is signed by a Responsible Officer of the applicable Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership or other action on the part of the Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of the Loan Party.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interest of any Person, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interest, or on account of any return of capital to such Person's shareholders, partners or members (or the equivalent Persons thereof).

"Revolving Facility" means the Commitment and all Credit Extensions thereunder.

"Revolving Loans" means each advance of the Loan to Borrower by the Lenders under this Agreement.

"Sale Leaseback Transaction" means any sale or other transfer of Model Units by a Project Owner with the intent to lease such Model Units as lessee.

"Second Amendment" means the Second Amendment to Credit Agreement dated as of May 28, 2019, by Borrower, Administrative Agent, Guarantor, and the lenders party thereto.

"Second Amendment Effective Date" means May 28, 2019.

"S&P" means Standard & Poor's Ratings Services, Inc.

"Solvent" means, as to any Person as of any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair saleable value

of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature and (d) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute an unreasonably small capital. The amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Spec Unit" means a Unit constructed for the purpose of addition to Borrower's or a Project Owner's inventory of Units and which is not subject to a Purchase Contract and is not a Model Unit.

"Subdivision" means a group of Lots owned by a Project Owner that are intended to be marketed and sold as a single Product Line or otherwise marketed and sold together regardless of whether Units in such group of Lots are to be constructed at the same time or in phases. If required by Administrative Agent, Subdivisions located in the same area and similar in product and market segment shall be treated as a single Subdivision.

"Subdivision Approval Letter" means each letter agreement in the form of Exhibit D pursuant to which Administrative Agent acknowledges that a particular subdivision has been approved as an Approved Subdivision and which sets forth the terms and conditions applicable to such Approved Subdivision. Each Subdivision Approval Letter will also set forth such additional terms, conditions, representation, warranties and covenants that are applicable to the Approve Subdivision, which may be in additional to the form of Exhibit D.

"Subdivision Model Limit" means with respect to Approved Subdivisions as of the Effective Date, the Model Limits set forth on Exhibit E and with respect to Subdivisions that become Approved Subdivisions after the Effective Date, the applicable Model Limit set forth in the applicable Subdivision Approval Letter.

"Subdivision Spec Limit" means, with respect to Approved Subdivisions as of the date hereof, the Spec Limits set forth on Exhibit E, and with respect to Subdivisions that become Approved Subdivisions after the Effective Date, the applicable Spec Limit set forth in the applicable Subdivision Approval Letter.

"Subordinated Debt" means Indebtedness of a Loan Party that has been subordinated to the Obligations (and any Liens and Encumbrances securing the Obligations) in a manner and pursuant to such documents as Administrative Agent may require in its sole and absolute discretion.

"Subsidiary" of a Person means a corporation, partnership, limited liability company, association or joint venture or other business entity of which a majority of the Equity Interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the

happening of a contingency) are at the time owned or the management of which is controlled, directly, or indirectly through one or more intermediaries, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of Borrower.

"Subsidiary Guarantor" means each Project Owner and each Intermediate Entity.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, that are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Termination Value" means, as to any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Title Company" means any of the title insurance companies listed on Exhibit F and such other title insurance companies as may be approved from time to time by Administrative Agent in its sole and absolute discretion in connection with Approved Subdivisions.

"Title Policy" means a title insurance policy in the form of an American Land Title Association Loan Policy (2006 or equivalent) extended coverage (without revision, modification or amendment) issued by the Title Company, in form and substance

satisfactory to Administrative Agent and containing such endorsements as Administrative Agent may require.

"Total Credit Exposure" means, as to any Lender at any time, the unused Commitments and Outstanding Credit Exposure of such Lender at such time.

"Total Lot Costs" means with respect to an Approved Subdivision, (a) in the case of A&D Lots, the sum of the Acquisition Cost and the A&D Lot Improvement Construction Cost and (b) in the case of Finished Lots, the Acquisition Cost.

"UCP" means the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce Publication No. 600 (or such later version thereof as may be in effect at the applicable time).

"Undrawn Availability" means as of each date of determination, (a) the Available Loan Commitment minus (b) the Outstanding Credit Exposure at such time.

"Unit" means a residential dwelling constructed or to be constructed on a Lot, together with the underlying Lot.

"Unit Budget" means, collectively, the budgets setting forth the Unit Construction Costs with respect to each Unit. Each Unit Budget will be subject to review and approval by Administrative Agent. The initial Unit Budget in the initial Approved Subdivision for Model Units, Spec Units and Presold Units is attached hereto as Exhibit G.

"Unit Collateral Value" means, with respect to each Unit, the sum of (a) the Lot Allocation for the Unit and (b) the result obtained by subtracting the Lot Allocation for the Unit from the Maximum Allowed Advance (taking into account any applicable Reclassification Adjustment) for the Unit and then multiplying the difference by the Unit Completion Percentage.

"Unit Completion Percentage" means for any Unit, the current percentage of construction completed as reflected in the Borrowing Base Report in increments of 5% each, based upon the stages of construction set forth in Exhibit H.

"Unit Construction Cost" means, with respect to each Unit, the sum of (a) the "hard costs" associated with the construction of the Unit, (b) the "soft costs" associated with the construction of the Unit, including property taxes, appraisal costs, architects and engineers fees, entitlement costs, project supervision costs and review and inspection fees, (c) "up-front fees" with respect to such Unit, including building permit fees, tap fees and fees of Governmental Authorities which are required to be paid prior to the start of the construction of the Unit, and (d) an amount approved by Administrative Agent representing the allocated financing costs with respect to such Unit.

"Unit Construction Threshold" means, with respect to a Unit, a Unit Completion Percentage of at least 5%.

"Unit Cost" for a particular Unit means the sum of (a) the Unit Lot Cost for the Unit and (b) the Unit Construction Cost for the Unit.

"Unit Eligibility Date" means, with respect to each Unit, the date on which that Unit is first included in Eligible Collateral as a Unit pursuant to this Agreement, as reflected on the Borrowing Base Report, and regardless of whether (a) periods exist during which such Unit is not included as Eligible Collateral or (b) such Unit is subsequently reclassified pursuant to Article 3.

"Unit Lot Cost" means, with respect to each Unit included in Eligible Collateral, the Acquisition Cost and lot development cost as set forth in the applicable Unit Budget as approved by Administrative Agent in connection with approval of the applicable Subdivision.

"Unit Plans and Specifications" means plans and specifications for construction of a particular type of Unit that have been prepared by an architect, together with any amendments or modifications to those plans and specifications.

"Unit Term" means the period of time which Units may be included as Eligible Collateral in the Borrowing Base pursuant to Section 3.2.

"United States" and "U.S." mean the United States of America.

"U.S. Borrower" means any Borrower that is a U.S. Person.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning specified in Section 2.11(g).

"Vale Subdivisions" means the Subdivisions described on Exhibit O.

"Wholly-Owned" means, as to a Subsidiary of a Person, a Subsidiary of such Person all of the outstanding Equity Interests of which (other than (a) director's qualifying shares and (b) shares issued to foreign nationals to the extent required by applicable Law) are owned by such Person and/or by one or more Wholly-Owned Subsidiaries of such Person.

"Withholding Agent" means Borrower and the Administrative Agent.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail- In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

1.2 No Presumption Against Any Party. Neither this Agreement nor any other Loan Document nor any uncertainty or ambiguity herein or therein shall be construed or resolved using any presumption against any party hereto or thereto, whether under any rule of construction or

otherwise. On the contrary, this Agreement and the other Loan Documents have been reviewed by each of the parties and their counsel and, in the case of any ambiguity or uncertainty, shall be construed and interpreted, according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto.

1.3 Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. In this Agreement, with respect to the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "through and including." Periods of days referred to in this Agreement shall be counted in calendar days unless otherwise stated.

1.4 Accounting Terms; Changes in GAAP.

(a) Accounting Terms. Except as otherwise expressly provided herein, all accounting terms not otherwise defined herein shall be construed in conformity with GAAP. Financial statements and other information required to be delivered by Borrower to the Administrative Agent pursuant to this Agreement and the other Loan Documents shall be prepared in accordance with GAAP as in effect at the time of such preparation. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of financial covenants, shall be made, without giving effect to any election under Accounting Standards Codification 825-10 (or any other Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of any Loan Party at "fair value."

(b) Changes in GAAP. If Borrower notifies the Administrative Agent that Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in

the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

1.5 Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws, if and to the extent the laws of any such other jurisdiction are applicable), if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person and shall be subject to all terms and provisions of the Loan Documents restricting, limiting or otherwise governing transfers of assets and other property and delegation of duties or other obligations.

1.6 Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the amount of such Letter of Credit that may under any circumstances be available to be drawn at such time; provided that with respect to any Letter of Credit that, by its terms or the terms of any L/C Document related thereto, provides for one or more automatic increases in the available amount thereof (without in any way obligating the Issuing Bank to approve or issue any such Letter of Credit), the amount of such Letter of Credit shall be deemed to be the maximum amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum amount is available to be drawn at such time.

## ARTICLE 2
## COMMITMENTS AND CREDIT EXTENSIONS

2.1 Commitments.

(a) Loans. Subject to the terms and conditions of this Agreement and from time to time prior to the Maturity Date, each Lender, severally and not jointly, agrees to make Revolving Loans.

(b) Revolving Nature of Loan. The Commitments of Lenders to make Revolving Loans shall constitute a revolving line of credit and Revolving Loans repaid may be reborrowed on a revolving basis through the Maturity Date. Although the outstanding principal of the Obligations may be zero from time to time, the Loan Documents will remain in full force and effect until all obligations of each Lender to make Revolving Loans and all other Commitments of Lenders expire and all Obligations are paid and performed in full.

(c) Ratable Loans. Each Revolving Loan hereunder shall consist of loans made from the several Lenders in proportion to the Commitment of each Lender.

2.2 Prepayment of Loans.

(a) Right to Prepay. Borrower shall have the right at any time and from time to time to prepay any outstanding principal in whole or in part, subject to prior notice in accordance with Section 2.2(b).

(b) Method of Prepayment. Prepayments (other than mandatory prepayments) shall be in a minimum aggregate amount of $100,000 or any integral multiple of $100,000 in excess thereof and Borrower shall give notice to the Administrative Agent of a prepayment not later than 11:00 a.m. (Phoenix, Arizona time) one (1) Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount to be prepaid. Prepayments shall be accompanied by accrued interest on the amount prepaid.

2.3 Interest.

(a) Interest Rate. Each Revolving Loan shall bear interest at the Interest Rate.

(b) Default Rate. Notwithstanding the foregoing, if any principal of or interest on any Revolving Loan or any fee or other amount payable by Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at the Default Rate. In addition, from and after an Event of Default, all Obligations not paid when due shall bear interest at the Default Rate.

(c) Late Fee. If any payment of interest and/or principal is not received by Administrative Agent when such payment is due, then in addition to the remedies conferred upon Administrative Agents and the Lenders pursuant to this Agreement and the other Loan Documents, (i) a late charge of 5% of the amount due and unpaid or $10.00, whichever is greater (the "Late Fee"), will be added to the delinquent amount for any payment past due in excess of ten (10) days, regardless of any notice and cure periods, and (ii) the amount due and unpaid (including, without limitation, the unpaid Late Fee) shall bear interest at the Default Rate, computed from the date on which the amount was due and payable until paid. Notwithstanding the foregoing the Late Fee will not apply to a balloon payment of principal due upon the maturity of the Loan. Borrower acknowledges and agrees that (A) the Late Fee is not a penalty; (B) is intended to compensate Administrative Agent and Lenders for the internal administrative costs and expenses of monitoring, handling and processing late payments (including, for example, staff costs arising from internal and regulatory reporting of delinquencies, additional underwriting analysis, in-house legal review, and credit committee reviews) over and above the economic costs associated with the loss of use of money and out of pocket costs otherwise subject to reimbursement pursuant to this Agreement and the other Loan Documents; (C) the amount of the Late Fee is a reasonable forecast of just compensation for the harm caused by the failure to timely make the applicable payment; and (D) the actual damage is incapable or very difficult of accurate estimation.

(d) Interest Payments. Accrued interest on the Revolving Loans shall be payable in arrears, and Borrower shall pay Administrative Agent all accrued, unpaid interest on the Loan on each Interest Payment Date and on the Maturity Date; provided that (i) interest accrued pursuant to Section 2.3(b) shall be payable on demand and (ii) in the event of any repayment or prepayment or other termination of the credit facility provided pursuant to this Agreement, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment, prepayment or termination.

(e) Computation of Interest. Interest on the Obligations shall be computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under the Loan is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated in this Agreement. By executing below, Borrower hereby acknowledges and agrees to the calculation of interest in accordance with a year of 360 days and acknowledges that calculation of interest in accordance with this paragraph will increase the Loan's effective interest rate above the stated Interest Rate and Default Rate, as applicable.

(f) Advances for Interest and Fees. Whether or not the Budgets include an "interest reserve", Borrower and Lenders hereby authorize Administrative Agent to make Revolving Loans to pay interest accrued on the Loan, notwithstanding that Borrower may not have requested a disbursement of such amount. Administrative Agent or any Lender may make such Revolving Loans notwithstanding that Borrower may be in default under the terms of this Agreement or any other Loan Document. Nothing in this provision shall prevent Borrower from paying interest and fees from its own funds, or otherwise excuse Borrower's obligation to pay such interest and fees. Nothing contained herein shall be deemed to obligate Administrative Agent or any Lender to make such disbursements to pay interest. The authorization hereby granted shall be irrevocable and at Administrative Agent's discretion, and no further direction or authorization from Borrower shall be necessary for Administrative Agent to make such disbursements on behalf of the Lenders.

2.4 Revolving Loans.

(a) Method for Revolving Loans. Subject to satisfaction of the applicable conditions precedent in this Agreement, Revolving Loans will be made by the Administrative Agent on behalf of the Lenders at the request of a Responsible Officer of Borrower, which request must be made at least five (5) Business Days before the date the requested Revolving Loan is to be made; provided, however, that Borrower shall not request more than two (2) Revolving Loans in each Calendar Month unless otherwise agreed by Administrative Agent in its sole and absolute discretion. Promptly following receipt of a Draw Request, the Administrative Agent shall advise each Lender of the details thereof and the amount of such Lender's Revolving Loans to be made as part of the requested advance. Borrower hereby authorizes the Lenders and the Administrative Agent to make Revolving Loans and to transfer funds based on telephonic notices made by any person or persons the Administrative Agent or any Lender in good faith believes to be acting on behalf of Borrower, it being understood that the foregoing authorization is specifically intended to allow Draw Requests to be given telephonically. Borrower agrees to deliver promptly to the Administrative Agent a written confirmation (including a written Draw Request), if such confirmation is requested by the Administrative Agent or any Lender, of each telephonic notice signed by a Responsible Officer. If the written confirmation differs in any material respect from the action taken by the Administrative Agent and the Lenders, the records of the Administrative Agent and the Lenders shall govern absent manifest error. The Administrative Agent has no duty to monitor for Borrower or to report to Borrower the use of proceeds of Revolving Loans. Except as

provided above, each request for a Revolving Loan submitted by Borrower to the Administrative Agent shall be accompanied by a Draw Request. Each Revolving Loan shall be in the minimum amount of $100,000 and in increments of $100,000 in excess thereof.

(b) Use of Revolving Loans. Revolving Loans may be used only (i) to pay or reimburse Borrower for costs, expenses, and fees actually incurred by Borrower or a Project Owner in connection with the development of Approved Subdivisions (to the extent the Lots are included in the Eligible Collateral for an Approved Subdivision), and construction of Units, including, without limitation, allocated overhead and other similar costs, (ii) for other working capital purposes in connection with the Approved Lines of Business of Borrower and the Project Owners, (iii) to make Restricted Payments to Parent for reinvestment by Parent in its business and operations (i.e., not for distribution to the owners of Parent), and (iv) to finance the reimbursement of an L/C Disbursement as provided in Section 2.5(g). The provisions of this Section 2.4(b) do not require Administrative Agent or any Lender to monitor the use and application of Revolving Loans and do not restrict Administrative Agent from making Protective Advances or from making Revolving Loans as otherwise permitted by this Agreement.

(c) Funding by Lenders. Each Lender shall make its Applicable Percentage of each Revolving Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 12:00 noon (Phoenix, Arizona time) on the proposed date thereof. The Administrative Agent will make all such funds so received available to Borrower in like funds, either by wire transfer of such funds in accordance with the instructions provided in the applicable Draw Request or by deposit to an account of Borrower at Administrative Agent; provided that Revolving Loans made to finance the reimbursement of an L/C Disbursement as provided in Section 2.5(g) shall be remitted by the Administrative Agent to the Issuing Bank.

(d) Borrower Equity Requirements. If the total cost to complete the Lot Improvements for all A&D Lots in an Approved Subdivision exceeds the applicable A&D Lot Development Budget or the Unit Construction Costs with respect to any Unit or Units exceed the applicable Unit Budget, Borrower shall notify Administrative Agent and submit updated budgets and cost information to Administrative Agent. Promptly upon demand by Administrative Agent, Borrower will provide such additional information regarding such changed costs as Administrative Agent may reasonably request. Based on such information provided by Borrower or if Administrative Agent otherwise determines in its reasonable discretion that the total cost to complete the Lot Improvements or applicable Units, Administrative Agent may adjust such budgets to reflect the actual cost. Administrative Agent may also require Borrower to pay increased costs from Borrower's own funds prior to further Revolving Loans with respect to such A&D Lots or Units. In no event will Administrative Agent have any obligation to Borrower, Lenders or any other Person to monitor costs or expenses.

(e) Payment of Release Price and Other Amounts. As and when required pursuant to Section 2.17 and in all events no later than the next Business Day following the closing of a sale of a Unit (or the closing of any other transaction in which Borrower is

required to pay a release price to Administrative Agent pursuant to Section 2.17), Borrower will pay or cause to be paid to Administrative Agent the amount required pursuant to Section 2.17. If any release price or other amounts payable to Administrative Agent pursuant to Section 2.17 are held by a title company, escrow agent, or any other Person, Borrower will direct such title company, escrow agent and other Person to pay all such amounts directly to Administrative Agent, and to take all other action required by Administrative Agent to cause such amounts to be paid to Administrative Agent. If Borrower collects or receives any such amounts, Borrower will forthwith, upon receipt, transmit and deliver to Administrative Agent, in the form received, all cash, checks, drafts, chattel paper, and other instruments or writings for the payment of money (endorsed without recourse, where required, so that such items may be collected by Administrative Agent). Any such items which may be so received by Borrower will not be commingled with any other of Borrower's funds or property, but will be held separate and apart from Borrower's own funds or property and upon express trust for Administrative Agent and the Lenders until delivery is made to Administrative Agent.

(f) Non-Receipt of Funds by the Administrative Agent. Unless Borrower or a Lender, as the case may be, notifies the Administrative Agent prior to the date on which it is scheduled to make payment to the Administrative Agent of (i) in the case of a Lender, the proceeds of a Revolving Loan or (ii) in the case of Borrower, a payment of principal, interest or fees to the Administrative Agent for the account of the Lenders, that it does not intend to make such payment, the Administrative Agent may assume that such payment has been made. The Administrative Agent may, but shall not be obligated to, make the amount of such payment available to the intended recipient in reliance upon such assumption. If such Lender or Borrower, as the case may be, has not in fact made such payment to the Administrative Agent, the recipient of such payment shall, on demand by the Administrative Agent, repay to the Administrative Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date such amount was so made available by the Administrative Agent until the date the Administrative Agent recovers such amount at a rate per annum equal to (A) in the case of payment by a Lender, the Federal Funds Effective Rate for such day for the first three (3) days and, thereafter, the interest rate applicable to the relevant Revolving Loan or (B) in the case of payment by Borrower, the interest rate applicable to the relevant Revolving Loan (including the Default Rate, if applicable).

2.5 Letters of Credit.

(a) General. Subject to the terms and conditions set forth herein, in addition to the Revolving Loans, Borrower may request the Issuing Bank, in reliance on the agreements of the Lenders set forth in this Section 2.5, to issue, at any time and from time to time prior to the L/C Commitment Expiration Date, Letters of Credit denominated in Dollars for Borrower's own account or the account of any Project Owner in such form as is acceptable to the Administrative Agent and such Issuing Bank in its reasonable determination. Letters of Credit issued hereunder shall constitute utilization of the Commitment.

(b) Notice of Issuance, Amendment, Extension, Reinstatement or Renewal. To request the issuance of a Letter of Credit (or the amendment of the terms and conditions, extension of the terms and conditions, extension of the expiry date, or reinstatement of amounts paid, or renewal of an outstanding Letter of Credit), Borrower shall deliver (or transmit by electronic communication, if arrangements for doing so have been approved by the respective Issuing Bank) to the Issuing Bank and to the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, extension, reinstatement or renewal) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, extended, reinstated or renewed, and specifying the date of issuance, amendment, extension, reinstatement or renewal (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with Section 2.5(d)), the amount of such Letter of Credit, the name and address of the beneficiary thereof, the purpose and nature of the requested Letter of Credit and such other information as shall be necessary to prepare, amend, extend, reinstate or renew such Letter of Credit. If requested by the Issuing Bank, Borrower also shall submit a letter of credit application and reimbursement agreement on Issuing Bank's standard form in connection with any request for a Letter of Credit. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application and reimbursement agreement or other agreement submitted by Borrower to, or entered into by Borrower with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(c) Evergreen Credits. If the Borrower so requests in any notice requesting the issuance of a Letter of Credit (or the amendment, extension, reinstatement or renewal of an outstanding Letter of Credit), the Issuing Bank may, in its sole and absolute discretion (and with no obligation to do so), agree to issue a Letter of Credit that has automatic extension provisions (each, an "Evergreen Letter of Credit"); provided that, if and to the extent that the Issuing Bank agrees to issue an Evergreen Letter of Credit, then in addition to all other requirements for the issuance of Letters of Credit, (i) the Borrower shall pay such additional Letter of Credit fees with respect thereto (and at such times and for such periods) as the Issuing Bank may require each in its sole and absolute discretion and (ii) in addition to other requirements of the Issuing Bank, any such Evergreen Letter of Credit shall permit the Issuing Bank to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-Extension Notice Date") in each such twelve (12) month period to be agreed upon by Borrower and the Issuing Bank at the time such Letter of Credit is issued (which date will, at a minimum, allow the Issuing Bank to cause such Evergreen Letter of Credit to expire at least 30 days before the Maturity Date). Unless otherwise directed by the Issuing Bank, Borrower shall not be required to make a specific request to the Issuing Bank for any such extension. Once an Evergreen Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the applicable Issuing Bank to permit the extension of such Letter of Credit at any time to an expiration date not later than the L/C Commitment Expiration Date; provided, that the Issuing Bank shall not (i) permit any such extension if (A) the Issuing Bank has determined that it would not be permitted, or would have no obligation, at such time to issue such Letter of Credit in its extended form under the terms hereof (except that the expiration date may be extended to a date that is no more than one

year from the then-current expiry date) or (B) it has received notice (which may be in writing or by telephone (if promptly confirmed in writing)) on or before the day that is fifteen (15) days before the Non-Extension Notice Date from the Administrative Agent that the Required Lenders have elected not to permit such extension or (ii) be obligated to permit such extension if it has received notice (which may be in writing or by telephone (if promptly confirmed in writing)) on or before the day that is fifteen (15) days before the Non-Extension Notice Date from the Administrative Agent, any Lender or the Borrower that one or more of the applicable conditions set forth in Section 4.5 is not then satisfied, and in each such case directing such Issuing Bank not to permit such extension.

(d) Limitations on Amounts, Issuance and Amendment. A Letter of Credit shall be issued, amended, extended, reinstated or renewed only if (and upon issuance, amendment, extension, reinstatement or renewal of each Letter of Credit, Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, extension, reinstatement or renewal (i) the aggregate amount of the outstanding Letters of Credit shall not exceed the L/C Sublimit, (ii) the aggregate L/C Obligations shall not exceed the L/C Sublimit, (iii) the Outstanding Credit Exposure of any Lender shall not exceed its Commitment, (iv) the Outstanding Credit Exposure shall not exceed the Available Commitment, and (v) no payment or deposit would be due pursuant to Section 2.18. In addition, the Issuing Bank shall not be under any obligation to issue any Letter of Credit if:

(i) Any order, judgment or decree of any Governmental Authority shall by its terms purport to enjoin or restrain the Issuing Bank from issuing such Letter of Credit, or any Law applicable to the Issuing Bank shall prohibit, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Bank is not otherwise compensated hereunder) not in effect on the date hereof, or shall impose upon the Issuing Bank any unreimbursed loss, cost or expense that was not applicable on the date hereof and that the Issuing Bank in good faith deems material to it.

(ii) The issuance of such Letter of Credit would violate one or more policies of the Issuing Bank applicable to letters of credit generally.

(iii) Except as otherwise agreed by the Administrative Agent and the Issuing Bank, each in its sole discretion, such Letter of Credit is in an initial amount less than $500,000.

(iv) The Letter of Credit is not a standby letter of credit issued in connection with an Approved Project to secure obligations of Borrower or the applicable Project Owner that are directly related to the Approved Lines of Business.

(v) Any Lender is at that time a Defaulting Lender, unless the Issuing Bank has entered into arrangements, including the delivery of Cash Collateral, satisfactory to such Issuing Bank (in its sole discretion) with the Borrower or such

Lender to eliminate the Issuing Bank's actual or potential Fronting Exposure (after giving effect to Section 2.20(a)(iv)) with respect to the Default Lender arising from either such Letter of Credit then proposed to be issued or such Letter of Credit and all other L/C Obligations as to which the Issuing Bank has actual or potential Fronting Exposure, as it may elect in its sole discretion.

An Issuing Bank shall be under no obligation to amend any Letter of Credit if (A) the Issuing Bank would have no obligation at such time to issue the Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of the Letter of Credit does not accept the proposed amendment to the Letter of Credit.

(e) Expiry Date. Each Letter of Credit shall have a stated expiry date no later than the earlier of (i) the date twelve (12) months after the date of the issuance of such Letter of Credit (or, in the case of any extension of the expiration date thereof, whether automatic [as in the case of an Evergreen Letter of Credit] or by amendment, twelve months after the then-current expiration date of such Letter of Credit) and (ii) the date that is thirty (30) days prior to the Maturity Date.

(f) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount or extending the expiration date thereof), and without any further action on the part of the Issuing Bank or the Lenders, the Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute, unconditional and irrevocable and shall not be affected by any circumstance whatsoever, including any amendment, extension, reinstatement or renewal of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments.

In consideration and in furtherance of the foregoing, each Lender hereby absolutely, unconditionally and irrevocably agrees to pay to the Administrative Agent, for account of the Issuing Bank, such Lender's Applicable Percentage of each L/C Disbursement made by the Issuing Bank promptly upon the request of the Issuing Bank at any time from the time of such L/C Disbursement until such L/C Disbursement is reimbursed by Borrower or at any time after any reimbursement payment is required to be refunded to Borrower for any reason, including after the Commitment Termination Date. Such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each such payment shall be made in the same manner as provided in Section 2.4(c) with respect to Loans made by such Lender (and Section 2.4(c) shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Issuing Bank the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to Section 2.5(g), the Administrative Agent shall distribute such payment to the Issuing Bank or, to the extent that the Lenders have made payments pursuant to this paragraph to reimburse the Issuing Bank, then to such Lenders and such Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse the Issuing Bank

for any L/C Disbursement shall not constitute a Revolving Loan and shall not relieve the Borrower of its obligation to reimburse such L/C Disbursement.

Each Lender further acknowledges and agrees that its participation in each Letter of Credit will be automatically adjusted to reflect such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit at each time such Lender's Commitment is amended pursuant to the operation of Section 2.13, as a result of an assignment in accordance with Section 10.5 or otherwise pursuant to this Agreement.

(g) Reimbursement. If the Issuing Bank shall make any L/C Disbursement in respect of a Letter of Credit, Borrower shall reimburse the Issuing Bank in respect of such L/C Disbursement by paying to the Administrative Agent an amount equal to such L/C Disbursement not later than noon, Phoenix, Arizona time, on the Business Day immediately following the day that the Borrower receives such notice, provided that, if Borrower has otherwise satisfied all of the conditions and requirements for a Revolving Loan and is entitled to immediate funding of the Revolving Loan as of the date such reimbursement is due, Borrower may request in accordance with this Agreement that such payment be financed with a Revolving Loan in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting Revolving Loan. If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Lender of the applicable L/C Disbursement, the payment then due from the Borrower in respect thereof and such Lender's Applicable Percentage thereof.

(h) Obligations Absolute. The Borrower's obligation to reimburse L/C Disbursements as provided in Section 2.5(g) shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of this Agreement, any other Loan Document, or any Letter of Credit, or any term or provision herein or therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement in such draft or other document being untrue or inaccurate in any respect, (iii) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply strictly with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder.

None of the Administrative Agent, the Lenders, the Issuing Bank, or any of their Related Parties shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit by the Issuing Bank or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms, any error in translation or any consequence arising from causes beyond the control of the Issuing Bank; provided that the foregoing shall not

be construed to excuse the Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable Law) suffered by the Borrower that are caused by the Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each such determination, and that:

(i) the Issuing Bank may replace a purportedly lost, stolen, or destroyed original Letter of Credit or missing amendment thereto with a replacement marked as such or waive a requirement for its presentation;

(ii) the Issuing Bank may accept documents that appear on their face to be in substantial compliance with the terms of a Letter of Credit without responsibility for further investigation, regardless of any notice or information to the contrary, and may make payment upon presentation of documents that appear on their face to be in substantial compliance with the terms of such Letter of Credit and without regard to any non-documentary condition in such Letter of Credit;

(iii) the Issuing Bank shall have the right, in its sole discretion, to decline to accept such documents and to make such payment if such documents are not in strict compliance with the terms of such Letter of Credit; and

(iv) this paragraph shall establish the standard of care to be exercised by the Issuing Bank when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof (and the parties hereto hereby waive, to the extent permitted by applicable Law, any standard of care inconsistent with the foregoing).

Without limiting the foregoing, none of the Administrative Agent, the Lenders, the Issuing Bank, or any of their Related Parties shall have any liability or responsibility by reason of (i) any presentation that includes forged or fraudulent documents or that is otherwise affected by the fraudulent, bad faith, or illegal conduct of the beneficiary or other Person, (ii) the Issuing Bank declining to take-up documents and make payment (A) against documents that are fraudulent, forged, or for other reasons by which that it is entitled not to honor or (B) following a Borrower's waiver of discrepancies with respect to such documents or request for honor of such documents or (iii) the Issuing Bank retaining proceeds of a Letter of Credit based on an apparently applicable attachment order, blocking regulation, or third-party claim notified to such Issuing Bank.

Unless otherwise expressly agreed by the Issuing Bank and the Borrower when a Letter of Credit is issued by it, the rules of the ISP shall apply to each Letter of Credit. Notwithstanding the foregoing, the Issuing Bank shall not be responsible to the Borrower for, and the Issuing Bank's rights and remedies against the Borrower shall not be impaired by, any action or inaction of the Issuing Bank required or permitted under any law, order,

or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Laws or any order of a jurisdiction where the Issuing Bank or the beneficiary is located, the practice stated in the ISP or in the decisions, opinions, practice statements, or official commentary of the International Chamber of Commerce Banking Commission, the Bankers Association for Finance and Trade (BAFT), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such laws or practice rules.

The Issuing Bank shall act on behalf of the Lenders with respect to any Letters of Credit and the documents associated therewith, and the Issuing Bank shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article 9 of this Agreement with respect to any acts taken or omissions suffered by the Issuing Bank in connection with Letters of Credit issued by it or proposed to be issued by it and L/C Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article 9 of this Agreement included the Issuing Bank with respect to such acts or omissions, and (B) as additionally provided herein with respect to the Issuing Bank.

(i) Disbursement Procedures. The Issuing Bank shall, within the time allowed by applicable Laws or the specific terms of the Letter of Credit following its receipt thereof, examine all documents purporting to represent a demand for payment under such Letter of Credit. The Issuing Bank shall promptly after such examination notify the Administrative Agent and the Borrower in writing of such demand for payment if such Issuing Bank has made or will make an L/C Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse such Issuing Bank and the Lenders with respect to any such L/C Disbursement.

(j) Interim Interest. If the Issuing Bank for any Letter of Credit shall make any L/C Disbursement, then, unless the Borrower shall reimburse such L/C Disbursement in full on the date such L/C Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such L/C Disbursement is made to but excluding the date that the Borrower reimburses such L/C Disbursement, at the rate per annum then applicable to Revolving Loans; provided that if the Borrower fails to reimburse such L/C Disbursement when due pursuant to Section 2.5(g), then the Default Rate shall apply. Interest accrued pursuant to this paragraph shall be for account of such Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to Section 2.5(g) to reimburse such Issuing Bank shall be for account of such Lender to the extent of such payment.

(k) Replacement of an Issuing Bank. The Issuing Bank may be replaced at any time by written agreement between the Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of an Issuing Bank. At the time any such replacement shall become effective, the Borrower shall pay all unpaid L/C Fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.14(c). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit to

be issued by it thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to include such successor or any previous Issuing Bank. After the replacement of the Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

The Issuing Bank may resign at any time by giving thirty (30) days' prior notice to the Administrative Agent, the Lenders and the Borrower. After the resignation of the Issuing Bank hereunder, the retiring Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of the Issuing Bank under this Agreement and the other Loan Documents with respect to Letters of Credit issued by it prior to such resignation, but shall not be required to issue additional Letters of Credit or to extend, reinstate, renew or increase any existing Letter of Credit.

(l) Cash Collateralization. If any Event of Default shall occur and be continuing or if a deposit of cash collateral is otherwise required pursuant to this Section 2.5, Section 2.18 or any other provision of the Loan Documents, on the Business Day that the Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with L/C Obligations representing at least 66-2/3% of the total L/C Obligations) demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall immediately deposit into an account established and maintained on the books and records of the Administrative Agent (the "Collateral Account") an amount in cash equal to 105% of the total L/C Obligations as of such date plus any accrued and unpaid interest thereon (or in the case of cash collateral required pursuant to Section 2.18 in the amount required thereunder), provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in Sections 8.1(h) and (i). Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of the Borrower under this Agreement. In addition, and without limiting the foregoing or Section 2.5(d), if any L/C Obligations remain outstanding after the date that is 30 days before the Maturity Date (without in any way obligating the Issuing Bank or any Lender to permit any Letter of Credit to remain outstanding after the date that is 30 days before the Maturity Date, the Borrower shall immediately deposit into the Collateral Account an amount in cash equal to 105% of such L/C Obligations as of such date plus any accrued and unpaid interest thereon.

The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over the Collateral Account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in the Collateral Account. Moneys in the Collateral Account shall be applied by the Administrative Agent to reimburse the Issuing Bank for L/C Disbursements for which it has not been reimbursed, together with related fees, costs, and customary

processing charges, and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the L/C Obligations at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with L/C Obligations representing 66-2/3% of the total L/C Obligations), be applied to satisfy other obligations of the Borrower under this Agreement. If the Borrower is required to provide an amount of cash collateral hereunder solely as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three (3) Business Days after all Events of Default have been cured or waived unless such cash collateral is otherwise required pursuant to this Agreement.

(m) Letters of Credit Issued for Account of Project Owners or Other Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Project Owner or other Subsidiary, the Borrower shall be obligated to reimburse the Issuing Bank hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Project Owners and Subsidiaries inures to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of such Project Owners and Subsidiaries.

2.6 Maturity of the Obligations. On the Maturity Date or, if sooner, upon acceleration of the Maturity Date after an Event of Default, all Obligations, together with all principal, interest, and other charges outstanding pursuant to the Loan Documents shall be immediately due and payable; provided, however, if immediately before the Maturity Date, there exist Spec Units or Presold Units that are included in Eligible Collateral and will not be completed or sold on the Maturity Date (the "Holdover Collateral"), then, so long as no Event of Default has occurred and is continuing, at the written request of the Borrower for continued financing of the Holdover Collateral made to Administrative Agent before the Maturity Date: (a) the Commitment Amount shall be automatically reduced to the aggregate Maximum Allowed Advance of the Holdover Collateral; (b) the Loan shall cease to be a revolving loan and shall be a line of credit with respect to which amounts paid and prepaid may not be reborrowed and all Letters of Credit shall have expired or be terminated (or shall have been Cash Collateralized); (c) the Holdover Collateral shall be the only Eligible Collateral, all other Units shall cease to be Eligible Collateral, and Borrower shall immediately make any Remargining Payment resulting from such exclusion of Units from Eligible Collateral; (d) further disbursements of the Loan shall be used solely to complete the construction of the Spec Units and Presold Units included in the Holdover Collateral pursuant to such additional inspection, review and approval procedures as Administrative Agent may reasonably request; (e) all other terms and conditions with respect to such Holdover Collateral shall continue to apply (including, without limitation, the requirements and conditions for inclusion of each such Holdover Collateral in the Eligible Collateral pursuant to Article 3); and (f) solely for the purpose of providing financing for the Holdover Collateral, the Maturity Date shall be extended to the earliest to occur of (i) the sale and release of the last Unit included in the Holdover Collateral, (ii) the date on which the last Unit included in the Holdover Collateral ceases to be Eligible Collateral pursuant to Article 3, and (iii) the date six (6) months after the original Maturity Date (such extended Maturity Date, the "Holdover Maturity Date"). In connection with and as a further condition to any extension of the Maturity Date to the Holdover Maturity Date, Borrower will execute and deliver such amendments and agreements as Administrative Agent may require, which amendments and agreements may, among other things, specify the Holdover

Collateral and the terms and conditions upon which financing of the Holdover Collateral will continue. For clarity, (i) the extension of the Maturity Date to the Holdover Maturity Date as provided in this Section 2.6 shall not extend the L/C Commitment Expiration Date; and (ii) Borrower shall not be entitled to request or have issued any Letters of Credit during the period after the L/C Commitment Expiration Date.

2.7 Extension of Maturity Date.

(a) Request for Extension. Borrower may request extensions of the Maturity Date for one (1) year each by making such request in writing at least sixty (60) days prior to each anniversary of the date of this Agreement (e.g., a request for the extension of the Maturity Date from February 1, 2022, to February 1, 2023, must be given at least sixty (60) days prior to February 1, 2020). Any extension of the Maturity Date shall be at the sole and absolute discretion of the Administrative Agent and Lenders, and the Administrative Agent and Lenders shall have absolutely no obligation to extend the Maturity Date, nor have Administrative Agent or any Lender made any statement, representation or warranty to Borrower to the effect that such party will consider or grant such extensions. If Administrative Agent and Lenders are willing to consider an extension, Administrative Agent and Lenders may impose such conditions precedent on any such extension as such parties may determine in their sole and absolute discretion which conditions precedent will include, without limitation, the following: (i) no Default or Event of Default shall have occurred and be continuing; (ii) all representations and warranties set forth in the Loan Documents shall be true and correct in all material respects as of the date of such request and of the effectiveness of such extension (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date); (iii) there shall exist no Material Adverse Change; (iv) the extension of the Maturity Date shall be documented in a manner satisfactory to the Administrative Agent; (v) Administrative Agent and Lenders shall have completed to such parties' satisfaction in their sole and absolute discretion such financial and underwriting review of Borrower and each other Loan Party as they may require (using standards consistent with the original underwriting standards employed by such parties); and (vi) Borrower shall have paid to the Administrative Agent such extension fees as may be required in the Fee Letter.

(b) Effect of No Extension. If either (i) Borrower does not request an extension of the Maturity Date pursuant to Section 2.7(a) or (ii) Administrative Agent or Lenders elect not to extend the Maturity Date pursuant to Section 2.7(a) then the "Non-Extension Date" shall be deemed to have occurred. Twelve (12) months after the occurrence of the Non-Extension Date, Borrower will not be permitted to propose any additional Subdivisions as Approved Subdivisions. In addition, whether or not the Maturity Date is extended, new Lots or Units may not be added to the Borrowing Base as Eligible Collateral from and after the ninetieth ($90^{th}$) day before the Maturity Date (as determined without giving effect to any extension of the Maturity Date to the Holdover Maturity Date).

2.8 Noteless Agreement; Evidence of Indebtedness.

(a) Lender Accounts. Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of Borrower to such Lender

resulting from each Revolving Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) Administrative Agent Accounts. The Administrative Agent shall also maintain accounts in which it will record (i) the amount of each Revolving Loan made hereunder, (ii) the amount of any principal or interest due and payable or to become due and payable from Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from Borrower and each Lender's share thereof.

(c) Evidence. The entries maintained in the accounts maintained pursuant to paragraphs (a) and (b) above shall be *prima facie* evidence of the existence and amounts of the Obligations therein recorded; provided, however, that the failure of the Administrative Agent or any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of Borrower to repay the Obligations in accordance with their terms.

(d) Promissory Notes. Any Lender may request that its Commitment be evidenced by a promissory note, substantially in the form of Exhibit I. In such event, Borrower shall prepare, execute and deliver to such Lender such Note or Notes payable to the order of such Lender. Thereafter, the Commitment evidenced by each such Note and interest thereon shall at all times (prior to any assignment pursuant to Section 10.5) be represented by one or more Notes payable to the order of the payee named therein, except to the extent that any such Lender subsequently returns any such Note for cancellation and requests that such Commitment once again be evidenced as described in paragraphs (a) and (b) above.

(e) Maximum Interest Rate.

(i) Highest Lawful Rate. Notwithstanding anything to the contrary contained in this Agreement, Borrower shall not be obligated to pay, and the Lenders shall not be entitled to charge, collect, receive, reserve, or take, interest (it being understood that "interest" shall be calculated as the aggregate of all charges which constitute interest under applicable law that are contracted for, charged, reserved, received, or paid) in excess of the Highest Lawful Rate. During any period of time in which the interest rates specified herein exceed the Highest Lawful Rate, interest shall accrue and be payable at such maximum rate; provided that, if the interest rates decline below the Highest Lawful Rate, interest shall continue to accrue and be payable at the Highest Lawful Rate (so long as there remains any unpaid principal with respect to the Revolving Loans) until the interest that has been paid equals the amount of interest that would have been paid if interest had at all times accrued and been payable at the applicable interest rates specified in this Agreement.

(ii) Application to Principal. If, for any reason, the Lenders receive anything of value as interest or anything deemed interest by applicable Law under

this Agreement or any of the other Loan Documents or otherwise that results in the Lenders receiving interest in an amount in excess of the Highest Lawful Rate, the amount of such excess shall be applied to the reduction of the principal amount owing hereunder and not to the payment of interest. If the amount of such excess exceeds the unpaid principal balance of the Loan such amount shall be refunded to Borrower.

(iii) Determination of Rate. In determining whether or not the interest paid or payable with respect to the Loan exceeds the Highest Lawful Rate, Borrower and the Lenders shall, to the maximum extent permitted by applicable Law: (A) characterize any non-principal payment as an expense, fee, or premium rather than as interest; (B) exclude voluntary prepayments and the effects thereof; (C) amortize, prorate, allocate, and spread the total amount of interest throughout the actual term of the Loan so that it does not exceed the maximum amount permitted by applicable Law; or (D) allocate interest between portions of the Loan so that, to the greatest extent possible, no such portion shall bear interest at a rate greater than the Highest Lawful Rate.

(iv) Applicable Law. For purposes of this Section 2.8, the term "applicable Law" means the internal laws of the State of Arizona, provided that, to the extent, contrary to the express intent of the parties, Arizona law is found to be inapplicable to this Agreement, then "applicable Law" also means that law in effect from time to time and applicable to this loan transaction which lawfully permits the charging and collection of the highest permissible, lawful, non-usurious rate of interest on such loan transaction and this Agreement, and, to the extent controlling, laws of the United States of America.

(v) Effective Rate. Borrower hereby agrees to pay an effective, contracted-for rate of interest that is the interest rate provided for in this Agreement (as in effect from time to time), together with any additional rate of interest resulting from any other charges of interest or in the nature of interest paid or to be paid in connection with the Revolving Loans, including any fees to be paid by Borrower pursuant to the provisions of the Loan Documents or the Fee Letter.

2.9 Lending Installations. Each Lender may book its Revolving Loans at any Lending Installation selected by such Lender and may change its Lending Installation from time to time. All terms of this Agreement shall apply to any such Lending Installation and the Revolving Loans and any Notes issued hereunder shall be deemed held by each Lender for the benefit of any such Lending Installation. Each Lender may, by written notice to the Administrative Agent and Borrower, designate replacement or additional Lending Installations through which Revolving Loans will be made by it and for whose account Loan payments are to be made.

2.10 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes and (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the Issuing Bank any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Revolving Loan or of maintaining its obligation to make any such Revolving Loan, or to increase the cost to such Lender, the Issuing Bank or such other Recipient of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or other Recipient, Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any Lending Installation of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Revolving Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in Sections 2.10(a) and (b) and delivered to Borrower, shall be

conclusive absent manifest error. Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than sixty (60) days prior to the date that such Lender notifies Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the sixty (60) days referred to above shall be extended to include the period of retroactive effect thereof).

2.11 Taxes.

(a) Defined Terms. For purposes of this Section, the term "applicable Law" includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Law. If any applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by Borrower. Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by Borrower. Borrower shall indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.5(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this Section 2.11(e).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by Borrower to a Governmental Authority pursuant to this Section, Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Status of Lenders.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to Borrower and the Administrative Agent, at the time or times reasonably requested by Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by Borrower or the Administrative Agent as will enable Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 2.11(g)(ii)(A), 2.11(g)(ii)(B) and 2.11(g)(ii)(D)) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that Borrower is a U.S. Borrower,

(A) any Lender that is a U.S. Person shall deliver to Borrower and the Administrative Agent on or about the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit J-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of Borrower within the meaning of Section 871(h)(3)(B) of the Code, or a "controlled foreign corporation" related to Borrower as described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN or IRS Form W 8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W 8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit J-2 or Exhibit J-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest

exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit J-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or the Administrative Agent), executed copies of any other form prescribed by applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Law to permit Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by Borrower or the Administrative Agent such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Borrower or the Administrative Agent as may be necessary for Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this Section 2.11(g)(ii)(D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid

over pursuant to this Section 2.11(h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 2.11(h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 2.11(h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Survival. Each party's obligations under this Section shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

2.12 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Installation. If any Lender requests compensation under Section 2.10, or requires Borrower to pay any Indemnified Taxes or additional amounts to such Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.11, then such Lender shall promptly upon becoming aware thereof use reasonable efforts to (i) designate a different Lending Installation for funding or booking its Revolving Loans hereunder, (ii) assign its rights and obligations hereunder to another of its offices, branches or affiliates, or (iii) take such other actions as such Lender may deem reasonable, if, in the judgment of such Lender, such designation, assignment or other action (A) would eliminate or reduce amounts payable pursuant to Section 2.10 or 2.11, as the case may be, in the future, and (B) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be materially disadvantageous to such Lender. Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment or other remedial action.

(b) Replacement of Lenders. If any Lender requests compensation under Section 2.10, or if Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.11 and, in each case, such Lender has, for any reason or for no reason, declined or is unable to remedy the circumstances giving rise thereto in accordance with Section 2.12(a), or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.5), all of its interests, rights (other than its existing rights, if any, to payments pursuant to Section 2.10 or Section 2.11) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(i) Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 10.5;

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Revolving Loans and participations in L/C Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 2.10) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 2.10 or payments required to be made pursuant to Section 2.11, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) such assignment does not conflict with applicable Law; and

(v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling Borrower to require such assignment and delegation cease to apply.

Notwithstanding anything in this Section to the contrary, (A) any Lender that acts as an Issuing Bank may not be replaced hereunder at any time it has any Letter of Credit outstanding hereunder unless arrangements satisfactory to such Lender (including the furnishing of a backstop standby letter of credit in form and substance, and issued by an issuer, reasonably satisfactory to such Issuing Bank or the depositing of cash collateral into a cash collateral account in amounts and pursuant to arrangements reasonably satisfactory to such Issuing Bank) have been made with respect to such outstanding Letter of Credit and (B) the Lender that acts as the Administrative Agent may not be replaced hereunder except in accordance with the terms of Section 9.6.

2.13 Increases in Commitments.

(a) Request for Increase. Following the Second Amendment Effective Date, Borrower may, by notice to the Administrative Agent (who shall promptly notify the Lenders), request an increase in the Commitments (each such increase, an "Incremental Commitment") by an aggregate amount (for all such requests) not exceeding $50,000,000 (i.e. for a total Commitment Amount of $150,000,000.00); provided that (i) any such request for an increase shall be in a minimum amount of the lesser of (x) $10,000,000 (or such lesser amount as may be approved by the Administrative Agent) and (y) the entire remaining amount of increases available under this Section, (ii) Borrower shall make no more than a total of four (4) requests for increases of Commitments under this Section, and

(iii) unless otherwise agreed by Administrative Agent, Issuing Bank and the Required Lenders, no increase in the Commitments will increase the L/C Sublimit.

(b) Incremental Lenders. An Incremental Commitment may be provided by any existing Lender or other Person that is an Eligible Assignee (each such existing Lender or other Person that agrees to provide an Incremental Commitment, an "Incremental Lender"); provided that each Incremental Lender shall be subject to the consent (in each case, not to be unreasonably withheld or delayed) of the Administrative Agent and Borrower (including with respect to the amount of any reimbursement of costs pursuant to Section 2.13(d)(iv)). Notwithstanding anything herein to the contrary, no Lender shall have any obligation to agree to increase its Commitment, or to provide a Commitment, pursuant to this Section and any election to do so shall be in the sole discretion of such Lender.

(c) Terms of Incremental Commitments. The Administrative Agent and Borrower shall determine the effective date for such increase pursuant to this Section (an "Incremental Commitment Effective Date") and, if applicable, the final allocation of such increase among the Persons providing such increase; provided that such date shall be a Business Day at least ten (10) Business Days after delivery of the request for such increase (unless otherwise approved by the Administrative Agent) and at least six (6) months prior to the Maturity Date then in effect. In order to effect such increase, Borrower, the applicable Incremental Lender(s) and the Administrative Agent (but no other Lenders or Persons) shall enter into one or more Joinder Agreements, each in form and substance satisfactory to Borrower and the Administrative Agent, pursuant to which the applicable Incremental Lender(s) will provide the Incremental Commitment(s). Effective as of the applicable Incremental Commitment Effective Date, subject to the terms and conditions set forth in this Section, each Incremental Commitment shall be a Commitment (and not a separate facility hereunder), each Incremental Lender providing such Incremental Commitment shall be, and have all the rights of, a Lender, and after giving effect to the payments pursuant to Section 2.13(f) shall hold Revolving Loans and have the rights and obligations of a Lender for all purposes of this Agreement.

(d) Conditions to Effectiveness. Notwithstanding the foregoing, the increase in the Commitments pursuant to this Section shall not be effective with respect to any Incremental Lender unless:

(i) no Default or Event of Default shall have occurred and be continuing on the Incremental Commitment Effective Date and after giving effect to such increase;

(ii) the representations and warranties contained in this Agreement are true and correct on and as of the Incremental Commitment Effective Date and after giving effect to such increase, as though made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date);

(iii) the Administrative Agent shall have received one or more Joinder Agreements contemplated above, providing for Incremental Commitments in the amount of such increase;

(iv) if required by the Incremental Lender (subject to Borrower's approval right pursuant to Section 2.12(b)), Borrower shall have paid the amount of attorneys' fees incurred by Incremental Lender in connection with the Incremental Commitment; and

(v) the Administrative Agent shall have received such legal opinions and other documents reasonably requested by the Administrative Agent in connection therewith.

(e) Joinder Agreement. As of such Incremental Commitment Effective Date, upon the Administrative Agent's receipt of the documents required by this paragraph (e), the Administrative Agent shall record the information contained in the applicable Joinder Agreement(s) in the Register and give prompt notice of the increase in the Commitments to Borrower and the Lenders (including each Incremental Lender).

(f) Adjustments to Outstanding Revolving Loans. On each Incremental Commitment Effective Date, (i) if there are Revolving Loans then outstanding, each Incremental Lender shall make a payment to Administrative Agent in an amount sufficient, upon the application of such payments by all Incremental Lenders to the reduction of the outstanding Revolving Loans held by each Lender, to cause the principal amount outstanding under the Revolving Loans made by such Lender (including the Incremental Lender) to be in the amount of its Applicable Percentage (upon the effective date of such Incremental Commitment, after giving effect to such Incremental Commitment) of all outstanding Revolving Loans, and (ii) if there are Letters of Credit then outstanding, the participation of the Lenders in such Letters of Credit will be automatically adjusted to reflect the Applicable Percentages of all the Lenders (including the Incremental Lender) after giving effect to the applicable Incremental Commitment(s). Borrower hereby irrevocably authorizes each Incremental Lender to fund to Administrative Agent the payment required to be made pursuant to the immediately preceding sentence for application to the reduction of the outstanding Revolving Loans held by the other Lenders and each such payment shall constitute a Revolving Loan hereunder.

2.14 Fees.

(a) Commitment Fee. On the Effective Date, Borrower shall pay to Administrative Agent, in advance, a commitment fee pursuant to the Fee Letter.

(b) Extension Fees. Upon the effectiveness of each extension of the Maturity Date, Borrower shall pay to Administrative Agent in advance any extension fees provided pursuant to the Fee Letter. Borrower shall pay all other fees as and when due pursuant to the Fee Letter.

(c) L/C Fees. The Borrower agrees to pay to the Administrative Agent for the account of each Lender a Letter of Credit fee with respect to its participation in each

outstanding Letter of Credit (the "L/C Fee") upon the issuance thereof (and as a further condition precedent to such issuance) for the entire term of such Letter of Credit equal to 1.00% per annum of the maximum amount that may at any time be available to be drawn thereon. In addition, if the stated amount of any Letter of Credit is increased, the Borrower agrees to pay to the Administrative Agent for the account of each Lender the L/C Fee on the amount of the increase, which fee shall be due and payable on the date of the increase. Each L/C Fee paid to the Administrative Agent shall be nonrefundable and fully earned as of the date paid.

(d) Issuing Bank Fees. The Borrower agrees to pay to the Issuing Bank for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the Issuing Bank relating to letters of credit as from time to time in effect, which fees, costs and charges shall be payable to such Issuing Bank within five (5) Business Days after its demand therefor and are nonrefundable.

(e) Fees Non-Refundable. Borrower acknowledges that all fees payable under this Section 2.14 are (i) fully earned on the date on which they are payable, and (ii) nonrefundable when paid (exclusive of double payments and other manifest errors).

(f) Computation of Fees. All fees hereunder shall be computed on the basis of a year of three hundred sixty (360) days and paid for the actual number of days elapsed.

(g) Closing Costs and Expenses. In addition to the commitment and other fees, Borrower shall pay, on or prior to the Effective Date, all outstanding costs and expenses pursuant to Section 10.4.

2.15 General Provisions as to Payments.

(a) Method of Payment. All payments of the Obligations hereunder shall be made, without setoff, deduction, or counterclaim, in immediately available funds to the Administrative Agent at One East Washington Street, 14th Floor, Phoenix, Arizona 85004, or at any other Lending Installation of the Administrative Agent specified in writing by the Administrative Agent to Borrower, by noon (Phoenix, Arizona time) on the date when due and shall be applied ratably by the Administrative Agent among the Lenders, subject to Section 2.18. Each payment delivered to the Administrative Agent for the account of any Lender shall be delivered promptly by the Administrative Agent to such Lender in the same type of funds that the Administrative Agent received at the address specified above or at any Lending Installation specified in a notice received by the Administrative Agent from such Lender. Upon the occurrence and continuation of an Event of Default, the Administrative Agent is hereby authorized to charge the account of Borrower maintained with Western Alliance Bank for each payment of principal, interest and fees as it becomes due hereunder.

(b) No Setoff, Etc. All payments made by Borrower under this Agreement and the other Loan Documents shall be made without any setoff, deduction, or counterclaim.

2.16 Security. Payment of the Note shall be secured by the following:

(a) each Deed of Trust; and

(b) the assignments of, and a first priority security interest in, the Unit Plans and Specifications; and, to the extent to which they may be assigned, all other rights, licenses, permits, franchises, authorizations, approvals and agreements relating to construction and development of each Approved Subdivision, or required for the use, occupancy or operation of the Approved Subdivision, including all grading, demolition, building and other governmental permits and entitlements to use.

2.17 Releases of Collateral. Borrower may request releases of the Collateral from the lien and encumbrance of the Deed of Trust from time to time; provided, however, Administrative Agent has no obligation to release any Collateral, except in connection with the purposes described in Sections 2.17(b), 2.17(d) or 2.17(e), and unless each of the following conditions precedent is satisfied:

(a) Generally. With respect to all releases:

(i) Notification to Administrative Agent. Borrower or the closing agent handling the sale shall have notified Administrative Agent in writing of the requested release.

(ii) Remargining Payments Required. Borrower shall have made all payments required to be made pursuant to Section 2.18 after giving effect to such release.

(iii) No Default. Except in the case of releases of Units under Section 2.17(b), no Event of Default or Default shall have occurred and be continuing.

(iv) Endorsements. Borrower shall have provided Administrative Agent with such endorsements to the Title Policy as Administrative Agent may reasonably request in connection with each release.

(v) Processing/Release Fees. Borrower shall have paid the standard processing/release fees of Administrative Agent and the trustee under the Deed of Trust, in connection with such release.

(vi) Escrow Arrangements. Each release shall be made by Administrative Agent by delivery of the release documents to a title company or other escrow agent satisfactory to Administrative Agent on such conditions as shall assure Administrative Agent that all conditions precedent to such release have been satisfied and that the applicable transaction will be completed.

(b) Releases of Units. In addition to the requirements of Section 2.17(a), Unit releases shall satisfy the following:

(i) Releases in the Ordinary Course of Business. With respect to any release of Units, the requested release shall be for the purpose of sale in the ordinary course of Borrower's (or the applicable Project Owner's) business pursuant to a Purchase Contract.

(ii) Payment of Release Price. Borrower shall have paid to Administrative Agent the greater of (A) the Maximum Allowed Advance for such Unit or (B) 90% of the Net Sales Proceeds for such Unit.

(iii) Restrictions on Release of Model Units. Any release of a Model Unit is subject to Section 6.3(h).

(c) Releases of Lots. In addition to the requirements of Section 2.17(a), Lot releases shall satisfy the following:

(i) Releases in Connection With Bulk Sale. Such release shall be in connection with the sale of such Lots in bulk to a Person that is not an Affiliate of any Loan Party, and such Lots shall be contiguous and not constitute a phase of the applicable Approved Subdivision in which there are Units.

(ii) Release Price. Borrower shall have paid to Administrative Agent the Maximum Allowed Advance for such Lots included in Eligible Collateral prior to the release.

(d) Releases for Dedications and Similar Purposes. Upon written request of Borrower and so long as no Event of Default or Default has occurred and is continuing, Borrower shall be entitled to have released from the Collateral such portions of the Collateral as Borrower (or the applicable Project Owner) (i) is required to convey to a Governmental Authority or a public or private utility providing service to the Approved Subdivision in connection with the development of the Approved Subdivision (such as roads, drainage easements, and utility easements) and for which Borrower receives no monetary compensation, or (ii) proposes to convey to a homeowners' association or similar Person in connection with the development of the Approved Subdivision (such as common areas) and for which no Loan Party receives any monetary compensation. Releases that satisfy the requirements of this Section 2.17(d) do not require the payment of any release price.

(e) Releases of Model Units for Sale Leaseback Transactions. In addition to the requirements of Section 2.17(a) releases for Sale Leaseback Transactions shall be permitted provided: (i) the lease is for a term that is at least equal to remaining period of time that Borrower is required to maintain active Model Units in the applicable Approved Subdivision pursuant to Section 6.3(h), (ii) the applicable Project Owner has no obligation to sell or purchase the leased Model Units at the end of the term of such lease, (iii) such lease otherwise constitutes a true lease and is not a Capitalized Lease, and (iv) concurrently with such release, the Borrower will have paid to Administrative Agent for the benefit of Lender, a release price equal to the greater of (A) the Maximum Allowed Advance for the Model Unit(s) or (B) the Net Sales Proceeds (based on the applicable documents with

respect to such Sale Leaseback Transaction). Each Model Unit released pursuant to this Section 2.17(e) will continue to be used as a Model Unit in compliance with Section 6.3(h) with a request by Borrower for release pursuant to this Section 2.17(e) being deemed to constitute a covenant to so use such Model Unit. In addition and as a further condition to any such release, Borrower and the applicable Project Owner shall provide such collateral assignments, leasehold deeds of trust/mortgages and other documents and instruments as Administrative Agent may reasonably require to assign to Administrative Agent for the benefit of Lenders, all of Borrower's or such Project Owner's (as applicable) right, title and interest pursuant to such Sale Leaseback Transaction.

(f) Adjustment to Borrowing Base. Any Collateral released shall no longer be Eligible Collateral and the Collateral Value shall be immediately and automatically adjusted to reflect such release. Even though an item of Collateral is not included as Eligible Collateral, all conditions precedent to release will continue to apply (including payment of any required sale proceeds and release prices). Collateral not eligible to be released pursuant to this Section 2.17 will be released upon such terms and conditions and for payment of a release price as determined from time to time by Administrative Agent.

(g) Payment of Release Prices. All amounts payable for releases pursuant to this Section 2.17 shall be paid directly from the title insurance company or other escrow agent responsible for the sale to a deposit account in the name of Borrower but under the control of Administrative Agent at Western Alliance Bank. Borrower and each applicable Project Owner shall join in such instructions and other directions to such title company or escrow agent to assure such payment. Borrower shall, and shall cause each Project Owner to, execute and deliver such security agreements, control agreements, and other documents and instruments as Administrative Agent may require to grant, perfect and otherwise evidence Administrative Agent's security interest and rights in such deposit account. Among such other provisions as Administrative Agent may require, such agreements shall provide that all amounts held in such accounts may be withdrawn by Administrative Agent at any time and Borrower shall have no right to withdraw, transfer, assign or otherwise deal with monies held in such account. All amounts so withdrawn by Administrative Agent will be applied to the Obligations pursuant to this Agreement.

2.18 Remargining; Principal Payments.

(a) Maximum Outstanding. Anything in the Loan Documents to the contrary notwithstanding, the total Outstanding Credit Exposure shall not at any time exceed the Available Loan Commitment.

(b) No Credit Extensions. Borrower shall not be entitled to any Revolving Loans or the issuance of any Letters of Credit if the effect thereof would be to cause the test in Section 2.18(a) to be violated.

(c) Payments and Deposits. If for any reason at any time, the Outstanding Credit Exposure exceeds the Available Loan Commitment (including, without limitation, by reason of Commitment reductions, changes in Appraised Values relating to Appraisals delivered to Administrative Agent in connection with the Loan, exclusion of Eligible

Collateral, adjustments to the Borrowing Base or Collateral Value, or otherwise), Borrower shall be obligated to make a payment equal to the amount of such excess, and to the extent that after giving effect to such payment no Revolving Loans remain outstanding and the Outstanding Credit Exposure continues to exceed the Available Loan Commitment, Borrower shall Cash Collateralize Letters of Credit in accordance with Section 2.5(l) in an amount equal to 105% of the excess of the Outstanding Credit Exposure over the Available Loan Commitment (such payment and Cash Collateralization, collectively, a "Remargining Payment").

(d) Due Date. Each payment and deposit of Cash Collateral pursuant to this Section 2.18 will be due no later than 11:00 a.m. (Phoenix time) on the Business Day after the day upon which Administrative Agent notifies Borrower (which notice may be given by email) that such Remargining Payment is required.

2.19 Cash Collateral.

(a) Obligation to Cash Collateralize. In addition to Cash Collateral otherwise required pursuant to this Agreement, at any time that there shall exist a Defaulting Lender, within one Business Day following the written request of the Administrative Agent or any Issuing Bank (with a copy to the Administrative Agent), the Borrower shall Cash Collateralize the Issuing Bank's Fronting Exposure with respect to such Defaulting Lender (determined after giving effect to Section 2.20(a)(v) and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the Minimum Collateral Amount.

(b) Grant of Security Interest. The Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to the Administrative Agent, for the benefit of the Issuing Bank, and agrees to maintain, a first priority security interest in all such Cash Collateral as security for the Defaulting Lender's obligation to fund participations in respect of L/C Obligations, to be applied pursuant to Section 2.19(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent and the Issuing Banks as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by the Defaulting Lender).

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section or Section 2.20 in respect of Letters of Credit shall be applied to the satisfaction of the Defaulting Lender's obligation to fund participations in respect of L/C Obligations (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(d) Termination of Requirement. Cash Collateral (or the appropriate portion thereof) provided to reduce the Issuing Bank's Fronting Exposure shall no longer be

required to be held as Cash Collateral pursuant to this Section following (i) the elimination of the applicable Fronting Exposure (including by the termination or cessation of Defaulting Lender status of the applicable Lender), or (ii) the determination by the Administrative Agent and the Issuing Bank that there exists excess Cash Collateral; provided that, subject to Section 2.20 the Person providing Cash Collateral and the Issuing Bank may mutually agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations and provided further that to the extent that such Cash Collateral was provided by the Borrower, such Cash Collateral shall remain subject to the security interest granted pursuant to the Loan Documents.

2.20 Defaulting Lenders.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and Section 10.2(c).

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 10.9 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Issuing Bank; third, to Cash Collateralize the Issuing Bank's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.19; fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Revolving Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Revolving Loans under this Agreement and (y) Cash Collateralize the Issuing Bank's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.19; sixth, to the payment of any amounts owing to the Lenders or the Issuing Bank as a result of any judgment of a court of competent jurisdiction obtained by any Lender or the Issuing Bank against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent

jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Revolving Loans or L/C Disbursements in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Revolving Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.5 were satisfied or waived, such payment shall be applied solely to pay the Revolving Loans of, and L/C Disbursements owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Revolving Loans of, or L/C Disbursements owed to, such Defaulting Lender until such time as all Revolving Loans and funded and unfunded participations in L/C Obligations are held by the Lenders pro rata in accordance with the Commitments without giving effect to clause (iv) below. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Fees.

(A) No Defaulting Lender shall be entitled to receive any commitment or other fees to which it would otherwise be entitled for any period during which that Lender is a Defaulting Lender (and Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender, as determined by Administrative Agent). The foregoing shall not obligate Administrative Agent to share any fees with any Lender or otherwise entitle any Lender to any fees except as expressly agreed in writing between Administrative Agent and such Lender or as expressly provided in this Agreement.

(B) Notwithstanding the foregoing, each Defaulting Lender shall be entitled to receive L/C Fees for any period during which that Lender is a Defaulting Lender to the extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.19.

(C) With respect to any L/C Fee not required to be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to the Issuing Bank, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to the Issuing Bank's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Participations to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that such reallocation does not cause the aggregate Revolving Loans of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Commitment. Subject to Section 10.19, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral. If the reallocation described in clause (iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under law Cash Collateralize the Issuing Banks' Fronting Exposure in accordance with the procedures set forth in Section 2.19.

(b) New Letters of Credit. So long as any Lender is a Defaulting Lender, the Issuing Bank shall not be required to issue, extend, increase, reinstate or renew any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

(c) Defaulting Lender Cure. If Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Revolving Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded in accordance with the Commitments, whereupon, such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

## ARTICLE 3
## BORROWING BASE

3.1 Determination of Eligible Collateral/Borrowing Base. The Borrowing Base shall consist of the Collateral Value of the Borrowing Base as determined by Administrative Agent from time to time in accordance with this Agreement and subject to the limitations set forth in this Article 3.

3.2 Lot Term Limits.

(a) General A&D Lot Term Limitation. Each A&D Lot in an Approved Subdivision may be included as such in the Borrowing Base for not more than 18 months after the applicable Lot Eligibility Date; provided, however, that in no event may any A&D Lot be included as such in the Borrowing Base beyond the Maturity Date.

(b) Completion of Improvements. With respect to each Approved Subdivision, each A&D Lot in such Approved Subdivision shall be a Finished Lot within twenty-four (24) months after the first Lot Eligibility Date in such Approved Subdivision or such other time period as is specified in the applicable Subdivision Approval Letter.

(c) General Finished Lot Term Limitation. Each Finished Lot in an Approved Subdivision may be included as such in the Borrowing Base for not more than twelve (12) months after the applicable Lot Eligibility Date; provided, however, that in no event may any Finished Lot be included as such in the Borrowing Base beyond the Maturity Date.

(d) A&D Lot Ineligibility. Any A&D Lots or Finished Lots that (i) are sold, (ii) have been included as Eligible Collateral for the maximum term determined in accordance with the provisions of this Section 3.2, (iii) in the case of A&D Lots are not Finished Lots within the time period in Section 3.2(b), or (iv) are otherwise not eligible to be Eligible Collateral pursuant to any provision of this Agreement will no longer be Eligible Collateral upon sale and release in compliance with the provisions of this Agreement, upon expiration of such term, or upon the A&D Lots otherwise becoming ineligible. However, any A&D Lot or Finished Lots that is no longer Eligible Collateral will nevertheless remain part of the Collateral until released as permitted by this Agreement.

3.3 Transfer of Lots for Unit Construction. Borrower may reclassify an A&D Lot or Finished Lot as a Unit subject to the provisions of this Agreement relating to Units; provided, however, that before any A&D Lot or Finished Lot is included in Eligible Collateral as a Unit, the conditions precedent set forth in Section 4.4 must have been satisfied with respect to such A&D Lot or Finished Lot, including, without limitation, the provisions of Section 4.4(l) imposing the requirement that the Unit Construction Threshold must be met.

3.4 Unit Term Limits. Subject to the limitations set forth in this Agreement (including, without limitation, Section 3.1), Units may be included in the Eligible Collateral for the time periods provided below.

(a) Presold Units. Subject to Sections 3.4(d), 3.5 and 3.6, each Presold Unit may be included in Eligible Collateral for not more than twelve (12) months from the Unit Eligibility Date for such Unit; provided, however, that so long as no Event of Default has occurred and is continuing, each Presold Unit may be included in Eligible Collateral for an additional three (3) months from the Unit Eligibility Date for such Unit (i.e., for a total Unit Term of fifteen (15) months). A Presold Unit no longer subject to a Purchase Contract will be deemed to be a Spec Unit as of the date the Unit is no longer subject to a Purchase Contract. Notwithstanding any contrary provision of this Agreement or the Loan

Documents, a Unit will not be considered to be a Presold Unit unless and until a final public report (if a public report is required by applicable Requirements) has been obtained by Borrower (or the applicable Project Owner) and delivered to the purchaser of such Unit and all cancellation periods in favor of such purchaser with respect to such public report have expired.

(b) Spec Units. Subject to Sections 3.4(d), 3.5 and 3.6, each Spec Unit may be included in Eligible Collateral for not more than twelve (12) months from the original Unit Eligibility Date for such Unit; provided, however, that so long as no Event of Default has occurred and is continuing, Spec Units may be included in Eligible Collateral for two (2) additional consecutive periods of three (3) months each (i.e., for a total Unit Term of eighteen (18) months); provided further, however, that during the second such three (3) month period the Maximum Allowed Advance for each such Unit will be reduced in accordance with the definition of Maximum Allowed Advance. No Unit may be included in the Eligible Collateral as a Spec Unit (including by reclassification of a Presold Unit as a Spec Unit) if after giving effect to such inclusion any of the provisions of Section 3.5 would be exceed or such inclusion is otherwise not permitted pursuant to this Agreement.

(c) Model Units. Subject to Sections 3.4(d), 3.5 and 3.6, each Model Unit may be included in Eligible Collateral for not more than thirty-six (36) months from the applicable Unit Eligibility Date.

(d) Eligibility Date. Reclassification of Units (for example, from Spec Units to Presold Units) will not change the Unit Eligibility Date for the Unit in question.

(e) Unit Ineligibility. Except to the extent permitted in the case of an extension of the Maturity Date to the Holdover Maturity Date pursuant to Section 2.5, in no event may any Unit be included in Eligible Collateral beyond the Maturity Date. Units that are sold, that have been included as Eligible Collateral for the maximum term determined in accordance with the provisions of this Section 3.2, or that are otherwise not eligible to be Eligible Collateral pursuant to any provision of this Agreement will no longer be Eligible Collateral upon sale and release in compliance with the provisions of this Agreement, upon expiration of such term, or upon such Units becoming ineligible, as the case may be. However, a Unit that is no longer Eligible Collateral because of expiration of the term during which such Unit was entitled to be Eligible Collateral or because of its becoming ineligible pursuant to any provision of this Agreement will nevertheless remain part of the Collateral until released as permitted by this Agreement.

3.5 Additional Limitations on Eligible Collateral.

(a) Limitation on Number of Lots. With respect to any Approved Subdivision, the number of A&D Lots or Finished Lots in such Approved Subdivision that are included in the Borrowing Base as Eligible Collateral at any time may not be greater than the lesser of (i) the applicable number of months of Appraised Absorption for such Approved Subdivision, as set forth in the applicable Subdivision Approval Letter and (ii) the applicable number of months of Actual Absorption for such Approved Subdivision as set forth in the applicable Subdivision Approval Letter.

(b) Lot Limit; Reductions in Lot Limit. The aggregate Maximum Allowed Advance with respect to all Lots included in the Borrowing Base will not at any one time exceed the lesser of (i) 50% of the total Borrowing Base amount, or (ii) 50% of the Commitment. In addition, the aggregate Maximum Allowed Advance with respect to A&D Lots and Finished Lots in each Approved Subdivision shall not be greater than the amount designated by Administrative Agent in the applicable Subdivision Approval Letter (the "Lot Limit"). On each Borrowing Base Report following each Lot Limit Reduction Date, the applicable Lot Limit will be reduced, and the amount of each such reduction shall be the corresponding amount (the "Lot Reduction Amount") based on Administrative Agent's determination of 75% of Appraised Absorption, as set forth in the applicable Subdivision Approval Letter.

(c) Limitations on Spec Units (Maximum Allowed Advance). At no time will the aggregate Maximum Allowed Advance of all Spec Units included in the Borrowing Base exceed 35% of the Commitment.

(d) Limitation on Number of Spec Units. The number of Spec Units constituting Eligible Collateral in any Approved Subdivision at any one time shall not exceed the applicable Subdivision Spec Limit.

(e) Limitation on Spec Limits (Absorption). Notwithstanding the foregoing, in no event shall the number of Spec Units in any Approved Subdivision exceed the three (3) months of Appraised Absorption and, if less, commencing six (6) months after the first sale of a Unit in the applicable Approved Subdivision, the Actual Absorption for the immediately prior consecutive three (3) month period, as determined by Administrative Agent.

(f) Classification and Reclassification of Units; Adjustment of Borrowing Base. Administrative Agent may classify or reclassify Units as to type from time to time, or change Borrower's proposed classification of any and all Units, provided that such reclassification shall be based upon the definitions of Spec Units and Presold Units set forth herein and each such reclassified Unit shall meet the requirements set forth herein for that type of Unit. Effective as of the date that a Unit is reclassified as to type, such reclassification will give rise to a Reclassification Adjustment. At any time that Borrower has violated the limitation on Spec Units set forth in Section 3.5(c), (d) or (e), Administrative Agent shall exclude the excess Spec Units from Eligible Collateral (with the Units to be so excluded selected by Administrative Agent in its sole discretion).

(g) Limitation on Model Units. The number of Model Units constituting Eligible Collateral at any time shall not exceed the applicable Subdivision Model Limit.

(h) Events Affecting Eligible Collateral. If (i) any Collateral constituting Eligible Collateral is materially damaged, destroyed, or becomes subject to any condemnation proceeding, (ii) Borrower violates any provisions of, or breaches any representations and warranties in, the Loan Documents (including, without limitation, the Environmental Agreement) with respect to such Collateral that Administrative Agent determines materially and adversely affects the value of the Collateral, or (iii)

Administrative Agent makes or is entitled to make any claim under the Title Policy with respect to a matter that Administrative Agent determines materially and adversely affects the Collateral, such Collateral may, in Administrative Agent's sole discretion and upon notice to Borrower, be declared by Administrative Agent to no longer be Eligible Collateral. In addition, if any such Collateral does not continue to meet all the requirements applicable to Eligible Collateral, such Collateral will no longer constitute Eligible Collateral. Any determination by Administrative Agent as to whether certain Collateral constitutes Eligible Collateral will be final, conclusive, binding and effective immediately.

3.6 Other Limitations on Collateral Values and Maximum Allowed Advances.

(a) General Limitations. The portion of each A&D Lot Development Budget and Unit Budget attributable to "soft costs" and "hard costs" line items will be limited to the lesser of (i) the actual costs, expenses, and fees incurred by Borrower and (ii) the amounts allocated for such costs, expenses, and fees in the line items in such A&D Lot Development Budget or Unit Budget, as applicable. Administrative Agent may make adjustments in each A&D Lot Development Budget and Unit Budget to reflect the foregoing limitations.

(b) Additional Limitation on Maximum Allowed Advance. In addition to all of the other requirements for the Borrowing Base set forth in this Article 3, the aggregate of the Maximum Allowed Advances of all Lots and Units included in Eligible Collateral may not at any time be greater than an amount equal to 100% of the Commitment Amount.

(c) Attached Units/Buildings. If multiple Units are to be constructed as attached Units or in a building that contains more than one Unit (whether or not constituting a condominium), then in order for any such attached Unit or Unit in a building to be included in Eligible Collateral, all of the Units that are attached or are in such building must also be included in Eligible Collateral.

(d) Further Limitations on Collateral Values and Maximum Allowed Advances. If any of the limitations on Eligible Collateral, Collateral Value, Maximum Allowed Advances, Outstanding Credit Exposure, or outstanding Revolving Loans set forth in this Agreement are exceeded, Administrative Agent may at its option either remove the Lots or Units from Eligible Collateral until such limitations are met, adjust the applicable Collateral Values in order that such limitations are not exceeded, or require Borrower to make a Remargining Payment.

(e) Reductions. Each of the limitations regarding amounts and numbers of Lots and Units that may be included in Eligible Collateral set forth in this Article 3 shall be subject to reduction by Administrative Agent in connection with any reduction in the Commitment Amount.

3.7 Borrowing Base Report.

(a) Proposed Borrowing Base Report. On the Effective Date and within thirty (30) days after the end of each month thereafter, Borrower will prepare and submit to Administrative Agent a proposed Borrowing Base Report for all of the Collateral which

will include with respect to each Lot and Unit constituting Eligible Collateral. Such Borrowing Base Report will be in the form reasonably required by Administrative Agent from time to time. A sample of the initial form of the Borrowing Base Report is included in Exhibit K. Each Borrowing Base Report will also take into account the sale of Units and all other adjustments and limitations permitted or required by this Agreement. With respect to Lots, from time to time, Administrative Agent may also require information concerning construction of the Units, including, without limitation, the status of construction of Units, a detailed breakdown of construction, the costs expended to date for such construction, the Maximum Allowed Advance, and an itemized estimate of the amount necessary to complete construction of Units.

(b) Collateral Certificate. Each proposed Borrowing Base Report will be accompanied by a Collateral Certificate signed by a Responsible Officer of Borrower. Each Collateral Certificate will be in the form reasonably required by Administrative Agent from time to time. A sample of the initial form of the Collateral Certificate is include in Exhibit K. Units may be added as Eligible Collateral only upon receipt and approval by Administrative Agent of the proposed Borrowing Base Report and Collateral Certificate and satisfaction of all other provisions of this Agreement.

(c) Form of Report and Certificate. If requested by Administrative Agent, the proposed Borrowing Base Report and the Collateral Certificate will be in an electronic format in compliance with Administrative Agent's specifications and requirements as in effect from time to time.

(d) Approval of Borrowing Base Report. Each proposed Borrowing Base Report shall be subject to approval and adjustment by Administrative Agent based upon (i) Administrative Agent's review of such report, (ii) Administrative Agent's inspections made pursuant to Section 6.12 (as such inspections may result in any adjustments to reflect any variance between the Borrowing Base Report and/or the Collateral inventory report and the results of such inspections by Administrative Agent), and (iii) such other information as Administrative Agent may reasonably require in order to verify the Borrowing Base, Eligible Collateral, the Collateral Value of the Borrowing Base, and all other amounts and items relating thereto. Each determination by Administrative Agent of the Borrowing Base, Eligible Collateral, the Collateral Value of the Borrowing Base, and the amount of each Revolving Loan (and all other amounts and items entering into such determinations), will be final, conclusive and binding upon Borrower, absent manifest error. If Administrative Agent rejects a Borrowing Base Report, Borrower shall make such revisions and adjustments to the proposed Borrowing Base Report as Administrative Agent may reasonably request. Administrative Agent will use reasonable efforts to review each Borrowing Base Report and Collateral Certificate and make any adjustments or provide approval within three (3) Business Days after receipt of each Borrowing Base Report and Collateral Certificate that complies with the requirements of this Section 3.7, provided that Administrative Agent's failure to give such notice or delay in giving such notice shall not limit, waive or reduce any of the Obligations.

(e) Failure to Deliver Borrowing Base Report and/or Certificate. In the event that Borrower fails to deliver a Borrowing Base Report or Collateral Certificate as and

when required pursuant to this Agreement, in addition to all rights and remedies of Administrative Agent and without waiving any Event of Default resulting from such failure, Administrative Agent may compute the Eligible Collateral in the Borrowing Base in Administrative Agent's sole and absolute discretion and such determination by Administrative Agent shall be conclusive and immediately effective unless and until Administrative Agent has approved a Borrowing Base Report submitted by Borrower.

3.8 General. Anything in this Article 3 or the Loan Documents to the contrary notwithstanding, Borrower agrees that (a) no limitation on any Revolving Loans required or permitted pursuant to this Agreement will limit or otherwise change Borrower's obligations and liabilities under the applicable Loan Documents, (b) Borrower will remain obligated to pay all costs, expenses, and fees required to be paid by Borrower pursuant to this Agreement and the other Loan Documents, and (c) Borrower will remain obligated to pay all costs, expenses, and fees now or hereafter arising in connection with acquisition, development, maintenance, occupancy, operation, and use of the Collateral.

3.9 Appraisals.

(a) Appraisal Requirements. The form and substance of each Appraisal must be satisfactory to Administrative Agent. Each Appraisal of Lots shall be based upon the "bulk wholesale finished appraised value" of such Lots. Unit Appraisals will be at least a "FNMA base floor plan type appraisal." Each Appraisal must include, without limitation, the following information: (i) a narrative economic and demographic feasibility analysis of the market, including a supply and demand comparison, (ii) a base plan type value for each type of Unit in the Approved Subdivision, (iii) a lot premium value, if any, (iv) if required by Administrative Agent, the value of upgrades and purchaser options to Units, and (v) if requested by Administrative Agent, a market and absorption study for the Approved Subdivision. Notwithstanding the foregoing, all Appraisals must comply with the appraisal policies and procedures of Administrative Agent, regulatory directives or orders imposed on Administrative Agent, and with all applicable laws, rules, and regulations, including, without limitation, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

(b) Appraiser Engagement. Each Appraisal must be prepared by an appraiser selected and engaged by Administrative Agent. Borrower will notify the Administrative Agent in writing that Borrower desires to include any Units in Eligible Collateral for which no Appraisal then exists and will provide to Administrative Agent all information (including lot premiums and upgrades) necessary to allow an Appraisal to be ordered by Administrative Agent. Administrative Agent will engage an appraiser to perform an Appraisal only when it receives all information deemed necessary by Administrative Agent and the appraiser for preparation of such Appraisal. Administrative Agent will not have any liability to Borrower, any Lender or any other Person with respect to delays in the Appraisal process. Borrower and its Affiliates will not employ any appraiser that prepares an Appraisal for any of the Collateral unless specifically requested to do so by Administrative Agent. Administrative Agent may employ a staff appraiser or a fee appraiser and Borrower will reimburse Administrative Agent for Administrative Agent's reasonable cost therefor.

(c) Appraisal Evaluation. Upon receipt of an Appraisal, Administrative Agent will review the Appraisal in accordance with the appraisal policies and procedures of Administrative Agent and establish an Appraised Value. Administrative Agent will notify Borrower and the Lenders of such Appraised Value. Based on each such Appraised Value, Administrative Agent may adjust the Maximum Allowed Advances with respect to the Lots and Units.

(d) Additional Appraisals. Notwithstanding anything in this Section 3.9 to the contrary, Administrative Agent may order updated Appraisals (i) if such Appraisals are required by any laws, rules, regulations, or generally applicable appraisal policies and lending procedures of Administrative Agent, and (ii) if Administrative Agent deems such Appraisals to be necessary based upon changes in Units sales, land values or other market conditions. Borrower shall pay the cost and expense of all Appraisals obtained by Administrative Agent in connection with the Loan.

(e) Appraisal Policy Modifications. Notwithstanding the other provisions of this Section 3.9, the appraisal process must conform to the appraisal policies and procedures of Administrative Agent as in effect from time to time. Borrower acknowledges and agrees that modification to the appraisal policies and procedures of Administrative Agent may result in requirements to modify the Appraisals, Collateral Values, Maximum Allowed Advances, and appraisers. Any such modification will be effective thirty (30) days after written notice from Administrative Agent to Borrower of the changes required by reason of a modification or amendment to the Appraisal policy.

(f) Expenses. Borrower will reimburse Administrative Agent for all costs and expenses incurred in the appraisal process and in establishing and monitoring Appraised Values. All reimbursements by Borrower to Administrative Agent required by this Section 3.9 will be paid to Administrative Agent within fifteen (15) days after notice from Administrative Agent to Borrower.

## ARTICLE 4
## CONDITIONS PRECEDENT

4.1 Conditions Precedent to Effectiveness of this Agreement. This Agreement will become effective only upon satisfaction of the following conditions precedent on or before the initial Revolving Loan, in each case as determined by Administrative Agent. If the conditions precedent are not satisfied (or waived pursuant to Section 4.6) on or before February 6, 2018, Administrative Agent may cancel this Agreement upon written notice to Borrower. The conditions precedent to be satisfied are as follows:

(a) Representations and Warranties Accurate. The representations and warranties by Borrower in this Agreement are correct on and as of the Effective Date, as though made on and as of such date.

(b) No Defaults. No Event of Default or Default shall have occurred and be continuing.

(c) Financial Condition. Administrative Agent and the Lenders shall be satisfied with the financial condition of Borrower and each other Loan Party as of the Effective Date.

(d) No Material Adverse Change. Administrative Agent shall have determined that no Material Adverse Change has occurred with respect to Borrower or any other Loan Party since the most recent financial statements and reports provided to Administrative Agent.

(e) Documents. Administrative Agent shall have received the following agreements, documents, and instruments, each duly executed (and acknowledged where applicable) by the parties thereto and in form and substance satisfactory to Administrative Agent and its legal counsel:

(i) Loan Documents. The Loan Documents (other than Loan Documents to be executed and delivered in connection with the satisfaction of conditions precedent in Sections 4.2, 4.3 and 4.4) and the Intercompany Subordination Agreement.

(ii) Formation Documents. The Organizational Documents of Borrower and each other Loan Party, together with such resolutions, consents and other documents as Administrative Agent may require to evidence the due formation, valid existence and authority of Borrower and each other Loan Party.

(iii) Authorization Documents. Certified copies of resolutions of Borrower and each other Loan Party authorizing Borrower and each other Loan Party to execute, deliver, and perform its obligations under this Agreement and the other Loan Documents to be executed and delivered by Borrower or any Loan Party in connection herewith, and certifying the names and signatures of the officers of Borrower and each Loan Party authorized to execute this Agreement and to request Revolving Loans on behalf of Borrower.

(iv) Good Standing. Evidence of the good standing of each Loan Party in the jurisdiction of formation of such Loan Party and each other jurisdictions where the nature of the business and operations of such Loan Party require registration with any Governmental Authority.

(v) Incumbency Certificates. Incumbency certificates from Borrower and each other Loan Party which shall: (A) identify by name and title, and bear the signatures of, the Responsible Officers of each such entity and (B) be certified by one of its Responsible Officers (other than the Responsible Officer signing Loan Documents on behalf of Borrower or any other Loan Party).

(f) Borrower Reorganization. Borrower Reorganization shall have occurred in a manner satisfactory to Administrative Agent.

(g) Legal Opinion. Except with respect to the legal opinion referred to in Section 4.5(k), a favorable written opinion of legal counsel to Borrower and each other

Loan Party in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(h) Subordinations. The Intercompany Subordination Agreement shall have been executed and delivered by all parties thereto and shall have become fully effective and binding.

(i) [Reserved].

(j) Insurance Policies. Insurance policies, in form, content and amounts and required pursuant to this Agreement.

(k) UCC Lien Search. UCC record and copy searches disclosing no notice of any Liens and Encumbrances filed against any of the Collateral except Permitted Liens.

(l) Other Searches. Such other litigation, bankruptcy and other searches and background checks as Administrative Agent may request.

(m) Payment of Costs, Expenses and Fees. All costs, expenses and fees to be paid by Borrower or any Loan Party under the Loan Documents on or before the Effective Date will have been paid in full, including, without limitation, the applicable fees set forth or referenced in Section 2.14.

(n) Other Items. Borrower shall have provided Administrative Agent with such other agreements, documents and instruments as Administrative Agent may reasonably require.

(o) Other Actions. Borrower has performed such other actions as Administrative Agent may reasonably require.

4.2 Approval of Subdivisions. Borrower may from time to time prior to the date that is twelve (12) months prior to the Maturity Date request Administrative Agent to approve Subdivisions as Approved Subdivisions pursuant to this Section 4.2. Approval of each such additional Approved Subdivision shall be at the sole and absolute discretion of Administrative Agent and Administrative Agent shall have no obligation to approve any such additional Approved Subdivision. When requesting consideration of additional Approved Subdivisions, Borrower, at Borrower's sole cost and expense, shall provide Administrative Agent the following items and satisfy the following conditions precedent (each of which items must be satisfactory to Administrative Agent in its sole and absolute discretion and each of which conditions precedent must be satisfied, as determined by Administrative Agent in its sole and absolute discretion, at all times):

(a) Request. Borrower shall have submitted to Administrative Agent a request and form satisfactory to Bank for the approval of such Subdivision.

(b) Representations and Warranties. All of the representations and warranties in this Agreement shall be true and correct in all material respects as of the date of such request and as of the date of Administrative Agent's approval of an Approved Subdivision

(or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date).

(c) No Defaults. No Default or Event of Default shall have occurred and be continuing.

(d) Land Purchase Documents. Borrower shall have provided to Administrative Agent copies of the purchase agreement, settlement statement and other documentation relating to Borrower's (or the applicable Project Owner's) purchase of the applicable Subdivision.

(e) Proposed Development. Borrower shall have submitted to Administrative Agent budgets, feasibility studies, environmental and engineering reports and studies, proforma financial statements, income projections, development schedules and other information as Administrative Agent may require to review the construction and sale of Units in the Subdivision and the estimated costs, expenses and profits in connection therewith.

(f) Restrictive Covenants. Borrower shall have provided to Administrative Agent and Administrative Agent shall have approved the CC&Rs for the proposed Approved Subdivision.

(g) Condominium Documents. If the proposed Approved Subdivision is or is intended to be a condominium (or similar property regime), Borrower shall have submitted to Administrative Agent and Administrative Agent shall have approved all Condominium Documents, all of which shall be in full force and effect.

(h) Proforma Budgets, Revenues and Cash Flows. Borrower shall have submitted to Administrative Agent a budget and pro forma cash flow for the Subdivision providing detail regarding projected sales revenues (by type of Unit), hard and soft costs of construction (by type of Unit), pricing for options and upgrades, and allocated overhead, and sources and uses of funds.

(i) Budget. Borrower shall have provided Administrative Agent and Administrative Agent shall have approved the proposed Budgets, all A&D Lot Development Plans and Specifications (if applicable), and Unit Plans and Specifications for all Units in the proposed Approved Subdivision.

(j) Project Owner. With respect to the Project Owner (and each related Intermediate Entity):

(i) Borrower shall have provided and Administrative Agent shall have approved (A) complete copies of the Organizational Documents of the Project Owner and each Intermediate Entity that holds a direct or indirect interest in such Project Owner; (B) good standing certificates (or their equivalents) for the Project Owner and each such Intermediate Entity from such entity's state of formation and the state in which the Approved Subdivision is located; (C) certified corporate, limited liability company, partnership or other appropriate entity resolutions from

each of such entities, authorizing the transactions described therein; (D) incumbency certificates from the Project Owner and each such Intermediate Entity which shall identify by name and title and bear the signature of the Responsible Officers of such entities and be certified by one of such Responsible Officers (other than the Responsible Officers signing Loan Documents on behalf of such Project Owner); (E) UCC record and copy searches disclosing no notice of any Liens and Encumbrances filed against such Project Owner other than Permitted Liens and (F) such other litigation, bankruptcy and other searches and background checks as Administrative Agent may request; and

(ii) Unless otherwise agreed by Administrative Agent in its sole and absolute discretion, each Project Owner and Intermediate Entity shall be a Wholly-Owned Subsidiary of Borrower.

(k) Documents. The Administrative Agent will have received the following agreements, documents, and instruments, each duly executed by the parties thereto and in form and substance reasonably satisfactory to the Administrative Agent and its legal counsel:

(i) Loan Documents. The following Loan Documents relating specifically to each Approved Subdivision and Project Owner:

(A) a Deed of Trust;

(B) such collateral assignments and other assignments of Project Documents as Administrative Agent may require;

(C) a Guaranty or Guarantor Joinder Agreement, as required by Administrative Agent; and

(D) an Environmental Indemnity Agreement or Environmental Joinder Agreement as required by Administrative Agent.

(l) Marketing Information. Borrower shall have provided Administrative Agent marketing information with respect to the Units to be constructed in the Subdivision, including, to the extent available, floor plans, square footage, anticipated absorption, estimated Unit mix, Unit cost breakdowns, subdivision pro formas, and anticipated gross margins.

(m) Tentative Subdivision Map or Plat. Borrower shall have delivered to Administrative Agent a "tentative" map or preliminary plat with respect to the Subdivision, development agreements and other documents with respect to the Subdivision. Each such tentative or proposed map or plat must contain a legal description of the Subdivision covered by the map, must describe and show all boundaries of and lot lines within the Subdivision, all streets and other dedications, and all easements affecting such Subdivision, and such other information as Administrative Agent may reasonably request. If requested by Administrative Agent, Borrower shall have also provided to Administrative Agent and Administrative Agent shall have approved an ALTA survey of the Subdivision. If

requested by Administrative Agent, Borrower shall also have provided evidence reasonably satisfactory to Administrative Agent that there exist no material impediments to the issuance of a final map or plat, as applicable, and that no major discretionary approvals by any Governmental Authority remain for such issuance.

(n) Entitlement; Zoning Approvals. The Subdivision shall be Entitled Land and Borrower shall have provided to Administrative Agent evidence that the Subdivision is subject to vested zoning consistent with its proposed uses.

(o) Deed of Trust/Title Policy. The Deed of Trust has been recorded in the official records of the County and constitutes a first priority lien on the Subdivision subject only to Permitted Exceptions, and the Title Company has irrevocably committed to issue the Title Policy. The Title Policy will provide coverage (including, without limitation, mechanic's lien coverage) satisfactory to Administrative Agent and insure Administrative Agent's interest under the Deed of Trust as a valid first lien on the Subdivision subject only to Permitted Exceptions. If the Subdivision is an Option Subdivision, as a further condition to approval of the Subdivision, Administrative Agent shall have received and approved the applicable Option Contract. In addition, with respect to Option Subdivisions, the Deed of Trust shall initially encumber the portion of the Subdivision that has been acquired pursuant to the Option Agreement and simultaneously with any additional purchases pursuant to the Option Agreement, Borrower shall enter into an amendment to the Deed of Trust in form satisfactory to Administrative Agent to provide a first priority lien on such Property subject only to Permitted Exceptions and Administrative Agent shall have received such endorsements to the applicable Title Policy as Administrative Agent may require.

(p) Environmental Assessment. Borrower shall have delivered to Administrative Agent a report of an environmental assessment for the Subdivision by an environmental engineer acceptable to Administrative Agent containing such information, results, and certifications as Administrative Agent may require and dated not earlier than twelve (12) months before Borrower's request for Loan approval, together with updates to such assessment as requested by Administrative Agent. Depending upon the results of the environmental assessment, Borrower shall also provide such follow up testing, reports, and other actions as may be required by Administrative Agent. The contents of the environmental assessment report and any follow up must be satisfactory to Administrative Agent.

(q) Drainage; Flood Zone. Borrower shall have provided to Administrative Agent, if requested by Administrative Agent, a drainage report for the Subdivision by an engineer acceptable to Administrative Agent containing such information, results and certifications as Administrative Agent may require. If requested by Administrative Agent, Borrower will have provided to Administrative Agent evidence satisfactory to Administrative Agent as to whether (i) the Subdivision is located in an area designated by the United States Department of Housing and Urban Development as having special flood or mudslide hazards and (ii) the community in which the Subdivision is located is participating in the National Flood Insurance Program.

(r) Soils Tests. Borrower shall have provided Administrative Agent and Administrative Agent shall have approved a soils test report for the Subdivision prepared by a licensed soils engineer satisfactory to Administrative Agent showing the locations of, and containing boring logs for, all borings. Unless otherwise approved by Administrative Agent, each such soils test shall have been prepared within the immediately preceding twelve (12) months.

(s) Impositions, Assessments and Charges. If requested by Administrative Agent, Borrower shall have provided Administrative Agent with evidence that all Impositions and water, sewer and other charges assessed against the Subdivision which are then due and payable have been paid in the amount required.

(t) Appraisal. Administrative Agent shall have received and approved a current Appraisal of the Subdivision and Units.

(u) Location. The Subdivision shall be located in an Approved MSA in an Approved State.

(v) Opinion Letter. Borrower's counsel shall have provided to Administrative Agent an opinion letter with respect to Borrower, the Loan and the Loan Documents, in form and substance satisfactory to Administrative Agent and Administrative Agent's counsel.

(w) [Reserved].

Notwithstanding the foregoing, if Lots (to the extent approved for inclusion as Eligible Collateral) or Units in an Approved Subdivision are not intended to be included in the Eligible Collateral within thirty (30) days after such approval becomes effective, Borrower may request and Administrative Agent shall not unreasonably withhold its consent to delaying the satisfaction of the conditions precedent set forth in Sections 4.2(k) and 4.2(o), in which case such conditions precedent must be satisfied at least thirty (30) days before any Lot or Unit in such Approved Subdivision is included in the Borrowing Base as Eligible Collateral. As of the Effective Date, Units in the Vale Subdivisions (other than Units in the "Nexus" and "Echo" subdivisions at the Vale Subdivision) will be subject to the immediately preceding sentence.

4.3 Qualification of A&D Lots as Eligible Collateral. Borrower acknowledges and agrees that Administrative Agent and Lenders have no obligation to include A&D Lots or Finished Lots in the Eligible Collateral even in connection with a Subdivision that is otherwise an Approved Subdivision. Any determination to permit A&D Lots or Finished Lots to be included in the Eligible Collateral will be made in the sole and absolute discretion of Administrative Agent. If and only if the applicable Subdivision Approval Letter expressly allows the inclusion of A&D Lots and Finished Lots from the applicable Approved Subdivision in the Borrowing Base will such Lots in the applicable Approved Subdivision be includable in the Eligible Collateral. In addition, if the applicable Subdivision Approval Letter allows such inclusion, in order for A&D Lots and Finished Lots in the applicable Approved Subdivision to actually be included in the Eligible Collateral, the Borrower shall also satisfy all of the conditions in this Section 4.3:

(a) No Defaults. No Event of Default or Default shall have occurred and be continuing.

(b) Limitations. The addition of such A&D Lots or Finished Lots to the Borrowing Base will not cause any of the provisions of Article 3 to be violated.

(c) Approved Subdivision. Such A&D Lots or Finished Lots are in an Approved Subdivision.

(d) Construction Contracts. If requested by Administrative Agent, Borrower shall have provided and Administrative Agent shall have approved in its reasonable discretion copies of all executed contracts between Borrower (or the applicable Project Owner) and the licensed contractor(s) retained by Borrower (or the applicable Project Owner) to construct the Lot Improvements. Also, if requested by Administrative Agent, Borrower shall have provided to Administrative Agent a copy of each construction subcontract, architectural agreement, engineering agreement, and other agreements, documents and contracts relating to construction of the Lot Improvements, together with assignments of such agreements, documents and contracts to the extent required by Administrative Agent. The contract price in each such agreement, document, and contract must be within the budgeted amount in the A&D Lot Development Budget. Such agreements, documents and contracts shall be in form and content reasonably satisfactory to Administrative Agent.

(e) Plans and Specifications. Borrower shall have provided to Administrative Agent and Administrative Agent shall have approved in its reasonable discretion the final A&D Lot Development Plans and Specifications for the Lot Improvements.

(f) Permits. If requested by Administrative Agent, Borrower shall have provided to Administrative Agent evidence reasonably satisfactory to Administrative Agent that Borrower (or the applicable Project Owner) has obtained all Approvals and Permits necessary to permit the development of the Lot Improvements.

(g) Budget. Borrower shall have provided to Administrative Agent and Administrative Agent shall have approved the A&D Lot Development Budget.

(h) Appraisal. Administrative Agent shall have received, reviewed and approved an Appraisal of the A&D Lots in accordance with the terms of this Agreement. The Appraised Value for the A&D Lots shall have been approved by Administrative Agent.

(i) Construction Schedule. Borrower shall have provided to Administrative Agent the construction schedule for the completion of the Lot Improvements.

(j) Impositions, Assessments, and Charges. If requested by Administrative Agent, Borrower shall have provided to Administrative Agent and Administrative Agent shall have approved evidence that Impositions and all water, sewer, and other charges assessed against the A&D Lots which are then due and payable have been paid in the amount required.

(k) Distressed Improvement Districts. Any improvement or assessment district in which the A&D Lots are located shall not be insolvent under applicable law or subject to any bankruptcy or similar proceedings if such situation, in the reasonable opinion of Administrative Agent, would have a material adverse impact on development of A&D Lots or directly or indirectly cause the applicable Approved Subdivision to be subject to any suspension, disqualification, or disapproval by FHA, FNMA, VA, FHLMC, or any similar governmental or quasi-governmental agency that originates, purchases, insures or guarantees home mortgage loans, if the applicable Approved Subdivision has been qualified with any such agency and any of the Units are proposed to be sold with the benefits of such qualification.

(l) Flood Insurance. Borrower shall have (i) obtained a National Flood Insurance Association standard flood insurance policy, plus insurance from a private insurance carrier, if necessary, for the duration of the Loan in the amount of the full insurable value of the improvements or (ii) provided evidence reasonably satisfactory to Administrative Agent that neither the applicable Approved Subdivision nor any part thereof lies within a "special flood hazard area" as designated on maps prepared by the Department of Housing and Urban Development.

(m) Utilities. If requested by Administrative Agent, Borrower shall have delivered to Administrative Agent evidence reasonably satisfactory to Administrative Agent, which may be in the form of "will serve" letters from local utility companies or local authorities, that (i) telephone service, electric power, storm sewer (if applicable), sanitary sewer (if applicable), and water facilities will be available to each Lot in the applicable Approved Subdivision, (ii) such utilities will be adequate to serve the Lots in the applicable Approved Subdivision, and (iii) upon completion of the Lot Improvements, no conditions will exist to affect Borrower's right to connect into and have adequate use of such utilities, except for the payment of a normal connection charge or tap charges and except for the payment of subsequent charges for such services to the utility supplier.

(n) Equity. Borrower shall have satisfied the provisions of Section 2.4(d) with respect to the applicable Approved Subdivision.

(o) Other Items. Borrower shall have provided to Administrative Agent and Administrative Agent shall have approved such other agreements, documents, and instruments as Administrative Agent may reasonably require. If any of the conditions precedent with respect to the applicable Approved Subdivision have not been satisfied as permitted in Section 4.2, such conditions precedent shall have been satisfied. Also if any additional conditions precedent are set forth in the applicable Subdivision Approval Letter (or in a separate post-closing agreement) such additional conditions precedent shall have been satisfied.

(p) Other Actions. Borrower has performed such other actions as Administrative Agent may reasonably require.

4.4 Qualification of Units as Eligible Collateral. Borrower may include and maintain a Unit in Eligible Collateral only if the following conditions precedent are satisfied, at all times that such Unit is included in Eligible Collateral:

(a) No Defaults. No Event of Default or Default shall have occurred and be

continuing.

(b) Limitations. The addition of such Unit to the Borrowing Base will not cause the provisions of Article 3 to be violated.

(c) Lot. Such Unit is in an Approved Subdivision and the Lots in such Subdivisions shall be Finished Lots.

(d) Construction Contracts. If requested by Administrative Agent, Borrower shall have provided and Administrative Agent shall have approved copies of all executed contracts between Borrower (or the applicable Project Owner) and the licensed contractors retained by Borrower (or the applicable Project Owner) to construct the Unit. Also, if requested by Administrative Agent, Borrower shall have provided to Administrative Agent a copy of each construction subcontract, architectural agreement, engineering agreement, and other agreements, documents and contracts relating to construction of the Unit, together with assignments of such agreements, documents and contracts to the extent required by Administrative Agent. The contract price in each such agreement, document and contract must be within the budgeted amount in the Unit Budget. Such agreements, documents and contracts shall be in form and content reasonably satisfactory to Administrative Agent.

(e) Unit Plans and Specifications. If requested by Administrative Agent, Borrower shall have provided to Administrative Agent and Administrative Agent shall have approved Unit Plans and Specifications for the type of Unit in question.

(f) Permits. If requested by Administrative Agent, Borrower shall have provided to Administrative Agent and Administrative Agent shall have approved evidence that Borrower has obtained all Approvals and Permits necessary to permit the construction and sale of the Unit, including, without limitation, all applicable public reports, architectural committee approvals, and any other approvals required under the CC&Rs.

(g) Unit Budget. Borrower shall have provided to Administrative Agent and Administrative Agent shall have approved a Unit Budget for the type of Unit in question.

(h) Unit Appraisal. Administrative Agent shall have received and approved an Appraisal for the type of Unit. The Appraised Value for the type of Unit shall have been approved by Administrative Agent.

(i) Final Approved Subdivision Map or Plat. Borrower shall have delivered to Administrative Agent the final subdivision plat or map for the Approved Subdivision and such final subdivision plat or map shall have been recorded or filed with the appropriate Governmental Authorities. Each map or plat must contain a legal description of the Approved Subdivision covered by the map, must describe and show all boundaries of and

lot lines within such Approved Subdivision, all streets and other dedications, and all easements affecting such Approved Subdivision, and must contain such information as Administrative Agent may reasonably request. In connection with the approval of plat and/or subdivision maps pursuant to this Section 4.4(i), Borrower will also deliver to Administrative Agent such title endorsements insuring the continued priority of the Deed of Trust after recording of the plat and/or subdivision maps as Administrative Agent may require. Borrower agrees to take such steps as Administrative Agent may require including (i) either re-recording the Deed of Trust or amending the Deed of Trust to reflect the new legal description, and (ii) obtaining an endorsement to the Title Policy to amend the legal description therein.

(j) Purchase Contract. If such Unit is a Presold Unit and if requested by Administrative Agent, Borrower shall have provided to Administrative Agent and Administrative Agent shall have approved a copy of the fully executed Purchase Contract for such Unit.

(k) Impositions, Assessments, and Charges. If requested by Administrative Agent, Borrower shall have provided to Administrative Agent and Administrative Agent shall have approved evidence that Impositions and all water, sewer, and other charges assessed against the Unit which are then due and payable have been paid in the amount required.

(l) Start of Construction. Construction of the Unit shall have commenced at least to the Unit Construction Threshold.

(m) Distressed Improvement Districts. Any improvement or assessment district in which the Unit is located shall not be insolvent under applicable law or subject to any bankruptcy or similar proceedings if such situation, in the reasonable opinion of Administrative Agent, would have a material adverse impact on development of Units or directly or indirectly cause the Approved Subdivision in which the Unit is to be built to be subject to any suspension, disqualification, or disapproval by FHA, FNMA, VA, FHLMC, or any similar governmental or quasi-governmental agency that originates, purchases, insures or guarantees home mortgage loans, if the Approved Subdivision has been qualified with any such agency and Units in the Approved Subdivision are proposed to be sold with the benefits of such qualification.

(n) Flood Insurance. Borrower shall have (i) obtained a National Flood Insurance Association standard flood insurance policy, plus insurance from a private insurance carrier, if necessary, for the duration of the Loan in the amount of the full insurable value of the improvements or (ii) provided evidence satisfactory to Administrative Agent that neither the Approved Subdivision nor any part thereof lies within a "special flood hazard area" as designated on maps prepared by the Department of Housing and Urban Development.

(o) Equity. Borrower shall have satisfied the provisions of Section 2.4(d) with respect to the applicable Unit.

(p) Other Items. Borrower shall have provided to Administrative Agent and Administrative Agent shall have approved such other agreements, documents, and instruments as Administrative Agent may reasonably require. If any of the conditions precedent with respect to the applicable Approved Subdivision have not been satisfied as permitted in Section 4.2, such conditions precedent shall have been satisfied. Also if any additional conditions precedent are set forth in the applicable Subdivision Approval Letter (or in a separate post-closing agreement) such additional conditions precedent shall have been satisfied.

(q) Other Actions. Borrower has performed such other actions as Administrative Agent may reasonably require.

4.5 Additional Conditions Precedent to Credit Extensions. The obligation of each Lender (including the Issuing Bank) to make a Credit Extension (including its initial Credit Extension) is additionally subject to the satisfaction of the following conditions, as determined by Administrative Agent:

(a) Defaults. No Event of Default or Default shall have occurred and be continuing on the date of such Revolving Loan, both before and after giving effect thereto.

(b) Representations and Warranties. The representations and warranties of the Borrower set forth in this Agreement and in any other Loan Document shall be true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects) on and as of the date of such Credit Extension (or, in the case of any such representation or warranty expressly stated to have been made as of a specific date, as of such specific date).

(c) Other Conditions Precedent. Borrower will have satisfied all conditions precedent to Revolving Loans and the issuance of Letters of Credit in this Agreement and the other Loan Documents.

(d) Inspection Report. If and to the extent required by Administrative Agent, Administrative Agent shall have received written evidence reasonably acceptable to Administrative Agent from Administrative Agent's inspectors or from Administrative Agent's employees performing inspections for Administrative Agent (i) that construction of all Lot Improvements and each Unit constituting Eligible Collateral complies with all Requirements, the A&D Lot Development Plans and Specifications, and the applicable Unit Plans and Specifications in all material respects, and (ii) that Borrower has completed all Lot Improvements and each such Unit to the stage reported on the most recent Borrowing Base Report received by Administrative Agent.

(e) Deed of Trust. Such Eligible Collateral shall be encumbered by a first lien Deed of Trust in favor of Administrative Agent, subject only to Permitted Exceptions.

(f) Lien Waivers. If requested by Administrative Agent, Borrower shall have provided to Administrative Agent invoices and vouchers for the work for which the Revolving Loan is requested and lien waivers for all work covered by prior Revolving Loans. Such lien waivers may be conditional, so long as the only condition is receipt of

payment for the work and Borrower includes with the conditional lien waiver a copy of the canceled check for payment or other evidence of payment.

(g) Approvals and Inspections by Governmental Authorities. If requested by Administrative Agent, all inspections and approvals by Governmental Authorities required for the stage of completion of each Unit shall have been obtained and Administrative Agent shall have received satisfactory evidence thereof or will have been provided access thereto satisfactory to Administrative Agent, or will have obtained such evidence upon inspection of the Approved Subdivision.

(h) Payment of Costs, Expenses, and Fees. All costs, expenses, and fees due to be paid by Borrower on or before the date of the Revolving Loan under the Loan Documents shall have been paid in full.

(i) Draw Request. Borrower will have delivered to Administrative Agent a Draw Request for such Revolving Loan.

(j) Limit on Total Outstanding. After giving effect to the requested Revolving Loan or the issuance of the Requested Letter of Credit, the Outstanding Credit Exposure will not violate the tests in Section 2.18 and no Remargining Payment will be required.

(k) Additional Opinion. As a further condition precedent to any Revolving Loan other than the Revolving Loan made on or about the Effective Date and in any event not more than thirty (30) days after the Effective Date, Borrower shall provide to Administrative Agent and the Lenders an opinion of counsel with respect to the Intercompany Subordination Agreement to the effect that that the junior creditors thereunder have the power and authority to enter into such agreement under applicable law and their Organizational Documents and that such agreement has been duly authorized, executed and delivered, which opinion shall be in form reasonably satisfactory to Administrative Agent and its counsel.

4.6 Right to Waive. Borrower authorizes Administrative Agent and Administrative Agent reserves the right to verify any documents and information submitted to it in connection with this Agreement. Administrative Agent may elect to waive any of the conditions precedent and requirements in this Article 4. Any such waiver will be limited to the conditions precedent and requirements in the applicable Sections of this Article 4. Delay or failure by Administrative Agent to insist on satisfaction of any condition precedent will not be a waiver of such condition precedent or any other condition precedent. The making of a Revolving Loan by Administrative Agent will not be deemed a waiver by Administrative Agent of the occurrence of an Event of Default or Default.

## ARTICLE 5
## BORROWER REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties. Borrower represents and warrants to Administrative Agent and each Lender that as of the Effective Date and as of the various other dates specified in this Agreement and the other Loan Documents on which such representations and warranties are to be accurate, the following:

(a) Formation and Authorization. Borrower is a limited liability company validly organized and existing in good standing under the laws of the State of Delaware, and is authorized to conduct business in California. Borrower is a Wholly-Owned Subsidiary of Parent. Each Project Owner and Intermediate Entity is a Wholly-Owned Subsidiary of Borrower (except with respect to the Permitted JV Interest). Borrower has requisite power and authority to execute, deliver, and perform the Loan Documents. The execution, delivery and performance by Borrower of the Loan Documents have been duly authorized by all requisite action by or on behalf of Borrower and will not conflict with or result in a violation of or a default under the formation documents of Borrower. Each other Loan Party is a corporation, partnership, or limited liability company validly organized and existing in good standing under the laws of the State of such Loan Party's formation and is authorized to conduct business in the State in which the Approved Subdivision is located. Each Loan Party has the requisite power and authority to execute, deliver, and perform the Loan Documents to which such Loan Party is a party. The execution, delivery and performance by each Loan Party of the Loan Documents to which it is a party have been duly authorized by all requisite action by or on behalf of such Loan Party and will not conflict with or result in a violation of or a default under any of the formation documents of such Loan Party.

(b) No Approvals, etc. No approval, authorization, bond, consent, certificate, franchise, license, permit, registration, qualification, or other action or grant by or filing with any Governmental Authority or other Person is required in connection with the execution, delivery, or performance (other than performance which is not yet due) by Borrower of any Loan Document. No approval, authorization, bond, consent, certificate, franchise, license, permit, registration, qualification, or other action or grant by or filing with any Governmental Authority or other Person is required in connection with the execution, delivery, or performance (other than performance which is not yet due) by any Loan Party of any Loan Document.

(c) No Conflicts. The execution, delivery, and performance by Borrower and, as applicable, each other Loan Party, of the Loan Documents will not conflict with or result in a violation of or a default under (i) any applicable Law, ordinance, regulation, or rule (federal, state, or local), (ii) any judgment, order, or decree of any arbitrator, other private adjudicator, or Governmental Authority to which Borrower or such Loan Party is a party or by which Borrower or such Loan Party is bound, (iii) any of the Approvals and Permits, or (iv) any agreement, document, or instrument to which Borrower or such Loan Party is a party or by which Borrower or such Loan Party or any of the assets of Borrower or such Loan Party is bound.

(d) Execution and Delivery and Binding Nature of Loan Documents. The Loan Documents are legal, valid, and binding obligations of Borrower, enforceable in accordance with their terms against Borrower, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization, or similar laws and by equitable principles of general application. With respect to each Loan Party, the Loan Documents to which such Loan Party is a party are legal, valid, and binding obligations of such Loan Party, enforceable in accordance with their terms against such Loan Party, except as such

enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization, or similar laws and by equitable principles of general application.

(e) Accurate Information. All information in any loan application, financial statement (other than financial projections), certificate, or other document, and all other information delivered by or on behalf of Borrower or any other Loan Party to Administrative Agent and the Lenders in connection with the Loan is correct and complete in all material respects as of the date thereof, and there are no omissions from any such information that result in any such information being materially incomplete, incorrect, or misleading as of the date thereof. Borrower does not have any knowledge of any material change in any such information. All financial statements (other than financial projections) heretofore delivered to Administrative Agent and the Lenders by Borrower or any Loan Party were prepared in accordance with the requirements in Section 6.4 and accurately present the financial conditions and results of operations as at the dates thereof and for the periods covered thereby in all material respects. All financial projections have been and will be prepared in accordance with the requirements of this Agreement, will be complete in all material respects as of the date thereof, and will be based on the applicable Person's best good faith estimates, compiled and prepared with due diligence, of the matters set forth therein. Since the Effective Date, no Material Adverse Change has occurred. There is no material fact (i) with respect to any Approved Subdivision or the business and operations of Borrower or any Loan Party that Borrower has not disclosed to Administrative Agent and the Lenders in writing. Neither the financial statements nor any other certificate or document delivered herewith or heretofore by Borrower or any Loan Party to Administrative Agent in connection with negotiation of this Agreement and the other Loan Documents contains any untrue statement of material fact or omits to state any material fact necessary to keep the statements contained herein and therein from being untrue or misleading.

(f) Purpose of Revolving Loans. The purpose of each Revolving Loan is as set forth in Section 2.4(b). The purpose of Revolving Loans is a business purpose and not a personal, family, or household purpose.

(g) Legal Proceedings, Hearings, Inquiries, and Investigations. Except as disclosed to Administrative Agent in writing prior to the date of this Agreement:

(i) No legal proceeding, individually or in the aggregate with related proceedings, involving a sum of $250,000.00 or more in the case of any Loan Party other than Parent, and involving a sum of $500,000 or more in the case of Parent, is pending or, to best knowledge of Borrower, threatened in writing before any arbitrator, other private adjudicator, or Governmental Authority to which Borrower or any Loan Party is a party or by which Borrower or any Loan Party, or any assets of Borrower or any Loan Party, may be bound or affected that if resolved adversely to Borrower or the applicable Loan Party could result in a Material Adverse Change.

(ii) No hearing, inquiry, or investigation relating to Borrower or any Loan Party, or any assets of Borrower or any Loan Party, is pending or, to the best

knowledge of Borrower or any Loan Party, threatened by any Governmental Authority that if resolved adversely to Borrower or any Loan Party could result in a Material Adverse Change.

(h) No Defaults. No Event of Default or Default has occurred and is continuing.

(i) Approvals and Permits; Assets and Property. Borrower and each Loan Party has obtained and there are in full force and effect all Approvals and Permits presently necessary for the conduct of the business of Borrower and each Loan Party, and Borrower and each Loan Party owns, leases, or licenses all assets necessary for conduct of the business and operations of Borrower and each Loan Party, except as otherwise permitted pursuant to this Agreement. The assets of Borrower are not subject to any Liens and Encumbrances, other than (i) the Liens and Encumbrances created pursuant to this Agreement or any other Loan Document, (ii) the Permitted Exceptions with respect to property encumbered by the Deed of Trust, and (iii) with respect to other assets of Borrower, the Intermediate Entities and the Project Owners that are not encumbered by the Deed of Trust, Liens and Encumbrances other Liens and Encumbrances expressly permitted hereby.

(j) Impositions. Except as otherwise permitted pursuant to Section 6.6, Borrower and each other Loan Party has filed or caused to be filed all tax returns (federal, state, and local) required to be filed by Borrower or such Loan Party and has paid or caused to be paid all Impositions and other amounts shown thereon to be due (including, without limitation, any interest or penalties) except for any failure to so file or to so pay that would not, individually or in the aggregate, be materially adverse to the business properties, assets, operations or condition (financial or otherwise) of Borrower or any other Loan Party.

(k) Compliance With Law. Other than noncompliance with applicable building codes which is not material, is not unusual in the ordinary course of business, and is correctable (and is in the process of being corrected) by Borrower or the applicable Project Owner, none of Borrower, any Project Owner, any Approved Subdivision, any Lots or Units is in violation of any Law.

(l) A&D Lot Development Budget, Plans and Specifications, and Construction Contract(s). Each A&D Lot Development Budget (as updated from time to time) contains all costs, expenses, and fees anticipated to be incurred by Borrower and its Subsidiaries in connection with acquisition of the applicable Approved Subdivision and, if applicable, construction of the Lot Improvements. All A&D Lot Development Plans and Specifications and related working drawings for such Approved Subdivision are and will be an accurate and complete description, in all material respects, of the Lot Improvements in such Approved Subdivision. The construction contracts relating to the construction of the Lot Improvements provide for all work and materials anticipated to be necessary to construct and all payments necessary to pay for the construction of the Lot Improvements.

(m) Unit Budget, Unit Plans and Specifications, and Construction Contracts. Each Unit Budget (as updated from time to time) contains all costs, expenses, and fees

anticipated to be incurred by Borrower or the applicable Project Owner in connection with the respective type of Unit. The Unit Plans and Specifications and related working drawings are an accurate and complete description of each Unit included or to be included as Eligible Collateral. The construction contracts relating to the construction of each such Unit provide for all work and materials anticipated to be necessary to construct and all payments necessary to pay for the construction of such Unit.

(n) Additional Representations and Agreements Relating to Collateral.

(i) Ownership. Except as permitted pursuant to Section 6.3(b), Borrower or the applicable Project Owner is and will at all times be the legal and equitable owner of the Collateral, free and clear of all Liens and Encumbrances, except for the Deed of Trust and the Permitted Exceptions.

(ii) Authority to Encumber. Borrower and each other Loan Party has and will continue to have the full right and authority to encumber all of the Collateral, including each of the Lots and Units included or to be included in Eligible Collateral.

(iii) Validity of the Lien and Encumbrance Created by the Deed of Trust. The Lien and Encumbrance created by each Deed of Trust is (A) legal, valid, binding and enforceable (subject to applicable bankruptcy, insolvency and similar laws generally affecting the rights of creditors and the enforcement of debtors' obligations and by general principles of equity, regardless of whether enforcement is sought in a proceeding in equity or at law) and (B) is first priority except for Permitted Exceptions (other than Permitted Exceptions that are required to be subordinated to the Deed of Trust).

(iv) Borrowing Base Classification. The classification and Collateral Value of all Eligible Collateral included in the Borrowing Base is true and correct as of the most recent date of determination and all of the representations and warranties set forth in the most recent Borrowing Base Report as of each date of determination are true and correct.

(v) Governmental Approvals. With respect to each Approved Subdivision, Borrower and the applicable Project Owner have all material approvals from Governmental Authorities and all building permits necessary given the stage of development of the Approved Subdivision. The zoning classification of each item of Collateral is appropriate for the current use thereof.

(vi) Compliance With Law. None of Borrower, the Project Owners, the Approved Subdivisions, the Lot Improvements, the Lots or the Units is in violation of any Law to the extent such violation could reasonably be expected to cause a Material Adverse Change.

(vii) No Condemnation. No condemnation proceedings or moratorium is pending, or to the best of Borrower's knowledge, threatened against any Approved

Subdivisions or any portion thereof which could reasonably be expected to result in a Material Adverse Change.

(viii) Finished Lots. Each Unit included in the Borrowing Base is constructed or being constructed on a Finished Lot. Except to the extent a Subdivision Approval Letter allows A&D Lots to be included in the Eligible Collateral, each Approved Subdivision consists of Finished Lots.

(o) Use of Proceeds; Margin Stock. The proceeds of the Revolving Loans will be used by Borrower solely for the purposes specified in this Agreement. None of such proceeds will be used for the purpose of purchasing or carrying any "margin stock" as defined in Regulation U or G of the Board of Governors of the Federal Reserve System (12 C.F.R. Part 221 and 207), or for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry margin stock or for any other purpose which might constitute this transaction a "purpose credit" within the meaning of such Regulation U or G. Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock. Neither Borrower nor any Person acting on behalf of Borrower has taken or will take any action which might cause this Agreement or any other Loan Document to violate Regulation U or G or any other regulations of the Board of Governors of the Federal Reserve System or to violate Section 7 of the Securities Exchange Act of 1934, or any rule or regulation thereunder, in each case as now in effect or as the same may hereafter be in effect. Borrower and its subsidiaries own no "margin stock".

(p) Governmental Regulation. Borrower is not subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Investment Company Act of 1940, the Interstate Commerce Act (as any of the preceding have been amended), or any other law which regulates the incurring by Borrower of indebtedness, including but not limited to laws relating to common or contract carriers or the sale of electricity, gas, steam, water, or other public utility services.

(q) ERISA Compliance.

(i) Except as could not reasonably be expected, either individually or in the aggregate, cause a Material Adverse Change, (i) each Plan is in compliance with the applicable provisions of ERISA, the Code and other federal or state Laws and (ii) each Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter from the IRS to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the IRS to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the IRS, and, to the knowledge of Borrower, nothing has occurred that would prevent or cause the loss of such tax-qualified status.

(ii) There are no pending or, to the knowledge of Borrower, threatened or contemplated claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that, either individually or in the aggregate, could reasonably be expected to cause a Material Adverse Change. There has been

no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that, either individually or in the aggregate, has had or could reasonably be expected to cause a Material Adverse Change.

(iii) No ERISA Event has occurred, and neither Borrower nor any ERISA Affiliate is aware of any fact, event or circumstance that, either individually or in the aggregate, could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan that, either individually or in the aggregate, has had or could reasonably be expected to cause a Material Adverse Change.

(iv) The present value of all accrued benefits under each Pension Plan (based on those assumptions used to fund such Pension Plan) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Pension Plan allocable to such accrued benefits by a material amount. As of the most recent valuation date for each Multiemployer Plan, the potential liability of Borrower or any ERISA Affiliate for a complete withdrawal from such Multiemployer Plan (within the meaning of Section 4203 or Section 4205 of ERISA), when aggregated with such potential liability for a complete withdrawal from all Multiemployer Plans, is zero.

(v) To the extent applicable, each Foreign Plan has been maintained in compliance with its terms and with the requirements of any and all applicable requirements of Law and has been maintained, where required, in good standing with applicable regulatory authorities, except to the extent that the failure so to comply could not reasonably be expected, either individually or in the aggregate, to cause a Material Adverse Change. Neither Borrower nor any Subsidiary has incurred any material obligation in connection with the termination of or withdrawal from any Foreign Plan. The present value of the accrued benefit liabilities (whether or not vested) under each Foreign Plan that is funded, determined as of the end of the most recently ended fiscal year of Borrower or Subsidiary, as applicable, on the basis of actuarial assumptions, each of which is reasonable, did not exceed the current value of the property of such Foreign Plan by a material amount, and for each Foreign Plan that is not funded, the obligations of such Foreign Plan are properly accrued.

(r) Sanctions; Anti-Corruption.

(i) None of Borrower, Parent, any of their respective Subsidiaries or any director, officer, employee, agent, or affiliate of Parent, Borrower or any of their respective Subsidiaries is an individual or entity ("person") that is, or is owned or controlled by persons that are: (A) the subject of any sanctions administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority (collectively, "Sanctions"), or (B) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions (including Crimea, Cuba, Iran, North Korea, Sudan and Syria).

(ii) Parent, Borrower, their respective Subsidiaries and their respective directors, officers and employees and, to the knowledge of Borrower, the agents of Borrower and its Subsidiaries, are in compliance with all applicable Sanctions and with the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA") and any other applicable anti-corruption law, in all material respects. Parent, Borrower and their respective Subsidiaries have instituted and maintain policies and procedures designed to ensure continued compliance with applicable Sanctions, the FCPA and any other applicable anti-corruption laws.

(s) Solvency. Each Loan Party is Solvent.

5.2 Representations and Warranties Upon Requests for Revolving Loans. Each request for a Revolving Loan or the issuance, renewal or amendment of a Letter of Credit will be a representation and warranty by Borrower that all of the representations and warranties in this Article 5 and in the other Loan Documents are correct and complete as of the date of the Revolving Loan request and as of the date that the Revolving Loan is made (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date).

5.3 Representations and Warranties Upon Delivery of Financial Statements, Documents, and Other Information. Each delivery by Borrower of financial statements, other documents, or information after the date of this Agreement (including, without limitation, documents and information delivered in obtaining a Revolving Loan) will be a representation and warranty to Administrative Agent by Borrower that such financial statements, other documents, or information (other than financial projections) are correct and complete in all material respects, that there are no material omissions therefrom that result in such financial statements, other documents, or information being materially incomplete, incorrect, or misleading as of the date thereof, and that such financial statements accurately present the financial condition and results of operations of the subject thereof as at the dates thereof and for the periods covered thereby. Each delivery by Borrower of financial projections is a representation and warranty to Administrative Agent by Borrower that such financial projections have been prepared in accordance with the requirements in this Agreement, are complete in all material respects as of the date thereof, and are based on Borrower's best good faith estimates, compiled and prepared with due diligence, of the matters set forth therein.

## ARTICLE 6
## AFFIRMATIVE COVENANTS

The following covenants shall apply until the all Obligations of Borrower are paid and performed in full and Administrative Agent, Issuing Bank and Lenders have no further obligation to make any Credit Extensions to Borrower or any other Loan Party:

6.1 Corporate Existence. Borrower agrees that Borrower shall continue to be a limited liability company validly existing, and in good standing under the laws of the State of Delaware.

6.2 Books and Records; Access. Borrower agrees that Borrower and its Subsidiaries will maintain a standard, modern system of accounting (including, without limitation, a single,

complete, and accurate set of books and records of its assets, business, financial condition, operations, prospects and results of operation) in accordance with GAAP. Borrower also agrees to maintain, and to cause each Project Owner to maintain, complete and accurate records regarding the acquisition, development and construction of Approved Subdivisions and Units, including, without limitation, all construction contracts, architectural contracts, engineering contracts, field and inspection reports, applications for payment, estimates and analyses regarding construction costs, names and addresses of all contractors and subcontractors performing work or providing materials or supplies with respect to the development and construction of Approved Subdivisions and Units, invoices and bills of sale for all costs and expenses incurred by contractors and subcontractors in connection with the development and construction of Lots and Units, payment, performance and other surety bonds (if applicable), releases and waivers of lien for all such work performed and materials supplied, evidence of completion of all inspections required by any Governmental Authority, certificates of substantial completion, notices of completion, surveys, as-built plans, Approvals and Permits, Purchase Contracts, escrow instructions, records regarding all sales of Lots and Units, and all other documents and instruments relating to the acquisition, development, construction and/or sale of Lots and Units. Borrower also agrees that books and records required to be maintained by Borrower pursuant to this Section 6.2 shall be maintained for a period of time following payment in full of the Obligations and termination of the Commitment at least equal to the statute of limitations period within which Administrative Agent or Lenders would be entitled to commence an action with respect to the Obligations. During business hours, and so long as no Event of Default has occurred and is continuing, with twenty-four (24) hours prior notice Borrower will give representatives of Administrative Agent access to Borrower's and each of Borrower's Subsidiaries' respective assets, property, books, records, and documents and will permit such representatives to inspect such assets and property and to audit, copy, examine, and make excerpts from such books, records, and documents. Upon request by Administrative Agent, Borrower will also provide Administrative Agent with copies of the reports, documents, agreements, and other instruments described in this Section 6.2.

6.3 Covenants Relating to Collateral. Borrower agrees:

(a) Defense of Title. Borrower will, and will cause each Project Owner to, defend the Collateral, the title and interest therein of Borrower and each other Loan Party represented and warranted in the Deed of Trust and this Agreement, and the legality, validity, binding nature, and enforceability of the Lien and Encumbrance contained in the Deed of Trust and the first priority of the Deed of Trust against all matters, including, without limitation, (i) any attachment, levy, or other seizure by legal process or otherwise of any or all such Collateral, (ii) except for Permitted Exceptions, any Lien or Encumbrance or claim thereof on any or all such Collateral, (iii) any attempt to foreclose, conduct a trustee's sale, or otherwise realize upon any or all Collateral under any Lien or Encumbrance, regardless of whether a Permitted Exception and regardless of whether junior or senior to the Deed of Trust, and (iv) any claim questioning the legality, validity, binding nature, enforceability, or priority of the Deed of Trust. Borrower will notify Administrative Agent promptly in writing of any of the foregoing and will provide such information with respect thereto as Administrative Agent may from time to time request.

(b) No Encumbrances. Borrower will not, and will not cause or permit any Subsidiary of Borrower to, sell, assign, transfer or otherwise dispose of, or grant any option

with respect to, or pledge or otherwise encumber, any of the Collateral or any interest therein or any fixtures thereof or proceeds thereof, except for (i) the Permitted Exceptions and (ii) sales and transfers in connection with releases permitted pursuant to Section 2.17.

(c) Utilities. Borrower will, and will cause each Project Owner to, provide or cause to be provided all telephone service, electric power, storm sewer (if required), sanitary sewer (if required) and water facilities for each Lot and each Unit in Approved Subdivisions, and such utilities will be adequate to serve such Lots and Units. No condition will exist to affect Borrower's or any of Borrower's Subsidiaries' right to connect into and have adequate use of such utilities, except for the payment of normal connection charges or tap charges and except for the payment of subsequent charges for such services to the utility supplier.

(d) Contracts. Borrower will, and will cause each Project Owner to, perform all of their respective material obligations under any contracts and agreements relating to the construction of Units and will pay all amounts thereunder as and when due, except to the extent such amounts are contested in accordance with the definition of Permitted Exceptions. Borrower (or the applicable Project Owner) will be the sole owner of all A&D Lot Development Plans and Specifications or, to the extent that Borrower (or the applicable Project Owner) is not the sole owner of all A&D Lot Development Plans and Specifications, Borrower (or the applicable Project Owner) will have the unconditional right to use such A&D Lot Development Plans and Specifications in connection with the construction of Lot Improvements. Administrative Agent will not be restricted in any way in use of such A&D Lot Development Plans and Specifications in connection with the construction of any Lot Improvements, and Borrower (or the applicable Project Owner) will obtain all consents and authorizations necessary for the use of such A&D Lot Development Plans and Specifications by Administrative Agent. Borrower (or the applicable Project Owner) will be the sole owner of all Unit Plans and Specifications or, to the extent that Borrower is not the sole owner of such Unit Plans and Specifications, Borrower (and the applicable Project Owner) will have the unconditional right to use all Unit Plans and Specifications in connection with the construction of Units. Administrative Agent will not be restricted in any way in use of such Unit Plans and Specifications in connection with the construction of any Units, and Borrower will obtain all consents and authorizations necessary for the use of such Unit Plans and Specifications by Administrative Agent during the continuation of an Event of Default.

(e) No Residential Use. The Lots and Units from time to time encumbered by the Deed of Trust are held only for construction and eventual sale to its first occupant upon or after release from the lien of the Deed of Trust. Borrower (i) represents and warrants that Borrower has no intent to ever permit the occupancy of any Unit as a residence and (ii) agrees that Borrower will never, and will not permit any other Person to, so occupy, lease or permit occupancy of any Unit without the prior written consent of Administrative Agent in its sole and absolute discretion.

(f) Flood Insurance. Unless insurance in accordance with Section 6.8(f) will first have been obtained, no Unit will be located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards and

in which flood insurance has been made available under the National Flood Insurance Act of 1968.

(g) Compliance with Permitted Exceptions. Borrower will, and will cause each of Borrower's Subsidiaries to, keep and maintain in full force and effect all restrictive covenants, development agreements, easements and other agreements with Governmental Authorities and other Persons that are necessary or desirable for the use and occupancy of the Approved Subdivision and the sale of Units therein. Borrower will not, and will not cause or permit any of Borrower's Subsidiaries to, default in any material respect under any such covenants, development agreements, easements and other agreements and will diligently enforce its rights thereunder.

(h) Model Complexes. With respect to each Approved Subdivision, unless otherwise agreed by Administrative Agent, Borrower will, and will cause each Project Owner to, maintain an active complex of Model Units representing some of the Unit types available for sale in such Approved Subdivision and, except with respect to Sale Leaseback Transactions of Model Units with respect to which Borrower has complied with Section 2.17(d), grant or cause to be grant to Administrative Agent a first priority Deed of Trust covering such Model Units which will be and remain as Collateral and will not be subject to release, until such time as Lots remaining in such Approved Subdivision are sold and released pursuant to Section 2.17.

(i) Title Policy Endorsements. If required by Administrative Agent, Borrower will provide (i) such continuation endorsements and date down endorsements to the Title Policy, in form and substance satisfactory to Administrative Agent, as Administrative Agent determines necessary to insure the priority of the Deed of Trust as a valid first lien on the Collateral, or (ii) an unconditional and irrevocable written commitment by the Title Company to issue such endorsements. Borrower agrees to furnish to the Title Company such surveys and other documents and information as Administrative Agent or the Title Company may require for the Title Company to issue such endorsements.

(j) Improvement Districts. Without obtaining the prior written consent of Administrative Agent, Borrower will not, and will not permit any Subsidiary of Borrower to, consent to, or vote in favor of, the inclusion of all or any part of the Collateral in any community facilities district or other improvement district. Borrower will give immediate notice to Administrative Agent of any notification or advice that Borrower or any Subsidiary of Borrower may receive from any municipality or other third party of any action, contract or other proceeding the purpose of which is to include all or any part of the Collateral in a community facilities district or other improvement district. Upon prior written notice to Borrower, Administrative Agent shall have the right to file a written objection to the inclusion of all or any part of the Collateral in a community facilities district or other improvement district, either in its own name or in the name of Borrower (or the applicable Subsidiary), and to appear at, and participate in, any hearing with respect to the formation of any such district.

6.4 Information and Statements. Borrower will furnish the following information and statements to Administrative Agent:

(a) Annual Statements - Borrower. Within one hundred twenty (120) days after the close of each Fiscal Year of Borrower unqualified financial statements of Borrower, certified and signed by the chief financial officer of Borrower in form satisfactory to Administrative Agent, prepared in accordance with GAAP in each case on a consolidated and consolidating basis, including balance sheets as of the end of such Fiscal Year and statements of income and retained earnings and a statement of cash flows, and setting forth in comparative form the balance sheet, income statement, retained earnings and cash flow figures for the preceding Fiscal Year.

(b) Annual Statements - Parent. Within one hundred twenty (120) days after the close of each Fiscal Year of Parent unqualified, audited annual financial statements of Parent, certified and signed by the chief financial officer of Parent in form satisfactory to Administrative Agent, and audited by PricewaterhouseCoopers or another nationally recognized independent certified public accountants reasonably acceptable to Administrative Agent, prepared in accordance with GAAP in each case on a consolidated and consolidating basis, including balance sheets as of the end of such Fiscal Year and statements of income and retained earnings and a statement of cash flows, and setting forth in comparative form the balance sheet, income statement, retained earnings and cash flow figures for the preceding Fiscal Year.

(c) Quarterly Financial Statements - Borrower. Within sixty (60) days after the close of each quarterly period of each Fiscal Year, company-prepared financial statements for Borrower on a consolidated and consolidating basis, including balance sheets as of the end of such period, statements of income and retained earnings and a statement of cash flows, in each case for the portion of the Fiscal Year ending with such fiscal period, all certified and signed by the chief financial officer of Borrower in form satisfactory to Administrative Agent. All consolidated and consolidating balance sheets shall set forth in comparative form figures for the preceding year end and the corresponding period in the preceding Fiscal Year. All such income statements shall reflect year-to-date figures.

(d) Quarterly Financial Statements - Parent. Within sixty (60) days after the close of each quarterly period of each Fiscal Year, company-prepared financial statements for Parent on a consolidated and consolidating basis, including balance sheets as of the end of such period, statements of income and retained earnings and a statement of cash flows, in each case for the portion of the Fiscal Year ending with such fiscal period, all certified and signed by the chief financial officer of Parent in form satisfactory to Administrative Agent. All consolidated and consolidating balance sheets shall set forth in comparative form figures for the preceding year end and the corresponding period in the preceding Fiscal Year. All such income statements shall reflect year-to-date figures. Such quarterly financial statements of Parent shall also include a list of all outstanding Guarantees by Parent (including, without limitation, payment, completion, and so-called “bad boy” guaranties) and such information regarding such Guarantees (including copies thereof and any actual or potential claims or demands thereon) as Administrative Agent may reasonably request.

(e) Monthly Sales Reports. Within fifteen (15) days after the end of each month, sales reports in form reasonably satisfactory to Administrative Agent reflecting Borrower's and the Project Owners' sales of all residential units in Borrower's and each Project Owner's projects (including, but not limited to, the Approved Subdivisions).

(f) Weekly Reports. On or before the last business day of each week, a report of sales and closings for Borrower in the Approved Subdivision during the previous week which shall include backlog, periodic and cumulative sales and closing activities.

(g) Borrowing Base Reports. Monthly, as and when required pursuant to Section 3.7, a Borrowing Base Report and Collateral Certificate.

(h) Projections. On or before March 31 of each Fiscal Year, Borrower shall provide projections and budgets of Parent for such Fiscal Year, which shall be in form and content satisfactory to Administrative Agent and shall include Parent's projections of the Gross Profit Margin and Net Profit Margin for such Fiscal Year. The Gross Profit Margin and Net Profit Margin shall be subject to review and adjustment by Administrative Agent and upon Administrative Agent's approval (subject to the limitations on the minimum Gross Profit Margin and Net Profit Margin in Sections 7.13(f) and 7.13(g)) shall be the applicable Gross Profit Margin and Net Profit Margin for purposes of the financial covenants in Sections 7.13(f) and 7.13(g).

(i) Other Reports. As and when requested by Administrative Agent, such other periodic reports, documents, and schedules as may be requested by Administrative Agent from time to time.

(j) Compliance Information. All annual financial statements pursuant to Sections 6.4(a) and 6.4(b) and all quarterly financial statements pursuant to Sections 6.4(c) and 6.4(d) will also be accompanied by a Compliance Certificate signed by the chief financial officer of the reporting entity. Notwithstanding anything in this Agreement to the contrary, Borrower and Parent shall timely deliver such financial information as may be necessary to promptly and accurately calculate any financial ratio or covenant required under this Agreement even if such information is not specifically enumerated herein. Any review of any financial statements provided by Borrower or Parent used to test any financial ratio or covenant will not waive Administrative Agent's rights to require further review or audit of such information or any rights if such further review or audit indicates financial information contrary to the financial statements provided by Borrower.

(k) Additional Notices. Borrower will promptly notify the Administrative Agent and each Lender of:

(i) the occurrence of any Default;

(ii) the filing or commencement of any action, suit, investigation or proceeding by or before any arbitrator or Governmental Authority against or affecting Borrower or any Affiliate thereof, including pursuant to any applicable Environmental Laws, that could reasonably be expected to be adversely determined, and, if so determined, could reasonably be expected to result in liability

of Borrower, Parent, or their respective Subsidiaries in an aggregate amount exceeding $100,000 or otherwise result in a Material Adverse Change;

(iii) the occurrence of any ERISA Event that, either individually or together with any other ERISA Events, could reasonably be expected to result in liability of Borrower, Parent, or their respective Subsidiaries in an aggregate amount exceeding $100,000 or otherwise result in a Material Adverse Change;

(iv) notice of any action arising under any Environmental Law or of any noncompliance by Borrower or any Subsidiary with any Environmental Law or any permit, approval, license or other authorization required thereunder that, if adversely determined, could reasonably be expected result in liability of Borrower, Parent, or their respective Subsidiaries in an aggregate amount exceeding $100,000 or otherwise result in a Material Adverse Change;

(v) any material change in accounting or financial reporting practices by Borrower, Parent or any of their respective Subsidiaries;

(vi) any matter or development that has had or could reasonably be expected to result in a Material Adverse Change.

(vii) Each notice delivered under this Section shall be accompanied by a statement of a Responsible Officer of Borrower setting forth the details of the occurrence requiring such notice and stating what action Borrower has taken and proposes to take with respect thereto.

(l) Other Items and Information. Borrower shall also provide such other information concerning Borrower, each Loan Party, the Approved Subdivisions, Lots and Units, and the assets, business, financial condition, operations, prospects, and results of operations of Borrower and the other Loan Parties as Administrative Agent reasonably requests from time to time. Such other items shall include, without limitation, Borrower's certification that all Purchase Contracts with respect to Units included in Eligible Collateral satisfy the requirements of this Agreement.

6.5 Law; Judgments; Material Agreements; Approvals and Permits. Borrower agrees that Borrower will comply with, and cause each of Borrower's Subsidiaries to comply with, all laws, ordinances, regulations, and rules (federal, state, and local) and all judgments, orders, and decrees of any arbitrator, other private adjudicator, or Governmental Authority relating to Borrower, any Subsidiary of Borrower, the Approved Subdivisions, any Lots, any Units or the other assets, business, or operations of Borrower or any Subsidiary of Borrower. Borrower also agrees to comply with, and cause each of Borrower's Subsidiaries to comply with, all material agreements, documents, and instruments to which Borrower, of any Subsidiary of Borrower, is a party or by which Borrower, and Subsidiary of Borrower, the Approved Subdivisions, any Lots, any Units, or any of the other assets of Borrower or any Subsidiary of Borrower are bound or affected. Borrower also agrees to comply with, and cause each Subsidiary of Borrower to comply with, all Requirements (including, without limitation, as applicable, requirements of the Federal Housing Administration and the Veterans Administration) and all conditions and requirements of

all Approvals and Permits. Borrower, at its expense, will obtain and maintain in effect, and cause each Subsidiary of Borrower to obtain and maintain in effect, from time to time all Approvals and Permits required for the business activities and operations then being conducted by Borrower and its Subsidiaries and as may be required to enable Borrower and its Subsidiaries to comply with their respective obligations hereunder and under the other Loan Documents.

6.6 Impositions and Other Indebtedness. Except for amounts being contested as provided in paragraph (b) of the definition of Permitted Exceptions and other assessments in connection with an Approved Subdivision, Borrower will pay and discharge (a) before delinquency all Impositions affecting Borrower, any Subsidiary of Borrower or their respective assets, (b) when due all lawful claims (including, without limitation, claims for labor, materials, and supplies), which, if unpaid, might become a Lien or Encumbrance upon any of the assets of Borrower or any of its Subsidiaries, and (c) all its other Indebtedness, when due.

6.7 Assets and Property. Borrower will, and will cause each Subsidiary of Borrower to, maintain, keep, and preserve all of its assets (tangible and intangible) necessary or useful in the proper conduct of its business and operations in good working order and condition, ordinary wear and tear excepted.

6.8 Casualty and Liability Insurance. Borrower, at its expense, shall, and shall cause each Subsidiary of Borrower to, maintain and deliver to Administrative Agent policies of insurance providing the following:

(a) Liability. Commercial General Liability Insurance with limits of not less than $2,000,000.00 per occurrence combined single limit and $5,000,000.00 in the aggregate for the policy period, or in whatever higher amounts as may be required by Administrative Agent from time to time by notice to Borrower, and extended to cover: (i) Contractual Liability assumed by Borrower or any Subsidiary with defense provided in addition to policy limits for indemnities of the named insured, (ii) if any of the work is subcontracted, Independent Contractors Liability providing coverage in connection with such portion of the work which may be subcontracted, (iii) Broad Form Property Damage Liability, (iv) Products & Completed Operations for coverage, such coverage to apply for two (2) years following completion of construction, (v) waiver of subrogation against all parties named additional insured, (vi) severability of interest provision, and (vii) Personal Injury & Advertisers Liability.

(b) Automobile. If and to the extent Borrower owns any automobiles, Automobile Liability including coverage on owned, hired, and non-owned automobiles and other vehicles, if used in connection with the performance of the work, with Bodily Injury and Property Damage limits of not less than $2,000,000.00 per occurrence combined single limit, with a waiver of subrogation against all parties named as additional insured.

(c) Umbrella/Excess Liability. Borrower will maintain Umbrella/Excess Liability in excess of Commercial General Liability, Automobile Liability and Employers' Liability coverages which is at least as broad as these underlying policies with a limit of liability of $10,000,000.00.

(d) Special Cause of Loss. For all of the Improvements, a policy of standard "all risk" fire and extended coverage insurance, with vandalism and malicious mischief endorsements, to the extent of 100% of the full replacement value against "all risks of physical loss", including, without limitation, a guaranteed replacement cost and code compliance coverage endorsement including boiler and machinery insurance coverage, heating, air conditioning equipment, and other equipment of such nature, and insurance against loss or damage to personal property located on the Premises by fire and other hazards covered by such insurance (without any deductible clause unless approved in writing by Administrative Agent). Such policy shall, if required by Administrative Agent, contain an agreed value clause sufficient (as determined by Administrative Agent) to eliminate any risk of coinsurance. During the construction period, such policy shall be written in the so-called "Builder's Risk Completed Value Reporting Form", on an all-risk basis, with no co-insurance requirement, and shall contain a provision granting the insured permission to complete and/or occupy.

(e) Workers' Compensation. Workers' Compensation and Employer's Liability Insurance in accordance with the applicable Laws of the state in which the work is to be performed or of the state in which Borrower is obligated to pay compensation to employees engaged in the performance of the work. The policy limit under the Employer's Liability Insurance section shall not be less than $1,000,000.00 for any one accident.

(f) Flood. If an Approved Subdivision, or any part thereof, lies within a "special flood hazard area" as designated on maps prepared by the Department of Housing and Urban Development, a National Flood Insurance Association standard flood insurance policy, plus insurance from a private insurance carrier if necessary, for the duration of the Loan in the amount of the full insurable value of all improvements.

(g) Contractor. Each general contractor (or trade contractor if there is not a general contractor) for the Improvements shall be required to carry liability insurance of the type and providing the minimum limits set forth below:

(i) Worker's compensation insurance, disability benefits insurance and each other form of insurance which the general contractor is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the contractor who are located on or assigned to the Approved Subdivision.

(ii) Comprehensive general liability insurance on an occurrence basis providing coverage for:

Premises and Operations
Products and Completed Operations
Blanket Contractual Liability
Personal Injury Liability
Broad Form Property Damage
(including completed operations)
Explosion Hazard
Collapse Hazard
Underground Property Damage Hazard

Such policy shall have a limit of liability of not less than $2,000,000.00 per occurrence and $5,000,000.00 in the aggregate (combined single limit for personal injury, including bodily injury or death, and property damage).

(iii) If and to the extent the applicable contractor owns any automobiles, business auto liability including all owned, non-owned and hired autos with a limit of liability of not less than $2,000,000.00 (combined single limit for personal injury, including bodily injury or death, and property damage).

(iv) Excess "umbrella" liability providing liability insurance in excess of the coverages in clauses (a), (b) and (c) above with a limit of not less than $10,000,000.00.

(h) Architect. Each architect with respect to Units shall be required to provide architect's or engineer's professional liability insurance with a limit of liability of not less than $1,000,000.00. This policy shall permit claims to be filed thereunder for a period of not less than three (3) years after completion of the last Unit in the applicable Approved Subdivision.

(i) Engineer. Each soils engineer or environmental contractor shall be required to provide engineer's professional liability insurance with a limit of liability of not less than $1,000,000.00. This policy shall permit claims to be filed thereunder for a period of not less than three (3) years after completion of the last Unit in the applicable Approved Subdivision.

(j) Other Insurance. Such other insurance as Administrative Agent may require, which may include, without limitation, errors and omissions insurance with respect to the contractors, architects and engineers, earthquake insurance, rent abatement and/or business loss.

(k) Policy Requirements; Insurance Consultant. All insurance policies shall (a) be issued by an insurance company licensed or otherwise approved to do business in the state where the applicable Approved Subdivision is located having a rating of "A-" VIII or better by A.M. Best Co., in Best's Rating Guide, (b) name "Western Alliance Bank, as Administrative Agent for the benefit of the Lenders and any and all subsidiaries and their successors and/or assigns as their interests may appear" as additional insureds on all liability insurance and as mortgagee and loss payee on all all-risk property, flood insurance,

earthquake insurance and rent loss or business interruption insurance (whether or not required hereunder), (c) be endorsed to show that Borrower's insurance shall be primary and all insurance carried by Administrative Agent and the Lenders is strictly excess and secondary and shall not contribute with Borrower's insurance, (d) provide that Administrative Agent is to receive thirty (30) days written notice prior to non-renewal or cancellation, (e) be evidenced by a certificate of insurance to be provided to Administrative Agent along with a copy of the policy for All-Risk Property coverage or such other evidence of insurance acceptable to Administrative Agent in its reasonable discretion, (f) include either policy or binder numbers on the ACORD form, and (g) be in form and amounts acceptable to Administrative Agent; provided, however, that with respect to any flood insurance required hereunder, acceptable proof of coverage shall consist of a copy of the insurance policy, the declaration page of the insurance policy or an application plus proof of premium payment (with a copy of the policy or declaration page provided to Administrative Agent within thirty (30) days thereafter) and shall not include ACORD or other forms of certificates of insurance. Administrative Agent, at its option and upon notice to Borrower, may retain, at Borrower's expense, an insurance consultant to review the insurance for the Property and Improvements to confirm that it complies with the terms and conditions set forth herein.

(l) Other Requirements - California. Borrower acknowledges that Borrower has been advised by Administrative Agent of, and agrees that the requirements of this Section are in compliance with, the following legal limitation regarding hazard insurance coverage for the Approved Subdivisions pursuant to Civil Code Section 2955.5: "No lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property."

(m) Other Requirements - Arizona. Borrower acknowledges that Borrower has been advised by Administrative Agent of, and agrees that the requirements of this Section are in compliance with, the following legal limitation regarding hazard insurance coverage the Property pursuant to Arizona Revised Statutes Section 44-1208: ". . . . for any loan that is secured by real property, a person shall not require as a condition of the loan that Borrower obtain property insurance coverage in an amount that exceeds the replacement cost of the improvements as established by the property insurer."

6.9 ERISA.

(a) Borrower and the ERISA Affiliates each will take all actions and fulfill all conditions necessary to maintain any and all Plans in substantial compliance with applicable requirements of ERISA, the Code and applicable foreign law until such Plans are terminated, and the liabilities thereof discharged, in accordance with applicable Law.

(b) No Plan will have any "accumulated funding deficiency" (within the meaning of Section 412 of the Code), which deficiency could cause a Material Adverse Change.

(c) Borrower and the ERISA Affiliates each will take and fulfill all actions and conditions necessary to maintain, and will maintain, substantial compliance of any and all employee benefit plans established or maintained, or to which contributions are made by Borrower and the ERISA Affiliates with the requirements of ERISA and the rules and regulations adopted thereunder, in each case as in effect at the time.

(d) Borrower and each shareholder in Borrower shall continue to qualify at all times as an "operating company" pursuant to United States Department of Labor Regulation § 2510.3-101(c), and Borrower and each shareholder in Borrower shall otherwise act to ensure that the assets of Borrower and each member in Borrower are not "plan assets" of any employee benefit plan subject to the fiduciary responsibility requirements of ERISA, or, subject to receipt of prior notice by Administrative Agent and Administrative Agent's consent thereto, Borrower and each shareholder in Borrower shall otherwise ensure that an exemption from Section 406 of ERISA is available to cover the loan transaction with respect to each portion thereof.

6.10 Additional Covenants Relating to Construction.

(a) Commencement and Completion of Lot Improvements. Borrower agrees to cause Lot Improvements to be constructed in a good and workmanlike manner; in compliance with all applicable Requirements; and, unless otherwise consented to by Administrative Agent in advance in writing, in substantial accordance with the respective A&D Lot Development Plans and Specifications. Upon demand by Administrative Agent, Borrower will correct any material defect in the Lot Improvements or any material departure from any applicable Requirements or, to the extent not theretofore approved in writing by Administrative Agent, the respective A&D Lot Development Plans and Specifications. All Lot Improvements shall be substantially completed within the applicable schedule approved by Administrative Agent in connection with approval of the applicable Approved Subdivision.

(b) Commencement and Completion of Units. Borrower agrees to cause Units to be constructed in a good and workmanlike manner; in compliance with all applicable Requirements; and, unless otherwise consented to by Administrative Agent in advance in writing, in substantial accordance with the respective Unit Plans and Specifications. Upon demand by Administrative Agent, Borrower will correct any defect in its respective Units or any material departure from any applicable Requirements or, to the extent not theretofore approved in writing by Administrative Agent, the respective Unit Plans and Specifications. Each Unit shall be substantially completed within nine (9) months after the Unit Eligibility Date for such Unit.

(c) Change Orders. Borrower agrees that, except as provided in this paragraph, without Administrative Agent's prior written consent (not to be unreasonably withheld), Borrower will not, and will not permit any Subsidiary of Borrower to, (i) amend or modify the A&D Lot Development Budgets or the Unit Budgets, or (ii) make or permit any material amendments or modifications of the construction contracts for development of the Lots, the construction of Units, A&D Lot Development Plans and Specifications or the Unit Plans and Specifications, or any other agreements, documents, or instruments relating

to development of the Approved Subdivision and Units. Notwithstanding the provisions of this Section 6.10, Borrower shall not be required to obtain Administrative Agent's consent to any individual amendment or modification of such construction contract(s), A&D Lot Development Plans and Specifications, Unit Plans and Specifications, and the A&D Lot Development Budgets or the Unit Budgets, or any other agreements, documents, or instruments relating to construction of the Approved Subdivision if the result (when aggregated with all other increases) is an increase of the A&D Lot Development Budgets or Unit Budget, as applicable, equal to or less than the lesser of (i) 10% of the total original aggregate A&D Lot Development Budget or Unit Budget for the Approved Subdivision or (ii) $2,000,000 per Approved Subdivision. If Borrower requests approval of an increase in a Unit Budget, Administrative Agent will endeavor to respond to such request within ten (10) Business Days.

(d) Certain Information Relating to Improvements. Borrower agrees that it will obtain and provide to Administrative Agent, upon Administrative Agent's request (i) the actual costs, expenses, and fees incurred by Borrower for labor and other work performed on the Lot Improvements and Units and for materials incorporated in the Lot Improvements and Units as indicated by bills, invoices, receipts, statements, vouchers, or other written evidence satisfactory to Administrative Agent showing the costs, expenses, and fees incurred, and (ii) the amounts allocated to such labor, work, and materials in the line items in the Unit Budget multiplied by the percentage of completion of such labor, work, and materials.

6.11 Title Insurance; Title Insurance Claims. Administrative Agent may determine from time to time the allocation of title insurance between parcels of Collateral, and the amount of title insurance coverage that Borrower is required to provide pursuant to the Title Policy, and Administrative Agent may enter into such agreements with Title Company as Administrative Agent reasonably deems appropriate including, without limitation, aggregation agreements, which shall contain such terms and conditions as Administrative Agent may reasonably require. Administrative Agent may, from time to time, in its reasonable discretion, (a) require endorsements to the Title Policy or (b) require co-insurance or re-insurance with respect to the Title Policy. If the Title Company pays any claims under the Title Policy, and if Administrative Agent advises Borrower that Administrative Agent has determined that the remaining coverage is insufficient, in the reasonable discretion of Administrative Agent, Borrower will take any and all action necessary to cause the total coverage amount under the Title Policy to remain at or to be increased to the original liability notwithstanding the payment of such claim or claims, including without limitation, providing any supplemental Title Policy or endorsements or reinsurance agreements if requested by Administrative Agent, the cost of which will be paid by Borrower. Upon payment of any such claims, Borrower will obtain and provide to Administrative Agent any and all documentation reasonably requested by Administrative Agent to ensure that the maximum coverage provided for hereunder will not have been diminished as a result of the payment of such claims.

6.12 Rights of Inspection; Correction of Defects.

(a) Generally. Administrative Agent and its respective agents, employees, and representatives will have the right to enter upon each Approved Subdivision, during

business hours and, if requested by Borrower, accompanied by representative of Borrower, in order to inspect the Approved Subdivision, the Lot Improvements, the Units and all aspects thereof. So long as no Default has occurred and is continuing and unless Administrative Agent has reasonably determined that an immediate and/or unannounced inspection is necessary, Administrative Agent will endeavor to give Borrower reasonable advance notice of inspections. Inspections will be subject to Borrower's reasonable and customary safety requirements applicable to active construction sites. Borrower acknowledges that Administrative Agent may inspect or cause to be inspected on a monthly basis at least 25% of the Lots and 25% of the Units included in the Eligible Collateral. If Administrative Agent determines that any materials or work do not conform with the respective A&D Lot Development Plans and Specifications and the Unit Plans and Specifications, as applicable, in all material respects or with any applicable Requirements or are otherwise not in conformity with sound building practice, Administrative Agent will have the right to stop the work on the affected Lots and Unit(s) and to order replacement or correction of any such materials or work regardless of whether or not such materials or work have theretofore been incorporated in the Unit (and/or to require that the affect Lots and Unit(s) be removed from Eligible Collateral until such defects or other issues are corrected), regardless of whether Administrative Agent's representatives have previously inspected such work or materials, and regardless of whether Administrative Agent has previously made Revolving Loans to pay for such work or materials. Borrower will promptly make such replacement or correction.

(b) No Right to Rely. All inspections by Administrative Agent or on behalf of Administrative Agent, approvals of Draw Requests by Administrative Agent and other actions by Administrative Agent in connection therewith are for the sole purpose of protecting the security of Administrative Agent and the Lenders and are not to be construed as a representation by Administrative Agent to any Person that there has been compliance with the A&D Lot Development Plans and Specifications and the Unit Plans and Specifications, the Loan Documents, the applicable Requirements, or that the Lots or Units are free of defects in materials or workmanship. No such inspections or review will limit any of the rights and remedies of Administrative Agent pursuant to this Agreement or the other Loan Documents, including without limitation, the right to require compliance with Section 6.10. Based on such inspections, Administrative Agent may adjust the Eligible Collateral, Collateral Values, Maximum Allowed Advances and other calculations pursuant to this Agreement. Borrower may make or cause to be made such other independent inspections as Borrower may desire for its own protection.

(c) Inspector(s). Administrative Agent may employ outside inspectors to perform some or all of the inspection duties set forth in this Section 6.12 and may also elect to have its own employees perform some or all of such inspection duties and review the reports of outside inspectors.

(d) Miscellaneous. Any inspections or determinations made by Administrative Agent or lien waivers, receipts, or other agreements, documents, and instruments obtained by Administrative Agent are made or obtained solely for Administrative Agent's own benefit and not in any way for the benefit or protection of Borrower. Administrative Agent may accept and rely on any information from an architect, any other Person providing

labor, materials, or services for the Approved Subdivision, Borrower, or any other Person as to labor or materials furnished or incorporated in the Units or the Approved Subdivision and the cost and payment therefor and as to all other matters relating to construction of the Lot Improvements and Units without the necessity of verifying such information. Administrative Agent will not have any obligation to Borrower to ensure compliance by contractor, engineer, or any other Person in carrying out construction of the Lot Improvements or Units.

6.13 Verification of Costs. Administrative Agent will have the right at any time and from time to time to review and verify all costs, expenses, and fees in each Unit Budget. Based on its review and verification of costs, expenses, and fees in each Unit Budget, Administrative Agent will have the right to (a) adjust any and all such budgeted amounts for purposes of determining Collateral Values of Eligible Collateral and (b) reduce or increase the applicable Collateral Values.

6.14 Use of Proceeds of Revolving Loans. Borrower will use proceeds of Revolving Loans only for the purposes described in Section 2.4(b).

6.15 Further Assurances. Borrower will promptly execute, acknowledge, and deliver such additional agreements, documents, and instruments and do or cause to be done such other acts as Administrative Agent may reasonably request from time to time to better assure, preserve, protect, and perfect the interest of Administrative Agent in the Collateral and the rights and remedies of Administrative Agent under this Agreement and the other Loan Documents. Without limiting the foregoing, to the extent that Administrative Agent determines from time to time the Deed of Trust, amendments to the Deed of Trust, financing statements, subordinations, and other documents are required in order to perfect all Liens and Encumbrances in favor of Administrative Agent, and cause all Collateral encumbered by the Deed of Trust to be subject only to Permitted Exceptions, Borrower will execute and deliver such documents, instruments and other agreements as Administrative Agent may request.

6.16 Costs and Expenses of Borrower's Performance of Covenants and Satisfaction of Conditions. Borrower will perform all of its obligations and satisfy all conditions applicable to it under this Agreement and the other Loan Documents at its sole cost and expense.

6.17 Environmental Reports. Borrower will complete and submit to Administrative Agent, if requested by Administrative Agent, an updated environmental questionnaire every year after the Effective Date. If such questionnaires contain any information deemed significant by Administrative Agent, in its sole discretion, Administrative Agent may require that Borrower obtain or conduct further studies and reports from independent environmental engineers regarding such matters, all at the sole cost and expense of Borrower.

6.18 Homeowners' Associations. Borrower shall, and shall cause each Subsidiary of Borrower to, timely and diligently perform all obligations of Borrower and each Subsidiary of Borrower and, if controlled by Borrower or a Subsidiary of Borrower, the declarant, sponsor, or controlling person of all homeowners' associations in the Approved Subdivision and all subassociations or community associations and Borrower shall, and shall cause each Subsidiary of Borrower to, pay or cause to be paid when due all dues, assessments, in-lieu payments and

subsidies due from Borrower, any such Subsidiary, or the developer. Borrower shall, to the extent practicable and within Borrower's control, cause such associations to be managed and to perform their obligations as such associations for the benefit of the developments and homeowners in a manner consistent with and at least equal to their prior and present management so that all community and recreational facilities, and all landscaping, security gates, lighting and other amenities will be maintained and operated in the manner heretofore contemplated. Borrower shall enforce on a timely basis all covenants, conditions and restrictions applicable to the Approved Subdivision and the property within the Approved Subdivision which are material to the value of the Collateral and with respect to which Borrower is entitled to pursue such enforcement.

6.19 Deposit Accounts. Borrower shall, and shall cause its Subsidiaries to, maintain Western Alliance Bank as their principal depository bank for all deposit accounts and operating accounts related to the projects financed pursuant hereto, and, to the extent permitted by law and contractual agreements, security and escrow deposits for such projects.

6.20 Separateness Covenants. Borrower agrees that except as permitted by this Agreement or the other Loan Documents, (a) Borrower and its Subsidiaries shall maintain separate records, books and accounts from those of Parent and its other Subsidiaries; (b) each Project Owner shall maintain separate books and records with respect to the Approved Subdivisions of that Project Owner, (c) Borrower shall not, and shall not cause of permit any of its Subsidiaries to commingle funds or assets with those of Parent or its other Subsidiaries; (d) Borrower shall correct any known misunderstanding regarding its and each Project Owner's separate identity; (e) Borrower shall, and shall cause each Project Owner to, maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other entity; and (f) Borrower shall, and shall cause each Project Owner to, hold regular meetings, as appropriate, to conduct its business and observe all organizational formalities and record keeping.

## ARTICLE 7
## BORROWER NEGATIVE COVENANTS

The following negative covenants shall be applicable to Borrower and (as designated) Guarantor until this Agreement has terminated or expired and all Obligations are paid and performed in full and Administrative Agent, Issuing Bank and Lenders have no further obligation to make any Credit Extensions to Borrower or any other Loan Party:

7.1 Indebtedness. Borrower will not, nor will it permit any Subsidiary to, create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness under the Loan Documents.

(b) The Permitted Subordinated Debt.

(c) Indebtedness outstanding on the date hereof and listed on Schedule 7.1 and any refinancings, refundings, renewals or extensions thereof; provided that the amount of such Indebtedness is not increased at the time of such refinancing, refunding, renewal or extension except by an amount equal to a reasonable premium or other reasonable amount

paid, and fees and expenses reasonably incurred, in connection with such refinancing and by an amount equal to any existing commitments unutilized thereunder.

(d) Trade debt incurred in the ordinary course of Borrower's or a Project Owner's business and paid in the ordinary course of Borrower's or such Project Owner's business and in any event not more than ninety (90) days after the invoice date, or if a payment date is specified in the applicable invoice within ninety (90) days after such specified payment date.

(e) Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds and completion guarantees and similar obligations not in connection with money borrowed, in each case provided in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business.

(f) Indebtedness (i) resulting from a bank or other financial institution honoring a check, draft or similar instrument in the ordinary course of business or (ii) arising under or in connection with cash management services in the ordinary course of business.

7.2 Liens. Borrower will not, nor will it permit any Subsidiary to, create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) With respect to Collateral, the Permitted Exceptions;

(b) Liens existing on the date hereof and listed on Schedule 7.2 and any renewals or extensions thereof, provided that (i) the property covered thereby is not changed, (ii) the Liens do not encumber any Collateral unless also included in the definition of Permitted Exceptions; (iii) the amount secured or benefited thereby is not increased, (iv) the direct or any contingent obligor with respect thereto is not changed; and (v) any renewal or extension of the obligations secured or benefited thereby is permitted by Section 7.1(b);

(c) Involuntary Liens for Impositions that are not delinquent and such Liens are being contested in good faith and by appropriate proceedings for which adequate reserves shall have been established on Borrower's books in accordance with GAAP;

(d) Inchoate Liens imposed by law, such as carriers', warehousemen's, mechanics' and materialmen's Liens and other similar Liens arising in the ordinary course of business with respect to amounts that are not yet delinquent;

(e) Liens arising out of pledges or deposits under worker's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation;

(f) Bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and Cash Equivalent Investments on deposit in one or more accounts maintained by Borrower or any Project Owner, in each case in the ordinary course of business in favor of the bank or banks with which such accounts are maintained provided,

that except with respect to Liens in favor of Administrative Agent for the benefit of Lenders, in no case shall any such Liens secure (either directly or indirectly) the repayment of any Indebtedness;

(g) Liens arising out of judgments or awards not resulting in an Event of Default; provided that such Liens do not attach to any Eligible Collateral;

(h) Any zoning, building or similar laws or rights reserved to or vested in any Governmental Authority; or

(i) Sale Leaseback Transactions of Model Units that are permitted under this Agreement.

7.3 Fundamental Changes. None of the Loan Parties will dissolve, divide or liquidate, nor will Borrower or any Subsidiary become a party to any merger or consolidation or plan of division, or acquire by purchase, lease or otherwise all or substantially all of the assets or capital stock of any Person. In addition, Borrower shall not cause or permit a Change of Control.

7.4 Prohibition on Amendments to Organizational Documents. Without the prior written consent of Administrative Agent (which consent may be granted or withheld in the reasonable discretion of the Administrative Agent), Borrower shall not allow any amendments to be made in the terms of any Organizational Documents of Borrower or any Subsidiary, in each case to the extent that such amendments would materially and adversely affect the validity and enforceability of the Obligations or Borrower's ability to obtain equity contributions, or that would materially impair any security for the Obligations.

7.5 Lines of Business. Borrower (directly or through any other Persons) will not engage in or permit any Project Owner to engage in any line or lines of business activity other than the Approved Lines of Business.

7.6 Transfers.

(a) No Sale or Transfer. Except as permitted by this Agreement or the Deed of Trust, Borrower shall not, and shall not permit any Subsidiary to, sell or otherwise transfer (whether voluntarily or involuntarily) any Approved Subdivision or other Collateral of Borrower or such Subsidiary.

(b) No Transfers to Affiliates. Borrower shall not sell or transfer, or permit any Subsidiary to sell or transfer, any material property or assets to Affiliates.

(c) Certain Permitted Transfers. Notwithstanding the foregoing, if (i) a Subdivision has been rejected by Administrative Agent as an Approved Subdivision, or (ii) prior to recordation of a Deed of Trust on an Approved Subdivision, Borrower elects not to include such Subdivision as an Approved Subdivision, then, in each case, so long as no Event of Default has occurred and is continuing, Borrower may transfer or cause to be transferred such Subdivision or Borrower's interest in the applicable Project Owner to another Person.

7.7 Restricted Payments. Borrower will not, and will not permit any Subsidiary to, declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that, so long as no Default or Event of Default shall have occurred and be continuing at the time of any action described below or would result therefrom:

(a) each Subsidiary may make Restricted Payments to Borrower and any other Person that owns an Equity Interest in such Subsidiary, ratably according to their respective holdings of such Equity Interests in respect of which such Restricted Payment is being made;

(b) Borrower and each Subsidiary may declare and make dividend payments or other distributions payable solely in common Equity Interests of such Person;

(c) Borrower and each Subsidiary may purchase, redeem or otherwise acquire Equity Interests issued by it with the proceeds received from the substantially concurrent issue of new common Equity Interests; and

(d) Borrower may (i) declare or pay cash dividends or distributions to Parent and (ii) purchase, redeem or otherwise acquire for cash its Equity Interests if, in either such case, after giving effect thereto, (A) no Default or Event of Default shall have occurred and be continuing, (B) Borrower's net income (as determined in accordance with GAAP and after taking into account any payments on Subordinated Debt) for the Fiscal Year in respect of which such dividend or distribution is being made is greater than zero, and (C) the amount of such dividend or distribution is not greater than such net income for such Fiscal Year. For clarity, this Section 7.7(d) shall not prohibit payments to Parent (whether in the form of dividends, distributions or reimbursement payments) to reimburse Parent for out-of-pocket costs and expenses incurred by Parent (whether by payment to third parties or investment in the capital of Borrower) with respect to an Approved Subdivision.

7.8 Investments. Borrower will not, and will not permit any Subsidiary to, make any Investments, except Permitted Investments.

7.9 Transactions with Affiliates. Borrower will not, and will not permit any Subsidiary to, enter into any transaction of any kind with any Affiliate of Borrower, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to Borrower or such Subsidiary as would be obtainable by Borrower or such Subsidiary at the time in a comparable arm's-length transaction with a Person other than an Affiliate.

7.10 Certain Restrictive Agreements. Borrower will not, and will not permit any Subsidiary to, enter into any contract or other obligation (other than this Agreement or any other Loan Document) that, directly or indirectly, (a) limits the ability of (i) any Subsidiary to make Restricted Payments to Borrower or to otherwise transfer property to Borrower, (ii) any Subsidiary to Guarantee Indebtedness of Borrower or (iii) Borrower or any Subsidiary to create, incur, assume or suffer to exist Liens on property of such Person to secure the Obligations.

7.11 Subordinated Debt. Borrower shall not make or permit to be made any payments, prepayments or other distributions in respect of Subordinated Debt or principal, interest of other amounts outstanding thereon except to the extent (a) expressly permitted by the Intercompany

Subordination Agreement, and (b) such payments are permitted pursuant to the applicable Land Seller Subordination Agreement.

7.12 Sale Leaseback Transactions. Borrower will not, and will not permit any Subsidiary to, enter into Sale Leaseback Transaction except for Sale Leaseback Transactions with respect to Model Units that satisfy Section 2.17(e).

7.13 Financial Covenants. Borrower and Parent shall not violate any of the following financial covenants:

(a) Liquidity. At all times during the term of the Loan, Parent, the consolidated Subsidiaries of Parent, and the other Loan Parties shall maintain Liquidity at a minimum of $35,000,000, tested by Administrative Agent on a quarterly basis, as verified by Administrative Agent pursuant to bank and/or brokerage statements furnished to Administrative Agent by Borrower and/or Parent. The first quarterly testing period shall commence on December 31, 2017. As used herein, Minimum Liquidity will only be measured based on bank or brokerage accounts held in their own name by Parent and the other Loan Parties. "Liquidity" means an amount equal to the sum of: (i) Parent's, its consolidated Subsidiaries', and the other Loan Parties' aggregate unencumbered and unrestricted cash (including (x) cash deposited with Western Alliance Bank to cash collateralize letters of credit issued by Western Alliance Bank for the account of Borrower or another Loan Party to the extent such cash has not been applied to reimbursement and other obligations in respect of such letters of credit and (y) other deposit accounts maintained pursuant to Section 7.13(b)), (ii) Parent's, its consolidated Subsidiaries', and the other Loan Parties' aggregate unencumbered and unrestricted cash equivalents (to the extent consisting of readily marketable securities, excluding "margin stock" [within the meaning of Regulation U of the Board of Governors of the Federal Reserve System], restricted stock and stock subject to the provisions of Rule 144 of the Securities and Exchange Commission), deemed by Administrative Agent in its sole and absolute discretion to be liquid, and (iii) the Undrawn Availability; provided, however, Liquidity shall only include such cash and other assets held with financial institutions in the United States and shall not include cash or other assets held by Parent's Subsidiaries that are not formed pursuant to the laws of the United States (or a State of the United States) and with operations exclusively in the United States.

(b) Minimum Deposits. Parent shall maintain, or cause to be maintained, average daily free collected balances on deposit at all of the Lenders in the aggregate amount of at least $25,000,000, and of such amount, not less than $23,500,000 must be held at Western Alliance Bank, this covenant to be tested by Administrative Agent as of the end of each fiscal quarter of Parent (commencing with the fiscal Year ending December 31, 2017) for the fiscal quarter then ended. Such deposits shall be maintained by Parent, another Loan Party or other Subsidiaries of Parent designated in writing by Parent to Administrative Agent in such form as Administrative Agent may reasonably request. For clarity and for purposes of determining compliance with this Section 7.13(b), such free collected balances shall include Cash Collateral held by the Issuing Bank (or the Administrative Agent) in order to Cash Collateralize L/C Obligations pursuant to Section 2.05 or Section 2.19 to the extent that such Cash Collateral has not been applied to the

payment of L/C Obligations or other Obligations and without limiting any Loan Party's obligation with respect to the pledge and maintenance of such Cash Collateral.

(c) Minimum Tangible Net Worth. At all times during the term of the Loan, Parent shall maintain a minimum Tangible Net Worth of $100,000,000 to be tested by Administrative Agent on a quarterly basis, beginning on December 31, 2017. "Tangible Net Worth" means the sum of (a) the Parent's consolidated total assets; minus (b) intangible assets (goodwill, patents, trademarks, trade names, organizational expense, treasury stock, monies due from affiliates, officers, directors or shareholders of Parent and other intangibles); minus (c) Consolidated Debt of Parent, plus (d) the Subordinated Debt pursuant to the Intercompany Subordination Agreement.

(d) Maximum Leverage Ratio. At all times during the term of the Loan, Parent shall maintain a Leverage Ratio not greater that the ratios set forth in the table below for the applicable periods. The Leverage Ratio shall be tested by Administrative Agent on a quarterly basis, beginning with the fiscal quarter ending on December 31, 2017. The "Leverage Ratio" means the ratio determined by Administrative Agent and calculated by taking (a) the sum of (i) Consolidated Debt minus (ii) the Subordinated Debt pursuant to the Intercompany Subordination Agreement, divided by (b) Total Capitalization. "Total Capitalization" means the sum (without duplication) of (a) Tangible Net Worth, plus (b) the Subordinated Debt pursuant to the Intercompany Subordination Agreement and plus (c) Consolidated Debt. The maximum Leverage Ratio shall be as follows:

| Fiscal Quarter End | Maximum Leverage Ratio |
|---|---|
| December 31, 2017 | 1.00:1.00 |
| March 31, 2018 | 1.00:1.00 |
| June 30, 2018 | 1.00:1.00 |
| September 30, 2018 | 1.00:1.00 |
| December 31, 2018 | 0.85:1.00 |
| March 31, 2019 | 0.85:1.00 |
| June 30, 2019 | 0.75:1.00 |
| September 30, 2019 | 0.75:1.00 |
| December 31, 2019 and each Fiscal Quarter thereafter | 0.75:1.00 |

(e) Interest Coverage. Commencing with the fiscal quarter ending December 31, 2018, and continuing at the end of each calendar quarter thereafter, Parent shall maintain a ratio of Consolidated EBITDA to Consolidated Interest Expense in an amount greater than or equal to 1.00 to 1.00. The interest only coverage ratio shall be calculated by Administrative Agent based upon the Consolidated EBITDA and Consolidated Interest Expense for the applicable preceding consecutive four (4) quarter period.

(f) Annual Gross Margin. Commencing with the Fiscal Year ending December 31, 2018, Parent shall maintain a Gross Profit Margin of at least 11.00% for the Fiscal Year then ended. For each Fiscal Year thereafter the minimum Gross Profit Margin shall be the Gross Profit Margin approved by Administrative Agent pursuant to Section 6.4(h), and which in no event will be less than 0%.

(g) Annual Net Margin. Commencing with the Fiscal Year ending December 31, 2018, Parent shall maintain a Net Profit Margin of at least 4.00% for the Fiscal Year then ended. For each Fiscal Year thereafter the minimum Net Profit Margin shall be the Net Profit Margin approved by Administrative Agent pursuant to Section 6.4(h), and which in no event will be less than 0%.

ARTICLE 8
EVENTS OF DEFAULT

8.1 Events of Default. Each of the following will be an event of default which entitles Administrative Agent to exercise the rights and remedies in Section 8.2 (each, an "Event of Default"):

(a) Payment.

(i) Borrower shall fail to pay any principal of any Revolving Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof, on maturity, or otherwise;

(ii) Borrower shall fail to pay any reimbursement obligation in respect of any L/C Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(iii) Borrower shall fail to Cash Collateralize L/C Obligations as and when required under this Agreement and the other Loan Documents; or

(iv) Borrower shall fail to pay any interest on any Revolving Loan, any L/C Obligation, or any fee or any other amount (other than an amount referred to in paragraph (i) or (ii) of this Section) payable under this Agreement, any other Loan Document or the Fee Letter, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three (3) or more Business Days.

(b) Negative Covenants/Financial Covenants. Borrower shall fail to perform any term, covenant or agreement contained in Article 9 or (ii) Borrower or Parent shall breach or violate any financial covenant contained in Section 7.13.

(c) Other Defaults. Any Loan Party shall fail to perform any obligation not specifically identified in Section 8.1(a) or 8.1(b) or perform any other obligation not involving the payment of money, or to comply with any other term or condition applicable to any Loan Party, under any Loan Document and (except with regard to the obligation to maintain insurance pursuant to Section 6.8) such failure continues following the expiration of thirty (30) days after written notice of such failure by the Administrative Agent to Borrower unless Borrower has commenced such cure within such thirty (30) day period, in which event no Event of Default shall be deemed to have occurred if within such thirty (30) day period Borrower commences a diligent effort to cure such failure and continues

such diligent effort until such failure is fully and completely cured, which in all events must occur within sixty (60) days of the notice of such failure.

(d) Representations and Warranties. Any representation or warranty by any Loan Party in any Loan Document is materially false, incorrect, or misleading as of the date made or received; provided, however, that such breach of a representation or warranty shall not constitute an Event of Default in the event that (a) such breach is not intentional, (b) such breach is immaterial, and (c) such breach is remedied in a timely manner and in any event not more than thirty (30) days after the earlier of Administrative Agent's request or when a Responsible Officer of the Borrower has actual knowledge of such breach.

(e) Material Adverse Change. The occurrence of a Material Adverse Change.

(f) Failure to Maintain Insurance. Any of the insurance coverages required pursuant to Section 6.8 lapses or expires without being replaced by other insurance policies that comply with Section 6.8 prior to such lapse or expiration.

(g) Other Indebtedness. (i) The Parent, Borrower or any Subsidiary of either shall fail to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness (other than Indebtedness under the Loan Documents) having an aggregate principal amount of more than $10,000,000, in each case beyond the applicable grace period with respect thereto, if any; or (ii) the Parent, Borrower or any Subsidiary of either shall fail to observe or perform any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders or beneficiary or beneficiaries of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity.

(h) Involuntary Proceedings. An involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of Borrower or any other Loan Party or any of their debts, or of a substantial part of any of their assets, under any Debtor Relief Law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Borrower or any other Loan Party or for a substantial part of any of their assets, and, in any such case, such proceeding or petition shall continue undismissed for a period of sixty (60) or more days or an order or decree approving or ordering any of the foregoing shall be entered.

(i) Voluntary Proceedings. Borrower or any other Loan Party shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Debtor Relief Law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in Section 8.1(h), (iii) apply for or consent to the

appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Borrower or any other Loan Party or for a substantial part of the assets of Borrower or any other Loan Party, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing.

(j) Inability to Pay. Borrower or any other Loan Party shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) Judgments. There is entered against Borrower or other Loan Party (i) a final judgment or order for the payment of money in an aggregate amount (as to all such judgments and orders) exceeding $500,000.00 (to the extent not covered by independent third-party insurance as to which the insurer has been notified of such judgment or order and has not denied or failed to acknowledge coverage), or (ii) a non-monetary final judgment or order that, either individually or in the aggregate, has or could reasonably be expected to cause a Material Adverse Change and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of thirty (30) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect.

(l) ERISA. An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan that has resulted or could reasonably be expected to result in liability of Borrower under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of $100,000.00.

(m) Control. A Change of Control shall occur.

(n) Enforceability. Any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all Obligations, ceases to be in full force and effect; or Borrower or any other Person contests in writing the validity or enforceability of any provision of any Loan Document; or Borrower or any Loan Party denies in writing that it has any or further liability or obligation under any Loan Document, or purports in writing to revoke, terminate or rescind any Loan Document.

(o) Dissolution, etc. The dissolution or liquidation of Borrower or any other Loan Party or the taking of any action by Borrower or any Loan Party toward a dissolution or liquidation.

(p) Foreclosure Proceedings. The filing of any foreclosure proceeding, giving notice of a trustee's sale, or any other action by any Person, other than Administrative Agent, to realize upon any of the Collateral under any Lien or Encumbrance on any or all of the Collateral, regardless of whether such Lien or Encumbrance is a Permitted Exception and regardless of whether junior or senior to the Deed of Trust.

(q) Transfer. The occurrence of any "Transfer" as that term is defined in the Deed of Trust.

(r) Other Loan Documents. The occurrence of an Event of Default pursuant to any other Loan Document.

(s) Swap Contracts. The occurrence or existence of any default, event of default or similar condition or event (however described) with respect to any Swap Contract.

(t) Other Defaults. Borrower or any other Loan Party shall make any payment in respect of Subordinated Debt that is not permitted pursuant to this Agreement or the applicable subordination agreement.

8.2 Remedies. Upon the occurrence of any Event of Default and at any time thereafter, for so long as such Event of Default is continuing:

(a) the Administrative Agent may, and at the request of the Required Lenders shall, by notice to Borrower, take any or all of the following actions, at the same or different times:

(i) terminate the Commitments, and thereupon the Commitments shall terminate immediately;

(ii) declare the Obligations then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Obligations so declared to be due and payable, together with accrued interest thereon and all fees and other Obligations of Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by Borrower;

(iii) require that the Borrower Cash Collateralize the L/C Obligations as provided in Section 2.19; and

(iv) exercise on behalf of itself, the Lenders all rights and remedies available to it, the Lenders under the Loan Documents and applicable Law;

provided that, in case of any event with respect to the Borrower described in Section 8.1(h) or (i), the Commitments shall automatically terminate and the principal of the Revolving Loans then outstanding, together with accrued interest thereon and all fees and other Obligations accrued hereunder, shall automatically become due and payable, and the obligation of the Borrower to Cash Collateralize the L/C Obligations as provided in clause (iii) above shall automatically become effective, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower;

(b) if and to the extent not previously delivered to Administrative Agent, Borrower will, upon demand of Administrative Agent, deliver to Administrative Agent all surveys, plans and specifications, building permits, construction contracts and subcontracts, plats and other maps, lien releases, subdivision reports, annexation

documents, declarant's rights, marketing material and other documents, permits, licenses and contracts that are necessary to complete construction and marketing of the Lots and Units, and Borrower will, on demand of Administrative Agent, assign to Administrative Agent such of Borrower's rights thereunder as Administrative Agent may request. Administrative Agent shall be entitled to use and rely on all such surveys, plans, specifications, building permits, construction contracts and subcontracts, plats and other maps and other materials, permits, licenses and contracts without any further authorization or direction from Borrower and without any further consent from any other Person;

(c) Administrative Agent may enforce any and all rights and remedies under this Agreement and the other Loan Documents against any or all Collateral and may pursue all rights and remedies available at law or in equity;

(d) without limiting any other rights and remedies to which it is entitled, Administrative Agent may, at its option, without notice to Borrower or without regard to the adequacy of the Collateral for the payment of the Obligations, appoint one or more receivers of the Collateral, and Borrower does hereby irrevocably consent to such appointment, with such receivers having all the usual powers and duties of receivers in similar cases, including the full power to maintain, sell, dispose and otherwise operate the Collateral upon such terms that may be approved by a court of competent jurisdiction;

(e) Administrative Agent may direct all escrow companies and closing agents to pay over to Administrative Agent directly all moneys to which Borrower is entitled and held by such parties in pending escrows;

provided that, in case of any event with respect to Borrower described in Section 8.1(h) or Section 8.1(i), the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other Obligations accrued hereunder, shall automatically become due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by Borrower.

8.3 Credit Bidding. Administrative Agent or any Lender may purchase, in any public or private sale conducted under the provisions of the UCC (including pursuant to Sections 9-610 and 9-620 of the UCC), the provisions of the Bankruptcy Code (including pursuant to Section 363 of the Bankruptcy Code) or at any sale or foreclosure conducted by Administrative Agent (whether by judicial action or otherwise) in accordance with applicable Laws, all or any portion of the Collateral. The Lenders hereby irrevocably authorize Administrative Agent, and upon the written consent of the Required Lenders to Credit Bid (in an amount and on such terms as may be directed by Required Lenders) and purchase at any such sale (either directly or through one or more acquisition vehicles) all or any portion of the Collateral on behalf of and for the benefit of the Lenders (but not as agent for any individual Lender or Lenders, unless the Required Lenders shall otherwise agree in writing). Each Lender hereby agrees that, except as otherwise provided in the Loan Documents or with the written consent of Administrative Agent and the Required Lenders, it will not exercise any right that it might otherwise have to Credit Bid at any sales of all or any portion of the Collateral conducted under the provisions of the UCC or the Bankruptcy Code, foreclosure sales or other similar dispositions of Collateral.

8.4 Collateral Protection; Completion of Construction. Administrative Agent may at any time, but will not be obligated to, make Protective Advances which will be deemed to be Revolving Loans hereunder. In addition, Administrative Agent may take all action necessary to complete the construction of any Units and expend all sums necessary therefor. Administrative Agent may, but will not be obligated to, make Revolving Loans from time to time to pay all costs and expenses of such completion. All amounts so advanced will be immediately due and payable by Borrower and will be added to the outstanding principal amount of all Revolving Loans. Administrative Agent will not have any duty to account to Borrower for any such expenditures.

8.5 Secured by Collateral and Deed of Trust. All Protective Advances, all other advances by Administrative Agent and the Lenders, and all other charges, costs and expenses, including reasonable attorneys' fees, incurred or paid by Administrative Agent and the Lenders in exercising any right, power or remedy conferred by this Agreement or any other Loan Document, or in the enforcement hereof, or in the protection of the Collateral or the completion of the Collateral, together with interest thereon at the Default Rate, from the date advanced, paid or incurred until repaid. Any Protective Advance will only occur through Administrative Agent or at Administrative Agent's direction and will not be funded directly to Borrower or any of its Affiliates by Administrative Agent or any Lender. Notwithstanding the foregoing, each Protective Advance and the charges, costs and expenses, including reasonable attorneys' fees, incurred or paid by Administrative Agent or Lenders in exercising any right, power or remedy conferred by this Agreement or any other Loan Document or in the enforcement thereof or in the protection of the Collateral or the completion of Collateral shall be charged to Borrower pursuant to Section 10.4. The amount of such Protective Advances shall be secured by the Deed of Trust.

8.6 Multiple Real and Personal Property Security. Borrower hereby acknowledges that Lenders are extending credit based upon both the financial statements of the Loan Parties and the values of the Collateral. Accordingly, Borrower hereby agrees that, from and after any Event of Default, Administrative Agent will be allowed, to the greatest extent permitted by applicable Law, including the laws of whichever jurisdiction Administrative Agent may choose as most facilitating for the exercise of the rights of Administrative Agent and Lenders (and which may be applicable), to pursue and realize upon all of the remedies available to Administrative Agent and Lenders under any of the Loan Documents, at law, in equity, or otherwise, and simultaneously or consecutively, in the discretion of Administrative Agent, including, without limitation, commencement of one or more actions in one or more jurisdictions for repayment of all or portions of the Obligations, for the separate or simultaneous sale or foreclosure of the Collateral or portions thereof, for the obtaining of judgments and/or deficiency judgments, for the seeking of injunctive relief and receiverships, and for maximum access to and realization from the Obligations and Collateral or portions thereof in such manner as Administrative Agent may deem in the interest of Administrative Agent and Lenders, and Borrower hereby waives any requirement that any deficiency judgment proceeding be initiated or completed with respect to any other property constituting Collateral as a condition to commencing any enforcement proceeding against any party or any particular item of Collateral. Borrower hereby expressly acknowledges and agrees that various consents, waivers and agreements set forth in any of the Loan Documents, including the Deed of Trust, were granted in recognition of the foregoing, and that all such waivers, consents and agreements will apply to each other Loan Document as though set forth therein. In addition to any other consents, waivers and agreements set forth in any of the Loan Documents, and without limiting the foregoing, Borrower agrees that, to the maximum extent permitted by applicable Law,

Lender may foreclose on and/or sell all properties serving as Collateral located in the same state in any one or more counties where any of the properties in that state are located; any personal property located on real property encumbered by the Deed of Trust may be foreclosed upon in the manner provided for, simultaneously with, and as a part of the proceeding for, foreclosure of the real property; and Borrower hereby waives the benefits of any "one-action rule" which may be applicable to it or to any of the Collateral and waives marshaling of assets for itself and all other parties claiming by, through or under it.

8.7 Scheduled Payments. Administrative Agent, Lenders and Borrower acknowledge that notwithstanding the continuation of an Event of Default, Borrower may elect to continue to make scheduled payments. Administrative Agent's acceptance of any such payments shall not be a waiver of any of Administrative Agent's or any Lender's rights and remedies, and Administrative Agent and the Lenders shall continue to be entitled to all such rights and remedies (including, without limitation, acceleration and foreclosure).

8.8 Application of Payments.

(a) So long as no Event of Default has occurred and is continuing, if at any time insufficient funds are received by and available to Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds received shall, subject to Section 2.18, be applied (i) first towards payment of fees, indemnities and expense reimbursements then due hereunder to the parties entitled thereto; (ii) second, towards payment of interest then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to each such parties; (iii) third, towards payment of principal then due hereunder, ratably among the parties entitled thereof in accordance with the amounts of principal then due to such parties; and (iv) fourth, towards payment of Bank Product Liabilities then due.

(b) Notwithstanding anything herein to the contrary, following the occurrence and during the continuance of an Event of Default, and notice thereof to the Administrative Agent by Borrower or the Required Lenders, all payments received on account of the Obligations shall, subject to Sections 2.19, shall be applied by the Administrative Agent as follows:

(i) first, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees and disbursements and other charges of counsel payable under Section 10.4 and amounts payable under the Administrative Agency Fee Letter) payable to the Administrative Agent in its capacity as such;

(ii) second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts payable to the Lenders (other than principal, reimbursement obligations in respect of L/C Disbursements, interest and L/C Fees, but including fees and disbursements and other charges of counsel payable under Section 10.4) arising under the Loan Documents, ratably among them in proportion to the respective amounts described in this paragraph (ii) payable to them;

(iii) third, (A) to payment of that portion of the Obligations constituting unpaid principal of the Revolving Loans and unreimbursed L/C Disbursements and (B) to Cash Collateralize that portion of L/C Obligations comprising the undrawn amount of Letters of Credit to the extent not otherwise Cash Collateralized by the Borrower pursuant to Section 2.19, Section 2.20, or any other provision of this Agreement, ratably among the Lenders and the Issuing Bank in proportion to the respective amounts described in this clause (iii) payable to them; provided that (x) any such amounts applied pursuant to subclause (B) above shall be paid to the Administrative Agent for the ratable account of the Issuing Bank to Cash Collateralize such L/C Obligations, (y) subject to Section 2.19(c) or 2.20, amounts used to Cash Collateralize the aggregate amount of Letters of Credit pursuant to this clause (iii) shall be used to satisfy drawings under such Letters of Credit as they occur, and (z) upon the expiration of any Letter of Credit (without any pending drawings), the pro rata share of Cash Collateral shall be distributed in accordance with this clause (iii).

(iv) fourth, to the payment in full of all other Obligations (including Bank Product Liabilities), in each case ratably among the Administrative Agent and the Lenders based upon the respective aggregate amounts of all such Obligations owing to them in accordance with the respective amounts thereof then due and payable; and

(v) finally, the balance, if any, after all Obligations have been indefeasibly paid in full, to Borrower or as otherwise required by Law.

If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired (without any pending drawings), such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

## ARTICLE 9
## AGENCY

9.1 Appointment and Authority. Each of the Lenders hereby irrevocably appoints Western Alliance Bank to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Except as otherwise provided in Section 9.6(b), the provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders, and Borrower shall not have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

9.2 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may

exercise the same as though it were not the Administrative Agent, and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

9.3 Exculpatory Provisions.

(a) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(b) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 8.1 and 10.2), or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent in writing by Borrower or a Lender.

(c) The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article 4 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

9.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Revolving Loan or the issuance, extension, increase, reinstatement or renewal of a Letter of Credit that by its terms must be fulfilled to the satisfaction of a Lender or the Issuing Bank, the Administrative Agent may presume that such condition is satisfactory to such Lender or the Issuing Bank unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.5 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub- agent, and shall apply to their respective activities in connection with the syndication of the Loan as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

9.6 Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, upon approval by the Borrower if no Event of Default then exists, such approval not to be unreasonably withheld or delayed, to appoint a successor, which shall be a bank with an office in Phoenix, Arizona, or an Affiliate of any such bank

with an office in Phoenix, Arizona. If no such successor shall have been appointed by the Required Lenders as aforesaid and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above; provided that in no event shall any such successor Administrative Agent be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may and upon the request of the Borrower shall, to the extent permitted by applicable Law, by notice in writing to Borrower and such Person remove such Person as Administrative Agent and, upon approval by the Borrower if no Event of Default then exists, such approval not to be unreasonably withheld or delayed, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (ii) except for any indemnity payments owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent (other than any rights to indemnity payments owed to the retiring or removed Administrative Agent), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 10.4 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

9.7 Non-Reliance on Agents and Other Lenders. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also

acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

9.8 No Other Duties. Anything herein to the contrary notwithstanding, no Person designated as an "arranger" "syndication agent", "bookrunner" or other title shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender hereunder.

9.9 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to Borrower or any other Loan Party, the Administrative Agent (irrespective of whether the principal of any Revolving Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Revolving Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Section 10.4) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same in accordance with the terms of this Agreement and the other Loan Documents;

(c) and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 10.4.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender.

9.10 Bank Product Liability Arrangements. By reason of a Lender's execution of this Agreement or an Assignment and Assumption, as the case may be, any Affiliate of such Lender with whom any Loan Party has entered into an agreement creating a Bank Product Liability shall

be deemed a Lender party hereto for the purposes of any reference in a Loan Document to the parties for whomthe Administrative Agent is acting, it being understood and agreed that the rights and benefits of such Affiliate under the Loan Document consist exclusively of such Affiliate's right to share in payments and collections out of the Collateral and guaranty as more fully set forth in Section 8.8. In connection with any such distribution of payments and collections, the Administrative Agent shall be entitled to assume no amounts are due to any Lender or its Affiliate with respect to any Bank Product Liability unless such Lender has notified the Administrative Agent in writing of the amount of any such liability owed to it or its Affiliate prior to such distribution.

9.11 Foreclosure. In the event that all or any portion of the property encumbered by the Deeds of trust (the "Mortgaged Property") is acquired by Administrative Agent as the result of a foreclosure or acceptance of a deed or assignment in lieu of foreclosure, or is retained in satisfaction of all or any part of the Obligations, title to any such Mortgaged Property or any portion thereof shall be held in the name of Administrative Agent or a nominee or subsidiary of Administrative Agent, as agent, for the benefit of the Lenders, or in an entity co-owned by the Lenders as determined by the Administrative Agent. Administrative Agent shall prepare a recommended course of action for such Mortgaged Property (the "Post-Foreclosure Plan") and submit it to the Lenders for approval by the Required Lenders. In the event that Administrative Agent does not obtain the approval of the Required Lenders to such Post-Foreclosure Plan, any Lender shall be permitted to submit an alternative Post-Foreclosure Plan to Administrative Agent, and Administrative Agent shall submit any and all such additional Post-Foreclosure Plan(s) to the Lenders for evaluation and the approval by the Required Lenders. In accordance with the approved Post-Foreclosure Plan, Administrative Agent shall manage, operate, repair, administer, complete, construct, restore or otherwise deal with the Mortgaged Property acquired and administer all transactions relating thereto, including, without limitation, employing a management agent, leasing agent and other agents, contractors and employees, including agents for the sale of such Mortgaged Property, and the collecting of rents and other sums from such Mortgaged Property and paying the expenses of such Mortgaged Property. Upon demand therefor from time to time, each Lender will contribute its ratable share (based on their respective Commitments immediately prior to the termination thereof) of all reasonable costs and expenses incurred by Administrative Agent pursuant to the Post-Foreclosure Plan in connection with the construction, operation, management, maintenance, leasing and sale of the Mortgaged Property. In addition, Administrative Agent shall render or cause to be rendered by the managing agent, to each of the Lenders, monthly, an income and expense statement for such Mortgaged Property, and each of the Lenders shall promptly contribute its ratable share (based on their respective Commitments immediately prior to the termination thereof) of any operating loss for the Mortgaged Property, and such other expenses and operating reserves as Administrative Agent shall deem reasonably necessary pursuant to and in accordance with the Post-Foreclosure Plan. To the extent there is net operating income from such Mortgaged Property, Administrative Agent shall, in accordance with the Post-Foreclosure Plan, determine the amount and timing of distributions to the Lenders. All such distributions shall be made to the Lenders in proportion to their respective Commitments immediately prior to the termination thereof. The Lenders acknowledge that if title to any Mortgaged Property is obtained by Administrative Agent or its nominee, or an entity co-owned by the Lenders, such Mortgaged Property will not be held as a permanent investment but will be disposed of as soon as practicable and within a time period consistent with the regulations applicable to national banks for owning real estate. Administrative Agent shall undertake to sell such Mortgaged Property at such price

and upon such terms and conditions as the Required Lenders shall reasonably determine to be most advantageous. Any purchase money mortgage or deed of trust taken in connection with the disposition of such Mortgaged Property in accordance with the immediately preceding sentence shall name Administrative Agent, as agent for the Lenders, as the beneficiary or mortgagee. In such case, Administrative Agent and the Lenders shall enter into an agreement with respect to such purchase money mortgage defining the rights of the Lenders in the same, which agreement shall be in all material respects similar to the rights of the Lenders with respect to the Mortgaged Property. Lenders agree not to unreasonably withhold or delay their approval of a Post-Foreclosure Plan or any third party offer to purchase the Mortgaged Property. An offer to purchase the Mortgaged Property at a gross purchase price of 95% of the fair market value of the property as set forth in a current Appraisal, shall be deemed to be a reasonable offer. Notwithstanding any other provision of this Section 9.11, in no event will Administrative Agent be required to take any action that Administrative Agent determines could subject it to any liabilities (including by deemed assumption of Loan Party liabilities) under any Lien or Encumbrance.

9.12 Lender Representation. Each Lender as of the Effective Date represents and warrants as of the Effective Date (or, if later, as of the date it becomes a Lender) to the Administrative Agent and not, for the avoidance of doubt, for the benefit of the Borrower or any other Loan Party, that (a) such Lender is not and will not be an employee benefit plan subject to Title I of ERISA or a plan or account subject to Section 4975 of the Internal Revenue Code; (b) the assets of such Lender do not constitute "Plan Assets" within the meaning of Section 3(42) of ERISA, or (c) such Lender is not a "Governmental Plan" within the meaning of Section 3(32) of ERISA.

## ARTICLE 10
## MISCELLANEOUS

10.1 Notices Generally.

(a) Addresses. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or email as follows:

(i) if to Borrower, to it at the address set forth on Exhibit M;

(ii) if to the Administrative Agent, to it at the address set forth on Exhibit M;

(iii) if to Issuing Bank, to it at the address set forth on Exhibit M; and

(iv) if to a Lender, to it at its address (or facsimile number or email address) set forth in its Administrative Questionnaire.

(b) Effectiveness. Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given

during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications, to the extent provided in paragraph (c) below, shall be effective as provided in said paragraph (c).

(c) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e mail, FpML, and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article 2 if such Lender, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(d) EMail. Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(e) Change of Address, etc. Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

(f) Platform.

(i) Borrower agrees that the Administrative Agent may, but shall not be obligated to, make the Communications (as defined below) available to the other Lenders by posting the Communications on the Platform. Borrower acknowledges and agrees that the DQ List shall be deemed suitable for posting and may be posted by the Administrative Agent on the Platform, including the portion of the Platform that is designated for "public side" Lenders.

(ii) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party

in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to Borrower, any Lender or any other Person or entity for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of Borrower's or the Administrative Agent's transmission of communications through the Platform. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of Borrower pursuant to any Loan Document or the transactions contemplated therein that is distributed to the Administrative Agent, any Lender by means of electronic communications pursuant to this Section, including through the Platform.

10.2 Waivers; Amendments.

(a) No Waiver; Remedies Cumulative; Enforcement. No failure or delay by the Administrative Agent or any Lender in exercising any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege, or any abandonment or discontinuance of steps to enforce such a right remedy, power or privilege, preclude any other or further exercise thereof or the exercise of any other right remedy, power or privilege. The rights, remedies, powers and privileges of the Administrative Agent and the Lenders hereunder and under the Loan Documents are cumulative and are not exclusive of any rights, remedies, powers or privileges that any such Person would otherwise have.

(b) Enforcement. Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against Borrower, the Collateral and any Loan Party shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.1 for the benefit of all the Lenders and the Lenders and such Affiliates of Lenders that may enter into or provide Bank Products hereby so authorize Administrative Agent; provided that the foregoing shall not prohibit (i) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents or (ii) any Lender from exercising setoff rights in accordance with Section 10.9; provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (x) the Required Lenders shall have the rights otherwise provided to the Administrative Agent pursuant to Section 8.1 and (y) in addition to the matters set forth in clauses (ii) and (iii) of the preceding proviso, any Lender may, with the consent of the Required Lenders, enforce any rights or remedies available to it and as authorized by the Required Lenders.

(c) Amendments, Etc. Except as otherwise expressly set forth in this Agreement, no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by Borrower therefrom, shall be effective

unless in writing executed by Borrower and the Required Lenders, and acknowledged by the Administrative Agent, or by Borrower and the Administrative Agent with the consent of the Required Lenders, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that no such amendment, waiver or consent shall:

(i) extend or increase any Commitment of any Lender without the written consent of such Lender (it being understood that a waiver of any condition precedent set forth in Article 4 or the waiver of any Default or Event of Default shall not constitute an extension or increase of any Commitment of any Lender);

(ii) reduce the principal of, or rate of interest specified herein on, any Revolving Loan or any L/C Disbursement or any fees or other amounts payable hereunder or under any other Loan Document (other than the Fee Letter), without the written consent of each Lender directly and adversely affected thereby (provided that only the consent of the Required Lenders shall be necessary (x) to amend the definition of "Default Rate" or to waive the obligation of Borrower to pay interest at the Default Rate or to pay any late charge or (y) to waive or amend any financial covenant (or any defined term directly or indirectly used therein), even if the effect of such amendment would be to reduce the rate of interest on any Loan or other Obligation or to reduce any fee payable hereunder);

(iii) postpone any date scheduled for any payment of principal of, or interest on, any Revolving Loan or L/C Disbursement, or any fees or other amounts payable hereunder or under any other Loan Document, or reduce the amount of, waive or excuse any such payment, without the written consent of each Lender directly and adversely affected thereby;

(iv) change Sections 2.14, or 8.8 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly and adversely affected thereby;

(v) waive any condition set forth in Article 4 without the written consent of each Lender;

(vi) change Section 2.5(e) in a manner that would permit the expiration date of any Letter of Credit to occur after the Commitment Termination Date without the consent of each Lender; or

(vii) change any provision of this Section or the percentage in the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender;

provided, further, that no such amendment, waiver or consent shall amend, modify or otherwise affect the rights or duties hereunder or under any other Loan Document of the

Administrative Agent or the Issuing Bank, unless in writing executed by the Administrative Agent and the Issuing Bank, as applicable.

Notwithstanding anything herein to the contrary, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent that by its terms requires the consent of all the Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders, except that (x) the Commitment of any Defaulting Lender may not be increased or extended, or the maturity of any of its Loan may not be extended, the rate of interest on any of its Loans may not be reduced and the principal amount of any of its Loans may not be forgiven, in each case without the consent of such Defaulting Lender and (y) any amendment, waiver or consent requiring the consent of all the Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than the other affected Lenders shall require the consent of such Defaulting Lender).

In addition, notwithstanding anything in this Section to the contrary, if the Administrative Agent and Borrower shall have jointly identified an obvious error or any error or omission of a technical nature, in each case, in any provision of the Loan Documents, then the Administrative Agent and Borrower shall be permitted to amend such provision, and, in each case, such amendment shall become effective without any further action or consent of any other party to any Loan Document if the same is not objected to in writing by the Required Lenders to the Administrative Agent within ten (10) Business Days following receipt of notice thereof.

10.3 Collateral and Guaranty Matters. The Lenders irrevocably authorize the Administrative Agent, at its option and in its discretion:

(a) Releases. To release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (i) upon termination of the Commitments and payment in full of all Obligations (other than contingent indemnification obligations for which no claim has been asserted), (ii) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted (or not prohibited) hereunder or under any other Loan Document, including Section 2.17, or (iii) if approved, authorized or ratified in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the Loan Document or other Loan Documents).

(b) Subordination. To subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by the definition of Permitted Liens.

(c) Other Matters. To approve title to any Approved Subdivision and in connection therewith to enter into any agreements that Administrative Agent deems necessary or appropriate, including agreements with land sellers and other Persons.

Upon request by the Administrative Agent at any time, the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan

Documents) shall confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Loan Party from its obligations under any applicable Loan Document or to enter into other agreements pursuant to this Section 10.3. In each case as specified in this Section 10.3, the Administrative Agent shall, at Borrower's expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release of such items of Collateral from the Lien granted under the Collateral Documents or to subordinate its interest in such item, or to release a Loan Party from its obligations under any Loan Document, in each case in accordance with the terms of the Loan Documents and this Section 10.3.

10.4 Expenses; Indemnity; Damage Waiver.

(a) Costs, Expenses, and Fees. Borrower agrees to pay the fees separately agreed to in writing between Borrower and the Administrative Agent, including, without limitation, the fees set forth in the Fee Letter. In addition, Borrower agrees to pay on demand all reasonable out-of-pocket costs, expenses, and fees of the Administrative Agent and the Issuing Bank (including, without limitation, reasonable fees and expenses for outside attorneys, consultants and other professional advisers, paralegals, document clerks and specialists, appraisals, and appraisal review, and including the fees and expenses of the Administrative Agent, the Issuing Bank, and of its consultants and others retained by it pursuant to the Loan Documents): (i) in the negotiation, execution, delivery, administration and modification of the Loan Documents and in connection with the issuance, amendment, extension, reinstatement or renewal of any Letter of Credit or any demand for payment thereunder, and (ii) in inspecting the Borrowing Base and the Collateral, including the evaluation of proposed Eligible Collateral and Approved Subdivisions. In addition, Borrower agrees to pay on demand all reasonable costs, expenses, and fees of the Administrative Agent and the Lenders (including, without limitation, reasonable fees and expenses for inside and outside attorneys, consultants and other professional advisers, paralegals, document clerks and specialists, appraisals, and appraisal review, and including the fees and expenses of the Administrative Agent, the Lenders, and of consultants and others retained pursuant to the Loan Documents): (A) in the modification or enforcement of the Loan Documents and exercise of the rights and remedies of the Administrative Agent, the Issuing Bank, and the Lenders; (B) in defense of the legality, validity, binding nature, and enforceability of the Loan Documents or any Letter of Credit; (C) otherwise in relation to the enforcement of the rights and remedies of the Administrative Agent, the Issuing Bank, and the Lenders under the Loan Documents; and (D) in preparing for the foregoing, whether or not any legal proceeding is brought or other action is taken. Such costs, expenses, and fees will include, without limitation, all such reasonable costs, expenses, and fees incurred in connection with any court proceedings (whether at the trial or appellate level). If such costs, expenses and fees or any other costs, expenses and fees from time to time due under the Loan Documents are not paid within five (5) Business Days after demand by the Administrative Agent, Borrower agrees to pay interest on such costs, expenses, and fees at the Default Rate from the date incurred until paid in full. In addition, if such costs, expenses and fees are not paid within such five (5) Business Day period, the Administrative Agent may, in its sole and absolute discretion, cause a Revolving Loan to be made to pay such costs, expenses and fees, whether or not such Revolving Loan has been requested by Borrower and whether or not the conditions

precedent to a Revolving Loan have been satisfied. Arizona Revised Statutes Section 12-341.01 shall not be applicable to disputes arising under this Agreement or the other Loan Documents.

(b) Indemnification by Borrower. Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), the Issuing Bank, each Lender and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any Person (including Borrower) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Revolving Loan or any Letter of Credit (including any refusal by any Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Substances (as defined in the Environmental Indemnity) on or from any property owned or operated by Borrower or any of its Subsidiaries, or any Environmental Liability (as defined in the Environmental Indemnity) related in any way to Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by Borrower, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, (y) result from a claim brought by Borrower against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if Borrower has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction or (z) result from a claim not involving an act or omission of Borrower and that is brought by an Indemnitee against another Indemnitee (other than against the arranger or the Administrative Agent in their capacities as such). This paragraph shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that Borrower for any reason fails to indefeasibly pay any amount required under Section 10.4(a) or (b) to be paid by it to the Administrative Agent (or any sub-agent thereof), any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's Applicable Percentage at such time) of such unpaid

amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Law, Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document, any Letter of Credit or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Revolving Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable not later than ten (10) days after demand therefor.

(f) Survival. Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the obligations hereunder.

10.5 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of Section 10.5(b), (ii) by way of participation in accordance with the provisions of Section 10.5(d), or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 10.5(e) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 10.5(d) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it or contemporaneous assignments to related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in Section 10.5(b)(i)(B) in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in Section 10.5(b)(i)(A), the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Revolving Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $10,000,000, unless each of the Administrative Agent and, so long as no Default or Event of Default has occurred and is continuing, Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by Section 10.5(b)(i)(B) and, in addition:

(A) the consent of Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) a Default or Event of Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof and provided, further, that Borrower's consent shall not be required during the primary syndication of the Loan; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500.00; provided that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made to (A) Borrower or any of Borrower's Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person).

(vii) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Revolving Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to Section 10.5(c), from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.10 and 10.5 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly

agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 10.5(d).

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of Borrower, shall maintain at one of its offices in Phoenix, Arizona a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person, or Borrower or any of Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) Borrower, the Administrative Agent and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 10.5 with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 10.2(c)(i), (ii) or (iii) that affects such Participant. Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.10 and 2.11 (subject to the requirements and limitations therein, including the requirements under Section 2.11(g) (it being understood that the documentation required under Section 2.11(g) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 10.5(b); provided that such Participant shall not be entitled to receive any greater payment under Section 2.10 or 2.11, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a

participation shall, acting solely for this purpose as a non-fiduciary agent of Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

10.6 Survival. All covenants, agreements, representations and warranties made by Borrower herein and in any Loan Document or other documents delivered in connection herewith or therewith or pursuant hereto or thereto shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery hereof and thereof and the making of the Revolving Loans hereunder, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Revolving Loan, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding and so long as the Commitments have not expired or been terminated. The provisions of Sections 2.10, 2.11, 10.5, 10.16 and Article 9 shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the payment in full of the Obligations, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

10.7 Counterparts; Integration; Effectiveness; Electronic Execution.

(a) Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.1, this Agreement shall become effective when it

shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (e.g., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

10.8 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section, if and to the extent that the enforceability of any provision of this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, then such provision shall be deemed to be in effect only to the extent not so limited.

10.9 Right of Setoff. In addition to, and without limitation of, any rights of the Lenders under applicable Law, if an Event of Default occurs and is continuing, any and all deposits (including all account balances, whether provisional or final and whether or not collected or available) and any other Indebtedness at any time owing by any Lender or any Affiliate of any Lender to or for the credit or account of Borrower may be offset and applied toward the payment of the Obligations owing to such Lender, whether or not the Obligations, or any part thereof, shall then be due; provided, however, that no Lender will exercise any right of setoff unless Administrative Agent consents to such exercise, or requires such exercise in Administrative Agent's sole and absolute discretion and any Lender that exercises a right of setoff without such consent or requirement hereby agrees to indemnify Administrative Agent and each other Lender for, from and against any loss, liability, claims, damages, costs and expenses arising from the exercise of such right of setoff.

10.10 Governing Law; Jurisdiction; Etc.

(a) Governing Law. This Agreement and the other Loan Documents and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions

contemplated hereby and thereby shall be governed by, and construed in accordance with, the law of the State of Arizona.

(b) Jurisdiction. Borrower irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender, or any Related Party of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of Arizona sitting in Maricopa County, and of the United States District Court of the District of Arizona, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such Arizona State court or, to the fullest extent permitted by applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent, any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against Borrower or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. Borrower irrevocably and unconditionally waives, to the fullest extent permitted by applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in Section 10.10(b). Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 10.1. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable Law.

10.11 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS

BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

10.12 JUDICIAL REFERENCE. IN THE EVENT ANY LEGAL PROCEEDING IS FILED IN A COURT OF THE STATE OF CALIFORNIA (THE "COURT") BY OR AGAINST ANY PARTY HERETO IN CONNECTION WITH ANY CONTROVERSY, DISPUTE OR CLAIM DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY) (EACH, A "CLAIM") AND THE WAIVER SET FORTH IN SECTION 10.10 IS NOT ENFORCEABLE IN SUCH ACTION OR PROCEEDING, THE PARTIES HERETO AGREE AS FOLLOWS:

(a) WITH THE EXCEPTION OF THE MATTERS SPECIFIED IN PARAGRAPH (B) BELOW, ANY CLAIM WILL BE DETERMINED BY A GENERAL REFERENCE PROCEEDING IN ACCORDANCE WITH THE PROVISIONS OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 638 THROUGH 645.1. THE PARTIES INTEND THIS GENERAL REFERENCE AGREEMENT TO BE SPECIFICALLY ENFORCEABLE IN ACCORDANCE WITH CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638. EXCEPT AS OTHERWISE PROVIDED IN THE LOAN DOCUMENTS, VENUE FOR THE REFERENCE PROCEEDING WILL BE IN THE STATE OR FEDERAL COURT IN THE COUNTY OR DISTRICT WHERE VENUE IS OTHERWISE APPROPRIATE UNDER APPLICABLE LAW.

(b) THE FOLLOWING MATTERS SHALL NOT BE SUBJECT TO A GENERAL REFERENCE PROCEEDING: (I) NON-JUDICIAL FORECLOSURE OF ANY SECURITY INTERESTS IN REAL OR PERSONAL PROPERTY, (II) EXERCISE OF SELF-HELP REMEDIES (INCLUDING, WITHOUT LIMITATION, SET-OFF), (III) APPOINTMENT OF A RECEIVER AND (IV) TEMPORARY, PROVISIONAL OR ANCILLARY REMEDIES (INCLUDING, WITHOUT LIMITATION, WRITS OF ATTACHMENT, WRITS OF POSSESSION, TEMPORARY RESTRAINING ORDERS OR PRELIMINARY INJUNCTIONS). THIS AGREEMENT DOES NOT LIMIT THE RIGHT OF ANY PARTY TO EXERCISE OR OPPOSE ANY OF THE RIGHTS AND REMEDIES DESCRIBED IN CLAUSES (I)-(IV) AND ANY SUCH EXERCISE OR OPPOSITION DOES NOT WAIVE THE RIGHT OF ANY PARTY TO A REFERENCE PROCEEDING PURSUANT TO THIS AGREEMENT.

(c) UPON THE WRITTEN REQUEST OF ANY PARTY, THE PARTIES SHALL SELECT A SINGLE REFEREE, WHO SHALL BE A RETIRED JUDGE OR JUSTICE. IF THE PARTIES DO NOT AGREE UPON A REFEREE WITHIN TEN (10) DAYS OF SUCH WRITTEN REQUEST, THEN, ANY PARTY MAY REQUEST THE COURT TO APPOINT A REFEREE PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 640(B). A REQUEST FOR APPOINTMENT OF A REFEREE MAY BE HEARD ON AN EX PARTE OR EXPEDITED BASIS, AND THE PARTIES AGREE THAT IRREPARABLE HARM WOULD RESULT IF EX PARTE RELIEF IS NOT GRANTED.

(d) ALL PROCEEDINGS AND HEARINGS CONDUCTED BEFORE THE REFEREE, EXCEPT FOR TRIAL, SHALL BE CONDUCTED WITHOUT A COURT REPORTER, EXCEPT WHEN ANY PARTY SO REQUESTS, A COURT REPORTER WILL BE USED AND THE REFEREE WILL BE PROVIDED A COURTESY COPY OF THE TRANSCRIPT. THE PARTY MAKING SUCH REQUEST SHALL HAVE THE OBLIGATION TO ARRANGE FOR AND PAY COSTS OF THE COURT REPORTER, PROVIDED THAT SUCH COSTS, ALONG WITH THE REFEREE'S FEES, SHALL ULTIMATELY BE BORNE BY THE PARTY WHO DOES NOT PREVAIL, AS DETERMINED BY THE REFEREE.

(e) THE REFEREE MAY REQUIRE ONE OR MORE PREHEARING CONFERENCES. THE PARTIES HERETO SHALL BE ENTITLED TO DISCOVERY, AND THE REFEREE SHALL OVERSEE DISCOVERY IN ACCORDANCE WITH THE RULES OF DISCOVERY, AND MAY ENFORCE ALL DISCOVERY ORDERS IN THE SAME MANNER AS ANY TRIAL COURT JUDGE IN PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA. THE REFEREE SHALL APPLY THE RULES OF EVIDENCE APPLICABLE TO PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA AND SHALL DETERMINE ALL ISSUES IN ACCORDANCE WITH APPLICABLE STATE AND FEDERAL LAW. THE REFEREE SHALL BE EMPOWERED TO ENTER EQUITABLE AS WELL AS LEGAL RELIEF AND RULE ON ANY MOTION WHICH WOULD BE AUTHORIZED IN A TRIAL, INCLUDING, WITHOUT LIMITATION, MOTIONS FOR DEFAULT JUDGMENT OR SUMMARY JUDGMENT. THE REFEREE SHALL REPORT HIS DECISION, WHICH REPORT SHALL ALSO INCLUDE FINDINGS OF FACT AND CONCLUSIONS OF LAW.

(f) THE PARTIES RECOGNIZE AND AGREE THAT ALL CLAIMS RESOLVED IN A GENERAL REFERENCE PROCEEDING PURSUANT HERETO WILL BE DECIDED BY A REFEREE AND NOT BY A JURY.

10.13 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

10.14 Treatment of Certain Information; Confidentiality. Each of the Administrative Agent, the Lenders agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by applicable Laws or by any subpoena or similar legal process; (d) to any other party hereto; (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement or defense of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (ii) any actual or prospective party

(or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to Borrower and its obligations, this Agreement or payments hereunder; (g) on a confidential basis to (i) any rating agency in connection with rating Borrower or its Subsidiaries or the Loan or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Loan; (h) with the consent of Borrower; or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Administrative Agent, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than Borrower who did not acquire such information as a result of a breach of this Section. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent or any Lender in connection with the administration of this Agreement, the other Loan Documents, and the Commitments.

For purposes of this Section, "Information" means all information received from Borrower or any of its Subsidiaries relating to Borrower or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender on a nonconfidential basis prior to disclosure by Borrower or any of its Subsidiaries; provided that, in the case of information received from Borrower or any of its Subsidiaries after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

10.15 PATRIOT Act. Each Lender subject to the PATRIOT Act hereby notifies Borrower that, pursuant to the requirements of the PATRIOT Act, it may be required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow such Lender to identify Borrower in accordance with the PATRIOT Act.

10.16 Sharing of Payments. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans or participations in L/C Disbursements or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Revolving Loans or participations in L/C Disbursements and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (1) notify the Administrative Agent of such fact, and (2) purchase (for cash at face value) participations in the Revolving Loans and participations in L/C Disbursements and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in L/C Disbursements and other amounts owing them; provided that:

(a) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(b) the provisions of this paragraph shall not be construed to apply to (i) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (ii) the application of Cash Collateral provided for in Section 2.20, or (iii) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in L/C Disbursements to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this paragraph shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements subject to Section 10.9, may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

10.17 Payments Set Aside. To the extent that any payment by or on behalf of Borrower is made to the Administrative Agent, the Issuing Bank, or any Lender, or the Administrative Agent, the Issuing Bank, or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, the Issuing Bank, or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect.

10.18 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a) (i) no fiduciary, advisory or agency relationship between Borrower and its Subsidiaries and the Administrative Agent, the Issuing Bank, or any Lender is intended to be or has been created in respect of the transactions contemplated hereby or by the other Loan Documents, irrespective of whether the Administrative Agent or any Lender has advised or is advising Borrower or any Subsidiary on other matters, (ii) the arranging and other services regarding this Agreement provided by the Administrative Agent and the Lenders are arm's-length commercial transactions between Borrower and its Affiliates, on the one hand, and the Administrative Agent, the Issuing Bank, and the Lenders, on the other hand, (iii) Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent that it has deemed appropriate and (iv) Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; and (b) (i) the Administrative Agent, the Issuing Bank, and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for Borrower

or any of its Affiliates, or any other Person; (ii) none of the Administrative Agent, the Issuing Bank, and the Lenders has any obligation to Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Issuing Bank, and the Lenders and their respective Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of Borrower and its Affiliates, and none of the Administrative Agent and the Lenders has any obligation to disclose any of such interests to Borrower or its Affiliates. To the fullest extent permitted by Law, Borrower hereby waives and releases any claims that it may have against any of the Administrative Agent, and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

10.19 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder that may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(c) a reduction in full or in part or cancellation of any such liability;

(d) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(e) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

10.20 Rescission or Return of Payments. If at any time or from time to time, whether before or after payment and performance of the Obligations in full, all or any part of any amount received by Administrative Agent, Issuing Bank, or any Lender in payment of, or on account of, any Obligation is or must be, or is claimed to be, avoided, rescinded, or returned by Administrative Agent or any Lender to Borrower or any other Person for any reason whatsoever (including, without limitation, bankruptcy, insolvency, or reorganization of Borrower or any other Person), such obligation and any liens, security interests, and other encumbrances that secured such obligations at the time such avoided, rescinded, or returned payment was received by Administrative Agent, Issuing Bank or any Lender will be deemed to have continued in existence or will be reinstated, as the case may be, all as though such payment had not been received.

10.21 No Brokers. Except as disclosed to Administrative Agent in writing prior to the date of this Agreement, Borrower represents and warrants that it knows of no broker's or finder's fee due in respect of the transaction described in this Agreement and that it has not used the services of a broker or a finder in connection with this transaction.

10.22 USA PATRIOT ACT. The Administrative Agent hereby notifies Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow the Administrative Agent and each Lender to identify Borrower in accordance with the Act.

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement has been executed as of the date first above written.

BORROWER:

LANDSEA HOMES- WAB LLC, a Delaware limited liability company

By: /s/ John Ho
John Ho, Chief Executive Officer

ADMINISTRATIVE AGENT AND LENDER:

WESTERN ALLIANCE BANK, an Arizona corporation

By: /s/ John Eldean
Name: John Eldean
Title: SVP

**Exhibit 10.12**

[Note: Exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K.]

THIRD AMENDMENT TO CREDIT AGREEMENT

This THIRD AMENDMENT TO CREDIT AGREEMENT, dated as of August 28, 2019 (this "Amendment "), is made and entered into by and among LANDSEA HOMES- WAB LLC, a Delaware limited liability company (the "Borrower"), WESTERN ALLIANCE BANK, an Arizona corporation, as Administrative Agent (in such capacity, the "Administrative Agent"), FLAGSTAR BANK, FSB ("Incremental Lender"), the lenders party to the Credit Agreement, and the other Loan Parties as of the date hereof.

RECITALS:

WHEREAS, reference is made to the Senior Secured Credit Agreement dated as of February 1, 2018 (as amended, supplemented or otherwise modified to the date hereof, the "Credit Agreement"), by and among the Borrower, the lenders from time to time party thereto and the Administrative Agent;

WHEREAS, it is intended that (a) the Borrower will obtain the Incremental Commitments (as defined below) and (b) the proceeds of the borrowings under the Incremental Commitments will be used (i) by Borrower and its Subsidiaries as provided in the Credit Agreement and (ii) to pay fees and expenses incurred in connection with the foregoing (the transactions described in this paragraph, collectively, the "Transactions");

WHEREAS, subject to the terms and conditions of the Credit Agreement, and pursuant to Section 2.12 of the Credit Agreement, the Borrower has requested that (a) the Lenders provide additional Commitments for Revolving Loans in an aggregate principal amount of $35,000,000 (the "Revolving Commitment Increase") and (b) the Credit Agreement be amended in the manner provided for herein; and

WHEREAS, the Lenders are willing to provide the Incremental Commitments to the Borrower on the Incremental Amendment Effective Date (as defined below), and the parties hereto wish to amend the Credit Agreement on the terms and subject to the conditions set forth herein and in the Credit Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms; Interpretation; Etc. Capitalized terms used and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

2. Incremental Loans.

(a) Each Lender hereby agrees to provide a Commitment to the Borrower to make Revolving Loans from and after the Incremental Amendment Effective Date in U.S.

Dollars in an aggregate principal amount equal to the amount set forth opposite such Lender's name on Schedule I attached hereto (each, an "Incremental Commitment" and, collectively, the " Incremental Commitments"), on the terms set forth herein and in the Credit Agreement (as amended hereby), and subject to the conditions set forth herein. The Incremental Commitments shall be deemed to be "Commitments" as defined in the Credit Agreement (as amended hereby) for all purposes of the Loan Documents having terms and provisions identical to those applicable to the Commitments outstanding immediately prior to the Incremental Amendment Effective Date (the "Existing Revolving Commitments").

(b) Each Lender (i) confirms that a copy of the Credit Agreement and the other applicable Loan Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Amendment and make an Incremental Commitment, have been made available to such Lender; (ii) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender or agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or the other applicable Loan Documents, including this Amendment; and (iii) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Loan Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto.

3. Effective Date Reallocation. On the Incremental Amendment Effective Date, the Lenders holding Commitments immediately prior to the Revolving Commitment Increase given effect pursuant to this Amendment shall automatically and without further act assign to certain Lenders, and certain Lenders shall purchase from the assigning Lenders holding Commitments immediately prior to such Revolving Commitment Increase, at the principal amount thereof, such interests in the Revolving Loans outstanding on the Incremental Amendment Effective Date as shall be necessary in order that, after giving effect to all such assignments and purchases, such Revolving Loans are held by the Lenders ratably in accordance with their Commitments after giving effect to the addition of such Incremental Commitments to the Commitments. The requirements under Section 10.5(b) of the Credit Agreement and requirements in respect of minimum borrowing, pro rata borrowing and *pro rata* payment requirements contained elsewhere in the Credit Agreement shall not apply to the transactions effected pursuant to the immediately preceding sentence.

4. Amendments to Credit Agreement; Other Agreements.

(a) The Credit Agreement is hereby modified as follows:

(i) The following definitions in Section 1.1 of the Credit Agreement are hereby amended in their entirety to read as follows:

"Commitment Amount" means $135,000,000, as increased or reduced from time to time pursuant to the terms hereof, including

increases up to a maximum Commitment Amount of $150,000,000 in accordance with Section 2.12.

"Maximum Allowed Advance" means the following:

(a) With respect to A&D Lots and Finished Lots that are ***not*** located in the Lido Subdivision:

(i) With respect to each A&D Lot, the lesser of (A) 55% of the Appraised Value of the applicable Approved Subdivision (on a bulk wholesale basis), divided by the total number of Lots in the Approved Subdivision (regardless of whether such Lots are Eligible Collateral), and (B) 55% of the Total Lot Cost for the Approved Subdivision, divided by the total number of Lots in the Approved Subdivision (regardless of whether such Lots are Eligible Collateral). For purposes of the foregoing, the number of Lots in the applicable Approved Subdivision will be determined by Administrative Agent based on the applicable subdivision map or plat.

(ii) With respect to each Finished Lot, the lesser of (A) 55% of the Appraised Value of the applicable Approved Subdivision (on a bulk wholesale basis for Finished Lots) divided by the total number of Lots in such Approved Subdivision (regardless of whether such Lots are Eligible Collateral) and (B) 55% of the Total Lot Cost for such Approved Subdivision divided by the total number of Lots in such Approved Subdivision (regardless of whether such Lots are Eligible Collateral). For purposes of the foregoing, the number of Lots in an Approved Subdivision will be determined by Administrative Agent based on the applicable subdivision map or plat.

(b) With respect to A&D Lots and Finished Lots that are located in the Lido Subdivision:

(i) With respect to each A&D Lot, the lesser of (A) 57% of the Appraised Value of the applicable Approved Subdivision (on a bulk wholesale basis), divided by the total number of Lots in the Approved Subdivision (regardless of whether such Lots are Eligible Collateral), and (B) 57% of the Total Lot Cost for the Approved Subdivision, divided by the total number of Lots in the Approved Subdivision (regardless of whether such Lots are Eligible Collateral). For purposes of the foregoing, the number of Lots in the

applicable Approved Subdivision will be determined by Administrative Agent based on the applicable subdivision map or plat.

(ii) With respect to each Finished Lot, the lesser of (A) 63% of the Appraised Value of the applicable Approved Subdivision (on a bulk wholesale basis for Finished Lots) divided by the total number of Lots in such Approved Subdivision (regardless of whether such Lots are Eligible Collateral) and (B) 63% of the Total Lot Cost for such Approved Subdivision divided by the total number of Lots in such Approved Subdivision (regardless of whether such Lots are Eligible Collateral). For purposes of the foregoing, the number of Lots in an Approved Subdivision will be determined by Administrative Agent based on the applicable subdivision map or plat.

(c) With respect to Units:

(i) For Presold Units (other than BMR Units), the lowest of (A) 80% of the Appraised Value of the Presold Unit in question, (B) 80% of the price at which such Presold Unit is to be sold to a purchaser under the Purchase Contract for such Unit, or (C) 80% of the Unit Cost for such Presold Unit.

(ii) For Spec Units (other than BMR Units), the lesser of (A) 70% of the Appraised Value of the Spec Unit in question and (B) 70% of the Unit Cost for such Spec Unit; provided that if the Unit Term is extended from fifteen (15) to eighteen (18) months pursuant to Section 3.4(b), the Maximum Allowed Advance of each such Unit shall be (1) 60% of the Appraised Value of the Spec Unit in question and (2) 60% of the Unit Cost for such Spec Unit.

(iii) For Model Units, the lesser of (A) 70% of the Appraised Value of the Model Unit in question and (B) 70% of the Unit Cost for such Model Unit (including upgrades associated with the use of the Unit as a model).

(iv) For Presold Units that are BMR Units, the lowest of (A) 100% of the Appraised Value of the Presold Unit in question, (B) 100% of the price at which such Presold Unit is to be sold to a purchaser under the Purchase Contract for such Unit, or (C) 80% of the Unit Cost for such Presold Unit.

(v) For Spec Units that are BMR Units, the lesser of (A) 100% of the Appraised Value of the Spec Unit in question and (B) 70% of the Unit Cost for such Spec Unit; provided that if the Unit Term is extended from fifteen (15) to eighteen (18) months pursuant to Section 3.4(b), the Maximum Allowed Advance of each such Unit shall be (1) 90% of the Appraised Value of the Spec Unit in question and (2) 60% of the Unit Cost for such Spec Unit.

(ii) Section 3.6(b) of the Credit Agreement is hereby amended in its entirety to read as follows:

(b) Additional Limitation on Maximum Allowed Advance. In addition to all of the other requirements for the Borrowing Base set forth in this Article 3, the aggregate of the Maximum Allowed Advances of all Lots and Units included in Eligible Collateral may not at any time be greater than an amount equal to 130% of the following amount: (i) the Commitment Amount minus (ii) the Maximum Allowed Advance of all Lots (including both A&D Lots and Finished Lots) in the Borrowing Base.

(iii) Section 7.13(b) of the Credit Agreement is hereby amended in its entirety to read as follows:

(b) Minimum Deposits. Parent shall maintain, or cause to be maintained, average daily free collected balances on deposit at all of the Lenders in the aggregate amount of at least $25,000,000, and of such amount, not less than $22,500,000 must be held at Western Alliance Bank, this covenant to be tested by Administrative Agent as of the end of each fiscal quarter of Parent (commencing with the fiscal Year ending December 31, 2017) for the fiscal quarter then ended. Such deposits shall be maintained by Parent, another Loan Party or other Subsidiaries of Parent designated in writing by Parent to Administrative Agent in such form as Administrative Agent may reasonably request. For clarity and for purposes of determining compliance with this Section 7.13(b), such free collected balances shall include Cash Collateral held by the Issuing Bank (or the Administrative Agent) in order to Cash Collateralize L/C Obligations pursuant to Section 2.05 or Section 2.19 to the extent that such Cash Collateral has not been applied to the payment of L/C Obligations or other Obligations and without limiting any Loan Party's obligation with respect to the pledge and maintenance of such Cash Collateral.

(iv) To correct a cross reference, Section 8.1(b) of the Credit Agreement is hereby amended in its entirety to read as follows:

(b) Negative Covenants/Financial Covenants. Borrower shall fail to perform any term, covenant or agreement contained in Article 7 or (ii) Borrower or Parent shall breach or violate any financial covenant contained in Section 7.13.

(b) Borrower hereby agrees to provide to Administrative Agent, not less than 10 Business Days after the date of this Amendment, a fully executed consent and reaffirmation of the Intercompany Subordination Agreement, by the parties thereto, in form and substance acceptable to Administrative Agent.

5. Conditions Precedent to Incremental Loans. This Amendment, and Lenders' obligation to provide the Incremental Commitments pursuant to this Amendment, shall become effective as of the date on which the following conditions precedent are satisfied (such date, the "Incremental Amendment Effective Date"):

(a) The Administrative Agent shall have received from the Borrower, each other Loan Party and each Lender a counterpart of this Amendment duly executed and delivered on behalf of such party.

(b) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders (including, without limitation, the Lenders) and dated the Incremental Amendment Effective Date) of counsel for the Loan Parties in form and substance reasonably satisfactory to the Administrative Agent.

(c) The Administrative Agent shall have received a certificate of Borrower, dated the Incremental Amendment Effective Date and in form and substance reasonably satisfactory to the Administrative Agent, executed by any Responsible Officer of Borrower, including or attaching (i) copies of resolutions of the board of directors and/or similar governing bodies of Borrower approving and authorizing the execution, delivery and performance of the Loan Documents to which it is a party, certified as of the Incremental Amendment Effective Date by a secretary, an assistant secretary or a Responsible Officer of Borrower as being in full force and effect without modification or amendment, and (ii) the documents or certifications, as applicable, referred to in paragraph (d) of this Section, or otherwise certifying such documents provided to Administrative Agent in connection with the closing of the Credit Agreement or subsequent Subsidiary Guarantees by Subsidiary Guarantors (as applicable) remain in full force and effect, and without amendment or modification.

(d) The Administrative Agent shall have received (i) as to each Loan Party, either (x) a copy of each certificate or articles of incorporation or organization or other applicable constitutive documents of such Loan Party certified, to the extent applicable, as of a recent date by the applicable Governmental Authority or (y) written certification by such Loan Party's secretary, assistant secretary or other Responsible Officer that such Loan

Party's certificate or articles of incorporation or organization or other applicable constitutive documents most recently certified and delivered to the Administrative Agent prior to the Incremental Amendment Effective Date pursuant to the Loan Documents remain in full force and effect on the Incremental Amendment Effective Date without modification or amendment since such original delivery, (ii) as to each Loan Party, either (x) signature and incumbency certificates of the Responsible Officers of such Loan Party executing the Loan Documents to which it is a party or (y) written certification by such Loan Party's secretary, assistant secretary or other Responsible Officer that such Loan Party's signature and incumbency certificates most recently delivered to the Administrative Agent prior to the Incremental Amendment Effective Date pursuant to the Loan Documents remain true and correct as of the Incremental Amendment Effective Date, and (iii) a certificate of existence or good standing (to the extent such concept exists) from the applicable Governmental Authority of each Loan Party's jurisdiction of incorporation, organization or formation as of a reasonably recent date.

(e) The Administrative Agent shall have received for each Lender, that shall have requested a promissory note, a duly completed and executed promissory note payable to such Lender.

(f) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Incremental Amendment Effective Date, including amounts due pursuant to the Fee Letter and reimbursement or payment of all out-of-pocket expenses (including reasonable fees, charges and disbursements of counsel) required to be reimbursed or paid by any Loan Party.

(g) The Administrative Agent shall have received such other documents and agreements as required by Administrative Agent in connection with this Amendment, including, without limitation, any amendments to the Deeds of Trust.

(h) The Administrative Agent shall have received such UCC search results, title reports, title policies, and title insurance endorsements as Administrative Agent shall require evidencing the continuing first priority of Administrative Agent's Liens in the Collateral as security for the payment and performance of all of the Obligations.

(i) The Administrative Agent and each Lender shall have received, at least three Business Days prior to the Incremental Amendment Effective Date, all documentation and other information about the Borrower and the other Loan Parties as shall have been requested prior to the Incremental Amendment Effective Date by the Administrative Agent or such Lender that they shall have reasonably determined is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the USA PATRIOT Act.

(j) Upon the effectiveness of this Amendment and both immediately before and immediately after giving effect to this Amendment, no Default or Event of Default shall exist.

(k) The representations and warranties in Section 6 of this Amendment shall be true and correct in all material respects.

The Administrative Agent shall notify the Borrower and the Lenders of the Incremental Amendment Effective Date, and such notice shall be conclusive and binding.

6. Representations and Warranties. In order to induce the Lenders and the Administrative Agent to enter into this Amendment and to induce each Lender to provide the Incremental Commitments hereunder, the Borrower hereby represents and warrants to the Lenders and the Administrative Agent on and as of the Incremental Amendment Effective Date that:

(a) Existence, Qualification and Power. The Borrower and each Loan Party (i) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (ii) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (x) own or lease its assets and carry on its business and (y) execute, deliver and perform its obligations under the Amendment and the other Loan Documents to which it is a party, and (iii) is duly qualified and is licensed and, as applicable, in good standing under the laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, except to the extent that failure to do so could not reasonably be expected to result in a Material Adverse Change.

(b) Authorization; No Contravention. The execution, delivery and performance by the Borrower of the Amendment and each Loan Document to which it is party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (i) contravene the terms of its certificate or articles of incorporation or organization or other applicable constitutive documents, (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (x) any material contractual obligation to which the Borrower is a party or affecting the Borrower or the properties of the Borrower or any Subsidiary or (y) any material order, injunction, writ or decree of any Governmental Authority or any arbitral award to which the Borrower or any Subsidiary or its property is subject or (c) violate any law in any material respect.

(c) Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Borrower of this Amendment or any other Loan Document, except for such approvals, consents, exemptions, authorizations, actions or notices that have been duly obtained, taken or made and in full force and effect.

(d) Execution and Delivery; Binding Effect. This Amendment has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by the Loan Parties party thereto. This Amendment constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of

each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other Laws affecting creditors' rights generally and by general principles of equity.

(e) Credit Agreement Representations and Warranties. The representations and warranties of the Borrower and the other Loan Parties set forth in the Credit Agreement or in any other Loan Document are true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects) on and as of the Incremental Amendment Effective Date (or, in the case of any such representation or warranty expressly stated to have been made as of a specific date, as of such specific date).

7. Reaffirmation of Guarantees and Security Interests. Each Loan Party hereby acknowledges its receipt of a copy of this Amendment and its review of the terms and conditions hereof and consents to the terms and conditions of this Amendment and the transactions contemplated thereby, including the extension of credit in the form of the Incremental Commitments. Each Loan Party hereby (a) affirms and confirms its guarantees, pledges, grants and other undertakings under the Credit Agreement and the other Loan Documents to which it is a party, (b) agrees that (i) each Loan Document to which it is a party shall continue to be in full force and effect and (ii) all guarantees, pledges, grants and other undertakings thereunder shall continue to be in full force and effect and shall accrue to the benefit of the Administrative Agent and Lenders, and (c) acknowledges that from and after the date hereof, all Incremental Commitments and Revolving Loans under the Credit Agreement from time to time outstanding shall be deemed to be Borrower Obligations.

8. Miscellaneous.

(a) Release. Each Loan Party fully, finally, and forever releases and discharges Administrative Agent, Lenders and their successors, assigns, directors, officers, employees, agents, and representatives from any and all actions, causes of action, claims, debts, demands, liabilities, obligations, and suits, of whatever kind or nature, in law or equity, that such Loan Party has or in the future may have, whether known or unknown, (i) in respect of the Loan, the Loan Documents, or the actions or omissions of Administrative Agent or Lenders in respect of the Loan or the Loan Documents and (ii) arising from events occurring prior to the date of this Amendment. **FURTHER, BORROWER AND EACH OTHER LOAN PARTY EXPRESSLY WAIVES ANY PROVISION OF APPLICABLE LAW TO THE EFFECT THAT A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

(b) Recordation of the Incremental Loans. Upon execution and delivery hereof, the Administrative Agent will record in the Register the Incremental Commitments made by the Lenders.

(c) Amendment, Modification and Waiver. This Amendment may not be amended and no provision hereof may be waived except pursuant to a writing signed by each of the parties hereto.

(d) Entire Agreement. This Amendment, the Credit Agreement (as amended hereby) and the other Loan Documents constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties or any of them with respect to the subject matter hereof.

(e) Governing Law. This Amendment and any claims controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Amendment and the transactions contemplated hereby shall be governed by, and construed in accordance with, the laws of the State of Arizona.

(f) Jurisdiction. The Borrower and each other Loan Party irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender, or any Related Party of the foregoing in any way relating to this Amendment, the Credit Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of Arizona sitting in Maricopa County, and of the United States District Court of the District of Arizona, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such Arizona State court or, to the fullest extent permitted by applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent, any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against Borrower or its properties in the courts of any jurisdiction.

(g) Waiver of Venue. The Borrower and each other Loan Party irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Amendment or any other Loan Document in any court referred to in paragraph (e) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(h) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 10.1 of the Credit Agreement. Nothing in this Amendment or any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

(i) WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AMENDMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. WITHOUT LIMITING THE FOREGOING WAIVER OF JURY TRIAL, SECTION 10.12 OF THE CREDIT AGREEMENT IS HEREBY INCORPORATED HEREIN BY REFERENCE.

(j) Severability. Any term or provision of this Amendment that is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Amendment or affecting the validity or enforceability of any of the terms or provisions of this Amendment in any other jurisdiction. If any provision of this Amendment is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.

(k) Counterparts; Integration; Effectiveness. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5 hereof, this Amendment shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or in electronic (i.e., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of this Amendment.

(l) Headings. The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

(m) Reference to and Effect on the Credit Agreement and the Other Loan Documents. On and after the Incremental Amendment Effective Date, each reference in the Credit Agreement to "this Agreement", "hereunder", "herein" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to the "Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment. Except as specifically amended by this Amendment, the Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed and this Amendment shall not be considered a novation. The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Administrative Agent or Lender under, the Credit Agreement or any of the other Loan Documents. This Amendment shall be deemed to be a Loan Document as defined in the Credit Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

BORROWER:

LANDSEA HOMES- WAB LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

GUARANTORS:

LANDSEA HOLDINGS CORPORATION, a Delaware corporation

By: /s/ John Ho
John Ho, Chief Executive Officer

LS INVESTCO VALE LLC, a Delaware limited liability company

By: _____
Bart Beasley, Senior Vice President

SF VALE, LLC, a Delaware limited liability company

By: _____
Bart Beasley, Senior Vice President

LS MANAGER VALE LLC, a Delaware limited liability company

By: _____
Bart Beasley, Senior Vice President

LS-SUNNYVALE LLC, a California limited liability company

By: _____
Bart Beasley, Senior Vice President

THE VALE PA-I OWNER, LLC, a Delaware limited liability company

By: _____
Bart Beasley, Senior Vice President

GUARANTORS:

LANDSEA HOLDINGS CORPORATION, a Delaware corporation

By: _____
John Ho, Chief Executive Officer

LS INVESTCO VALE LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

SF VALE, LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

LS MANAGER VALE LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

LS-SUNNYVALE LLC, a California limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

THE VALE PA-I OWNER, LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

THE VALE PA-2 OWNER, LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

THE VALE PA-3 OWNER, LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

LS-MILPITAS LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

LS-LIDO LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

LS-CHANDLER LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

ADMINISTRATIVE AGENT:

WESTERN ALLIANCE BANK, an Arizona corporation

By: /s/ Tom Swinton
Name: Tom Swinton
Title: V.P.

LENDER:

WESTERN ALLIANCE BANK, an Arizona corporation

By: /s/ Tom Swinton
Name: Tom Swinton
Title: V.P.

LENDER:

FLAGSTAR BANK, FSB

By: /s/ Philip Trujillo
Name: PHILIP TRUJILLO
Title: Vice President

**Exhibit 10.13**

FOURTH AMENDMENT TO CREDIT AGREEMENT

This FOURTH AMENDMENT TO CREDIT AGREEMENT, dated as of August 27, 2020 (this "Amendment"), is made and entered into by and among LANDSEA HOMES- WAB LLC, a Delaware limited liability company (the "Borrower"), WESTERN ALLIANCE BANK, an Arizona corporation, as Administrative Agent (in such capacity, the "Administrative Agent"), the lenders party to the Credit Agreement, and the other Loan Parties as of the date hereof.

RECITALS:

WHEREAS, reference is made to the Senior Secured Credit Agreement dated as of February 1, 2018 (as amended, supplemented or otherwise modified to the date hereof, the "Credit Agreement"), by and among the Borrower, the lenders from time to time party thereto ("Lenders") and the Administrative Agent;

WHEREAS, the Borrower has requested that (a) Administrative Agent and Lenders amend the "Lot Eligibility Date" for "Finished Lots" set forth in the Credit Agreement as provided herein, and (b) Administrative Agent consent to the amendment of Borrower's organization documents in connection with the acquisition by Landsea Homes Incorporated, a Delaware corporation ("LHI") of all of the membership interests in Borrower from Landsea Holdings Corporation, a Delaware corporation ("LHC") (such transaction, the "LHI Acquisition"), pursuant to the Distribution Agreement of even date herewith, by LHI, LHC and Borrower (the "Distribution Agreement");

WHEREAS, the Lenders are willing to agree to the amendments described above on the terms and subject to the conditions set forth herein and in the Credit Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms; Interpretation; Etc. Capitalized terms used and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

2. Amendments to Credit Agreement; Other Agreements.

(a) The definition of "Lot Eligibility Date" provided in the Credit Agreement is hereby amended in its entirety and restated to provide as follows:

"Lot Eligibility Date" means, with respect to (a) each A&D Lot, the date such Lot is first included as Eligible Collateral as an A&D Lot; and (b) each Finished Lot, the date such Lot is first included as Eligible Collateral as a Finished Lot. For clarity, if an A&D Lot is re-classified to be a Finished Lot, then the Lot Eligibility Date for such Lot will thereafter be the date of such re-classification.

3. Administrative Agent Consent. Pursuant to Section 7.4 of the Credit Agreement, Administrative Agent consents to the amendment to the Borrower's Organizational Documents pursuant to the Distribution Agreement. In connection therewith, the Loan Parties represent, warrant, covenant and agree as follows:

(a) Borrower has provided to Administrative Agent a true, correct and complete copy of the Distribution Agreement;

(b) At all times from and after the closing of the LHI Acquisition, (i) LHI will continue to own 100% of the legal and beneficial ownership interests in Borrower, and (ii) LHC will at all times own 100% of the legal and beneficial ownership interests in LHI; and

(c) Not later than 30 days after the date of this Amendment, LHI will provide a guaranty of Borrower's obligations under the Loan Documents, in form and substance acceptable to Administrative Agent.

4. Conditions Precedent. This Amendment shall become effective as of the date on which the following conditions precedent are satisfied (such date, the "Amendment Effective Date"):

(a) The Administrative Agent shall have received from the Borrower, each other Loan Party and each Lender a counterpart of this Amendment duly executed and delivered on behalf of such party.

(b) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the date hereof, including reimbursement or payment of all out-of-pocket expenses (including reasonable fees, charges and disbursements of counsel) required to be reimbursed or paid by any Loan Party in connection with this Amendment.

(c) The Administrative Agent shall have received such other documents and agreements as required by Administrative Agent in connection with this Amendment.

(d) Upon the effectiveness of this Amendment and both immediately before and immediately after giving effect to this Amendment, no Default or Event of Default shall exist.

(e) The representations and warranties in Section 5 of this Amendment shall be true and correct in all material respects.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

5. Representations and Warranties. In order to induce the Lenders and the Administrative Agent to enter into this Amendment, the Borrower hereby represents and warrants to the Lenders and the Administrative Agent on and as of the Amendment Effective Date that:

(a) Existence, Qualification and Power. The Borrower and each Loan Party (i) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (ii) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (x) own or lease its assets and carry on its business and (y) execute, deliver and perform its obligations under the Amendment and the other Loan Documents to which it is a party, and (iii) is duly qualified and is licensed and, as applicable, in good standing under the laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, except to the extent that failure to do so could not reasonably be expected to result in a Material Adverse Change.

(b) Authorization; No Contravention. The execution, delivery and performance by the Borrower of the Amendment and each Loan Document to which it is party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (i) contravene the terms of its certificate or articles of incorporation or organization or other applicable constitutive documents, (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (x) any material contractual obligation to which the Borrower is a party or affecting the Borrower or the properties of the Borrower or any Subsidiary or (y) any material order, injunction, writ or decree of any Governmental Authority or any arbitral award to which the Borrower or any Subsidiary or its property is subject or (c) violate any law in any material respect.

(c) Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Borrower of this Amendment or any other Loan Document, except for such approvals, consents, exemptions, authorizations, actions or notices that have been duly obtained, taken or made and in full force and effect.

(d) Execution and Delivery; Binding Effect. This Amendment has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by the Loan Parties party thereto. This Amendment constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other Laws affecting creditors' rights generally and by general principles of equity.

(e) Credit Agreement Representations and Warranties. The representations and warranties of the Borrower and the other Loan Parties set forth in the Credit Agreement or in any other Loan Document are true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects) on and as of the Amendment Effective Date (or, in the case of any such representation or warranty expressly stated to have been made as of a specific date, as of such specific date).

6. Reaffirmation of Guarantees and Security Interests. Each Loan Party hereby acknowledges its receipt of a copy of this Amendment and its review of the terms and conditions hereof and consents to the terms and conditions of this Amendment and the transactions contemplated thereby. Each Loan Party hereby (a) affirms and confirms its guarantees, pledges, grants and other undertakings under the Credit Agreement and the other Loan Documents to which it is a party, (b) agrees that (i) each Loan Document to which it is a party shall continue to be in full force and effect and (ii) all guarantees, pledges, grants and other undertakings thereunder shall continue to be in full force and effect and shall accrue to the benefit of the Administrative Agent and Lenders, and (c) acknowledges that from and after the date hereof, all Revolving Loans under the Credit Agreement from time to time outstanding shall be deemed to be Borrower Obligations.

7. Miscellaneous.

(a) Release. Each Loan Party fully, finally, and forever releases and discharges Administrative Agent, Lenders and their successors, assigns, directors, officers, employees, agents, and representatives from any and all actions, causes of action, claims, debts, demands, liabilities, obligations, and suits, of whatever kind or nature, in law or equity, that such Loan Party has or in the future may have, whether known or unknown, (i) in respect of the Loan, the Loan Documents, or the actions or omissions of Administrative Agent or Lenders in respect of the Loan or the Loan Documents and (ii) arising from events occurring prior to the date of this Amendment. **FURTHER, BORROWER AND EACH OTHER LOAN PARTY EXPRESSLY WAIVES ANY PROVISION OF APPLICABLE LAW TO THE EFFECT THAT A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY**.

(b) Amendment, Modification and Waiver. This Amendment may not be amended and no provision hereof may be waived except pursuant to a writing signed by each of the parties hereto.

(c) Entire Agreement. This Amendment, the Credit Agreement (as amended hereby) and the other Loan Documents constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties or any of them with respect to the subject matter hereof.

(d) Governing Law. This Amendment and any claims controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Amendment and the transactions contemplated hereby shall be governed by, and construed in accordance with, the laws of the State of Arizona.

(e) Jurisdiction. The Borrower and each other Loan Party irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender, or any Related Party of the foregoing in any way relating to this Amendment, the Credit Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of Arizona sitting in Maricopa County, and of the United States District Court of the District of Arizona, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such Arizona State court or, to the fullest extent permitted by applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent, any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against Borrower or its properties in the courts of any jurisdiction.

(f) Waiver of Venue. The Borrower and each other Loan Party irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Amendment or any other Loan Document in any court referred to in paragraph (e) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(g) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 10.1 of the Credit Agreement. Nothing in this Amendment or any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

(h) WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AMENDMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. WITHOUT LIMITING THE FOREGOING WAIVER OF JURY TRIAL, SECTION 10.12 OF THE CREDIT AGREEMENT IS HEREBY INCORPORATED HEREIN BY REFERENCE.

(i) Severability. Any term or provision of this Amendment that is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Amendment or affecting the validity or enforceability of any of the terms or provisions of this Amendment in any other jurisdiction. If any provision of this Amendment is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.

(j) Counterparts; Integration; Effectiveness. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5 hereof, this Amendment shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Amendment.

(k) Headings. The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

(l) Reference to and Effect on the Credit Agreement and the Other Loan Documents. On and after the Amendment Effective Date, each reference in the Credit Agreement to "this Agreement", "hereunder", "herein" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to the "Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment. Except as specifically amended by this Amendment, the Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed and this Amendment shall not be considered a novation. The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Administrative Agent or Lender under, the Credit Agreement or any of the other Loan Documents. This Amendment shall be deemed to be a Loan Document as defined in the Credit Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

BORROWER:

LANDSEA HOMES- WAB LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

Signature Page to Fourth Amendment to Credit Agreement

GUARANTORS:

LANDSEA HOLDINGS CORPORATION,
a Delaware corporation

By: /s/ John Ho
John Ho, Chief Executive Officer

LS INVESTCO VALE LLC, a Delaware
limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

SF VALE, LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

LS MANAGER VALE LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

LS-SUNNYVALE LLC, a California limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

THE VALE PA-1 OWNER, LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

THE VALE PA-2 OWNER, LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

THE VALE PA-3 OWNER, LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

LS-MILPITAS LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

LS-LIDO LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

LS-CHANDLER LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

LS-NEWARK LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

LS-CHATSWORTH LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

LS-ONTARIO LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

LS-ONTARIO II LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

PINNACLE WEST HOMES E92 LLC,
a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

ADMINISTRATIVE AGENT:

WESTERN ALLIANCE BANK, an Arizona corporation

By: /s/ Tom Swinton
Name: Tom Swinton
Title: SVP

Signature Page to Fourth Amendment to Credit Agreement

LENDER:

WESTERN ALLIANCE BANK, an Arizona corporation

By: /s/ Tom Swinton
Name: Tom Swinton
Title: SVP

FLAGSTAR BANK, FSB

By: _____
Name: _____
Title: _____

Signature Page to Fourth Amendment to Credit Agreement

LENDER:

WESTERN ALLIANCE BANK, an Arizona corporation

By: _____
Name: _____
Title: _____

FLAGSTAR BANK, FSB

By: /s/ Philip Trujillo
Name: Philip Trujillo
Title: Vice President

Signature Page to Fourth Amendment to Credit Agreement

**Exhibit 10.14**

[Note: Exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K.]

FIFTH AMENDMENT TO CREDIT AGREEMENT

This FIFTH AMENDMENT TO CREDIT AGREEMENT, dated as of December 14, 2020 (this "Amendment"), is made and entered into by and among LANDSEA HOMES- WAB LLC, a Delaware limited liability company (the "Borrower"), WESTERN ALLIANCE BANK, an Arizona corporation, as Administrative Agent (in such capacity, the "Administrative Agent"), WESTERN ALLIANCE BANK ("Incremental Lender"), the lenders party to the Credit Agreement, and the other Loan Parties as of the date hereof.

RECITALS:

WHEREAS, reference is made to the Senior Secured Credit Agreement dated as of February 1, 2018 (as amended, supplemented or otherwise modified to the date hereof, the "Credit Agreement"), by and among the Borrower, the lenders from time to time party thereto and the Administrative Agent;

WHEREAS, it is intended that (a) the Borrower will obtain the Incremental Commitments (as defined below) and (b) the proceeds of the borrowings under the Incremental Commitments will be used (i) by Borrower and its Subsidiaries as provided in the Credit Agreement and (ii) to pay fees and expenses incurred in connection with the foregoing (the transactions described in this paragraph, collectively, the "Transactions");

WHEREAS, Borrower has requested that (a) the Lenders provide additional Commitments for Revolving Loans in an aggregate principal amount of $60,000,000 (the "Revolving Commitment Increase") and (b) the Credit Agreement be amended in the manner provided for herein;

WHEREAS, the Incremental Lender is willing to increase its Commitment to provide the Revolving Commitment Increase to the Borrower on the Amendment Effective Date (as defined below), and the parties hereto wish to amend the Credit Agreement on the terms and subject to the conditions set forth herein and in the Credit Agreement;

WHEREAS, Landsea Holdings Corporation, a Delaware corporation ("LHC"), Landsea Homes Incorporated, a Delaware corporation ("LHI"), LF Capital Acquisition Corp., a Delaware corporation ("LF Capital"), and LFCA Merger Sub, Inc. ("LF Merger Sub") entered into that certain Agreement and Plan of Merger dated as of August 31, 2020 (the "Merger Agreement"), pursuant to which, among other things, upon the Closing (as defined in the Merger Agreement), LF Merger Sub will merge with and into LHI, with LHI being the surviving corporation, and 100% of the shares of LHI will be owned by Landsea Homes Corporation, a Delaware corporation, as reflected in the organizational chart attached hereto as Exhibit A (the "Merger");

WHEREAS, LHI intends to provide a Guaranty of the Borrower's Obligations effective upon the Amendment Effective Date; and

WHEREAS, upon the effectiveness of the Merger, LHC shall be released from its Guaranty under the Credit Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms; Interpretation; Etc. Capitalized terms used and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

2. Incremental Loans.

(a) Incremental Lender hereby agrees to increase its Commitment to the Borrower to make Revolving Loans from and after the Amendment Effective Date in U.S. Dollars in an aggregate principal amount equal to the amount set forth opposite such Lender's name on Schedule I attached hereto under the heading "Incremental Commitment" (the "Incremental Commitment"), on the terms set forth herein and in the Credit Agreement (as amended hereby), and subject to the conditions set forth herein. The Incremental Commitment shall be deemed to be a "Commitment" as defined in the Credit Agreement (as amended hereby) for all purposes of the Loan Documents having terms and provisions identical to those applicable to the Commitments outstanding immediately prior to the Amendment Effective Date (the "Existing Revolving Commitments").

(b) Each Lender (i) confirms that a copy of the Credit Agreement and the other applicable Loan Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Amendment and make an Incremental Commitment, have been made available to such Lender; (ii) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender or agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement or the other applicable Loan Documents, including this Amendment; and (iii) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Loan Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto.

3. Effective Date Reallocation. On the Amendment Effective Date, the Lenders holding Commitments immediately prior to the Revolving Commitment Increase given effect pursuant to this Amendment shall automatically and without further act assign to certain Lenders, and certain Lenders shall purchase from the assigning Lenders holding Commitments immediately prior to such Revolving Commitment Increase, at the principal amount thereof, such interests in the Revolving Loans outstanding on the Amendment Effective Date as shall be necessary in order that, after giving effect to all such assignments and purchases, such Revolving Loans are held by the Lenders ratably in accordance with their Commitments after giving effect to the addition of

such Incremental Commitments to the Commitments. The requirements under Section 10.5(b) of the Credit Agreement and requirements in respect of minimum borrowing, pro rata borrowing and *pro rata* payment requirements contained elsewhere in the Credit Agreement shall not apply to the transactions effected pursuant to the immediately preceding sentence.

4. Amendments to Credit Agreement; Other Agreements.

(a) The Credit Agreement is hereby modified as follows:

(i) The following definitions are hereby added to Section 1.1 of the Credit Agreement:

"Fifth Amendment Effective Date" means December 14, 2020.

"Landsea Homes Corp." means Landsea Homes Corporation, a Delaware corporation.

"LHC" means Landsea Holdings Corporation, a Delaware corporation.

"LHC Control Event" means LHC shall cease to directly own and Control 100% of the Equity Interests of LHI, free and clear of all Liens and Encumbrances; provided, however, if the Merger Effective Date occurs on or prior to December 31, 2020, then from and after the Merger Effective Date, "LHC Control Event" will mean (a) LHC shall cease to directly own and Control at least 50.1% of the Equity Interests of Landsea Homes Corp., free and clear of all Liens and Encumbrances, or (b) Landsea Homes Corp. shall cease to directly own and Control 100% of the Equity Interests of LHI, free and clear of all Liens and Encumbrances.

"LHI" means Landsea Homes Incorporated, a Delaware corporation.

"Merger Agreement" means that certain Agreement and Plan of Merger dated as of August 31, 2020, by and among Landsea Holdings Corporation, a Delaware corporation, Landsea Homes Incorporated, a Delaware corporation, LF Capital Acquisition Corp., a Delaware corporation, and LFCA Merger Sub, Inc.

"Merger Effective Date" means the effective date of the Closing (as defined in the Merger Agreement).

"Net Income" means, for any Person, the net income (or loss) of the Person and its consolidated Subsidiaries for the subject period in accordance with GAAP; provided, however, that net income shall exclude (a) extraordinary gains and extraordinary losses for such period, and (b) the

net income of any Subsidiary of Parent during such period to the extent that the declaration or payment of dividends or similar distributions by such subsidiary of such income is not permitted by operation of the terms of its organization documents or any agreement, instrument or law applicable to such subsidiary during such period.

"Required Tangible Net Worth" means (a) as of September 30, 2020, an amount equal to 50% of LHC's Tangible Net Worth determined as of December 31, 2019 (the " Baseline Net Worth"); and (b) as of December 31, 2020, and the end of each Fiscal Quarter thereafter, an amount equal to the sum of (i) the Baseline Net Worth plus (ii) the cumulative amount of 50% of the Parent's Net Income for each Fiscal Year ending after December 31, 2019; provided, (a) if in any Fiscal Year, Parent's Net Income is less than $0, the Net Income amount for such Fiscal Year will be excluded from the Required Tangible Net Worth, and (b) if the Merger Effective Date occurs on or prior to December 31, 2020, for purposes of the determining Parent's Net Income during the calendar year 2020, such Net Income will equal LHC's Net Income from January 1, 2020 through June 30, 2020, plus LHI's Net Income from July 1, 2020 through December 31, 2020. If the Merger Effective Date does not occur on or prior to December 31, 2020, then the adjustments in clause (b) will not be effective.

"Tangible Net Worth" means the sum of (a) the Parent's consolidated total assets; minus (b) intangible assets (goodwill, patents, trademarks, trade names, organizational expense, treasury stock, monies due from affiliates, officers, directors or shareholders of Parent and other intangibles); minus (c) Consolidated Debt of Parent, plus (d) for time periods occurring prior to the Merger Effective Date, the Subordinated Debt pursuant to the Intercompany Subordination Agreement and (without duplication) accrued unpaid interest on such Subordinated Debt.

(ii) The following definitions in Section 1.1 of the Credit Agreement are hereby amended in their entirety to read as follows:

"Commitment Amount" means the aggregate amount of the Lenders' Commitments, which as of the Fifth Amendment Effective Date is $195,000,000.

"Change of Control" means the occurrence of any of the following:

(a) The occurrence of an LHC Control Event;

(b) LHI shall cease to directly own and Control 100% of the Equity Interests of Borrower, free and clear of all Liens and Encumbrances;

(c) Borrower shall cease to directly or indirectly wholly own and Control each Project Owner and each Intermediate Entity, free and clear of all Liens and Encumbrances; or

(d) an event or series of events by which: (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its Subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right")), directly or indirectly, of 25% or more of the Equity Interests of the Parent entitled to vote for members of the board of directors or equivalent governing body of the Parent on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right); or (ii) during any period of twenty-four (24) consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Parent cease to be composed of individuals (A) who were members of that board or equivalent governing body on the first day of such period, (B) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (A) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (C) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (A) and (B) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.

"Guarantor" means, individually and collectively, Parent Guarantor, LHI and each Subsidiary Guarantor; provided, from and after the Merger Effective Date, "Guarantor" will mean individually and collectively LHI and each Subsidiary Guarantor.

"Guaranty" means collectively (a) with respect to LHC, a payment guaranty dated as of the Effective Date on Administrative Agent's form; (b) with respect to LHI, a payment guaranty dated as of the Fifth Amendment Effective Date on Administrative Agent's form; (c) with respect to each Person other than Parent that is a Loan Party as of the Effective Date payment and completion guaranties, dated as of the Effective Date, on Administrative Agent's form; and (d) with respect to each Person, other than LHI, that becomes a Loan Party after the Effective Date, payment and completion guaranties on Administrative Agent's form or, at Administrative Agent's option, a Guarantor Joinder Agreement; provided,

however, from and after the Merger Effective Date, clause (a) of this definition of Guaranty will be replaced with "[Reserved]".

"Intercompany Subordination Agreement" means a Subordination Agreement with respect to all Indebtedness of LHC owing to any Affiliate of LHC in form and content approved by Administrative Agent in its sole and absolute discretion.

"Maturity Date" means February 1, 2024, as such date may be extended pursuant to Section 2.6(a).

"Parent" means (a) prior to the Merger Effective Date, LHC; and (b) from and after the Merger Effective Date, LHI.

"Permitted Subordinated Debt" means (a) prior to the Merger Effective Date, the Indebtedness subject to subordination in the Intercompany Subordination Agreement; and (b) from and after the Merger Effective Date, such Indebtedness as approved by Administrative Agent, in its sole discretion, that is subordinated to the applicable Person's obligations under the Loan Documents pursuant to a subordination agreement acceptable to Administrative Agent in its sole discretion.

(iii) Section 2.13(a) of the Credit Agreement is hereby amended in its entirety and restated to provide as follows:

(a) Request for Increase. Borrower may, by notice to the Administrative Agent (who shall promptly notify the Lenders), request an increase in the Commitments (each such increase, an "Incremental Commitment") by an aggregate amount (for all such requests) not exceeding $60,000,000 (i.e. for a total Commitment Amount of $195,000,000.00) to be effective on the Fifth Amendment Effective Date; provided that unless otherwise agreed by Administrative Agent, Issuing Bank and the Required Lenders, no increase in the Commitments will increase the L/C Sublimit.

(iv) Section 3.5(b) of the Credit Agreement is hereby amended in its entirety and restated to provide as follows:

(b) Lot Limit; Reductions in Lot Limit. The aggregate Maximum Allowed Advance with respect to all Lots included in the Borrowing Base will not at any one time exceed the lesser of (i) the Applicable Land Percentage of the total Maximum Allowed Advances of the Eligible Collateral in the Borrowing Base, or (ii) 50% of the Commitment. In addition, the aggregate Maximum Allowed Advance with respect to A&D Lots and Finished Lots in each Approved Subdivision shall not be greater than the amount designated by Administrative Agent

in the applicable Subdivision Approval Letter (the "Lot Limit") . On each Borrowing Base Report following each Lot Limit Reduction Date, the applicable Lot Limit will be reduced, and the amount of each such reduction shall be the corresponding amount (the "Lot Reduction Amount") based on Administrative Agent's determination of 75% of Appraised Absorption, as set forth in the applicable Subdivision Approval Letter. As used herein, "Applicable Land Percentage" means (a) 75% from November 1, 2020 through September 30, 2021; (b) 65% from October 1, 2021 through March 31, 2022; (c) 55% from April 1, 2022 through September 30, 2022; and (d) 50% from and after October 1, 2022.

(v) Section 5.2(r) of the Credit Agreement is amended in its entirety and restated to provide as follows:

(r) Sanctions; Anti-Corruption.

(i) None of Borrower, LHC, LHI, any of their respective Subsidiaries or any director, officer, employee, agent, or Affiliate of LHI, LHC, Borrower or any of their respective Subsidiaries is an individual or entity ("person") that is, or is owned or controlled by persons that are: (A) the subject of any sanctions administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority (collectively, "Sanctions"), or (B) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions (including Crimea, Cuba, Iran, North Korea, Sudan and Syria).

(ii) LHC, LHI, Borrower, their respective Subsidiaries and their respective directors, officers and employees and, to the knowledge of Borrower, the agents of Borrower and its Subsidiaries, are in compliance with all applicable Sanctions and with the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA") and any other applicable anti-corruption law, in all material respects. Parent, Borrower and their respective Subsidiaries have instituted and maintain policies and procedures designed to ensure continued compliance with applicable Sanctions, the FCPA and any other applicable anti-corruption laws.

(vi) Section 6.4(b) of the Credit of the Credit Agreement is amended in its entirety and restated to provide as follows:

(b) Annual Statements – Parent. Within one hundred twenty (120) days after the close of each Fiscal Year of Parent, unqualified, audited annual financial statements of Parent, certified and signed by the chief financial officer of Parent, respectively, in form satisfactory to

Administrative Agent, and audited by PricewaterhouseCoopers or another nationally recognized independent certified public accountants reasonably acceptable to Administrative Agent, prepared in accordance with GAAP in each case on a consolidated and consolidating basis, including balance sheets as of the end of such Fiscal Year and statements of income and retained earnings and a statement of cash flows, and setting forth in comparative form the balance sheet, income statement, retained earnings and cash flow figures for the preceding Fiscal Year.

(vii) Section 6.4(d) of the Credit of the Credit Agreement is amended in its entirety and restated to provide as follows:

(d) Quarterly Financial Statements – Parent. Within sixty (60) days after the close of each quarterly period of each Fiscal Year of Parent, financial statements for Parent on a consolidated and consolidating basis, including balance sheets as of the end of such period, statements of income and retained earnings and a statement of cash flows, in each case for the portion of the Fiscal Year ending with such fiscal period, all certified and signed by the chief financial officer of Parent, respectively, in form satisfactory to Administrative Agent. The financial statements may be company-prepared, but Borrower shall deliver to Administrative Agent copies of any audited financial statements for the relevant period which may be prepared, as soon as they are available. All consolidated and consolidating balance sheets shall set forth in comparative form figures for the preceding year end and the corresponding period in the preceding Fiscal Year. All such income statements shall reflect year-to-date figures. Such quarterly financial statements of Parent shall also include a list of all outstanding Guarantees by Parent (including, without limitation, payment, completion, and so-called "bad boy" guaranties) and such information regarding such Guarantees (including copies thereof and any actual or potential claims or demands thereon) as Administrative Agent may reasonably request.

(viii) Section 7.11 of the Credit Agreement is amended in its entirety and restated to provide as follows:

7.11 Subordinated Debt. Borrower shall not make or permit to be made any payments, prepayments or other distributions in respect of Subordinated Debt or principal, interest of other amounts outstanding thereon except to the extent expressly permitted by the subordination agreement executed by Administrative Agent with respect to such Subordinated Debt.

(ix) Section 7.13(a) of the Credit Agreement is amended in its entirety and restated to provide as follows:

(a) Liquidity. At all times during the term of the Loan, Parent, the consolidated Subsidiaries of Parent, and the other Loan Parties shall maintain Liquidity at a minimum of $40,000,000, tested by Administrative Agent on a quarterly basis, as verified by Administrative Agent pursuant to bank and/or brokerage statements furnished to Administrative Agent by Borrower and/or Parent. The first quarterly testing period shall commence on December 31, 2017. As used herein, minimum Liquidity will only be measured based on bank or brokerage accounts held in their own name by Parent and the other Loan Parties. "Liquidity" means an amount equal to the sum of: (i) Parent's, its consolidated Subsidiaries', and the other Loan Parties' aggregate unencumbered and unrestricted cash (including (x) cash deposited with Western Alliance Bank to cash collateralize letters of credit issued by Western Alliance Bank for the account of Borrower or another Loan Party to the extent such cash has not been applied to reimbursement and other obligations in respect of such letters of credit and (y) other deposit accounts maintained pursuant to Section 7.13(b)), (ii) Parent's, its consolidated Subsidiaries', and the other Loan Parties' aggregate unencumbered and unrestricted cash equivalents (to the extent consisting of readily marketable securities, excluding "margin stock" [within the meaning of Regulation U of the Board of Governors of the Federal Reserve System], restricted stock and stock subject to the provisions of Rule 144 of the Securities and Exchange Commission), deemed by Administrative Agent in its sole and absolute discretion to be liquid, and (iii) the Undrawn Availability; provided, however, Liquidity shall only include such cash and other assets held with financial institutions in the United States and shall not include cash or other assets held by Parent's Subsidiaries that are not formed pursuant to the laws of the United States (or a State of the United States) and with operations exclusively in the United States.

(x) Section 7.13(b) of the Credit Agreement is amended in its entirety and restated to provide as follows:

(b) Minimum Deposits. Parent shall maintain, or cause to be maintained, average daily free collected balances on deposit at all of the Lenders in the aggregate amount of at least $27,500,000, and of such amount, not less than $25,000,000 must be held at Western Alliance Bank, this covenant to be tested by Administrative Agent as of the end of each fiscal quarter of Parent (commencing with the fiscal year ending December 31, 2020) for the fiscal quarter then ended. Such deposits shall be maintained by Parent, another Loan Party or other Subsidiaries of Parent designated in writing by Parent to Administrative Agent in such form as Administrative Agent may reasonably request. For clarity and for purposes of determining compliance with this Section 7.13(b), such free collected balances shall include Cash Collateral held by the Issuing Bank (or the Administrative Agent) in order to Cash Collateralize L/C Obligations pursuant to Section 2.05 or Section 2.19 to the extent that such Cash

Collateral has not been applied to the payment of L/C Obligations or other Obligations and without limiting any Loan Party's obligation with respect to the pledge and maintenance of such Cash Collateral.

(xi) Section 7.13(c) of the Credit Agreement is amended in its entirety and restated to provide as follows:

(c) Minimum Tangible Net Worth. At all times during the term of the Loan, Parent shall maintain a minimum Tangible Net Worth equal or greater than the applicable Required Tangible Net Worth, to be tested by Administrative Agent on a quarterly basis, beginning on September 30, 2020.

(xii) Section 7.13(d) of the Credit Agreement is amended in its entirety and restated to provide as follows:

(d) Maximum Leverage Ratio. At all times during the term of the Loan, Parent shall maintain a Leverage Ratio not greater that the ratios set forth in the table below for the applicable periods. The Leverage Ratio shall be tested by Administrative Agent on a quarterly basis, beginning with the fiscal quarter ending on September 30, 2020. The "Leverage Ratio" means the ratio determined by Administrative Agent and calculated by taking (a) the sum of (i) Consolidated Debt minus (ii) the Permitted Subordinated Debt, divided by (b) Total Capitalization. "Total Capitalization" means the sum (without duplication) of (a) Tangible Net Worth, plus (b) the Permitted Subordinated Debt, and plus (c) Consolidated Debt. The maximum Leverage Ratio shall be as follows:

| FISCAL QUARTER END | MAXIMUM LEVERAGE RATIO |
|---|---|
| September 30, 2020 | 0.75:1.00 |
| December 31, 2020 | 0.75:1.00 |
| March 31, 2021 | 0.65:1.00 |
| June 30, 2021 | 0.65:1.00 |
| September 30, 2021 | 0.65:1.00 |
| December 31, 2021 | 0.65:1.00 |
| March 31, 2022 and each Fiscal Quarter thereafter | 0.60:1.00 |

(xiii) Section 7.13(e) of the Credit Agreement is amended in its entirety and restated to provide as follows:

(e) Interest Coverage. Commencing with (a) the fiscal quarter ending September 30, 2020, Parent shall maintain a ratio of Consolidated EBITDA to Consolidated Interest Expense in an amount greater than or

equal to 1.00 to 1.00; and (b) the fiscal quarter ending December 31, 2020, continuing at the end of each calendar quarter thereafter, Parent shall maintain a ratio of Consolidated EBITDA to Consolidated Interest Expense in an amount greater than or equal to 1.50 to 1.00. The interest only coverage ratio shall be calculated by Administrative Agent based upon the Consolidated EBITDA and Consolidated Interest Expense for the applicable preceding consecutive four (4) quarter period.

(b) Reference to Commitment Amounts. Each of the Loan Documents is hereby modified such that any reference to the maximum principal amount of the Revolving Loans is amended to refer to $195,000,000.

(c) Consent to Merger. Administrative Agent and Lenders hereby consent to the Merger in accordance with the terms of the Merger Agreement; provided that such Merger must be completed by no later than December 31, 2020 and the Merger Effective Date must occur on or before December 31, 2020. Notwithstanding the foregoing, the parties acknowledge that certain modifications to the Loan Documents provided herein are dependent upon the Merger Effective Date occurring. Accordingly, if the Merger is not completed by December 31, 2020, (i) the consent to the Merger provided herein will be *void ab initio*, and (b) Borrower, LHC and LHI will not cause or permit the Merger to become effective without again obtaining the written consent of Administrative Agent and Lenders. Within 5 Business Days of the completion of the Merger, Borrower will provide written notice thereof to Administrative Agent and provide Administrative Agent with copies of the certificate of incorporation of LHI and Landsea Homes Corp., the bylaws of LHI and Landsea Homes Corp., and all other documents pertaining to the authority of LHI to transact business.

(d) Release of LHC Obligations. Provided the Merger Effective Date occurs on or before December 31, 2020, then effective upon the Merger Effective Date, LHC is released from its obligations under (a) the Guaranty dated as of February 1, 2018, by LHC, in favor of Administrative Agent and Lenders (the "LHC Guaranty"); and (b) the Environmental Indemnity Agreement dated February 1, 2018, by Borrower, LHC and certain other Persons, in favor of Administrative Agent and Lenders (the "EIA"). Notwithstanding anything to the contrary contained herein, (i) the foregoing release of LHC does not, and will not, terminate or otherwise impair the indemnification and other provisions of the LHC Guaranty or EIA that are expressly stated to survive the termination thereof and the payment of all amounts owing thereunder; (ii) no Person, other than LHC, is released from any obligations pursuant to the terms of this Section 4(d); and (iii) if the Merger Effective Date does not occur on or before December 31, 2020, the release of LHC provided in this Section 4(d) will not become effective and will be *void ab initio*.

5. Conditions Precedent. This Amendment shall become effective as of the date on which the following conditions precedent are satisfied (such date, the "Amendment Effective Date"):

(a) The Administrative Agent shall have received from the Borrower, each other Loan Party and each Lender a counterpart of this Amendment duly executed and delivered on behalf of such party.

(b) The Administrative Agent shall have received a fully executed consent and reaffirmation of the Intercompany Subordination Agreement, by the parties thereto, in form and substance acceptable to Administrative Agent.

(c) The Administrative Agent shall have received a guaranty of Borrower's obligations under the Loan Documents, and an Environmental Agreement, each executed by LHI.

(d) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders (including, without limitation, the Lenders) and dated the Amendment Effective Date) of counsel for the Loan Parties in form and substance reasonably satisfactory to the Administrative Agent.

(e) The Administrative Agent shall have received a certificate of Borrower, dated the Amendment Effective Date and in form and substance reasonably satisfactory to the Administrative Agent, executed by any Responsible Officer of Borrower, including or attaching (i) copies of resolutions of the board of directors and/or similar governing bodies of Borrower approving and authorizing the execution, delivery and performance of the Loan Documents to which it is a party, certified as of the Amendment Effective Date by a secretary, an assistant secretary or a Responsible Officer of Borrower as being in full force and effect without modification or amendment, and (ii) the documents or certifications, as applicable, referred to in paragraph (d) of this Section, or otherwise certifying such documents provided to Administrative Agent in connection with the closing of the Credit Agreement or subsequent Subsidiary Guarantees by Subsidiary Guarantors (as applicable) remain in full force and effect, and without amendment or modification.

(f) The Administrative Agent shall have received (i) as to each Loan Party, either (x) a copy of each certificate or articles of incorporation or organization or other applicable constitutive documents of such Loan Party certified, to the extent applicable, as of a recent date by the applicable Governmental Authority or (y) written certification by such Loan Party's secretary, assistant secretary or other Responsible Officer that such Loan Party's certificate or articles of incorporation or organization or other applicable constitutive documents most recently certified and delivered to the Administrative Agent prior to the Amendment Effective Date pursuant to the Loan Documents remain in full force and effect on the Amendment Effective Date without modification or amendment since such original delivery, (ii) as to each Loan Party, either (x) signature and incumbency certificates of the Responsible Officers of such Loan Party executing the Loan Documents to which it is a party or (y) written certification by such Loan Party's secretary, assistant secretary or other Responsible Officer that such Loan Party's signature and incumbency certificates most recently delivered to the Administrative Agent prior to the Amendment Effective Date pursuant to the Loan Documents remain true and correct as of the Amendment Effective Date, and (iii) a certificate of existence or good standing (to the

extent such concept exists) from the applicable Governmental Authority of each Loan Party's jurisdiction of incorporation, organization or formation as of a reasonably recent date.

(g) The Administrative Agent shall have received for each Lender, that shall have requested a promissory note, a duly completed and executed promissory note payable to such Lender.

(h) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Amendment Effective Date, including amounts due pursuant to the Fee Letter and reimbursement or payment of all out-of-pocket expenses (including reasonable fees, charges and disbursements of counsel) required to be reimbursed or paid by any Loan Party.

(i) The Administrative Agent shall have received such other documents and agreements as required by Administrative Agent in connection with this Amendment, including, without limitation, any amendments to the Deeds of Trust.

(j) The Administrative Agent shall have received such UCC search results, title reports, title policies, and title insurance endorsements as Administrative Agent shall require evidencing the continuing first priority of Administrative Agent's Liens in the Collateral as security for the payment and performance of all of the Obligations.

(k) The Administrative Agent and each Lender shall have received, at least three Business Days prior to the Amendment Effective Date, all documentation and other information about the Borrower and the other Loan Parties as shall have been requested prior to the Amendment Effective Date by the Administrative Agent or such Lender that they shall have reasonably determined is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the USA PATRIOT Act.

(l) Upon the effectiveness of this Amendment and both immediately before and immediately after giving effect to this Amendment, no Default or Event of Default shall exist.

(m) The representations and warranties in Section 6 of this Amendment shall be true and correct in all material respects.

The Administrative Agent shall notify the Borrower and the Lenders of the Amendment Effective Date, and such notice shall be conclusive and binding.

6. Representations and Warranties. In order to induce the Lenders and the Administrative Agent to enter into this Amendment and to induce each Lender to provide the Incremental Commitments hereunder, the Borrower hereby represents and warrants to the Lenders and the Administrative Agent on and as of the Amendment Effective Date that:

(a) Existence, Qualification and Power. The Borrower and each Loan Party (i) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (ii) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (x) own or lease its assets and carry on its business and (y) execute, deliver and perform its obligations under the Amendment and the other Loan Documents to which it is a party, and (iii) is duly qualified and is licensed and, as applicable, in good standing under the laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, except to the extent that failure to do so could not reasonably be expected to result in a Material Adverse Change.

(b) Authorization; No Contravention. The execution, delivery and performance by the Borrower of the Amendment and each Loan Document to which it is party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (i) contravene the terms of its certificate or articles of incorporation or organization or other applicable constitutive documents, (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (x) any material contractual obligation to which the Borrower is a party or affecting the Borrower or the properties of the Borrower or any Subsidiary or (y) any material order, injunction, writ or decree of any Governmental Authority or any arbitral award to which the Borrower or any Subsidiary or its property is subject or (c) violate any law in any material respect.

(c) Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Borrower of this Amendment or any other Loan Document, except for such approvals, consents, exemptions, authorizations, actions or notices that have been duly obtained, taken or made and in full force and effect.

(d) Execution and Delivery; Binding Effect. This Amendment has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by the Loan Parties party thereto. This Amendment constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other Laws affecting creditors' rights generally and by general principles of equity.

(e) Credit Agreement Representations and Warranties. The representations and warranties of the Borrower and the other Loan Parties set forth in the Credit Agreement or in any other Loan Document are true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects) on and as of the Amendment Effective Date (or, in the case of any such representation or warranty expressly stated to have been made as of a specific date, as of such specific date).

(f) Merger Agreement. Borrower has provided to Administrative Agent a true, correct and complete copy of the Merger Agreement, and such Merger Agreement sets forth all of the material terms of the Merger. The organizational chart attached as Exhibit A accurately reflects the ownership of the Loan Parties after giving effect to the Merger.

7. Reaffirmation of Guarantees and Security Interests. Each Loan Party hereby acknowledges its receipt of a copy of this Amendment and its review of the terms and conditions hereof and consents to the terms and conditions of this Amendment and the transactions contemplated thereby, including the extension of credit in the form of the Incremental Commitments. Each Loan Party hereby (a) affirms and confirms its guarantees, pledges, grants and other undertakings under the Credit Agreement and the other Loan Documents to which it is a party, (b) agrees that (i) each Loan Document to which it is a party shall continue to be in full force and effect and (ii) all guarantees, pledges, grants and other undertakings thereunder shall continue to be in full force and effect and shall accrue to the benefit of the Administrative Agent and Lenders, and (c) acknowledges that from and after the date hereof, all Incremental Commitments and Revolving Loans under the Credit Agreement from time to time outstanding shall be deemed to be Borrower Obligations.

8. Miscellaneous.

(a) Release. Each Loan Party fully, finally, and forever releases and discharges Administrative Agent, Lenders and their successors, assigns, directors, officers, employees, agents, and representatives from any and all actions, causes of action, claims, debts, demands, liabilities, obligations, and suits, of whatever kind or nature, in law or equity, that such Loan Party has or in the future may have, whether known or unknown, (i) in respect of the Loan, the Loan Documents, or the actions or omissions of Administrative Agent or Lenders in respect of the Loan or the Loan Documents and (ii) arising from events occurring prior to the date of this Amendment. **FURTHER, BORROWER AND EACH OTHER LOAN PARTY EXPRESSLY WAIVES ANY PROVISION OF APPLICABLE LAW TO THE EFFECT THAT A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

(b) Recordation of the Incremental Loans. Upon execution and delivery hereof, the Administrative Agent will record in the Register the Incremental Commitments made by the Lenders.

(c) Amendment, Modification and Waiver. This Amendment may not be amended and no provision hereof may be waived except pursuant to a writing signed by each of the parties hereto.

(d) Entire Agreement. This Amendment, the Credit Agreement (as amended hereby) and the other Loan Documents constitute the entire agreement among the parties

with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties or any of them with respect to the subject matter hereof.

(e) Governing Law. This Amendment and any claims controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Amendment and the transactions contemplated hereby shall be governed by, and construed in accordance with, the laws of the State of Arizona.

(f) Jurisdiction. The Borrower and each other Loan Party irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender, or any Related Party of the foregoing in any way relating to this Amendment, the Credit Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of Arizona sitting in Maricopa County, and of the United States District Court of the District of Arizona, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such Arizona State court or, to the fullest extent permitted by applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent, any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against Borrower or its properties in the courts of any jurisdiction.

(g) Waiver of Venue. The Borrower and each other Loan Party irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Amendment or any other Loan Document in any court referred to in paragraph (e) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(h) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 10.1 of the Credit Agreement. Nothing in this Amendment or any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

(i) WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT OR THE TRANSACTIONS CONTEMPLATED

HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AMENDMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. WITHOUT LIMITING THE FOREGOING WAIVER OF JURY TRIAL, SECTION 10.12 OF THE CREDIT AGREEMENT IS HEREBY INCORPORATED HEREIN BY REFERENCE.

(j) Severability. Any term or provision of this Amendment that is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Amendment or affecting the validity or enforceability of any of the terms or provisions of this Amendment in any other jurisdiction. If any provision of this Amendment is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.

(k) Counterparts; Integration; Effectiveness. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5 hereof, this Amendment shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Amendment.

(l) Headings. The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

(m) Reference to and Effect on the Credit Agreement and the Other Loan Documents. On and after the Amendment Effective Date, each reference in the Credit Agreement to "this Agreement", "hereunder", "herein" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to the "Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment. Except as specifically amended by this Amendment, the Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed and this Amendment shall not be considered a novation. The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Administrative Agent or

Lender under, the Credit Agreement or any of the other Loan Documents. This Amendment shall be deemed to be a Loan Document as defined in the Credit Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

BORROWER:

LANDSEA HOMES- WAB LLC, a Delaware
limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

GUARANTORS:

LANDSEA HOLDINGS CORPORATION,
a Delaware corporation

By: /s/ John Ho
John Ho, Chief Executive Officer

LANDSEA HOMES INCORPORATED, a
Delaware corporation

By: /s/ John Ho
John Ho, Chief Executive Officer

LS INVESTCO VALE LLC, a Delaware limited liability company

SF VALE, LLC, a Delaware limited liability company

LS MANAGER VALE LLC, a Delaware limited liability company

LS-SUNNYVALE LLC, a California limited liability company

THE VALE PA-1 OWNER, LLC, a Delaware limited liability company

THE VALE PA-2 OWNER, LLC, a Delaware limited liability company

THE VALE PA-3 OWNER, LLC, a Delaware limited liability company

LS-MILPITAS LLC, a Delaware limited liability company

LS-LIDO LLC, a Delaware limited liability company

LS-CHANDLER LLC, a Delaware limited liability company

LS-NEWARK LLC, a Delaware limited liability company

LS-CHATSWORTH LLC, a Delaware limited liability company

LS-ONTARIO LLC, a Delaware limited liability company

LS-ONTARIO II LLC, a Delaware limited liability company

LS-EASTMARK LLC, a Delaware limited liability company

PINNACLE WEST HOMES E92 LLC, an Arizona limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

ADMINISTRATIVE AGENT:

WESTERN ALLIANCE BANK, an Arizona corporation

By: /s/ John Eldean
Name: JOHN ELDEAN
Title: SVP

LENDER:

WESTERN ALLIANCE BANK, an Arizona corporation

By: /s/ John Eldean
Name: JOHN ELDEAN
Title: SVP

LENDER:

FLAGSTAR BANK, FSB

By: /s/ Philip Trujillo
Name: PHILIP TRUJILLO
Title: VICE PRESIDENT

**Exhibit 10.15**

SIXTH AMENDMENT TO CREDIT AGREEMENT

This SIXTH AMENDMENT TO CREDIT AGREEMENT, dated as of December 31, 2020 (this "Amendment"), is made and entered into by and among LANDSEA HOMES- WAB LLC, a Delaware limited liability company (the "Borrower"), WESTERN ALLIANCE BANK, an Arizona corporation, as Administrative Agent (in such capacity, the "Administrative Agent"), the lenders party to the Credit Agreement, and the other Loan Parties as of the date hereof.

RECITALS:

WHEREAS, reference is made to the Senior Secured Credit Agreement dated as of February 1, 2018 (as amended, supplemented or otherwise modified to the date hereof, the "Credit Agreement"), by and among the Borrower, the lenders from time to time party thereto ("Lenders") and the Administrative Agent;

WHEREAS, the Borrower has requested that Administrative Agent and Lenders amend the Credit Agreement as provided herein;

WHEREAS, the Lenders are willing to agree to the amendments herein subject to the conditions set forth herein and in the Credit Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms; Interpretation; Etc. Capitalized terms used and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

2. Amendments to Credit Agreement; Other Agreements.

(a) The definition of "LHI" provided in the Credit Agreement is hereby amended in its entirety and restated to provide as follows, which is to be effective from and after January 7, 2021:

"LHI" means Landsea Homes US Corporation, a Delaware corporation (f/k/a Landsea Homes Incorporated).

(b) The definition of "Floor Rate" provided in the Credit Agreement is hereby amended in its entirety and restated to provide as follows, which is to be effective from and after March 1, 2021:

"Floor Rate" means a rate of interest equal to 5.25% per annum.

(c) The definition of "Net Profit Margin" provided in the Credit Agreement is hereby amended in its entirety and restated to provide as follows, which is to be effective

for purposes of testing the financial covenant provided in Section 7.13(g) of the Credit Agreement for the calendar year 2020 and thereafter:

"Net Profit Margin" means total consolidated revenues of Parent from the sale of homes, Lots and land in the ordinary course of business (a) reduced by the sum of the following: (i) the "cost of sales" less intercompany interest expensed in "cost of sales", (ii) "impairment of real estate held for sale", (iii) selling expense, (iv) general and administrative expense, (v) incentive compensation, and (vi) management fee revenue and as further reduced or increased (as applicable) by gain or loss on foreign currency exchange, (b) plus the following items (without duplication) to the extent such items are included in calculating the items described in clause (a): (i) net losses from unconsolidated joint ventures, (ii) purchase price accounting for acquired inventory amortization resulting from the valuation step-up of acquired inventory, (iii) acquisition transaction related costs and (iv) non-recurring / extraordinary expense as approved by Administrative Agent, expressed as a percentage of total consolidated revenues of Parent from the sale of homes, Lots and land in the ordinary course of business.

(d) Section 6.4(h) of the Credit Agreement is amended in its entirety and restated to provide as follows:

(h) Projections. On or before March 31 of each Fiscal Year, Borrower shall provide projections and budgets of Parent for such Fiscal Year, which shall be in form and content satisfactory to Administrative Agent and shall include Parent's projections of the Gross Profit Margin and Net Profit Margin for such Fiscal Year. The Gross Profit Margin and Net Profit Margin shall be subject to review and adjustment by Administrative Agent and upon Administrative Agent's approval (subject to the limitations on the minimum Gross Profit Margin and Net Profit Margin in Sections 7.13(f) and 7.13(g)) shall be the applicable Gross Profit Margin and Net Profit Margin for purposes of the financial covenants in Sections 7.13(f) and 7.13(g). Administrative Agent agrees to consult with Borrower prior to approving a Gross Profit Margin and Net Profit Margin that differs from Parent's projections.

3. Conditions Precedent. This Amendment shall become effective as of the date on which the following conditions precedent are satisfied (such date, the "Amendment Effective Date"):

(a) The Administrative Agent shall have received from the Borrower, each other Loan Party and each Lender a counterpart of this Amendment duly executed and delivered on behalf of such party.

(b) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the date hereof, including reimbursement or payment of all out-of-pocket expenses (including reasonable fees, charges and disbursements of counsel) required to be reimbursed or paid by any Loan Party in connection with this Amendment.

(c) The Administrative Agent shall have received such other documents and agreements as required by Administrative Agent in connection with this Amendment.

(d) Upon the effectiveness of this Amendment and both immediately before and immediately after giving effect to this Amendment, no Default or Event of Default shall exist.

(e) The representations and warranties in Section 4 of this Amendment shall be true and correct in all material respects.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

4. Representations and Warranties. In order to induce the Lenders and the Administrative Agent to enter into this Amendment, the Borrower hereby represents and warrants to the Lenders and the Administrative Agent on and as of the Amendment Effective Date that:

(a) Existence, Qualification and Power. The Borrower and each Loan Party (i) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (ii) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (x) own or lease its assets and carry on its business and (y) execute, deliver and perform its obligations under the Amendment and the other Loan Documents to which it is a party, and (iii) is duly qualified and is licensed and, as applicable, in good standing under the laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, except to the extent that failure to do so could not reasonably be expected to result in a Material Adverse Change.

(b) Authorization; No Contravention. The execution, delivery and performance by the Borrower of the Amendment and each Loan Document to which it is party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (i) contravene the terms of its certificate or articles of incorporation or organization or other applicable constitutive documents, (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (x) any material contractual obligation to which the Borrower is a party or affecting the Borrower or the properties of the Borrower or any Subsidiary or (y) any material order, injunction, writ or decree of any Governmental Authority or any arbitral award to which the Borrower or any Subsidiary or its property is subject or (c) violate any law in any material respect.

(c) Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Borrower of this Amendment or any other Loan Document, except for such approvals, consents, exemptions,

authorizations, actions or notices that have been duly obtained, taken or made and in full force and effect.

(d) Execution and Delivery; Binding Effect. This Amendment has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by the Loan Parties party thereto. This Amendment constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other Laws affecting creditors' rights generally and by general principles of equity.

(e) Credit Agreement Representations and Warranties. The representations and warranties of the Borrower and the other Loan Parties set forth in the Credit Agreement or in any other Loan Document are true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects) on and as of the Amendment Effective Date (or, in the case of any such representation or warranty expressly stated to have been made as of a specific date, as of such specific date).

5. Reaffirmation of Guarantees and Security Interests. Each Loan Party hereby acknowledges its receipt of a copy of this Amendment and its review of the terms and conditions hereof and consents to the terms and conditions of this Amendment and the transactions contemplated thereby. Each Loan Party hereby (a) affirms and confirms its guarantees, pledges, grants and other undertakings under the Credit Agreement and the other Loan Documents to which it is a party, (b) agrees that (i) each Loan Document to which it is a party shall continue to be in full force and effect and (ii) all guarantees, pledges, grants and other undertakings thereunder shall continue to be in full force and effect and shall accrue to the benefit of the Administrative Agent and Lenders, and (c) acknowledges that from and after the date hereof, all Revolving Loans under the Credit Agreement from time to time outstanding shall be deemed to be Borrower Obligations.

6. Miscellaneous.

(a) Release. Each Loan Party fully, finally, and forever releases and discharges Administrative Agent, Lenders and their successors, assigns, directors, officers, employees, agents, and representatives from any and all actions, causes of action, claims, debts, demands, liabilities, obligations, and suits, of whatever kind or nature, in law or equity, that such Loan Party has or in the future may have, whether known or unknown, (i) in respect of the Loan, the Loan Documents, or the actions or omissions of Administrative Agent or Lenders in respect of the Loan or the Loan Documents and (ii) arising from events occurring prior to the date of this Amendment. **FURTHER, BORROWER AND EACH OTHER LOAN PARTY EXPRESSLY WAIVES ANY PROVISION OF APPLICABLE LAW TO THE EFFECT THAT A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT, IF KNOWN BY HIM OR**

**HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY**.

(b) Amendment, Modification and Waiver. This Amendment may not be amended and no provision hereof may be waived except pursuant to a writing signed by each of the parties hereto.

(c) Entire Agreement. This Amendment, the Credit Agreement (as amended hereby) and the other Loan Documents constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties or any of them with respect to the subject matter hereof.

(d) Governing Law. This Amendment and any claims controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Amendment and the transactions contemplated hereby shall be governed by, and construed in accordance with, the laws of the State of Arizona.

(e) Jurisdiction. The Borrower and each other Loan Party irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender, or any Related Party of the foregoing in any way relating to this Amendment, the Credit Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of Arizona sitting in Maricopa County, and of the United States District Court of the District of Arizona, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such Arizona State court or, to the fullest extent permitted by applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent, any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against Borrower or its properties in the courts of any jurisdiction.

(f) Waiver of Venue. The Borrower and each other Loan Party irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Amendment or any other Loan Document in any court referred to in paragraph (e) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(g) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 10.1 of the Credit Agreement. Nothing in this Amendment or any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

(h) WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AMENDMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. WITHOUT LIMITING THE FOREGOING WAIVER OF JURY TRIAL, SECTION 10.12 OF THE CREDIT AGREEMENT IS HEREBY INCORPORATED HEREIN BY REFERENCE.

(i) Severability. Any term or provision of this Amendment that is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Amendment or affecting the validity or enforceability of any of the terms or provisions of this Amendment in any other jurisdiction. If any provision of this Amendment is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.

(j) Counterparts; Integration; Effectiveness. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5 hereof, this Amendment shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or in electronic (i.e., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of this Amendment.

(k) Headings. The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

(l) Reference to and Effect on the Credit Agreement and the Other Loan Documents. On and after the Amendment Effective Date, each reference in the Credit Agreement to "this Agreement", "hereunder", "herein" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to the "Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment. Except as specifically amended by this Amendment, the Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed and this Amendment shall not be considered a novation. The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Administrative Agent or Lender under, the Credit Agreement or any of the other Loan Documents. This Amendment shall be deemed to be a Loan Document as defined in the Credit Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

BORROWER:

LANDSEA HOMES- WAB LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

GUARANTORS:

LANDSEA HOMES US CORPORATION, a Delaware corporation (f/k/a Landsea Homes Incorporated)

By: /s/ John Ho
John Ho, Chief Executive Officer

LS INVESTCO VALE LLC, a Delaware limited liability company

SF VALE, LLC, a Delaware limited liability company

LS MANAGER VALE LLC, a Delaware limited liability company

LS-SUNNYVALE LLC, a California limited liability company

THE VALE PA-1 OWNER, LLC, a Delaware limited liability company

THE VALE PA-2 OWNER, LLC, a Delaware limited liability company

THE VALE PA-3 OWNER, LLC, a Delaware limited liability company

LS-MILPITAS LLC, a Delaware limited liability company

LS-LIDO LLC, a Delaware limited liability company

LS-CHANDLER LLC, a Delaware limited liability company

LS-NEWARK LLC, a Delaware limited liability company

LS-CHATSWORTH LLC, a Delaware limited liability company

LS-ONTARIO LLC, a Delaware limited liability company

LS-ONTARIO II LLC, a Delaware limited liability company

LS-EASTMARK LLC, a Delaware limited liability company

PINNACLE WEST HOMES E92 LLC, an Arizona limited liability company

LS-TRACY LLC, a Delaware limited liability company

LS-GOODYEAR LLC, a Delaware limited liability company

By: /s/ /s/ Bart Beasley
Bart Beasley, Senior Vice President

ADMINISTRATIVE AGENT:

WESTERN ALLIANCE BANK, an Arizona corporation

By: /s/ John Eidean
Name: John EIDEAN
Title: SVP

LENDER:

WESTERN ALLIANCE BANK, an Arizona corporation

By: /s/ John Eidean
Name: John EIDEAN
Title: SVP

LENDER:

FLAGSTAR BANK, FSB

By: /s/ Philip Trujillo
Name: PHILIP TRUJILLO
Title: Vice President

**Exhibit 10.16**

Certain portions of this document have been omitted pursuant to Item 601(b)(10) of Regulation S-K and, where applicable, have been marked with "[***]" to indicate where omissions have been made. The marked information has been omitted because it is (i) not material and (ii) would likely cause competitive harm to the registrant if publicly disclosed.

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CREDIT AGREEMENT

DATED AS OF JANUARY 15, 2020

BY AND AMONG

LANDSEA HOMES- WAB 2 LLC,
A DELAWARE LIMITED LIABILITY COMPANY

AS BORROWER,

AND

WESTERN ALLIANCE BANK,
AN ARIZONA CORPORATION

AS ADMINISTRATIVE AGENT

AND THE LENDERS

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| Exhibit G | Borrowing Base Report |
| Exhibit H | Notices Address |

[Note: Exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K.]

CREDIT AGREEMENT

This CREDIT AGREEMENT dated as of January 15, 2020, is made and entered into by and among LANDSEA HOMES- WAB 2 LLC, a Delaware limited liability company ("Borrower"), and WESTERN ALLIANCE BANK, an Arizona corporation ("Administrative Agent") and the lenders from time to time party hereto.

RECITALS

A. Borrower is engaged in the business of developing residential subdivisions and constructing and selling residential units in such subdivisions.

B. Borrower has requested that Lenders provide a borrowing base revolving line of credit for Borrower, pursuant to which Borrower may finance the construction of residential housing units.

C. Lenders are willing to provide such a borrowing base revolving line of credit upon the terms and conditions hereinafter set forth.

AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower, Administrative Agent and Lenders agree that:

ARTICLE 1
DEFINITIONS

1.1 Definitions. In this Agreement, the following capitalized terms have the following meanings:

"A&D Lot" means an individual Lot in an Approved Subdivision as designated on a subdivision plat or map (whether preliminary or final) for the Approved Subdivision which is acquired in an unfinished or substantially unfinished condition and is included or to be included in the Eligible Assets for development of the Lot Improvements in an Approved Subdivision. Unless the context otherwise requires, the term "A&D Lot" refers to the Lot in an Approved Subdivision prior to a transfer of the Lot for Unit construction and inclusion of the Lot in Eligible Assets as a Unit.

"A&D Lot Development Budget" means the budget for the acquisition of the applicable Approved Subdivision and the construction of Lot Improvements in such Approved Subdivision provided to Administrative Agent prior to the Lots in such Subdivision being Eligible Assets.

"A&D Lot Development Plans and Specifications" means the plans and specifications for the development of Lot Improvements in an Approved Subdivision that have been prepared by an engineer, together with any amendments or modifications to those plans and specifications.

"Acquisition" means the corporate reorganization with respect to Borrower and certain Project Owners and Intermediate Entities to occur on or before the Effective Date pursuant to which the Project Owners and Intermediate Entities with respect to all Approved Subdivisions become direct or indirect Wholly-Owned Subsidiaries of Borrower in a manner consistent with the organization chart set forth on Exhibit B.

"Acquisition Cost" means the actual net purchase price paid by Borrower to acquire the applicable Subdivision or Lots therein.

"Administrative Agent" means Western Alliance Bank, an Arizona corporation, in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" of any Person means any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with, such Person.

"Agent Parties" has the meaning specified in Section 10.1(f)(ii).

"Agreement" means this Credit Agreement, as amended, restated, supplemented or otherwise modified from time to time.

"Applicable Percentage" means, with respect to any Lender, the percentage of the total Commitments represented by such Lender's Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments.

"Applicable MAA Percentage " means [* * * *]

"Approvals and Permits" means, with respect to each Approved Subdivision, each and all approvals, authorizations, bonds, consents, certificates, franchises, licenses, permits, registrations, qualifications, entitlements and other actions and rights granted by or filings with any Person necessary or appropriate for acquisition and development of the Approved Subdivision, for construction of Units, for the sale of Units, for occupancy, ownership, and use by Borrower and other Persons of the Lots and Units, or otherwise for the conduct of, or in connection with, the business and operations of the applicable Project Owner.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Approved Lines of Business" means (a) acquiring property intended for residential development projects that are included or intended to be included as Approved

Subdivisions; (b) zoning, entitling, subdividing or causing to be subdivided such projects into residential lots and related amenities; (c) installing, or causing to be installed, onsite and/or offsite improvements as needed to create finished residential lots and related amenities for such projects; and (d) constructing and selling Units in such projects to members of the home buying public.

"Approved MSA" means the following MSAs:

(a) [* * * *]

(b) [* * * *]

(c) [* * * *]

(d) [* * * *]

(e) [* * * *]

(f) [* * * *]

(g) [* * * *]

(h) [* * * *]

(i) [* * * *]

(j) [* * * *]

(k) [* * * *]

(l) [* * * *]

(m) [* * * *]

(n) [* * * *]

(o) [* * * *]

(p) [* * * *]

(q) [* * * *]

(r) [* * * *]

(s) [* * * *]

(t) [* * * *]

(u) [* * * *]

(v) [* * * *]

and such other MSAs in Approved States as Administrative Agent and Required Lenders may approve in their sole and absolute discretion.

"Approved State" means [* * * *]

"Approved Subdivision" means each Subdivision owned by a Project Owner and with respect to which Borrower has satisfied the conditions precedent in Section 4.2, as determined by Administrative Agent.

"Asset Value" means for any Eligible Asset, the lesser of (a) the Maximum Allowed Advance for such Eligible Asset, or (b) the Margin Value for such Eligible Asset as provided in Section 3.1(a).

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.5), and accepted by the Administrative Agent, in substantially the form of Exhibit A or any other form approved by the Administrative Agent.

"Available Loan Commitment" means at any time, the lesser of:

(a) The Commitment Amount; or

(b) The Asset Value of the Borrowing Base, as reflected in the most recent Borrowing Base Report,

*less* in either case any Remargining Payment required pursuant to Section 2.18 but not yet paid.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time that is described in the EU Bail-In Legislation Schedule.

"Bank Product Liability" means any and all obligations of Borrower and the other Loan Parties, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions, and modifications thereof and substitutions therefor) in connection with Bank Products.

"Bank Products" means each and any of the following bank products and services provided to any Loan Party by any Lender or any of its Affiliates: (a) credit cards for

commercial customers (including "commercial credit cards" and purchasing cards), (b) stored value cards, and (c) depository, cash management, and treasury management services (including controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services).

"Borrower" shall have the meaning set forth in the Preamble to this Agreement.

"Borrowing Base" consists of the Eligible Assets as reflected in the most current Borrowing Base Report.

"Borrowing Base Report" means a report prepared by Borrower and approved by Administrative Agent as provided in this Agreement which sets forth the Eligible Assets then constituting the Borrowing Base, the Asset Value of the Borrowing Base, and certain other information, in the format prescribed by Administrative Agent from time to time.

"Borrowing Base Valuation Date" means (a) January 15, 2020, and (b) the date of each Borrowing Base Report provided to Administrative Agent thereafter.

"Borrowing Group" means, collectively, Borrower and the Subsidiary Guarantors.

"Budgeted Cost" means for (a) A&D Lots and Finished Lots, (i) the total budgeted costs for Lot Improvements and Acquisition Costs for the applicable Subdivision as provided in the applicable A&D Lot Development Budget attached to the Eligibility Certificate for the applicable Subdivision, divided by (ii) the total number of Lots in the Subdivision provided in the Eligibility Certificate for the Subdivision, and (b) for Units, the construction costs to construct such Unit as provided in the applicable Unit Budget plus, without duplication, the Unit Lot Cost.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City and Phoenix, Arizona, are authorized or required by law to remain closed.

"Calendar Month" means the twelve (12) calendar months of the year. With respect to any payment or obligation that is due or required to be performed within a specified number of Calendar Months, then such payment or obligation shall become due on the day in the last of such specified number of Calendar Months that corresponds numerically to the date on which such payment or obligation was incurred or commenced; provided, however, that with respect to any obligation that was incurred or commenced on the 29th, 30th or 31st day of any Calendar Month and if the Calendar Month in which such payment or obligation would otherwise become due does not have a numerically corresponding date, such obligation shall become due on the last day of such Calendar Month.

"Capitalized Lease" means each lease that has been or is required to be, in accordance with GAAP, recorded as a capitalized lease.

"Cash Collateralize" means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Issuing Bank or Lenders, as collateral for L/C Obligations or obligations of Lenders to fund participations in respect of L/C Obligations,

cash or deposit account balances or, if the Administrative Agent and the Issuing Bank shall agree, each in its sole and absolute discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to the Administrative Agent and the Issuing Bank.

"Cash Collateral" shall have a meaning analogous to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"Cash Equivalent Investments" means, collectively, (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency thereof maturing within one hundred twenty (120) days from the date of acquisition thereof; (b) commercial paper maturing no more than one hundred twenty (120) days from the date of creation thereof and currently having the highest rating obtainable from either S&P or Moody's; (c) certificates of deposit maturing no more than one hundred twenty (120) days from the date of creation thereof issued by Western Alliance Bank or other commercial banks incorporated under the laws of the United States, each having combined capital, surplus and undivided profits of not less than $500,000,000 and having a rating of "A" or better by S&P or Moody's; provided that the aggregate amount invested in such certificates of deposit shall not at any time exceed $5,000,000 for any one such certificate of deposit and $10,000,000 for any one such bank; (d) time deposits maturing no more than thirty (30) days from the date of creation thereof with commercial banks or savings banks or savings and loan associations each either having membership in the FDIC or the deposits of which are insured by the FDIC and in amounts not exceeding the maximum amounts of insurance thereunder; (e) demand deposit accounts maintained in the ordinary course of business with an FDIC insured financial institution; and (f) investment funds at least ninety-five percent (95%) of the assets of which constitute cash or Cash Equivalent Investments of the kinds described in clauses (a) through (e) of this definition.

"CC&Rs" means and includes restrictive covenants, conditions, restrictions, easements, and other rights that exist or are contemplated with respect to the Approved Subdivision.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" means the occurrence of any of the following:

(a) Parent shall cease to (i) directly own 100% of the Equity Interests of LHI, free and clear of all Liens and Encumbrances, or (ii) Control LHI;

(b) LHI shall cease to (i) directly own 100% of the Equity Interests of Borrower, free and clear of all Liens and Encumbrances (other than the Pledge Agreement in favor of Administrative Agent), or (ii) Control Borrower;

(c) Any Project Owner or Intermediate Entity shall cease to (i) be Wholly-Owned by Borrower, free and clear of all Liens and Encumbrances (other than the Pledge Agreement in favor of Administrative Agent), or (ii) be Controlled by Borrower; and

(d) an event or series of events by which: (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its Subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right")), directly or indirectly, of 25% or more of the Equity Interests of the Parent entitled to vote for members of the board of directors or equivalent governing body of the Parent on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right); or (ii) during any period of twenty-four (24) consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Parent cease to be composed of individuals (A) who were members of that board or equivalent governing body on the first day of such period, (B) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (A) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (C) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (A) and (B) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.

"Code" means the United States Internal Revenue Code of 1986, as amended from time to time.

"Collateral" means the Equity Interests in Borrower and each other Person securing any or all Obligations or guarantees of the Obligations from time to time.

"Commitment" means with respect to each Lender, the commitment of such Lender pursuant to this Agreement to (a) make Revolving Loans and (b) purchase a participation in L/C Obligations, in either case expressed as an amount representing the maximum principal and/or face amount of such Revolving Loan and/or Letter of Credit, as such commitment may be reduced or increased from time to time pursuant to Section 10.5. The amount of the Commitment of each Lender as of the Effective Date is set forth on Schedule 1 and from and after the Effective Date will be as set forth in amendments entered into

pursuant to Section 2.13 and/or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable.

"Commitment Amount" means $75,000,000, as increased or reduced from time to time pursuant to the terms hereof, including increases up to a maximum Commitment Amount of $200,000,000 in accordance with Section 2.13.

"Compliance Certificate" means a Certificate in the form of Exhibit C or as otherwise required by Administrative Agent from time to time.

"Consolidated Debt " means, at any date of determination, the aggregate principal amount of all Indebtedness of Parent and its Subsidiaries outstanding at such time, in the amount that would be reflected on a balance sheet prepared at such date, determined on a consolidated basis in accordance with GAAP.

"Consolidated EBITDA" means, with respect to Parent, on a consolidated basis for the applicable period, the sum of the following amounts for such period of (a) Consolidated Net Income, (b) Consolidated Net Interest Expense, (c) the aggregate amount of federal and state taxes, if any, based on income for that period, (d) total depreciation expense, (e) total amortization expense, (f) amortization of capitalized interest to costs of sales, and (g) other non-cash items reducing Consolidated Net Income less other non-cash items increasing Consolidated Net Income, all of the foregoing as determined in accordance with GAAP.

"Consolidated Interest Expense " means for any period, without duplication, the aggregate amount of interest incurred (whether paid, accrued, or capitalized, but not including interest and other charges amortized to cost of sales) of Parent, which, in conformity with GAAP, would be set opposite the caption "Interest Expense" or any like caption on a consolidated income statement for Parent for such period, including, without limitation, imputed interest included in Capitalized Lease Obligations, all commissions, discounts and other fees and charges owed with respect to letters of credit, the interest portion of any deferred payment obligation, amortization of discount or premiums, if any, and all other non-cash interest expense, other than interest and other charges amortized to cost of sales.

"Consolidated Net Income" means, with respect to Parent, for any fiscal year or other fiscal period, the net income of Parent for such fiscal year or other fiscal period, determined on a consolidated basis in accordance with GAAP.

"Consolidated Net Interest Expense " means, with respect to Parent, for any period, Consolidated Interest Expense less interest capitalized during the current period.

"Control" when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, partnership interests, membership interests, by contract or otherwise; and the terms "Controlling" and "Controlled" have the meanings correlative to the foregoing.

"Cost" means the actual costs (determined in accordance with GAAP) paid to independent third parties by Borrower or any Guarantor in the acquisition or development of Lots or construction of a Unit (or if the Lot or Unit was originally acquired by an Affiliate of Parent from an independent third party and subsequently conveyed to Borrower or its Affiliate, the "Cost" shall mean the actual cost paid to the independent third party and not the cost paid in the subsequent conveyance). Further, in no event shall Cost include (a) projected costs and costs for materials or labor not yet delivered to, provided to or incorporated in such Unit or Lots, (b) administrative costs incurred by the Borrower or any Guarantor or Affiliate of Borrower in connection with (i) the marketing and selling of Units and (ii) the administration, management and operation of the Borrower's, Guarantors' or Affiliate of Borrower's business or (c) any mark-up or profit of any amount or kind paid to members of the Borrowing Group or Affiliates of the Borrowing Group in connection with the transfer of Lots or Units among members of the Borrowing Group or Affiliates of the Borrowing Group.

"Credit Bid" means to submit a bid at a public or private sale in connection with the purchase of all or any portion of the applicable Collateral, in which any of the Obligations owing to the Lenders under this Agreement are used and applied as a credit on account of the purchase price.

"Credit Extension" means (a) a Revolving Loan or (b) an L/C Credit Extension.

"Debtor Relief Law" means the Bankruptcy Code and all other liquidation, bankruptcy, assignment for the benefit of creditors, conservatorship, moratorium, receivership, insolvency, rearrangement, reorganization or similar debtor relief laws of the U.S. or other applicable jurisdictions in effect from time to time.

"Default" means an Event of Default or an event which, with notice or lapse of time or both, would become an Event of Default.

"Default Rate" means 5% per annum plus the Interest Rate.

"Defaulting Lender" means, subject to Section 2.20(b), any Lender that (a) has failed to (i) fund all or any portion of its Revolving Loans within two (2) Business Days of the date such Revolving Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, the Issuing Bank, or any other Lender any other amount required to be paid by it hereunder within two (2) Business Days of the date when due (including in respect of any participation in Letters of Credit), (b) has notified Borrower, the Administrative Agent, or the Issuing Bank in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Revolving Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be

specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by the Administrative Agent or Borrower, to confirm in writing to the Administrative Agent and Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law**,** (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-in Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.20(b)) upon delivery of written notice of such determination to Borrower and each Lender.

"Draw Request " means a completed request, in form and substance satisfactory to Administrative Agent, from Borrower to Administrative Agent requesting a Revolving Loan, together with such other documents and information as Administrative Agent may require from time to time.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country that is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country that is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country that is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date" means the date set forth on the first page of this Agreement.

"Eligibility Certificate" means a certificate in the form attached hereto as Exhibit D, executed by Borrower.

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 10.5(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 10.5(b)(iii)).

"Eligible Assets" means Real Estate Inventory located in an Approved Subdivision, in each case owned in fee simple absolute by Borrower or a Project Owner and that is (a) not subject to any Liens or Encumbrances other than Permitted Exceptions, and (b) included in the most recent Borrowing Base Report submitted to Administrative Agent.

"Entitled Land" means real property with respect to which all of the following are true: (a) the property has a zoning classification approved by Administrative Agent and appropriate for the intended development of such property; (b) no discretionary approvals from any Governmental Authority remain with respect to such zoning classification; and (c) Borrower or the applicable Project Owner has prepared at least a tentative map/preliminary subdivision plat (as applicable) which has been approved by Administrative Agent and applicable Governmental Authorities.

"Environmental Agreement" means (a) each Environmental Indemnity Agreement of even date herewith executed by Borrower, each Project Owner, each Intermediate Entity, and Parent and LHI for the benefit of Administrative Agent and Lenders, as the same may be amended, restated, supplemented or otherwise modified from time to time and (b) each other Environmental Indemnity Agreement or Environmental Joinder Agreement executed in connection with other Approved Subdivisions by Borrower, the applicable Project Owners and Intermediate Entities and Parent for the benefit of Administrative Agent and Lenders, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Environmental Joinder Agreement" means each joinder agreement in the form attached to the Environmental Agreement by the Subsidiary Guarantors pursuant to which a Restricted Subsidiary becomes an indemnitor pursuant to a Environmental Agreement as each such agreement may be amended, modified, restated and renewed from time to time.

"Environmental Laws" means any federal, state or local law, whether by common law, statute, ordinance, or regulation, pertaining to health, industrial hygiene, or environmental conditions, including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, et seq. ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901, et seq. ("RCRA"); the Toxic Substances Control Act of 1976, 15 U.S.C. Section 2501, et seq. ("TSCA"); the Superfund Amendments and Reauthorization Act of 1986, Title III, 42 U.S.C. Section 11001, et seq. ("SARA"); the Clean Air Act, 42 U.S.C. 7401, et seq.; the Federal Water Pollution Control Act, 33 U.S.C. Section 1251, et seq.; the Safe Drinking Water Act, 42 U.S.C. Section 300f, et seq.; the Solid Waste Disposal Act, 42 U.S.C. Section 3251, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; and all amendments thereto as of this date and to be added in the future; and

any other federal, state, or local law, common law, statute, ordinance, administrative rule, general policy statement or guideline of any regulatory agency, or regulation now in effect or hereinafter enacted that pertains to health, industrial hygiene, or the regulation or protection of the environment.

"Equity Interest" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interest in a trust or other equity ownership interest in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code or Section 302 of ERISA).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) the failure by Borrower or any ERISA Affiliate to meet all applicable requirements under the Pension Funding Rules or the filing of an application for the waiver of the minimum funding standards under the Pension Funding Rules; (c) the incurrence by Borrower or any ERISA Affiliate of any liability pursuant to Section 4063 or 4064 of ERISA or a cessation of operations with respect to a Pension Plan within the meaning of Section 4062(e) of ERISA; (d) a complete or partial withdrawal by Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization or insolvent (within the meaning of Title IV of ERISA); (e) the filing of a notice of intent to terminate a Pension Plan under, or the treatment of a Pension Plan amendment as a termination under, Section 4041 of ERISA; (f) the institution by the PBGC of proceedings to terminate a Pension Plan; (g) any event or condition that constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (h) the determination that any Pension Plan is in at-risk status (within the meaning of Section 430 of the Code or Section 303 of ERISA) or that a Multiemployer Plan is in endangered or critical status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (i) the imposition or incurrence of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon Borrower or any ERISA Affiliate; (j) the engagement by Borrower or any ERISA Affiliate in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; (k) the imposition of a lien upon Borrower pursuant to Section 430(k) of the Code or Section 303(k) of ERISA; or (l) the making of an amendment to a Pension Plan that could result in the posting of bond or security under Section 436(f)(1) of the Code.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Event of Default" means as defined in Section 8.1.

"Evergreen Letter of Credit" has the meaning specified in Section 2.5(c).

"Excess Payment Amount" means the amount by which a Release Payment for an Eligible Asset exceeds the Maximum Allowed Advance for such Eligible Asset.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable Lending Installation located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Revolving Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Revolving Loan or Commitment or (ii) such Lender changes its Lending Installation, and (c) any withholding Taxes imposed under FATCA.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"FCPA" has the meaning specified in Section 5.1(r).

"Federal Funds Effective Rate" means, for any day, the greater of (a) the rate calculated by the Federal Reserve Bank of New York based on such day's Federal funds transactions by depositary institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the Federal funds effective rate and (b) 0%.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System of the United States.

"Fee Letter" means the fee letter, dated the same date as this Agreement, between Borrower and the Administrative Agent, as amended, modified, restated and renewed from time to time.

"Finished Lot" means an individual Lot in an Approved Subdivision as designated on a subdivision plat or map (whether preliminary or final) for the Approved Subdivision, with respect to which (a) the Lot Improvements are finished or substantially finished and (b) there are no other unsatisfied Requirements in effect to obtain building permits for the construction of Units in the Approved Subdivision.

"First Payment Date" means February 5, 2020.

"Fiscal Quarter" means each quarterly period in each Fiscal Year.

"Fiscal Year" means the fiscal year of Borrower and Parent ending on each December 31.

"Floor Rate" means a rate of interest equal to 5.25% per annum.

"Foreign Lender" means any Lender that is not a U.S. Person.

"Foreign Plan" means any employee pension benefit plan, program, policy, arrangement or agreement maintained or contributed to by Borrower or any Subsidiary with respect to employees employed outside the United States (other than any governmental arrangement).

"Fronting Exposure" means, at any time there is a Defaulting Lender, with respect to the Issuing Bank, such Defaulting Lender's Applicable Percentage of the outstanding L/C Obligations with respect to Letters of Credit issued by the Issuing Bank, other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

"Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

"GAAP" means generally accepted accounting principles consistently applied.

"Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (d) as an account party in respect of any letter of credit or letter of guaranty issued to

support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

"Guarantor" means, individually and collectively, Parent, LHI and each Subsidiary Guarantor.

"Guarantor Joinder Agreement" means each joinder agreement in the form attached to the Guaranty by the Subsidiary Guarantors pursuant to which a Restricted Subsidiary becomes a Guarantor pursuant to a Guaranty as each such agreement may be amended, modified, restated and renewed from time to time.

"Guaranty" means collectively (a) with respect to Parent and LHI, a payment guaranty dated as of the Effective Date on Administrative Agent's form; (b) with respect to each Person that is a Restricted Subsidiary of Borrower as of the Effective Date, payment guaranties, dated as of the Effective Date, on Administrative Agent's form; and (c) with respect to each Person that becomes a Restricted Subsidiary of Borrower after the Effective Date, payment guaranties on Administrative Agent's form or, at Administrative Agent's option, a Guarantor Joinder Agreement.

"Hazardous Substance" means all of the following:

(a) Any substance, material, or waste that is included within the definitions of "hazardous substances", "hazardous materials", "hazardous waste", "toxic substances", "toxic materials", "toxic waste", or words of similar import in any Environmental Law;

(b) Those substances listed as hazardous substances by the United States Department of Transportation (or any successor agency) (49 C.F.R. 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) (40 C.F.R. Part 302 and amendments thereto); and

(c) Any substance, material, or waste that is petroleum, petroleum-related, or a petroleum by-product, asbestos or asbestos-containing material, polychlorinated biphenyls, flammable, explosive, radioactive, freon gas, radon, or a pesticide, herbicide, or any other agricultural chemical.

"Highest Lawful Rate" means the maximum non-usurious interest rate, as in effect from time to time, which may be charged, contracted for, reserved, received, or collected by the Lender in connection with this Agreement and the other Loan Documents, it being the express intent of the parties hereto that such maximum non-usurious interest rate shall be determined, to the maximum extent permitted by law, by the internal laws of the State of Arizona applicable to interest rates agreed to and contracted for in writing.

"Holdover Maturity Date" has the meaning specified in Section 2.5.

"Impositions" means any and all of the following:

(a) Real property taxes and assessments (general and special) assessed against or imposed upon or in respect of any of the Real Estate Inventory or the Obligations;

(b) Personal property taxes assessed against or imposed upon or in respect of any of the Real Estate Inventory, the Collateral or the Obligations;

(c) Other taxes and assessments of any kind or nature that are assessed or imposed upon or in respect of the Real Estate Inventory, the Collateral or the Obligations or that may result in a Lien or Encumbrance upon any of the Collateral or Real Estate Inventory (including, without limitation, non-governmental assessments, levies, maintenance and other charges whether resulting from covenants, conditions, and restrictions or otherwise, water and sewer rents and charges, assessments on any water stock, utility charges and assessments, and owner association dues, fees, and levies);

(d) Taxes or assessments on any of the Collateral or Real Estate Inventory in lieu of or in addition to any of the foregoing;

(e) Taxes on income, revenues, rents, issues, and profits, and franchise taxes; and

(f) Assessment, documentary, indebtedness, license, stamp, and revenue charges, fees, and taxes and any other fees or taxes imposed on Administrative Agent or any Lender and measured by or based in whole or in part upon interest in Collateral, or any promissory note, guaranty, or indebtedness secured by the Pledge Agreements or upon the nature or amount of the Obligations, excluding, however, from all of the foregoing any estate, excess profits, franchise, income, inheritance, or similar tax levied on Administrative Agent or any Lender.

"Improvements" means any and all improvements now or hereafter constructed on the Approved Subdivisions, including, without limitation, Lot Improvements and Units.

"Incremental Commitment" has the meaning specified in Section 2.13(a).

"Incremental Commitment Effective Date" has the meaning specified in Section 2.13(c).

"Incremental Lender" has the meaning specified in Section 2.13(b).

"Indebtedness" means (a) indebtedness or liability for borrowed money; (b) obligations evidenced by bonds, debentures, notes or similar instruments; (c) obligations for the deferred purchase price of property or services (excluding trade obligations in the ordinary course of business); (d) obligations under Capitalized Leases; (e) current liabilities, accounts payable, and unfunded vested benefits under plans covered by ERISA; (f) obligations under letters of credit; (g) obligations under acceptance facilities; (h) all guaranties, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any person or entity, or otherwise to assure a creditor against loss; (i) obligations secured by any Liens and Encumbrances whether or not the obligations have been assumed; (j) net obligations of such Person under any Swap Contract, and (k) all other obligations that would be reported as a liability in accordance with GAAP. For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or

joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of Borrower under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

"Index Rate" means the rate of interest most recently publicly announced in the Western Edition of *The Wall Street Journal* as the "prime rate". Any change in the "prime rate" shall become effective as of the same date of any such change.

"Intercompany Subordination Agreement" means a Subordination Agreement with respect to all Indebtedness of Parent owing to any Affiliate of Parent in form and content approved by Administrative Agent in its sole and absolute discretion.

"Interest Payment Date" means the First Payment Date and the fifth day of each Calendar Month thereafter.

"Interest Rate" means a rate of interest at all times equal to the greater of (a) 1.00% per annum above the Index Rate or (b) the Floor Rate. The Interest Rate shall change from time to time as and when the Index Rate changes.

"Intermediate Entities" means each direct or indirect Subsidiary of Borrower that directly or indirectly owns or manages a Project Owner.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests or debt or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor incurs Indebtedness in respect of such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of such Person. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment but giving effect to any returns or distributions of capital or repayment of principal actually received in case by such Person with respect thereto.

"Involuntary Lien" means any Lien or Encumbrance (for clarity, to include mechanic's and materialmen's liens) securing the payment of money or the performance of any other obligation created involuntarily under any Law and any claim of any such Lien or Encumbrance.

"IRS" means the United States Internal Revenue Service.

"ISP" means the International Standby Practices, International Chamber of Commerce Publication No. 590 (ISP 98) (or such later version thereof as may be in effect at the applicable time).

"Issuing Bank" means Western Alliance Bank, an Arizona corporation, in its capacity as issuer of Letters of Credit hereunder, and each other Lender (if any) appointed as the Issuing Bank pursuant to Section 2.5(k); provided that such Lender has agreed to be the Issuing Bank.

"Joinder Agreement" means a joinder or similar agreement in form satisfactory to Administrative Agent entered into by any Person (including any Lender) under Section 2.13 pursuant to which such Person shall provide an Incremental Commitment hereunder and (if such Person is not then a Lender) shall become a Lender party hereto.

"Land Development Subdivision" means an Approved Subdivision for which fewer than 25% of the total Lots described in the Eligibility Certificate have been classified as Units.

"Land Seller Documents" means, with respect to an Approved Subdivision, development covenants, profit or price participation agreements and other similar rights of a land seller or master developer.

"Law" means any law (including common law), constitution, statute, treaty, regulation, rule, ordinance, guideline, order, injunction, writ, decree, or award of any Governmental Authority with jurisdiction.

"L/C Commitment Expiration Date" means the date that is one year before the Maturity Date (as the Maturity Date may be extended from time to time).

"L/C Credit Extension" means, with respect to any Letter of Credit, the issuance or renewal thereof or the extension of the expiry date thereof, or the reinstatement or increase of the amount thereof.

"L/C Disbursement" means a payment made by the Issuing Bank pursuant to a Letter of Credit.

"L/C Documents" means, as to any Letter of Credit, each application therefor and any other document, agreement and instrument entered into by the Borrower or a Project Owner with or in favor of the Issuing Bank and relating to such Letter of Credit.

"L/C Fee" has the meaning specified in Section 2.14(c).

"L/C Obligations" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time, including any automatic or scheduled increases provided for by the terms of such Letters of Credit, determined without regard to whether any conditions to drawing could be met at that time, plus (b) the aggregate amount

of all L/C Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The L/C Obligations of any Lender at any time shall be its Applicable Percentage of the total L/C Obligations at such time. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Article 29(a) of the UCP or Rule 3.13 or Rule 3.14 of the ISP or similar terms of the Letter of Credit itself, or if compliant documents have been presented but not yet honored, such Letter of Credit shall be deemed to be "outstanding" and "undrawn" in the amount so remaining available to be paid, and the obligations of the Borrower and each Lender shall remain in full force and effect until the Issuing Bank and the Lenders shall have no further obligations to make any payments or disbursements under any circumstances with respect to any Letter of Credit.

"L/C Sublimit" means an amount equal to the lesser of (a) $10,000,000 and (b) the total amount of the Commitments. The L/C Sublimit is part of, and not in addition to, the Revolving Facility.

"Lenders" means the Persons listed on Schedule 1 and any other Person that has become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

"Lending Installation" means, with respect to a Lender or the Administrative Agent, the office, branch, subsidiary, or affiliate of such Lender or the Administrative Agent listed on the signature pages hereto or on a Schedule or otherwise selected by such Lender or the Administrative Agent pursuant to Section 2.9.

"Letter of Credit" means any standby letter of credit issued hereunder.

"LHI" means Landsea Homes, Incorporated, a Delaware corporation.

"Lien", "Lien or Encumbrance" and "Liens and Encumbrances" mean, respectively, each and all of the following:

(a) Any lease or other right to use;

(b) Any assignment as security, conditional sale, grant in trust, lien, mortgage, pledge, security interest, title retention arrangement, other encumbrance, or other interest or right securing the payment of money or the performance of any other liability or obligation, whether voluntarily or involuntarily created (including, without limitation, Involuntary Liens) and whether arising by agreement, document, or instrument, under any law, ordinance, regulation, or rule (federal, state, or local), or otherwise; and

(c) Any option, right of first refusal, or other interest or right.

"Loan" means the Revolving Loans made by Lenders to Borrower pursuant to this Agreement.

"Loan Documents" means this Agreement, each Eligibility Certificate, each Note, each Pledge Agreement, each Environmental Agreement, each Guaranty, the L/C

Documents, any agreement creating or perfecting rights in Cash Collateral, and any other agreements, assignments, documents or instruments now or hereafter evidencing, guarantying or securing the Obligations, any and all Revolving Loans and any and all L/C Obligations, as such documents may be amended, restated, supplemented or otherwise modified from time to time, but Loan Documents shall not include any Swap Contracts or agreements governing Bank Product Liabilities.

"Loan Party" means Borrower, each Guarantor and each other Person that becomes primarily or secondarily obligated with respect to the Obligations at any time or that provides security for the payment or performance of the Obligations.

"Lot" means, with respect to each Approved Subdivision, an individual lot designated as such on a subdivision plat or map (whether preliminary or final) for the Approved Subdivision and with respect to which a Unit has been constructed or is under construction. Unless the context otherwise requires the term "Lot" refers generally to an A&D Lot or Finished Lot and to a subdivided lot after the transfer of an A&D Lot or Finished Lot for Unit construction and the inclusion of the subdivided lot in Eligible Assets as a Unit.

"Lot Eligibility Date" means, with respect to each A&D Lot or Finished Lot, as applicable, the date such Lot is first included as Eligible Assets as an A&D Lot or Finished Lot.

"Lot Improvements" means, with respect to each Approved Subdivision, the improvements which may exist or which are to be constructed (including, without limitation, curbs, grading, landscaping, sprinklers, storm and sanitary sewers, paving, sidewalks, and utilities) necessary to make the Approved Subdivision suitable for the construction of single family homes, and any common area improvements for the Approved Subdivision which may exist or which are to be constructed, together with the associated fixtures and other tangible personal property located or used in or on land on which such improvements are constructed. For clarity, Lot Improvements do not include the Units constructed or to be constructed on Lots.

"Lot Limit" means the total number of Lots to be developed within a Subdivision as provided in the Eligibility Certificate for such Subdivision. The Lot Limit for each Approved Subdivision that is a Land Development Subdivision will be reduced periodically as provided in Section 3.4(b).

"Lot Limit Reduction Date" means, with respect to each Approved Subdivision, each date on which the applicable Lot Limit for such Approved Subdivision is reduced as provided in Section 3.4(b), which commences after the end of the ninth calendar month following the first applicable Lot Eligibility Date for such Approved Subdivision, and continues on the last day of each third month thereafter.

"Lot Term" means the period of time during which Lots may be included as Eligible Assets in the Borrowing Base pursuant to Section 3.2.

"Margin Value" means, for any Eligible Asset, the "Margin Value" of such Eligible Asset as provided in Section 3.1(a), but subject to the limitations provided in this Agreement.

"Material Adverse Change" means any change in the assets, liabilities, financial condition, or results of operations of Borrower, any other Loan Party or the owners of the Equity Interests in Borrower or any other Loan Party, any other event or condition with respect to Borrower, any other Loan Party, such owners of Equity Interests, or any change in sales of Units, development of Lots and Units, costs and expenses with respect to such development of Lots and Units with respect to any Approved Subdivision that Administrative Agent, in its reasonable discretion, determines would materially and adversely affect any of the following: (a) the likelihood of performance by Borrower or any other Loan Party of any of the Obligations or the ability of Borrower or any other Loan Party to perform such Obligations, (b) the likelihood of performance by any such owners of Equity Interests of any of their material obligations to Borrower or any other Loan Party (including, without limitation, the obligation to make capital contributions to Borrower or any other Loan Party), (c) the likelihood that sales of Units in any Approved Subdivision will meet the requirements of this Agreement or that the costs and expenses of developing such Units will be within the budgets provided by Borrower to Administrative Agent when the applicable property was classified as an Approved Subdivision, (d) the legality, validity or binding nature of any of the Obligations of Borrower or any other Loan Party, (e) any Lien or Encumbrance securing any of such Obligations, or (f) the priority of any Lien or Encumbrance securing any of such Obligations.

"Maturity Date" means January 15, 2023, as such date may be extended pursuant to Section 2.7(a).

"Maximum Allowed Advance" means, for any Eligible Asset, (a) the advance rate for such Eligible Asset as provided in Section 3.1(a) multiplied by (b) the Budgeted Cost of such Eligible Asset, subject, in each case, to the limitations set forth in Section 3.1(a) or otherwise in this Agreement.

"Minimum Collateral Amount" means, at any time, (a) with respect to Cash Collateral consisting of cash or deposit account balances, an amount equal to 105% of the Fronting Exposure of the Issuing Bank with respect to Letters of Credit issued and outstanding at such time and (b) otherwise, an amount determined by Administrative Agent and the Issuing Bank in their sole discretion.

"Model Unit" means a residential dwelling located in an Approved Subdivision which is open to the general public for viewing purposes and which is not typically available for sale until substantially all units in such Approved Subdivision are sold.

"Moody's" means Moody's Investors Service, Inc.

"MSA" means a primary metropolitan statistical area (or metropolitan statistical area) as defined by the United States Census Bureau.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which Borrower or any ERISA Affiliate makes or is obligated to make contributions, during the preceding five plan years has made or been obligated to make contributions, or has any liability.

"Multiple Employer Plan" means a Plan with respect to which Borrower or any ERISA Affiliate is a contributing sponsor, and that has two or more contributing sponsors at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"Net Income" means, for any Person, the net income (or loss) of the Person and its consolidated Subsidiaries for the subject period in accordance with GAAP; provided, however, that net income shall exclude (a) extraordinary gains and extraordinary losses for such period, and (b) the net income of any Subsidiary of Parent during such period to the extent that the declaration or payment of dividends or similar distributions by such subsidiary of such income is not permitted by operation of the terms of its organization documents or any agreement, instrument or law applicable to such subsidiary during such period.

"Net Sales Proceeds" means in the case of any Real Estate Inventory, the gross sales price of the Real Estate Inventory (including, without limitation, all options and upgrades) set forth in the Purchase Contract for such Real Estate Inventory, less (a) customary tax and assessment prorations, (b) reasonable and customary real estate brokerage commissions paid to third party brokers unaffiliated with Borrower, (c) reasonable and customary closing costs, including title insurance premiums and reasonable attorneys' fees paid by Borrower or the applicable Project Owner, and (d) in the case of a Unit sale, the sales concessions and price reductions granted by Borrower or the applicable Project Owner to the purchaser of the Unit in the ordinary course of business.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all or all affected Lenders in accordance with the terms of Section 10.2 and (b) has been approved by the Required Lenders.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Note" means each promissory note issued by Borrower pursuant to this Agreement to evidence the Revolving Loans.

"Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, Borrower arising under this Agreement, any other Loan Document, or otherwise with respect to any Revolving Loan or Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against Borrower or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless

of whether such interest and fees are allowed claims in such proceeding. Without limiting the foregoing, the Obligations include (a) the obligation to pay principal, interest, Letter of Credit commissions, charges, expenses, fees, indemnities and other amounts payable by Borrower under any Loan Document; (b) the obligation of Borrower to reimburse any amount in respect of any of the foregoing that the Administrative Agent or any Lender, in each case in its sole discretion, may elect to pay or advance on behalf of Borrower; and (c) all L/C Obligations of Borrower and all reimbursement and other obligations of Borrower and each other Loan Party in respect of Letters of Credit at any time arising. In addition, "Obligations" includes all Bank Product Liabilities.

"Organizational Documents" means (a) as to any corporation, the charter or certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction), (b) as to any limited liability company, the certificate or articles of formation or organization and operating or limited liability agreement and (c) as to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

"Outstanding Credit Exposure" means at any time the aggregate outstanding principal amount of Revolving Loans and L/C Obligations outstanding at such time.

"Parent" means Landsea Holdings Corporation, a Delaware corporation.

"Parent Guarantor" means Parent.

"Participant" has the meaning specified in Section 10.5(d).

"Participant Register" has the meaning specified in Section 10.5(d).

"PATRIOT Act" means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Act" means the Pension Protection Act of 2006.

"Pension Funding Rules" means the rules of the Code and ERISA regarding minimum funding standards and minimum required contributions (including any installment payment thereof) to Pension Plans and Multiemployer Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Sections 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

"Pension Plan" means any employee pension benefit plan (including a Multiple Employer Plan, but excluding a Multiemployer Plan) that is maintained or is contributed to by Borrower or any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

"Permitted Exceptions" means:

(a) Involuntary Liens for Impositions that are not delinquent;

(b) Involuntary Liens (other than for Impositions) with respect to which Borrower satisfies each of the following requirements: (i) Borrower diligently contests the validity of such Involuntary Lien in good faith by appropriate legal proceedings and after setting aside adequate reserves to pay such amounts, (ii) Borrower gives written notice to Administrative Agent of Borrower's intent to contest or object to the same, (iii) Borrower demonstrates to Administrative Agent's satisfaction that the procedures will conclusively operate to prevent the sale of any part of the Real Estate Inventory in order to satisfy the Involuntary Lien prior to the final determination of such proceedings, (iv) the aggregate amount of such Involuntary Liens with respect to the Borrowing Group as a whole does not exceed $250,000.00 (unless otherwise approved by Administrative Agent), and (v) Borrower takes any and all other actions (including, without limitation, obtaining bonds or other security) as Administrative Agent may deem necessary or appropriate in order to prevent the sale of any Real Estate Inventory to satisfy the Involuntary Lien and prevent any impairment of any such Real Estate Inventory or, if such Real Estate Inventory is Eligible Assets, Borrower removes the affected Real Estate Inventory from the Borrowing Base;

(c) Utility easements, rights of way, zoning restrictions, covenants, conditions, restrictions, reservations, condominium declarations, plat maps and replats (provided that such plats and replats are consistent with the overall development plans for the applicable Approved Subdivision) and such other burdens, encumbrances or charges, or other minor irregularities of title, as are of a nature generally existing with respect to properties of a similar character and which do not in any material way interfere with the use thereof or the

sale thereof in the ordinary course of business of Borrower or the applicable Project Owner or materially detract from the value of the applicable Real Estate Inventory;

(d) Land Seller Documents; and

(e) the Pledge Agreement.

provided, in no case will Permitted Exceptions include Liens or Encumbrances securing any Indebtedness, Guarantee, or indemnity obligations of any Person.

"Permitted Investments" means (a) Cash Equivalent Investments; (b) Investments in Approved Subdivisions and the construction of Units; and (c) Investment by Borrower in Project Owners and Intermediate Entities to fund Approved Lines of Business, provided such Project Owners and Intermediate Entities are Subsidiary Guarantors, and Administrative Agent has been granted a first priority Lien in the Equity Interests of such Project Owners and Intermediate Entities pursuant to a Pledge Agreement.

"Permitted Subordinated Debt" means the Indebtedness subject to subordination in the Intercompany Subordination Agreement.

"Person" means a natural person, a partnership, a joint venture, an unincorporated association, a limited liability company, a corporation, a trust, any other legal entity, or any Governmental Authority.

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA, maintained for employees of Borrower or any Subsidiary, or any such plan to which Borrower or any Subsidiary is required to contribute on behalf of any of its employees or with respect to which Borrower has any liability.

"Platform" means Debt Domain, Intralinks, Syndtrak, DebtX or a substantially similar electronic transmission system.

"Pledge Agreement" means collectively (a) with respect to LHI, a pledge agreement dated as of the Effective Date on Administrative Agent's form, pursuant to which LHI has granted to Administrative Agent a security interest in the Equity Interests in Borrower; (b) with respect to Borrower and each Person that owns any Equity Interest in a Restricted Subsidiary of Borrower as of the Effective Date, a pledge agreement, dated as of the Effective Date, on Administrative Agent's form; and (c) with respect to each Person that becomes a Restricted Subsidiary of Borrower after the Effective Date, a pledge agreement on Administrative Agent's form or, at Administrative Agent's option, a Pledge Joinder Agreement granting a security interest in such Restricted Subsidiary.

"Pledge Joinder Agreement" means each joinder agreement on Administrative Agent's form pursuant to which a Restricted Subsidiary joins in a Pledge Agreement as a "pledgor" as each such agreement may be amended, modified, restated and renewed from time to time.

"Presold Unit" means a Unit that is subject to a Purchase Contract.

"Product Line" means a group of Units which, in the ordinary course of Borrower's or the applicable Project Owner's business are marketed together under a common plan or plans based upon the type of Unit constructed and the price of such Units.

"Project Owner" means each directly or indirectly Wholly-Owned Subsidiary of Borrower that is the owner of an Approved Subdivision and is a Subsidiary Guarantor.

"Protective Advance" means amounts advanced by Administrative Agent or Lenders to pay the following amounts:

(a) All amounts that are necessary to protect the validity, priority and enforceability of the Liens and Encumbrances in favor of Administrative Agent for the benefit of Lenders arising pursuant to the Loan Documents;

(b) All amounts that are necessary to protect the Project Owners interest in the Approved Subdivisions (such amounts to include, without limitation, payment of taxes, assessments and other Liens and Encumbrances affecting the Approved Subdivisions); and

(c) All insurance premiums that are necessary to insure the Approved Subdivisions against loss, damage or destruction pursuant to the requirements of the Loan Documents.

"Purchase Contract" means a bona fide written agreement between Borrower or the applicable Project Owner and a purchaser who is not an Affiliate of Borrower or the applicable Project Owner entered into in the ordinary course of Borrower's or the applicable Project Owner's business and pursuant to which such purchaser has agreed to purchase Real Estate Inventory, and, in the case of a Unit, which agreement (a) shall be accompanied by a cash earnest money deposit or down payment of at least $10,000, (b) shall be with a purchaser who is using cash to purchase the Unit or has been prequalified for a purchase money loan by Borrower or a mortgage broker, mortgage banker or other residential lending institution, and (c) shall not be subject to contingencies (other than customary contingencies applicable to a closing such as delivery of transfer documents).

"Real Estate Inventory" means the A&D Lots, Finished Lots and Units owned, in fee simple absolute, by a member of the Borrowing Group.

"Recipient" means (a) the Administrative Agent, (b) the Issuing Bank, or (c) any Lender, as applicable.

"Reclassification Adjustment" means, for any Unit reclassified as to type pursuant to any provision of this Agreement, a change in the Maximum Allowed Advance for such Unit to the Maximum Allowed Advance applicable to the type of Unit as so reclassified.

"Register" has the meaning specified in Section 10.5(c).

"Regulation U" means Regulation U of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Related Party" means with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Release Payment" means as defined in Section 2.4(e).

"Remargining Payment" means as defined in Section 2.18(c).

"Removal Effective Date" has the meaning specified in Section 9.6(b).

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30-day notice period has been waived.

"Required Lenders" means, at any time, Lenders having Total Credit Exposures representing more than 66 2/3% of the Total Credit Exposures of all Lenders. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time. Notwithstanding the foregoing, at any time that there is only one Lender in addition to Western Alliance Bank, Required Lenders shall mean both of the Lenders (other than Defaulting Lenders).

"Required Tangible Net Worth" means (a) as of December 31, 2019, March 31, 2020, June 30, 2020, and September 30, 2020, an amount equal to 50% of Parent's Tangible Net Worth as of December 31, 2019 (the "Baseline Net Worth"); and (b) as of December 31, 2020, and the end of each Fiscal Quarter thereafter, an amount equal to the sum of (i) the Baseline Net Worth plus (ii) the cumulative amount of 50% of the Parent's Net Income for each Fiscal Year ending after December 31, 2019; provided, if in any Fiscal Year, Parent's Net Income is less than $0, the Net Income amount for such Fiscal Year will be excluded from the Required Tangible Net Worth.

"Requirements" means (a) any and all obligations, requirements, restrictions and other terms and conditions in effect now or in the future by which Borrower, any Loan Party or any or all of the Real Estate Inventory is bound or which are otherwise applicable to any or all of the Real Estate Inventory, construction of any Lot Improvements or Units, or occupancy, operation, ownership, or use of Lots or Units, (b) other terms and conditions, restrictions, and requirements imposed by any law, ordinance, regulation, or rule (federal, state, or local), (c) any Approvals and Permits, (d) any Permitted Exceptions, (e) any condition, covenant, restriction, easement, right-of-way, or reservation applicable to such Real Estate Inventory, (f) any insurance policies, (g) any other agreement, document, or instrument to which Borrower is a party or by which Borrower, any Project Owner, any other Loan Party, or any of the Real Estate Inventory or Collateral or the business or operations of Borrower or any other Loan Party is bound, or (h) any judgment, order, or decree of any arbitrator, other private adjudicator, or Governmental Authority to which Borrower or any other Loan Party is a party or by which Borrower, any other Loan Party or any of the Real Estate Inventory or Collateral is bound.

"Resignation Effective Date" has the meaning specified in Section 9.6(a).

"Responsible Officer" means (a) the chief executive officer, president, executive vice president, senior vice president, or chief financial officer of the applicable Loan Party, (b) solely for purposes of the delivery of incumbency certificates and certified Organizational Documents and resolutions pursuant to Section 4.1, any senior vice president, vice president, secretary or assistant secretary of the applicable Loan Party and (c) solely for purposes of Draw Requests, requests for L/C Extensions, prepayment notices and notices for Commitment terminations or reductions given pursuant to Article 2, any other officer or employee of the applicable Loan Party so designated from time to time by one of the officers described in clause (a) in a notice to the Administrative Agent (together with evidence of the authority and capacity of each such Person to so act in form and substance satisfactory to the Administrative Agent). Any document delivered hereunder that is signed by a Responsible Officer of the applicable Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership or other action on the part of the Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of the Loan Party.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interest of any Person, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interest, or on account of any return of capital to such Person's shareholders, partners or members (or the equivalent Persons thereof).

"Restricted Subsidiaries" means the Subsidiaries of Borrower.

"Revolving Facility" means the Commitment and all Credit Extensions thereunder.

"Revolving Loans" means each advance of the Loan to Borrower by the Lenders under this Agreement.

"Sale Leaseback Transaction" means any sale or other transfer of Model Units by a Project Owner with the intent to lease such Model Units as lessee.

"S&P" means Standard & Poor's Ratings Services, Inc.

"Solvent" means, as to any Person as of any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair saleable value of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature and (d) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute an unreasonably small capital. The amount of any contingent liability at any time shall be computed as the amount that, in light of all

of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Spec Unit" means a Unit constructed for the purpose of addition to Borrower's or a Project Owner's inventory of Units and which is not subject to a Purchase Contract and is not a Model Unit.

"Subdivision" means a group of Lots owned by a Project Owner that are intended to be marketed and sold as a single Product Line or otherwise marketed and sold together regardless of whether Units in such group of Lots are to be constructed at the same time or in phases. If required by Administrative Agent, Subdivisions located in the same area and similar in product and market segment shall be treated as a single Subdivision.

"Subdivision Model Limit" means with respect to each Approved Subdivision 5 Model Units.

"Subdivision Spec Limit" means, as follows with respect to each Approved Subdivisions: (a) for Subdivisions in which there is one Product Line, the Subdivision Spec Limit will be 10% of the total Unit amount constructed or to be constructed in such Subdivision in accordance with the Unit Plans and Specifications; and (b) for Subdivisions in which there is more than one Product Line, the Subdivision Limit will be 10% of the total Unit amount constructed or to be constructed in accordance with the Unit Plans and Specifications, provided Administrative Agent may designate a different Subdivision Spec Limit as provided in a writing signed by Administrative Agent upon the Subdivision becoming an Approved Subdivision. In each case, the Subdivision Spec Limit will be rounded down to the nearest whole Unit.

"Subordinated Debt" means Indebtedness of a Loan Party that has been subordinated to the Obligations (and any Liens and Encumbrances securing the Obligations) in a manner and pursuant to such documents as Administrative Agent may require in its sole and absolute discretion.

"Subsidiary" of a Person means a corporation, partnership, limited liability company, association or joint venture or other business entity of which a majority of the Equity Interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time owned or the management of which is controlled, directly, or indirectly through one or more intermediaries, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of Borrower.

"Subsidiary Guarantor" means each Project Owner and each Intermediate Entity that is Wholly-Owned by Borrower and has executed a Guaranty in favor of Administrative Agent and Lenders.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price

or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, that are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Termination Value" means, as to any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"Tangible Net Worth" means the sum of (a) the Parent's consolidated total assets; minus (b) intangible assets (goodwill, patents, trademarks, trade names, organizational expense, treasury stock, monies due from affiliates, officers, directors or shareholders of Parent and other intangibles); minus (c) Consolidated Debt of Parent, plus (d) the Subordinated Debt pursuant to the Intercompany Subordination Agreement and (without duplication) accrued unpaid interest on such Subordinated Debt.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Title Company" means a title insurance company authorized under Applicable Law to issue a policy of title insurance for the Approved Subdivisions.

"Title Policy" means an owners title insurance policy in the form of an American Land Title Association Loan Policy (2006 or equivalent) extended coverage (without revision, modification or amendment) issued by a Title Company, insuring a Project Owner owns the applicable Subdivision in fee simple absolute, subject only to Permitted Exceptions.

"Total Credit Exposure" means, as to any Lender at any time, the unused Commitments and Outstanding Credit Exposure of such Lender at such time.

"UCP" means the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce Publication No. 600 (or such later version thereof as may be in effect at the applicable time).

"Undrawn Availability" means as of each date of determination, (a) the Available Loan Commitment minus (b) the Outstanding Credit Exposure at such time.

"Unit" means a residential dwelling constructed or to be constructed on a Lot, together with the underlying Lot.

"Unit Budget" means, collectively, the budgets setting forth the construction costs with respect to each Unit.

"Unit Construction Threshold" means, with respect to a Unit, not less than 5% of the Cost to construct such Unit as provided in the applicable Unit Budget has been incurred by the Borrowing Group (excluding the cost of Lot Improvements associated with such Unit).

"Unit Eligibility Date" means, with respect to each Unit, the date on which that Unit is first included in Eligible Assets as a Unit pursuant to this Agreement, as reflected on the Borrowing Base Report, and regardless of whether (a) periods exist during which such Unit is not included as Eligible Assets or (b) such Unit is subsequently reclassified pursuant to Article 3.

"Unit Lot Cost" means, with respect to each Unit, the Acquisition Cost and lot development cost as set forth in the applicable Unit Budget.

"Unit Plans and Specifications" means plans and specifications for construction of a particular type of Unit that have been prepared by an architect, together with any amendments or modifications to those plans and specifications.

"Unit Term" means the period of time which Units may be included as Eligible Assets in the Borrowing Base pursuant to Section 3.3.

"United States" and "U.S." mean the United States of America.

"U.S. Borrower" means any Borrower that is a U.S. Person.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning specified in Section 2.11(g).

"Wholly- Owned" means, as to a Subsidiary of a Person, a Subsidiary of such Person all of the outstanding Equity Interests of which are owned by such Person and/or by one or more Wholly-Owned Subsidiaries of such Person.

"Withholding Agent" means Borrower and the Administrative Agent.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail- In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

1.2 No Presumption Against Any Party . Neither this Agreement nor any other Loan Document nor any uncertainty or ambiguity herein or therein shall be construed or resolved using any presumption against any party hereto or thereto, whether under any rule of construction or otherwise. On the contrary, this Agreement and the other Loan Documents have been reviewed by each of the parties and their counsel and, in the case of any ambiguity or uncertainty, shall be construed and interpreted, according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto.

1.3 Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. In this Agreement, with respect to the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "through and including." Periods of days referred to in this Agreement shall be counted in calendar days unless otherwise stated.

1.4 Accounting Terms; Changes in GAAP.

(a) Accounting Terms. Except as otherwise expressly provided herein, all accounting terms not otherwise defined herein shall be construed in conformity with GAAP. Financial statements and other information required to be delivered by Borrower to the Administrative Agent pursuant to this Agreement and the other Loan Documents shall be prepared in accordance with GAAP as in effect at the time of such preparation. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of financial covenants, shall be made, without giving effect to any election under Accounting Standards

Codification 825-10 (or any other Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of any Loan Party at "fair value."

(b) Changes in GAAP. If Borrower notifies the Administrative Agent that Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

1.5 Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws, if and to the extent the laws of any such other jurisdiction are applicable), if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person and shall be subject to all terms and provisions of the Loan Documents restricting, limiting or otherwise governing transfers of assets and other property and delegation of duties or other obligations.

1.6 Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the amount of such Letter of Credit that may under any circumstances be available to be drawn at such time; provided that with respect to any Letter of Credit that, by its terms or the terms of any L/C Document related thereto, provides for one or more automatic increases in the available amount thereof (without in any way obligating the Issuing Bank to approve or issue any such Letter of Credit), the amount of such Letter of Credit shall be deemed to be the maximum amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum amount is available to be drawn at such time.

## ARTICLE 2
## COMMITMENTS AND CREDIT EXTENSIONS

2.1 Commitments.

(a) Loans. Subject to the terms and conditions of this Agreement and from time to time prior to the Maturity Date, each Lender, severally and not jointly, agrees to make Revolving Loans.

(b) Revolving Nature of Loan. The Commitments of Lenders to make Revolving Loans shall constitute a revolving line of credit and Revolving Loans repaid may be reborrowed on a revolving basis through the Maturity Date. Although the outstanding principal of the Obligations may be zero from time to time, the Loan Documents will remain in full force and effect until all obligations of each Lender to make Revolving Loans and all other Commitments of Lenders expire and all Obligations are paid and performed in full.

(c) Ratable Loans. Each Revolving Loan hereunder shall consist of loans made from the several Lenders in proportion to the Commitment of each Lender.

2.2 Prepayment of Loans.

(a) Right to Prepay. Borrower shall have the right at any time and from time to time to prepay any outstanding principal in whole or in part, subject to prior notice in accordance with Section 2.2(b).

(b) Method of Prepayment. Prepayments (other than mandatory prepayments) shall be in a minimum aggregate amount of $100,000 or any integral multiple of $100,000 in excess thereof and Borrower shall give notice to the Administrative Agent of a prepayment not later than 11:00 a.m. (Phoenix, Arizona time) one (1) Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount to be prepaid. Prepayments shall be accompanied by accrued interest on the amount prepaid.

2.3 Interest.

(a) Interest Rate. Each Revolving Loan shall bear interest at the Interest Rate.

(b) Default Rate. Notwithstanding the foregoing, if any principal of or interest on any Revolving Loan or any fee or other amount payable by Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at the Default Rate. In addition, from and after an Event of Default, all Obligations not paid when due shall bear interest at the Default Rate.

(c) Late Fee. If any payment of interest and/or principal is not received by Administrative Agent when such payment is due, then in addition to the remedies conferred upon Administrative Agents and the Lenders pursuant to this Agreement and the other Loan Documents, (i) a late charge of 5% of the amount due and unpaid or $10.00, whichever is greater (the "Late Fee"), will be added to the delinquent amount for any payment past due in excess of ten (10) days, regardless of any notice and cure periods, and (ii) the amount due and unpaid (including, without limitation, the unpaid Late Fee) shall bear interest at the Default Rate, computed from the date on which the amount was due and payable until paid. Notwithstanding the foregoing the Late Fee will not apply to a balloon payment of principal due upon the maturity of the Loan. Borrower acknowledges and agrees that (A) the Late Fee is not a penalty; (B) is intended to compensate Administrative Agent and Lenders for the internal administrative costs and expenses of monitoring, handling and processing late payments (including, for example, staff costs arising from internal and regulatory reporting of delinquencies, additional underwriting analysis, in-house legal review, and credit committee reviews) over and above the economic costs associated with the loss of use of money and out of pocket costs otherwise subject to reimbursement pursuant to this Agreement and the other Loan Documents; (C) the amount of the Late Fee is a reasonable forecast of just compensation for the harm caused by the

failure to timely make the applicable payment; and (D) the actual damage is incapable or very difficult of accurate estimation.

(d) Interest Payments. Accrued interest on the Revolving Loans shall be payable in arrears, and Borrower shall pay Administrative Agent all accrued, unpaid interest on the Loan on each Interest Payment Date and on the Maturity Date; provided that (i) interest accrued pursuant to Section 2.3(b) shall be payable on demand and (ii) in the event of any repayment or prepayment or other termination of the credit facility provided pursuant to this Agreement, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment, prepayment or termination.

(e) Computation of Interest. Interest on the Obligations shall be computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under the Loan is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated in this Agreement. By executing below, Borrower hereby acknowledges and agrees to the calculation of interest in accordance with a year of 360 days and acknowledges that calculation of interest in accordance with this paragraph will increase the Loan's effective interest rate above the stated Interest Rate and Default Rate, as applicable.

(f) Advances for Interest and Fees. Borrower and Lenders hereby authorize Administrative Agent and Lenders to make Revolving Loans to pay interest accrued on the Loan, notwithstanding that Borrower may not have requested a disbursement of such amount. Administrative Agent or any Lender may make such Revolving Loans notwithstanding that Borrower may be in default under the terms of this Agreement or any other Loan Document. Nothing in this provision shall prevent Borrower from paying interest and fees from its own funds, or otherwise excuse Borrower's obligation to pay such interest and fees. Nothing contained herein shall be deemed to obligate Administrative Agent or any Lender to make such disbursements to pay interest. The authorization hereby granted shall be irrevocable and at Administrative Agent's discretion, and no further direction or authorization from Borrower shall be necessary for Administrative Agent to make such disbursements on behalf of the Lenders.

2.4 Revolving Loans.

(a) Method for Revolving Loans. Subject to satisfaction of the applicable conditions precedent in this Agreement, Revolving Loans will be made by the Administrative Agent on behalf of the Lenders at the request of a Responsible Officer of Borrower, which request must be made at least five (5) Business Days before the date the requested Revolving Loan is to be made; provided, however, that Borrower shall not request more than two (2) Revolving Loans in each Calendar Month unless otherwise agreed by Administrative Agent in its sole and absolute discretion. Promptly following receipt of a Draw Request, the Administrative Agent shall advise each Lender of the details thereof and the amount of such Lender's Revolving Loans to be made as part of the requested advance. Borrower hereby authorizes the Lenders and the Administrative Agent

to make Revolving Loans and to transfer funds based on telephonic notices made by any person or persons the Administrative Agent or any Lender in good faith believes to be acting on behalf of Borrower, it being understood that the foregoing authorization is specifically intended to allow Draw Requests to be given telephonically. Borrower agrees to deliver promptly to the Administrative Agent a written confirmation (including a written Draw Request), if such confirmation is requested by the Administrative Agent or any Lender, of each telephonic notice signed by a Responsible Officer. If the written confirmation differs in any material respect from the action taken by the Administrative Agent and the Lenders, the records of the Administrative Agent and the Lenders shall govern absent manifest error. The Administrative Agent has no duty to monitor for Borrower or to report to Borrower the use of proceeds of Revolving Loans. Except as provided above, each request for a Revolving Loan submitted by Borrower to the Administrative Agent shall be accompanied by a Draw Request. Each Revolving Loan shall be in the minimum amount of $100,000 and in increments of $100,000 in excess thereof.

(b) Use of Revolving Loans. Revolving Loans may be used only (i) to pay or reimburse Borrower for costs, expenses, and fees actually incurred by Borrower or a Project Owner in connection with the development of Approved Subdivisions (to the extent the Lots are included in the Eligible Assets for an Approved Subdivision), and construction of Units, including, without limitation, allocated overhead and other similar costs, and (ii) to finance the reimbursement of an L/C Disbursement as provided in Section 2.5(g). The provisions of this Section 2.4(b) do not require Administrative Agent or any Lender to monitor the use and application of Revolving Loans and do not restrict Administrative Agent from making Protective Advances or from making Revolving Loans as otherwise permitted by this Agreement.

(c) Funding by Lenders. Each Lender shall make its Applicable Percentage of each Revolving Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 12:00 noon (Phoenix, Arizona time) on the proposed date thereof. The Administrative Agent will make all such funds so received available to Borrower in like funds, either by wire transfer of such funds in accordance with the instructions provided in the applicable Draw Request or by deposit to an account of Borrower at Administrative Agent; provided that Revolving Loans made to finance the reimbursement of an L/C Disbursement as provided in Section 2.5(g) shall be remitted by the Administrative Agent to the Issuing Bank.

(d) [Reserved].

(e) Payment of Release Price and Other Amounts. In all events no later than the next Business Day following the closing of a sale of a Unit or Lot, Borrower will pay or cause to be paid to Administrative Agent the greater of the following (the "Release Payment"): (i) the Maximum Allowed Advance for such Unit or Lot, or (ii) 100% of the Net Sales Proceeds for such Unit or Lot. If any amounts payable to Administrative Agent pursuant to this Section 2.4(e) are held by a title company, escrow agent, or any other Person, Borrower will direct such title company, escrow agent and other Person to pay all such amounts directly to Administrative Agent, and to take all other action required by

Administrative Agent to cause such amounts to be paid to Administrative Agent. If any member of the Borrowing Group collects or receives any such amounts, such Person will forthwith, upon receipt, transmit and deliver to Administrative Agent, in the form received, all cash, checks, drafts, chattel paper, and other instruments or writings for the payment of money (endorsed without recourse, where required, so that such items may be collected by Administrative Agent). Any such items which may be so received by any member of the Borrowing Group will not be commingled with any other funds or property of the Borrowing Group, but will be held separate and apart from such Person's own funds or property and upon express trust for Administrative Agent and the Lenders until delivery is made to Administrative Agent.

(f) Adjustment to Borrowing Base. Any Units or Lots that are not Eligible Assets shall be immediately and automatically removed from the Borrowing Base and the Asset Value thereof will be removed from the Borrowing Base.

(g) Non-Receipt of Funds by the Administrative Agent. Unless Borrower or a Lender, as the case may be, notifies the Administrative Agent prior to the date on which it is scheduled to make payment to the Administrative Agent of (i) in the case of a Lender, the proceeds of a Revolving Loan or (ii) in the case of Borrower, a payment of principal, interest or fees to the Administrative Agent for the account of the Lenders, that it does not intend to make such payment, the Administrative Agent may assume that such payment has been made. The Administrative Agent may, but shall not be obligated to, make the amount of such payment available to the intended recipient in reliance upon such assumption. If such Lender or Borrower, as the case may be, has not in fact made such payment to the Administrative Agent, the recipient of such payment shall, on demand by the Administrative Agent, repay to the Administrative Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date such amount was so made available by the Administrative Agent until the date the Administrative Agent recovers such amount at a rate per annum equal to (A) in the case of payment by a Lender, the Federal Funds Effective Rate for such day for the first three (3) days and, thereafter, the interest rate applicable to the relevant Revolving Loan or (B) in the case of payment by Borrower, the interest rate applicable to the relevant Revolving Loan (including the Default Rate, if applicable).

(h) Excess Release Payments. Provided that (i) no Remargining Payment is due, and (ii) no Default is continuing, upon Administrative Agent's receipt of a Release Payment for a Unit, such Release Payment will be applied to the principal amount of the Obligations in an amount equal to the Maximum Allowed Advance of the Unit for which such payment was made, and any Excess Payment Amount received by Administrative Agent in connection with such Release Payment will be deposited into a deposit account at Western Alliance Bank in Borrower's name (the "Excess Payment Account"). If the Release Payment is received by Administrative Agent (x) on or before 12:00p.m. (Phoenix, Arizona time) on a Business Day, the deposit to the Excess Payment Account will occur on the same Business Day, and (y) after 12:00p.m. (Phoenix, Arizona time) on a Business Day, the deposit to the Excess Payment Account will occur on the following Business Day. If any Remargining Payment is due or a Default is continuing, Administrative Agent may, in its sole discretion, apply the full amount of each Release Payment to the Obligations

pursuant to Section 8.8. As security for the Obligations, Borrower hereby grants to Administrative Agent a security interest in and to the Excess Payment Account, and all money, cash, checks, drafts, instruments and other amounts, if any, from time to time deposited or held (whether by physical possession, book entry or otherwise) in and/or evidencing the Excess Payment Account.

2.5 Letters of Credit.

(a) General. Subject to the terms and conditions set forth herein, in addition to the Revolving Loans, Borrower may request the Issuing Bank, in reliance on the agreements of the Lenders set forth in this Section 2.5, to issue, at any time and from time to time prior to the L/C Commitment Expiration Date, Letters of Credit denominated in Dollars for Borrower's own account or the account of any Project Owner in such form as is acceptable to the Administrative Agent and such Issuing Bank in its reasonable determination. Letters of Credit issued hereunder shall constitute utilization of the Commitment.

(b) Notice of Issuance, Amendment, Extension, Reinstatement or Renewal. To request the issuance of a Letter of Credit (or the amendment of the terms and conditions, extension of the terms and conditions, extension of the expiry date, or reinstatement of amounts paid, or renewal of an outstanding Letter of Credit), Borrower shall deliver (or transmit by electronic communication, if arrangements for doing so have been approved by the respective Issuing Bank) to the Issuing Bank and to the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, extension, reinstatement or renewal) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, extended, reinstated or renewed, and specifying the date of issuance, amendment, extension, reinstatement or renewal (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with Section 2.5(d)), the amount of such Letter of Credit, the name and address of the beneficiary thereof, the purpose and nature of the requested Letter of Credit and such other information as shall be necessary to prepare, amend, extend, reinstate or renew such Letter of Credit. If requested by the Issuing Bank, Borrower also shall submit a letter of credit application and reimbursement agreement on Issuing Bank's standard form in connection with any request for a Letter of Credit. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application and reimbursement agreement or other agreement submitted by Borrower to, or entered into by Borrower with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(c) Evergreen Credits. If the Borrower so requests in any notice requesting the issuance of a Letter of Credit (or the amendment, extension, reinstatement or renewal of an outstanding Letter of Credit), the Issuing Bank may, in its sole and absolute discretion (and with no obligation to do so), agree to issue a Letter of Credit that has automatic extension provisions (each, an "Evergreen Letter of Credit"); provided that, if and to the extent that the Issuing Bank agrees to issue an Evergreen Letter of Credit, then in addition to all other requirements for the issuance of Letters of Credit, (i) the Borrower shall pay such additional Letter of Credit fees with respect thereto (and at such times and for such

periods) as the Issuing Bank may require each in its sole and absolute discretion and (ii) in addition to other requirements of the Issuing Bank, any such Evergreen Letter of Credit shall permit the Issuing Bank to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-Extension Notice Date") in each such twelve (12) month period to be agreed upon by Borrower and the Issuing Bank at the time such Letter of Credit is issued (which date will, at a minimum, allow the Issuing Bank to cause such Evergreen Letter of Credit to expire at least 30 days before the Maturity Date). Unless otherwise directed by the Issuing Bank, Borrower shall not be required to make a specific request to the Issuing Bank for any such extension. Once an Evergreen Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the applicable Issuing Bank to permit the extension of such Letter of Credit at any time to an expiration date not later than the L/C Commitment Expiration Date; provided, that the Issuing Bank shall not (i) permit any such extension if (A) the Issuing Bank has determined that it would not be permitted, or would have no obligation, at such time to issue such Letter of Credit in its extended form under the terms hereof (except that the expiration date may be extended to a date that is no more than one year from the then-current expiry date) or (B) it has received notice (which may be in writing or by telephone (if promptly confirmed in writing)) on or before the day that is fifteen (15) days before the Non-Extension Notice Date from the Administrative Agent that the Required Lenders have elected not to permit such extension or (ii) be obligated to permit such extension if it has received notice (which may be in writing or by telephone (if promptly confirmed in writing)) on or before the day that is fifteen (15) days before the Non-Extension Notice Date from the Administrative Agent, any Lender or the Borrower that one or more of the applicable conditions set forth in Section 4.5 is not then satisfied, and in each such case directing such Issuing Bank not to permit such extension.

(d) Limitations on Amounts, Issuance and Amendment. A Letter of Credit shall be issued, amended, extended, reinstated or renewed only if (and upon issuance, amendment, extension, reinstatement or renewal of each Letter of Credit, Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, extension, reinstatement or renewal (i) the aggregate amount of the outstanding Letters of Credit shall not exceed the L/C Sublimit, (ii) the aggregate L/C Obligations shall not exceed the L/C Sublimit, (iii) the Outstanding Credit Exposure of any Lender shall not exceed its Commitment, (iv) the Outstanding Credit Exposure of all Lenders shall not exceed the Available Commitment, and (v) no payment or deposit would be due pursuant to Section 2.18. In addition, the Issuing Bank shall not be under any obligation to issue any Letter of Credit if:

(i) Any order, judgment or decree of any Governmental Authority shall by its terms purport to enjoin or restrain the Issuing Bank from issuing such Letter of Credit, or any Law applicable to the Issuing Bank shall prohibit, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Bank is not otherwise compensated hereunder) not in effect on the date hereof, or shall impose upon the Issuing Bank

any unreimbursed loss, cost or expense that was not applicable on the date hereof and that the Issuing Bank in good faith deems material to it.

(ii) The issuance of such Letter of Credit would violate one or more policies of the Issuing Bank applicable to letters of credit generally.

(iii) Except as otherwise agreed by the Administrative Agent and the Issuing Bank, each in its sole discretion, such Letter of Credit is in an initial amount less than $500,000.

(iv) The Letter of Credit is not a standby letter of credit issued in connection with an Approved Project to secure obligations of Borrower or the applicable Project Owner that are directly related to the Approved Lines of Business.

(v) Any Lender is at that time a Defaulting Lender, unless the Issuing Bank has entered into arrangements, including the delivery of Cash Collateral, satisfactory to such Issuing Bank (in its sole discretion) with the Borrower or such Lender to eliminate the Issuing Bank's actual or potential Fronting Exposure (after giving effect to Section 2.20(a)(iv)) with respect to the Default Lender arising from either such Letter of Credit then proposed to be issued or such Letter of Credit and all other L/C Obligations as to which the Issuing Bank has actual or potential Fronting Exposure, as it may elect in its sole discretion.

An Issuing Bank shall be under no obligation to amend any Letter of Credit if (A) the Issuing Bank would have no obligation at such time to issue the Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of the Letter of Credit does not accept the proposed amendment to the Letter of Credit.

(e) Expiry Date. Each Letter of Credit shall have a stated expiry date no later than the earlier of (i) the date twelve (12) months after the date of the issuance of such Letter of Credit (or, in the case of any extension of the expiration date thereof, whether automatic [as in the case of an Evergreen Letter of Credit] or by amendment, twelve months after the then-current expiration date of such Letter of Credit) and (ii) the date that is thirty (30) days prior to the Maturity Date.

(f) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount or extending the expiration date thereof), and without any further action on the part of the Issuing Bank or the Lenders, the Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute, unconditional and irrevocable and shall not be affected by any circumstance whatsoever, including any amendment, extension, reinstatement or renewal of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments.

In consideration and in furtherance of the foregoing, each Lender hereby absolutely, unconditionally and irrevocably agrees to pay to the Administrative Agent, for account of the Issuing Bank, such Lender's Applicable Percentage of each L/C Disbursement made by the Issuing Bank promptly upon the request of the Issuing Bank at any time from the time of such L/C Disbursement until such L/C Disbursement is reimbursed by Borrower or at any time after any reimbursement payment is required to be refunded to Borrower for any reason, including after the Commitment Termination Date. Such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each such payment shall be made in the same manner as provided in Section 2.4(c) with respect to Loans made by such Lender (and Section 2.4(c) shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Issuing Bank the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to Section 2.5(g), the Administrative Agent shall distribute such payment to the Issuing Bank or, to the extent that the Lenders have made payments pursuant to this paragraph to reimburse the Issuing Bank, then to such Lenders and such Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse the Issuing Bank for any L/C Disbursement shall not constitute a Revolving Loan and shall not relieve the Borrower of its obligation to reimburse such L/C Disbursement.

Each Lender further acknowledges and agrees that its participation in each Letter of Credit will be automatically adjusted to reflect such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit at each time such Lender's Commitment is amended pursuant to the operation of Section 2.13, as a result of an assignment in accordance with Section 10.5 or otherwise pursuant to this Agreement.

(g) Reimbursement. If the Issuing Bank shall make any L/C Disbursement in respect of a Letter of Credit, Borrower shall reimburse the Issuing Bank in respect of such L/C Disbursement by paying to the Administrative Agent an amount equal to such L/C Disbursement not later than noon, Phoenix, Arizona time, on the Business Day immediately following the day that the Borrower receives such notice, provided that, if Borrower has otherwise satisfied all of the conditions and requirements for a Revolving Loan and is entitled to immediate funding of the Revolving Loan as of the date such reimbursement is due, Borrower may request in accordance with this Agreement that such payment be financed with a Revolving Loan in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting Revolving Loan. If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Lender of the applicable L/C Disbursement, the payment then due from the Borrower in respect thereof and such Lender's Applicable Percentage thereof.

(h) Obligations Absolute. The Borrower's obligation to reimburse L/C Disbursements as provided in Section 2.5(g) shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of this Agreement, any other Loan Document, or any Letter of Credit, or any term or provision herein or therein, (ii) any draft or other document presented under a Letter

of Credit proving to be forged, fraudulent or invalid in any respect or any statement in such draft or other document being untrue or inaccurate in any respect, (iii) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply strictly with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder.

None of the Administrative Agent, the Lenders, the Issuing Bank, or any of their Related Parties shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit by the Issuing Bank or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms, any error in translation or any consequence arising from causes beyond the control of the Issuing Bank; provided that the foregoing shall not be construed to excuse the Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable Law) suffered by the Borrower that are caused by the Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each such determination, and that:

(i) the Issuing Bank may replace a purportedly lost, stolen, or destroyed original Letter of Credit or missing amendment thereto with a replacement marked as such or waive a requirement for its presentation;

(ii) the Issuing Bank may accept documents that appear on their face to be in substantial compliance with the terms of a Letter of Credit without responsibility for further investigation, regardless of any notice or information to the contrary, and may make payment upon presentation of documents that appear on their face to be in substantial compliance with the terms of such Letter of Credit and without regard to any non-documentary condition in such Letter of Credit;

(iii) the Issuing Bank shall have the right, in its sole discretion, to decline to accept such documents and to make such payment if such documents are not in strict compliance with the terms of such Letter of Credit; and

(iv) this paragraph shall establish the standard of care to be exercised by the Issuing Bank when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof (and the parties hereto hereby waive, to the extent permitted by applicable Law, any standard of care inconsistent with the foregoing).

Without limiting the foregoing, none of the Administrative Agent, the Lenders, the Issuing Bank, or any of their Related Parties shall have any liability or responsibility by reason of (i) any presentation that includes forged or fraudulent documents or that is otherwise affected by the fraudulent, bad faith, or illegal conduct of the beneficiary or other Person, (ii) the Issuing Bank declining to take-up documents and make payment (A) against documents that are fraudulent, forged, or for other reasons by which that it is entitled not to honor or (B) following a Borrower's waiver of discrepancies with respect to such documents or request for honor of such documents or (iii) the Issuing Bank retaining proceeds of a Letter of Credit based on an apparently applicable attachment order, blocking regulation, or third-party claim notified to such Issuing Bank.

Unless otherwise expressly agreed by the Issuing Bank and the Borrower when a Letter of Credit is issued by it, the rules of the ISP shall apply to each Letter of Credit. Notwithstanding the foregoing, the Issuing Bank shall not be responsible to the Borrower for, and the Issuing Bank's rights and remedies against the Borrower shall not be impaired by, any action or inaction of the Issuing Bank required or permitted under any law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Laws or any order of a jurisdiction where the Issuing Bank or the beneficiary is located, the practice stated in the ISP or in the decisions, opinions, practice statements, or official commentary of the International Chamber of Commerce Banking Commission, the Bankers Association for Finance and Trade (BAFT), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such laws or practice rules.

The Issuing Bank shall act on behalf of the Lenders with respect to any Letters of Credit and the documents associated therewith, and the Issuing Bank shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article 9 of this Agreement with respect to any acts taken or omissions suffered by the Issuing Bank in connection with Letters of Credit issued by it or proposed to be issued by it and L/C Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article 9 of this Agreement included the Issuing Bank with respect to such acts or omissions, and (B) as additionally provided herein with respect to the Issuing Bank.

(i) Disbursement Procedures. The Issuing Bank shall, within the time allowed by applicable Laws or the specific terms of the Letter of Credit following its receipt thereof, examine all documents purporting to represent a demand for payment under such Letter of Credit. The Issuing Bank shall promptly after such examination notify the Administrative Agent and the Borrower in writing of such demand for payment if such Issuing Bank has made or will make an L/C Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse such Issuing Bank and the Lenders with respect to any such L/C Disbursement.

(j) Interim Interest. If the Issuing Bank for any Letter of Credit shall make any L/C Disbursement, then, unless the Borrower shall reimburse such L/C Disbursement in full on the date such L/C Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such L/C Disbursement is made to but

excluding the date that the Borrower reimburses such L/C Disbursement, at the rate per annum then applicable to Revolving Loans; provided that if the Borrower fails to reimburse such L/C Disbursement when due pursuant to Section 2.5(g) , then the Default Rate shall apply. Interest accrued pursuant to this paragraph shall be for account of such Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to Section 2.5(g) to reimburse such Issuing Bank shall be for account of such Lender to the extent of such payment.

(k) Replacement of an Issuing Bank. The Issuing Bank may be replaced at any time by written agreement between the Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of an Issuing Bank. At the time any such replacement shall become effective, the Borrower shall pay all unpaid L/C Fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.14(c). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit to be issued by it thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to include such successor or any previous Issuing Bank. After the replacement of the Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

The Issuing Bank may resign at any time by giving thirty (30) days' prior notice to the Administrative Agent, the Lenders and the Borrower. After the resignation of the Issuing Bank hereunder, the retiring Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of the Issuing Bank under this Agreement and the other Loan Documents with respect to Letters of Credit issued by it prior to such resignation, but shall not be required to issue additional Letters of Credit or to extend, reinstate, renew or increase any existing Letter of Credit.

(l) Cash Collateralization. If any Event of Default shall occur and be continuing or if a deposit of cash collateral is otherwise required pursuant to this Section 2.5, Section 2.18 or any other provision of the Loan Documents, on the Business Day that the Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with L/C Obligations representing at least 66-2/3% of the total L/C Obligations) demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall immediately deposit into an account established and maintained on the books and records of the Administrative Agent (the "Collateral Account") an amount in cash equal to 105% of the total L/C Obligations as of such date plus any accrued and unpaid interest thereon (or in the case of cash collateral required pursuant to Section 2.18 in the amount required thereunder), provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in Sections 8.1(h) and (i). Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of the Borrower under this

Agreement. In addition, and without limiting the foregoing or Section 2.5(d), if any L/C Obligations remain outstanding after the date that is 30 days before the Maturity Date (without in any way obligating the Issuing Bank or any Lender to permit any Letter of Credit to remain outstanding after the date that is 30 days before the Maturity Date, the Borrower shall immediately deposit into the Collateral Account an amount in cash equal to 105% of such L/C Obligations as of such date plus any accrued and unpaid interest thereon.

The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over the Collateral Account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in the Collateral Account. Moneys in the Collateral Account shall be applied by the Administrative Agent to reimburse the Issuing Bank for L/C Disbursements for which it has not been reimbursed, together with related fees, costs, and customary processing charges, and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the L/C Obligations at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with L/C Obligations representing 66-2/3% of the total L/C Obligations), be applied to satisfy other obligations of the Borrower under this Agreement. If the Borrower is required to provide an amount of cash collateral hereunder solely as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three (3) Business Days after all Events of Default have been cured or waived unless such cash collateral is otherwise required pursuant to this Agreement.

(m) Letters of Credit Issued for Account of Project Owners or Other Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Project Owner or other Subsidiary, the Borrower shall be obligated to reimburse the Issuing Bank hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Project Owners and Subsidiaries inures to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of such Project Owners and Subsidiaries.

2.6 Maturity of the Obligations. On the Maturity Date or, if sooner, upon acceleration of the Maturity Date after an Event of Default, all Obligations, together with all principal, interest, and other charges outstanding pursuant to the Loan Documents shall be immediately due and payable; provided , however, if immediately before the Maturity Date, there exist Spec Units or Presold Units that are included in Eligible Assets and will not be completed or sold on the Maturity Date (the "Holdover Collateral"), then, so long as no Event of Default has occurred and is continuing, at the written request of the Borrower for continued financing of the Holdover Collateral made to Administrative Agent before the Maturity Date: (a) the Commitment Amount shall be automatically reduced to the aggregate Maximum Allowed Advance of the Holdover Collateral; (b) the Loan shall cease to be a revolving loan and shall be a line of credit with respect to which amounts paid and prepaid may not be reborrowed and all Letters of Credit shall have expired or be terminated (or shall have been Cash Collateralized); (c) the Holdover Collateral shall

be the only Eligible Assets, all other Units shall cease to be Eligible Assets, and Borrower shall immediately make any Remargining Payment resulting from such exclusion of Units from Eligible Assets; (d) further disbursements of the Loan shall be used solely to complete the construction of the Spec Units and Presold Units included in the Holdover Collateral pursuant to such additional inspection, review and approval procedures as Administrative Agent may reasonably request; (e) all other terms and conditions with respect to such Holdover Collateral shall continue to apply (including, without limitation, the requirements and conditions for inclusion of each such Holdover Collateral in the Eligible Assets pursuant to Article 3); and (f) solely for the purpose of providing financing for the Holdover Collateral, the Maturity Date shall be extended to the earliest to occur of (i) the sale and release of the last Unit included in the Holdover Collateral, (ii) the date on which the last Unit included in the Holdover Collateral ceases to be Eligible Assets pursuant to Article 3, and (iii) the date six (6) months after the original Maturity Date (such extended Maturity Date, the "Holdover Maturity Date"). In connection with and as a further condition to any extension of the Maturity Date to the Holdover Maturity Date, Borrower will execute and deliver such amendments and agreements as Administrative Agent may require, which amendments and agreements may, among other things, specify the Holdover Collateral and the terms and conditions upon which financing of the Holdover Collateral will continue. For clarity, (i) the extension of the Maturity Date to the Holdover Maturity Date as provided in this Section 2.6 shall not extend the L/C Commitment Expiration Date; and (ii) Borrower shall not be entitled to request or have issued any Letters of Credit during the period after the L/C Commitment Expiration Date.

2.7 Extension of Maturity Date.

(a) Request for Extension. Borrower may request extensions of the Maturity Date for one (1) year each by making such request in writing at least sixty (60) days prior to each anniversary of the date of this Agreement (e.g., a request for the extension of the Maturity Date from January 15, 2023, to January 15, 2024, must be given at least sixty (60) days prior to January 15, 2021). Any extension of the Maturity Date shall be at the sole and absolute discretion of the Administrative Agent and Lenders, and the Administrative Agent and Lenders shall have absolutely no obligation to extend the Maturity Date, nor have Administrative Agent or any Lender made any statement, representation or warranty to Borrower to the effect that such party will consider or grant such extensions. If Administrative Agent and Lenders are willing to consider an extension, Administrative Agent and Lenders may impose such conditions precedent on any such extension as such parties may determine in their sole and absolute discretion which conditions precedent will include, without limitation, the following: (i) no Default or Event of Default shall have occurred and be continuing; (ii) all representations and warranties set forth in the Loan Documents shall be true and correct in all material respects as of the date of such request and of the effectiveness of such extension (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date); (iii) there shall exist no Material Adverse Change; (iv) the extension of the Maturity Date shall be documented in a manner satisfactory to the Administrative Agent; (v) Administrative Agent and Lenders shall have completed to such parties' satisfaction in their sole and absolute discretion such financial and underwriting review of Borrower and each other Loan Party as they may require (using standards consistent with the original underwriting standards employed by such parties); and (vi) Borrower shall have paid to the Administrative Agent such extension fees as may be required in the Fee Letter.

(b) Effect of No Extension. If either (i) Borrower does not request an extension of the Maturity Date pursuant to Section 2.7(a) or (ii) Administrative Agent or Lenders elect not to extend the Maturity Date pursuant to Section 2.7(a) then the "Non-Extension Date" shall be deemed to have occurred. Twelve (12) months after the occurrence of the Non-Extension Date, Borrower will not be permitted to propose any additional Subdivisions as Approved Subdivisions. In addition, whether or not the Maturity Date is extended, new Lots or Units may not be added to the Borrowing Base as Eligible Assets from and after the ninetieth ($90^{th}$) day before the Maturity Date (as determined without giving effect to any extension of the Maturity Date to the Holdover Maturity Date).

2.8 Noteless Agreement; Evidence of Indebtedness.

(a) Lender Accounts. Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of Borrower to such Lender resulting from each Revolving Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) Administrative Agent Accounts. The Administrative Agent shall also maintain accounts in which it will record (i) the amount of each Revolving Loan made hereunder, (ii) the amount of any principal or interest due and payable or to become due and payable from Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from Borrower and each Lender's share thereof.

(c) Evidence. The entries maintained in the accounts maintained pursuant to paragraphs (a) and (b) above shall be *prima facie* evidence of the existence and amounts of the Obligations therein recorded; provided, however, that the failure of the Administrative Agent or any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of Borrower to repay the Obligations in accordance with their terms.

(d) Promissory Notes. Any Lender may request that its Commitment be evidenced by a promissory note, substantially in the form of Exhibit E. In such event, Borrower shall prepare, execute and deliver to such Lender such Note or Notes payable to the order of such Lender. Thereafter, the Commitment evidenced by each such Note and interest thereon shall at all times (prior to any assignment pursuant to Section 10.5) be represented by one or more Notes payable to the order of the payee named therein, except to the extent that any such Lender subsequently returns any such Note for cancellation and requests that such Commitment once again be evidenced as described in paragraphs (a) and (b) above.

(e) Maximum Interest Rate.

(i) Highest Lawful Rate. Notwithstanding anything to the contrary contained in this Agreement, Borrower shall not be obligated to pay, and the Lenders shall not be entitled to charge, collect, receive, reserve, or take, interest (it

being understood that "interest" shall be calculated as the aggregate of all charges which constitute interest under applicable law that are contracted for, charged, reserved, received, or paid) in excess of the Highest Lawful Rate. During any period of time in which the interest rates specified herein exceed the Highest Lawful Rate, interest shall accrue and be payable at such maximum rate; provided that, if the interest rates decline below the Highest Lawful Rate, interest shall continue to accrue and be payable at the Highest Lawful Rate (so long as there remains any unpaid principal with respect to the Revolving Loans) until the interest that has been paid equals the amount of interest that would have been paid if interest had at all times accrued and been payable at the applicable interest rates specified in this Agreement.

(ii) Application to Principal. If, for any reason, the Lenders receive anything of value as interest or anything deemed interest by applicable Law under this Agreement or any of the other Loan Documents or otherwise that results in the Lenders receiving interest in an amount in excess of the Highest Lawful Rate, the amount of such excess shall be applied to the reduction of the principal amount owing hereunder and not to the payment of interest. If the amount of such excess exceeds the unpaid principal balance of the Loan such amount shall be refunded to Borrower.

(iii) Determination of Rate. In determining whether or not the interest paid or payable with respect to the Loan exceeds the Highest Lawful Rate, Borrower and the Lenders shall, to the maximum extent permitted by applicable Law: (A) characterize any non-principal payment as an expense, fee, or premium rather than as interest; (B) exclude voluntary prepayments and the effects thereof; (C) amortize, prorate, allocate, and spread the total amount of interest throughout the actual term of the Loan so that it does not exceed the maximum amount permitted by applicable Law; or (D) allocate interest between portions of the Loan so that, to the greatest extent possible, no such portion shall bear interest at a rate greater than the Highest Lawful Rate.

(iv) Applicable Law. For purposes of this Section 2.8, the term "applicable Law" means the internal laws of the State of Arizona, provided that, to the extent, contrary to the express intent of the parties, Arizona law is found to be inapplicable to this Agreement, then "applicable Law" also means that law in effect from time to time and applicable to this loan transaction which lawfully permits the charging and collection of the highest permissible, lawful, non-usurious rate of interest on such loan transaction and this Agreement, and, to the extent controlling, laws of the United States of America.

(v) Effective Rate. Borrower hereby agrees to pay an effective, contracted-for rate of interest that is the interest rate provided for in this Agreement (as in effect from time to time), together with any additional rate of interest resulting from any other charges of interest or in the nature of interest paid or to be paid in connection with the Revolving Loans, including any fees to be paid by Borrower pursuant to the provisions of the Loan Documents or the Fee Letter.

2.9 Lending Installations. Each Lender may book its Revolving Loans at any Lending Installation selected by such Lender and may change its Lending Installation from time to time. All terms of this Agreement shall apply to any such Lending Installation and the Revolving Loans and any Notes issued hereunder shall be deemed held by each Lender for the benefit of any such Lending Installation. Each Lender may, by written notice to the Administrative Agent and Borrower, designate replacement or additional Lending Installations through which Revolving Loans will be made by it and for whose account Loan payments are to be made.

2.10 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes and (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the Issuing Bank any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Revolving Loan or of maintaining its obligation to make any such Revolving Loan, or to increase the cost to such Lender, the Issuing Bank or such other Recipient of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or other Recipient, Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any Lending Installation of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Revolving Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's

holding company with respect to capital adequacy), then from time to time Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in Sections 2.10(a) and (b) and delivered to Borrower, shall be conclusive absent manifest error. Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than sixty (60) days prior to the date that such Lender notifies Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the sixty (60) days referred to above shall be extended to include the period of retroactive effect thereof).

2.11 Taxes.

(a) Defined Terms. For purposes of this Section, the term "applicable Law" includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Law. If any applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by Borrower. Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by Borrower. Borrower shall indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or

deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.5(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this Section 2.11(e).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by Borrower to a Governmental Authority pursuant to this Section, Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Status of Lenders.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to Borrower and the Administrative Agent, at the time or times reasonably requested by Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by Borrower or the Administrative Agent as will enable Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 2.11(g)(ii)(A), 2.11(g)(ii)(B) and

2.11(g)(ii)(D)) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that Borrower is a U.S. Borrower,

(A) any Lender that is a U.S. Person shall deliver to Borrower and the Administrative Agent on or about the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit F-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of Borrower within the meaning of Section 871(h)(3)(B) of the Code, or a "controlled foreign corporation" related to Borrower as described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN or IRS Form W 8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W 8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-2 or Exhibit F-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or the Administrative Agent), executed copies of any other form prescribed by applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Law to permit Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by Borrower or the Administrative Agent such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Borrower or the Administrative Agent as may be necessary for Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this Section 2.11(g)(ii)(D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 2.11(h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 2.11(h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 2.11(h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Survival. Each party's obligations under this Section shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

2.12 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Installation. If any Lender requests compensation under Section 2.10, or requires Borrower to pay any Indemnified Taxes or additional amounts to such Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.11, then such Lender shall promptly upon becoming aware thereof use reasonable efforts to (i) designate a different Lending Installation for funding or booking its Revolving Loans hereunder, (ii) assign its rights and obligations hereunder to another of its offices, branches or affiliates, or (iii) take such other actions as such Lender may deem reasonable, if, in the judgment of such Lender, such designation, assignment or other action (A) would eliminate or reduce amounts payable pursuant to Section 2.10 or 2.11, as the case may be, in the future, and (B) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be materially disadvantageous to such Lender. Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment or other remedial action.

(b) Replacement of Lenders. If any Lender requests compensation under Section 2.10, or if Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.11 and, in each case, such Lender has, for any reason or for no reason,

declined or is unable to remedy the circumstances giving rise thereto in accordance with Section 2.12(a), or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.5), all of its interests, rights (other than its existing rights, if any, to payments pursuant to Section 2.10 or Section 2.11) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(i) Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 10.5;

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Revolving Loans and participations in L/C Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 2.10) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 2.10 or payments required to be made pursuant to Section 2.11, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) such assignment does not conflict with applicable Law; and

(v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling Borrower to require such assignment and delegation cease to apply.

Notwithstanding anything in this Section to the contrary, (A) any Lender that acts as an Issuing Bank may not be replaced hereunder at any time it has any Letter of Credit outstanding hereunder unless arrangements satisfactory to such Lender (including the furnishing of a backstop standby letter of credit in form and substance, and issued by an issuer, reasonably satisfactory to such Issuing Bank or the depositing of cash collateral into a cash collateral account in amounts and pursuant to arrangements reasonably satisfactory to such Issuing Bank) have been made with respect to such outstanding Letter of Credit and (B) the Lender that acts as the Administrative Agent may not be replaced hereunder except in accordance with the terms of Section 9.6.

2.13 Increases in Commitments.

(a) Request for Increase. Following the Effective Date, Borrower may, by notice to the Administrative Agent (who shall promptly notify the Lenders), request an increase in the Commitments (each such increase, an "Incremental Commitment") by an aggregate amount (for all such requests) not exceeding $125,000,000 (i.e. for a total Commitment Amount of $200,000,000.00); provided that (i) any such request for an increase shall be in a minimum amount of the lesser of (x) $10,000,000 (or such lesser amount as may be approved by the Administrative Agent) and (y) the entire remaining amount of increases available under this Section, (ii) Borrower shall make no more than a total of four (4) requests for increases of Commitments under this Section, and (iii) unless otherwise agreed by Administrative Agent, Issuing Bank and the Required Lenders, no increase in the Commitments will increase the L/C Sublimit.

(b) Incremental Lenders. An Incremental Commitment may be provided by any existing Lender or other Person that is an Eligible Assignee (each such existing Lender or other Person that agrees to provide an Incremental Commitment, an "Incremental Lender"); provided that each Incremental Lender shall be subject to the consent (in each case, not to be unreasonably withheld or delayed) of the Administrative Agent and Borrower (including with respect to the amount of any reimbursement of costs pursuant to Section 2.13(d)(iv)). Notwithstanding anything herein to the contrary, no Lender shall have any obligation to agree to increase its Commitment, or to provide a Commitment, pursuant to this Section and any election to do so shall be in the sole discretion of such Lender.

(c) Terms of Incremental Commitments. The Administrative Agent and Borrower shall determine the effective date for such increase pursuant to this Section (an "Incremental Commitment Effective Date") and, if applicable, the final allocation of such increase among the Persons providing such increase; provided that such date shall be a Business Day at least ten (10) Business Days after delivery of the request for such increase (unless otherwise approved by the Administrative Agent) and at least six (6) months prior to the Maturity Date then in effect. In order to effect such increase, Borrower, the applicable Incremental Lender(s) and the Administrative Agent (but no other Lenders or Persons) shall enter into one or more Joinder Agreements, each in form and substance satisfactory to Borrower and the Administrative Agent, pursuant to which the applicable Incremental Lender(s) will provide the Incremental Commitment(s). Effective as of the applicable Incremental Commitment Effective Date, subject to the terms and conditions set forth in this Section, each Incremental Commitment shall be a Commitment (and not a separate facility hereunder), each Incremental Lender providing such Incremental Commitment shall be, and have all the rights of, a Lender, and after giving effect to the payments pursuant to Section 2.13(f) shall hold Revolving Loans and have the rights and obligations of a Lender for all purposes of this Agreement.

(d) Conditions to Effectiveness. Notwithstanding the foregoing, the increase in the Commitments pursuant to this Section shall not be effective with respect to any Incremental Lender unless:

(i) no Default or Event of Default shall have occurred and be continuing on the Incremental Commitment Effective Date and after giving effect to such increase;

(ii) the representations and warranties contained in this Agreement are true and correct on and as of the Incremental Commitment Effective Date and after giving effect to such increase, as though made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date);

(iii) the Administrative Agent shall have received one or more Joinder Agreements contemplated above, providing for Incremental Commitments in the amount of such increase;

(iv) if required by the Incremental Lender (subject to Borrower's approval right pursuant to Section 2.12(b)), Borrower shall have paid the amount of attorneys' fees incurred by Incremental Lender in connection with the Incremental Commitment; and

(v) the Administrative Agent shall have received such legal opinions and other documents reasonably requested by the Administrative Agent in connection therewith.

(e) Joinder Agreement. As of such Incremental Commitment Effective Date, upon the Administrative Agent's receipt of the documents required by this paragraph (e), the Administrative Agent shall record the information contained in the applicable Joinder Agreement(s) in the Register and give prompt notice of the increase in the Commitments to Borrower and the Lenders (including each Incremental Lender).

(f) Adjustments to Outstanding Revolving Loans. On each Incremental Commitment Effective Date, (i) if there are Revolving Loans then outstanding, each Incremental Lender shall make a payment to Administrative Agent in an amount sufficient, upon the application of such payments by all Incremental Lenders to the reduction of the outstanding Revolving Loans held by each Lender, to cause the principal amount outstanding under the Revolving Loans made by such Lender (including the Incremental Lender) to be in the amount of its Applicable Percentage (upon the effective date of such Incremental Commitment, after giving effect to such Incremental Commitment) of all outstanding Revolving Loans, and (ii) if there are Letters of Credit then outstanding, the participation of the Lenders in such Letters of Credit will be automatically adjusted to reflect the Applicable Percentages of all the Lenders (including the Incremental Lender) after giving effect to the applicable Incremental Commitment(s). Borrower hereby irrevocably authorizes each Incremental Lender to fund to Administrative Agent the payment required to be made pursuant to the immediately preceding sentence for application to the reduction of the outstanding Revolving Loans held by the other Lenders and each such payment shall constitute a Revolving Loan hereunder.

2.14 Fees.

(a) Commitment Fee. On the Effective Date, Borrower shall pay to Administrative Agent, in advance, a commitment fee pursuant to the Fee Letter.

(b) Extension Fees. Upon the effectiveness of each extension of the Maturity Date, Borrower shall pay to Administrative Agent in advance any extension fees provided pursuant to the Fee Letter. Borrower shall pay all other fees as and when due pursuant to the Fee Letter.

(c) L/C Fees. The Borrower agrees to pay to the Administrative Agent for the account of each Lender a Letter of Credit fee with respect to its participation in each outstanding Letter of Credit (the "L/C Fee") upon the issuance thereof (and as a further condition precedent to such issuance) for the entire term of such Letter of Credit equal to 1.00% per annum of the maximum amount that may at any time be available to be drawn thereon. In addition, if the stated amount of any Letter of Credit is increased, the Borrower agrees to pay to the Administrative Agent for the account of each Lender the L/C Fee on the amount of the increase, which fee shall be due and payable on the date of the increase. Each L/C Fee paid to the Administrative Agent shall be nonrefundable and fully earned as of the date paid.

(d) Issuing Bank Fees. The Borrower agrees to pay to the Issuing Bank for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the Issuing Bank relating to letters of credit as from time to time in effect, which fees, costs and charges shall be payable to such Issuing Bank within five (5) Business Days after its demand therefor and are nonrefundable.

(e) Fees Non-Refundable. Borrower acknowledges that all fees payable under this Section 2.14 are (i) fully earned on the date on which they are payable, and (ii) nonrefundable when paid (exclusive of double payments and other manifest errors).

(f) Computation of Fees. All fees hereunder shall be computed on the basis of a year of three hundred sixty (360) days and paid for the actual number of days elapsed.

(g) Closing Costs and Expenses. In addition to the commitment and other fees, Borrower shall pay, on or prior to the Effective Date, all outstanding costs and expenses pursuant to Section 10.4.

2.15 General Provisions as to Payments.

(a) Method of Payment. All payments of the Obligations hereunder shall be made, without setoff, deduction, or counterclaim, in immediately available funds to the Administrative Agent at One East Washington Street, 14th Floor, Phoenix, Arizona 85004, or at any other Lending Installation of the Administrative Agent specified in writing by the Administrative Agent to Borrower, by noon (Phoenix, Arizona time) on the date when due and shall be applied ratably by the Administrative Agent among the Lenders, subject to Section 2.18. Each payment delivered to the Administrative Agent for the account of any Lender shall be delivered promptly by the Administrative Agent to such Lender in the same

type of funds that the Administrative Agent received at the address specified above or at any Lending Installation specified in a notice received by the Administrative Agent from such Lender. Upon the occurrence and continuation of an Event of Default, the Administrative Agent is hereby authorized to charge the account of Borrower maintained with Western Alliance Bank for each payment of principal, interest and fees as it becomes due hereunder.

(b) No Setoff, Etc. All payments made by Borrower under this Agreement and the other Loan Documents shall be made without any setoff, deduction, or counterclaim.

2.16 Security. Payment of the Note shall be secured by each Guaranty and each Pledge Agreement.

2.17 [Reserved].

2.18 Remargining; Principal Payments.

(a) Maximum Outstanding. Anything in the Loan Documents to the contrary notwithstanding, the total Outstanding Credit Exposure shall not at any time exceed the Available Loan Commitment.

(b) No Credit Extensions. Borrower shall not be entitled to any Revolving Loans or the issuance of any Letters of Credit if the effect thereof would be to cause the test in Section 2.18(a) to be violated.

(c) Payments and Deposits. If for any reason at any time, the Outstanding Credit Exposure exceeds the Available Loan Commitment (including, without limitation, by reason of Commitment reductions, exclusion of Eligible Assets, adjustments to the Borrowing Base or Asset Value, or otherwise), Borrower shall be obligated to make a payment equal to the amount of such excess, and to the extent that after giving effect to such payment no Revolving Loans remain outstanding and the Outstanding Credit Exposure continues to exceed the Available Loan Commitment, Borrower shall Cash Collateralize Letters of Credit in accordance with Section 2.5(l) in an amount equal to 105% of the excess of the Outstanding Credit Exposure over the Available Loan Commitment (such payment and Cash Collateralization, collectively, a "Remargining Payment").

(d) Due Date. Each payment and deposit of Cash Collateral pursuant to this Section 2.18 will be due no later than 11:00 a.m. (Phoenix time) on the Business Day after the day upon which Administrative Agent notifies Borrower (which notice may be given by email) that such Remargining Payment is required.

2.19 Cash Collateral.

(a) Obligation to Cash Collateralize. In addition to Cash Collateral otherwise required pursuant to this Agreement, at any time that there shall exist a Defaulting Lender, within one Business Day following the written request of the Administrative Agent or any Issuing Bank (with a copy to the Administrative Agent), the Borrower shall Cash

Collateralize the Issuing Bank's Fronting Exposure with respect to such Defaulting Lender (determined after giving effect to Section 2.20(a)(v) and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the Minimum Collateral Amount.

(b) Grant of Security Interest. The Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to the Administrative Agent, for the benefit of the Issuing Bank, and agrees to maintain, a first priority security interest in all such Cash Collateral as security for the Defaulting Lender's obligation to fund participations in respect of L/C Obligations, to be applied pursuant to Section 2.19(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent and the Issuing Banks as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by the Defaulting Lender).

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section or Section 2.20 in respect of Letters of Credit shall be applied to the satisfaction of the Defaulting Lender's obligation to fund participations in respect of L/C Obligations (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(d) Termination of Requirement. Cash Collateral (or the appropriate portion thereof) provided to reduce the Issuing Bank's Fronting Exposure shall no longer be required to be held as Cash Collateral pursuant to this Section following (i) the elimination of the applicable Fronting Exposure (including by the termination or cessation of Defaulting Lender status of the applicable Lender), or (ii) the determination by the Administrative Agent and the Issuing Bank that there exists excess Cash Collateral; provided that, subject to Section 2.20 the Person providing Cash Collateral and the Issuing Bank may mutually agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations and provided further that to the extent that such Cash Collateral was provided by the Borrower, such Cash Collateral shall remain subject to the security interest granted pursuant to the Loan Documents.

2.20 Defaulting Lenders.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this

Agreement shall be restricted as set forth in the definition of Required Lenders and Section 10.2(c).

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 10.9 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Issuing Bank; third, to Cash Collateralize the Issuing Bank's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.19; fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Revolving Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Revolving Loans under this Agreement and (y) Cash Collateralize the Issuing Bank's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.19; sixth, to the payment of any amounts owing to the Lenders or the Issuing Bank as a result of any judgment of a court of competent jurisdiction obtained by any Lender or the Issuing Bank against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Revolving Loans or L/C Disbursements in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Revolving Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.5 were satisfied or waived, such payment shall be applied solely to pay the Revolving Loans of, and L/C Disbursements owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Revolving Loans of, or L/C Disbursements owed to, such Defaulting Lender until such time as all Revolving Loans and funded and unfunded participations in L/C Obligations are held by the Lenders pro rata in accordance with the Commitments without giving effect to clause (iv) below. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Fees.

(A) No Defaulting Lender shall be entitled to receive any commitment or other fees to which it would otherwise be entitled for any period during which that Lender is a Defaulting Lender (and Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender, as determined by Administrative Agent). The foregoing shall not obligate Administrative Agent to share any fees with any Lender or otherwise entitle any Lender to any fees except as expressly agreed in writing between Administrative Agent and such Lender or as expressly provided in this Agreement.

(B) Notwithstanding the foregoing, each Defaulting Lender shall be entitled to receive L/C Fees for any period during which that Lender is a Defaulting Lender to the extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.19.

(C) With respect to any L/C Fee not required to be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to the Issuing Bank, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to the Issuing Bank's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Participations to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that such reallocation does not cause the aggregate Revolving Loans of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Commitment. Subject to Section 10.19, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral. If the reallocation described in clause (iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under law Cash Collateralize the Issuing Banks' Fronting Exposure in accordance with the procedures set forth in Section 2.19.

(b) New Letters of Credit. So long as any Lender is a Defaulting Lender, the Issuing Bank shall not be required to issue, extend, increase, reinstate or renew any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

(c) Defaulting Lender Cure. If Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Revolving Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded in accordance with the Commitments, whereupon, such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

## ARTICLE 3
## BORROWING BASE

3.1 Determination of Eligible Assets/Borrowing Base. The Borrowing Base shall consist of the Asset Value of the Eligible Assets in the Borrowing Base as determined by Administrative Agent from time to time in accordance with this Agreement and subject to the limitations set forth in this Article 3.

(a) Advance Rates Applicable to Eligible Assets. The Borrowing Base will be determined as of each Borrowing Base Valuation Date by determining the Asset Value of the Eligible Assets owned by Borrower or a Subsidiary Guarantor depending upon the classification of such Eligible Asset, subject, in each case, to the limitations set forth below. In determining the Asset Values, the Margin Values of each class of Eligible Asset is set forth in the chart below:

| **Eligible Asset** | **Margin Value** |
|---|---|
| Presold Units | [* * * *] of Cost (subject to the limitations in Section 3.1(b) below) |
| Spec Units | [* * * *] of Cost (subject to the limitations in Section 3.1(c) below) |
| Model Units | [* * * *] of Cost (subject to the limitations in Section 3.1(d) below) |
| Finished Lots | [* * * *] of Cost (subject to the limitations in Section 3.1(e) below) |
| A&D Lots | [* * * *] of Cost (subject to the limitations in Section 3.1(f) below) |

(b) Limitations on Presold Units. If the Unit Term for a Presold Unit has expired, the Margin Value for such Unit will be $0.

(c) Limitations on Spec Units. (i) If the Unit Term for a Spec Unit is extended from 15 months to 18 months pursuant to Section 3.3(b), the Margin Value of such Spec Unit will be [* * * *] of Cost, and (ii) after the Unit Term has expired for such Unit, the Margin Value for such Unit will be $0.

(d) Limitations on Model Units.

(i) If the Unit Term for a Model Unit has expired, the Margin Value for such Unit will be $0.

(ii) The Margin Value for any Model Unit shall decrease to $0 after one hundred eighty (180) days have passed from the date the final Unit (other than another Model Unit) in the Subdivision in which such Model Unit is located has been sold (whether or not actually transferred) to a third party purchaser.

(e) Limitations on Finished Lots. If the Lot Term for a Finished Lot has expired, and such Finished Lot is not reclassified as a Unit, the Margin Value for such Lot will be $0.

(f) Limitations on A&D Lots. If the Lot Term for an A&D Lot has expired, and such A&D Lot is not reclassified as a Unit or Finished Lot, the Margin Value for such Lot will be $0.

3.2 Lot Term Limits.

(a) Finished Lots. Each Finished Lot may be included in Eligible Assets as a Finished Lot for not more than twelve (12) months from the date such Finished Lot was first included in the Eligible Assets.

(b) A&D Lots. Each A&D Lot may be included in Eligible Assets as an A&D Lot for not more than eighteen (18) months from the date such A&D Lot was first included in the Eligible Assets.

(c) Transfer of Lots for Unit Construction. Borrower may reclassify an A&D Lot or Finished Lot as a Unit subject to the provisions of this Agreement relating to Units; provided, however, that before any A&D Lot or Finished Lot is included in Eligible Assets as a Unit, the conditions precedent set forth in Section 4.4 must have been satisfied with respect to such A&D Lot or Finished Lot, including, without limitation, the provisions of Section 4.4(f) imposing the requirement that the Unit Construction Threshold must be met.

3.3 Unit Term Limits . Subject to the limitations set forth in this Agreement (including, without limitation, Section 3.1), Units may be included in the Eligible Assets for the time periods provided below.

(a) Presold Units. Subject to Sections 3.3(d), 3.4 and 3.5, each Presold Unit may be included in Eligible Assets for not more than twelve (12) months from the Unit Eligibility Date for such Unit; provided, however, that so long as no Event of Default has occurred and is continuing, each Presold Unit may be included in Eligible Assets for two (2) additional consecutive periods of three (3) months each (i.e., for a total Unit Term of eighteen (18) months from the original Unit Eligibility Date). A Presold Unit no longer subject to a Purchase Contract will be deemed to be a Spec Unit as of the date the Unit is no longer subject to a Purchase Contract. Notwithstanding any contrary provision of this Agreement or the Loan Documents, a Unit will not be considered to be a Presold Unit unless and until a final public report (if a public report is required by applicable Requirements) has been obtained by Borrower (or the applicable Project Owner) and delivered to the purchaser of such Unit and all cancellation periods in favor of such purchaser with respect to such public report have expired.

(b) Spec Units. Subject to Sections 3.3(d), 3.4 and 3.5, each Spec Unit may be included in Eligible Assets for not more than twelve (12) months from the original Unit Eligibility Date for such Unit; provided, however, that so long as no Event of Default has occurred and is continuing, Spec Units may be included in Eligible Assets for two (2) additional consecutive periods of three (3) months each (i.e., for a total Unit Term of eighteen (18) months from the original Unit Eligibility Date); provided further, however, that during the second such three (3) month period the Margin Value for each such Unit will be reduced in accordance with Section 3.1(c). No Unit may be included in the Eligible Assets as a Spec Unit (including by reclassification of a Presold Unit as a Spec Unit) if after giving effect to such inclusion any of the provisions of Section 3.4 would be exceed or such inclusion is otherwise not permitted pursuant to this Agreement.

(c) Model Units. Subject to Sections 3.3(d), 3.4 and 3.5, each Model Unit may be included in Eligible Assets for not more than thirty-six (36) months from the applicable Unit Eligibility Date.

(d) Eligibility Date. Reclassification of Units (for example, from Spec Units to Presold Units) will not change the Unit Eligibility Date for the Unit in question.

(e) Unit Ineligibility. Except to the extent permitted in the case of an extension of the Maturity Date to the Holdover Maturity Date pursuant to Section 2.5, in no event may any Unit be included in Eligible Assets beyond the Maturity Date. Units that are sold, that have been included as Eligible Assets for the maximum term determined in accordance with the provisions of this Section 3.2, or that are otherwise not eligible to be Eligible Assets pursuant to any provision of this Agreement will no longer be Eligible Assets upon sale and release in compliance with the provisions of this Agreement, upon expiration of such term, or upon such Units becoming ineligible, as the case may be. However, a Unit that is no longer Eligible Assets because of expiration of the term during which such Unit was entitled to be Eligible Assets or because of its becoming ineligible pursuant to any provision of this Agreement will nevertheless remain part of the Collateral until released as permitted by this Agreement.

3.4 Additional Limitations on Eligible Assets.

(a) [Reserved].

(b) Lot Limit; Reductions in Lot Limit. Commencing July 15, 2020, and continuing at all times thereafter, the aggregate Maximum Allowed Advance with respect to all Lots included in the Borrowing Base will not at any one time exceed the lesser of (i) 50% of the total Asset Value of the Borrowing Base, or (ii) 50% of the Commitments of the Lenders. The total aggregate number of A&D Lots and Finished Lots included in the Borrowing Base for any Approved Subdivision will not exceed the Lot Limit for such Subdivision, and any of such Lots in excess of the Lot Limit will not be Eligible Assets. In Land Development Subdivisions, and for so long as such Subdivision remains a Land Development Subdivision, (i) at the end of the ninth calendar month after the initial Lot Eligibility Date for any Lot in such Subdivision, the Lot Limit for such Subdivision will reduce by 10% and (ii) as of the last day of each third month thereafter, the Lot Limit for such Subdivision will reduce by an additional 10% from the original Lot Limit for such Subdivision (e.g., only 90% of the Lots may be Eligible Assets after the ninth month, only 80% of the Lots may be Eligible Assets after the 12th month, and only 70% of the Lots may be Eligible Assets after the 15th month). Administrative Agent may determine which Lots are excluded from being classified as Eligible Assets due to the Lot Limit being exceeded.

(c) Limitation on Number of Spec Units. The number of Spec Units constituting Eligible Assets in any Approved Subdivision at any one time shall not exceed the applicable Subdivision Spec Limit.

(d) [Reserved].

(e) Classification and Reclassification of Units; Adjustment of Borrowing Base. Administrative Agent may classify or reclassify Units as to type from time to time, or change Borrower's proposed classification of any and all Units, provided that such reclassification shall be based upon the definitions of Spec Units and Presold Units set forth herein and each such reclassified Unit shall meet the requirements set forth herein for that type of Unit. No Spec Unit or Presold Unit can be reclassified as a Model Unit without

Administrative Agent's prior written consent. Effective as of the date that a Unit is reclassified as to type, such reclassification will give rise to a Reclassification Adjustment. At any time that Borrower has violated the limitation on Spec Units set forth in Section 3.4(c), Administrative Agent shall exclude the excess Spec Units from Eligible Assets (with the Units to be so excluded selected by Administrative Agent in its sole discretion).

(f) Limitation on Model Units. The number of Model Units constituting Eligible Assets in a particular Subdivision at any one time will not exceed 5 Model Units.

(g) Events Affecting Eligible Assets. If (i) any Eligible Asset is materially damaged, destroyed, or becomes subject to any condemnation proceeding, (ii) Borrower violates any provisions of, or breaches any representations and warranties in, the Loan Documents (including, without limitation, the Environmental Agreement) with respect to such Eligible Asset that Administrative Agent determines materially and adversely affects the value of the Eligible Asset, or (iii) a member of the Borrowing Group makes or is entitled to make any claim under a Title Policy with respect to a matter that Administrative Agent determines materially and adversely affects an Eligible Asset, such Eligible Assets may, in Administrative Agent's sole discretion and upon notice to Borrower, be declared by Administrative Agent to no longer be Eligible Assets. In addition, if any such Real Estate Inventory does not continue to meet all the requirements applicable to Eligible Assets, such Real Estate Inventory will no longer constitute Eligible Assets. Any determination by Administrative Agent as to whether certain Real Estate Inventory constitutes Eligible Assets will be final, conclusive, binding and effective immediately.

3.5 Other Limitations on Asset Values and Maximum Allowed Advances.

(a) [Reserved].

(b) Additional Limitation on Maximum Allowed Advance. In addition to all of the other requirements for the Borrowing Base set forth in this Article 3, the aggregate of the Maximum Allowed Advances of all Lots and Units included in Eligible Assets may not at any time be greater than an amount equal to the following amount: (i)(A) the Commitment Amount minus (B) the Maximum Allowed Advance of all Lots in the Borrowing Base, multiplied by (ii) the Applicable MAA Percentage then in effect.

(c) Attached Units/Buildings. If multiple Units are to be constructed as attached Units or in a building that contains more than one Unit (whether or not constituting a condominium), then in order for any such attached Unit or Unit in a building to be included in Eligible Assets, all of the Units that are attached or are in such building must also be included in Eligible Assets.

(d) Further Limitations on Asset Values and Maximum Allowed Advances. If any of the limitations on Eligible Assets, Asset Value, Margin Value, Maximum Allowed Advances, Outstanding Credit Exposure, or outstanding Revolving Loans set forth in this Agreement are exceeded, Administrative Agent may at its option either remove the Lots or Units from Eligible Assets until such limitations are met, adjust the applicable Asset Values

in order that such limitations are not exceeded, or require Borrower to make a Remargining Payment.

(e) Reductions. Each of the limitations regarding amounts and numbers of Lots and Units that may be included in Eligible Assets set forth in this Article 3 shall be subject to reduction by Administrative Agent in connection with any reduction in the Commitment Amount.

3.6 Borrowing Base Report.

(a) Proposed Borrowing Base Report. On the Effective Date and within three (3) Business Days after the end of each month thereafter, Borrower will prepare and submit to Administrative Agent a proposed Borrowing Base Report for all of the Eligible Assets dated no earlier than the last day of the most recent month. Such Borrowing Base Report will be in the form reasonably required by Administrative Agent from time to time. A sample of the initial form of the Borrowing Base Report is included in Exhibit G. Each Borrowing Base Report will also take into account the sale of Units and all other adjustments and limitations permitted or required by this Agreement. With respect to Lots, from time to time, Administrative Agent may also require information concerning construction of the Units, including, without limitation, the status of construction of Units, a detailed breakdown of construction, the costs expended to date for such construction, the Maximum Allowed Advance, and an itemized estimate of the amount necessary to complete construction of Units. In connection with a Draw Request, Borrower may revise the value of the Borrowing Base as a result of changes in the Eligible Assets included (or to be included) in the Borrowing Base since the initial Borrowing Base Report provided for such month and, in connection therewith, provide to Administrative Agent an updated Borrowing Base Report.

(b) Form of Report and Certificate. If requested by Administrative Agent, the proposed Borrowing Base Report will be in an electronic format in compliance with Administrative Agent's specifications and requirements as in effect from time to time.

(c) Approval of Borrowing Base Report. Each proposed Borrowing Base Report shall be subject to approval and adjustment by Administrative Agent based upon (i) Administrative Agent's review of such report, (ii) Administrative Agent's inspections made pursuant to Section 6.13 (as such inspections may result in any adjustments to reflect any variance between the Borrowing Base Report and/or the Real Estate Inventory report and the results of such inspections by Administrative Agent), and (iii) such other information as Administrative Agent may reasonably require in order to verify the Borrowing Base, Eligible Assets, the Asset Value of the Borrowing Base, and all other amounts and items relating thereto. Each determination by Administrative Agent of the Borrowing Base, Eligible Assets, the Asset Value of the Borrowing Base, and the amount of each Revolving Loan (and all other amounts and items entering into such determinations), will be final, conclusive and binding upon Borrower, absent manifest error. If Administrative Agent rejects a Borrowing Base Report, Borrower shall make such revisions and adjustments to the proposed Borrowing Base Report as Administrative Agent may reasonably request. Administrative Agent will use reasonable efforts to review each

Borrowing Base Report and make any adjustments or provide approval within three (3) Business Days after receipt of each Borrowing Base Report that complies with the requirements of this Section 3.6, provided that Administrative Agent's failure to give such notice or delay in giving such notice shall not limit, waive or reduce any of the Obligations.

(d) Failure to Deliver Borrowing Base Report. In the event that Borrower fails to deliver a Borrowing Base Report as and when required pursuant to this Agreement, in addition to all rights and remedies of Administrative Agent and without waiving any Event of Default resulting from such failure, Administrative Agent may compute the Asset Values of the Eligible Assets in the Borrowing Base in Administrative Agent's sole and absolute discretion and such determination by Administrative Agent shall be conclusive and immediately effective unless and until Administrative Agent has approved a Borrowing Base Report submitted by Borrower.

3.7 General. Anything in this Article 3 or the Loan Documents to the contrary notwithstanding, Borrower agrees that (a) no limitation on any Revolving Loans required or permitted pursuant to this Agreement will limit or otherwise change Borrower's obligations and liabilities under the applicable Loan Documents, (b) Borrower will remain obligated to pay all costs, expenses, and fees required to be paid by Borrower pursuant to this Agreement and the other Loan Documents, and (c) Borrower will remain obligated to pay all costs, expenses, and fees now or hereafter arising in connection with acquisition, development, maintenance, occupancy, operation, and use of the Collateral.

## ARTICLE 4
## CONDITIONS PRECEDENT

4.1 Conditions Precedent to Effectiveness of this Agreement. This Agreement will become effective only upon satisfaction of the following conditions precedent on or before the initial Revolving Loan, in each case as determined by Administrative Agent. If the conditions precedent are not satisfied (or waived pursuant to Section 4.6) on or before January 20, 2020, Administrative Agent may cancel this Agreement upon written notice to Borrower. The conditions precedent to be satisfied are as follows:

(a) Representations and Warranties Accurate. The representations and warranties by Borrower in this Agreement are correct on and as of the Effective Date, as though made on and as of such date.

(b) No Defaults. No Event of Default or Default shall have occurred and be continuing.

(c) Financial Condition. Administrative Agent and the Lenders shall be satisfied with the financial condition of Borrower and each other Loan Party as of the Effective Date.

(d) No Material Adverse Change. Administrative Agent shall have determined that no Material Adverse Change has occurred with respect to Borrower or any other Loan Party since the most recent financial statements and reports provided to Administrative Agent.

(e) Documents. Administrative Agent shall have received the following agreements, documents, and instruments, each duly executed (and acknowledged where applicable) by the parties thereto and in form and substance satisfactory to Administrative Agent and its legal counsel:

(i) Loan Documents. The Loan Documents (other than Loan Documents to be executed and delivered in connection with the satisfaction of conditions precedent in Sections 4.2, 4.3 and 4.4) and the Intercompany Subordination Agreement.

(ii) Formation Documents. The Organizational Documents of Borrower and each other Loan Party, together with such resolutions, consents and other documents as Administrative Agent may require to evidence the due formation, valid existence and authority of Borrower and each other Loan Party.

(iii) Authorization Documents. Certified copies of resolutions of Borrower and each other Loan Party authorizing Borrower and each other Loan Party to execute, deliver, and perform its obligations under this Agreement and the other Loan Documents to be executed and delivered by Borrower or any Loan Party in connection herewith, and certifying the names and signatures of the officers of Borrower and each Loan Party authorized to execute this Agreement and to request Revolving Loans on behalf of Borrower.

(iv) Good Standing. Evidence of the good standing of each Loan Party in the jurisdiction of formation of such Loan Party and each other jurisdictions where the nature of the business and operations of such Loan Party require registration with any Governmental Authority.

(v) Incumbency Certificates. Incumbency certificates from Borrower and each other Loan Party which shall: (A) identify by name and title, and bear the signatures of, the Responsible Officers of each such entity and (B) be certified by one of its Responsible Officers (other than the Responsible Officer signing Loan Documents on behalf of Borrower or any other Loan Party).

(f) Acquisition. The Acquisition shall have occurred in a manner satisfactory to Administrative Agent.

(g) Legal Opinion. A favorable written opinion of legal counsel to Borrower and each other Loan Party in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(h) Subordinations. The Intercompany Subordination Agreement shall have been executed and delivered by all parties thereto and shall have become fully effective and binding.

(i) Payoff Letters and Releases. Pay off and lien release letters from secured creditors of the Persons to be acquired by Borrower in connection with the Acquisition setting forth, among other things, the total amount of indebtedness outstanding and owing

to them and containing an undertaking to cause to be delivered to the Administrative Agent UCC termination statements, and deed of trust reconveyances, and any other lien release instruments necessary to release their Liens on the assets of any Person so acquired by Borrower, which pay off and lien release letters shall be in form and substance acceptable to the Administrative Agent.

(j) Insurance Policies. Insurance policies, in form, content and amounts and required pursuant to this Agreement.

(k) UCC Lien Search. UCC record and copy searches disclosing no notice of any Liens and Encumbrances filed against any of the Collateral except Permitted Liens.

(l) Other Searches. Such other litigation, bankruptcy and other searches and background checks as Administrative Agent may request.

(m) Payment of Costs, Expenses and Fees. All costs, expenses and fees to be paid by Borrower or any Loan Party under the Loan Documents on or before the Effective Date will have been paid in full, including, without limitation, the applicable fees set forth or referenced in Section 2.14.

(n) Other Items. Borrower shall have provided Administrative Agent with such other agreements, documents and instruments as Administrative Agent may reasonably require.

(o) Other Actions. Borrower has performed such other actions as Administrative Agent may reasonably require.

4.2 Approval of Subdivisions. In order for a Subdivision to constitute an Approved Subdivision, the following conditions must be satisfied, at Borrower's sole cost and expense, (each of which items must be satisfactory to Administrative Agent in its sole and absolute discretion and each of which conditions precedent must be satisfied, as determined by Administrative Agent in its sole and absolute discretion, at all times):

(a) Representations and Warranties. All of the representations and warranties in this Agreement shall be true and correct in all material respects as of the date of such request and as of the date of Administrative Agent's approval of an Approved Subdivision (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date).

(b) No Defaults. No Default or Event of Default shall have occurred and be continuing.

(c) Land Purchase Documents. Borrower shall have provided to Administrative Agent copies of the purchase agreement, settlement statement and other documentation relating to Borrower's (or the applicable Project Owner's) purchase of the applicable Subdivision.

(d) Proposed Development. Borrower shall have submitted to Administrative Agent budgets, market valuation reports, feasibility studies, environmental and engineering reports and studies, proforma financial statements, income projections, development schedules and other information as Administrative Agent may require to review the construction and sale of Units in the Subdivision and the estimated costs, expenses and profits in connection therewith.

(e) Restrictive Covenants. Borrower shall have provided to Administrative Agent the CC&Rs for the proposed Approved Subdivision.

(f) Proforma Budgets, Revenues and Cash Flows. Borrower shall have submitted to Administrative Agent a budget and pro forma cash flow for the Subdivision providing detail regarding projected sales revenues (by type of Unit), hard and soft costs of construction (by type of Unit), pricing for options and upgrades, and allocated overhead, and sources and uses of funds.

(g) Budget. Borrower shall have provided Administrative Agent the proposed Unit Budgets, proposed A&D Lot Development Budgets, all A&D Lot Development Plans and Specifications (if applicable), and Unit Plans and Specifications for all Units in the proposed Approved Subdivision.

(h) Project Owner. With respect to the Project Owner and each related Intermediate Entity:

(i) Borrower shall have provided and Administrative Agent shall have approved (A) complete copies of the Organizational Documents of the Project Owner and each Intermediate Entity that holds a direct or indirect interest in such Project Owner; (B) good standing certificates (or their equivalents) for the Project Owner and each such Intermediate Entity from such entity's state of formation and the state in which the Approved Subdivision is located; (C) certified corporate, limited liability company, partnership or other appropriate entity resolutions from each of such entities, authorizing the transactions described therein; (D) incumbency certificates from the Project Owner and each such Intermediate Entity which shall identify by name and title and bear the signature of the Responsible Officers of such entities and be certified by one of such Responsible Officers (other than the Responsible Officers signing Loan Documents on behalf of such Project Owner); (E) UCC record and copy searches disclosing no notice of any Liens and Encumbrances filed against such Project Owner and (F) such other litigation, bankruptcy and other searches and background checks as Administrative Agent may request; and

(ii) each Project Owner and Intermediate Entity shall be a Wholly-Owned Subsidiary of Borrower.

(i) Documents. The Administrative Agent will have received the following agreements, documents, and instruments, each duly executed by the parties thereto and in

form and substance reasonably satisfactory to the Administrative Agent and its legal counsel:

(i) Loan Documents. The following Loan Documents relating specifically to the Borrower Subsidiary that owns such Subdivision (which must be a Project Owner), and each related Intermediate Entity:

(A) a Pledge Agreement or Pledge Joinder Agreement, as required by Administrative Agent;

(B) a Guaranty or Guarantor Joinder Agreement, as required by Administrative Agent; and

(C) an Environmental Agreement or Environmental Joinder Agreement, as required by Administrative Agent.

(ii) Eligibility Certificate. An Eligibility Certificate for the Subdivision executed by Borrower.

(j) Marketing Information. Borrower shall have provided Administrative Agent marketing information with respect to the Units to be constructed in the Subdivision, including, to the extent available, floor plans, square footage, anticipated absorption, estimated Unit mix, Unit cost breakdowns, subdivision pro formas, and anticipated gross margins.

(k) Tentative Subdivision Map or Plat. Borrower shall have delivered to Administrative Agent a "tentative" map or preliminary plat with respect to the Subdivision, development agreements and other documents with respect to the Subdivision. Each such tentative or proposed map or plat must contain a legal description of the Subdivision covered by the map, must describe and show all boundaries of and lot lines within the Subdivision, all streets and other dedications, and all easements affecting such Subdivision, and such other information as Administrative Agent may reasonably request. If requested by Administrative Agent, Borrower shall also have provided evidence reasonably satisfactory to Administrative Agent that there exist no material impediments to the issuance of a final map or plat, as applicable, and that no major discretionary approvals by any Governmental Authority remain for such issuance.

(l) Entitlement; Zoning Approvals. The Subdivision shall be Entitled Land.

(m) Title Policy. Borrower shall have provided Administrative Agent with the Title Policy (or if approved by Administrative Agent, a commitment for a Title Policy) for such Subdivision which will insure the Project Owner owns the fee simple absolute interest in the Subdivision, subject only to Permitted Exceptions. If any Title Policy or title insurance commitment is dated more than 90 days prior to the date the Subdivision is to be included in the Borrowing Base, if requested by Administrative Agent, Borrower will provide an updated title insurance commitment to Administrative Agent.

(n) Environmental Assessment. Borrower shall have delivered to Administrative Agent a report of an environmental assessment for the Subdivision by a duly licensed environmental engineer and dated not earlier than twelve (12) months before Borrower's request for approval.

(o) Location. The Subdivision shall be located in an Approved MSA in an Approved State.

(p) Opinion Letter. If required by Administrative Agent, Borrower's counsel shall have provided to Administrative Agent an opinion letter with respect to Borrower, the Loan and the Loan Documents, in form and substance satisfactory to Administrative Agent and Administrative Agent's counsel.

4.3 Qualification of A&D Lots as Eligible Assets. In order for A&D Lots and Finished Lots in the applicable Approved Subdivision to be included in the Eligible Assets, the Borrower shall also satisfy all of the conditions in this Section 4.3:

(a) No Defaults. No Event of Default or Default shall have occurred and be continuing at the time such Lot is included as an Eligible Asset.

(b) Limitations. The addition of such A&D Lots or Finished Lots to the Borrowing Base will not cause any of the provisions of Article 3 to be violated.

(c) Approved Subdivision. Such A&D Lots or Finished Lots are in an Approved Subdivision.

(d) Other Items. Borrower shall have provided to Administrative Agent and Administrative Agent shall have approved such other agreements, documents, and instruments as Administrative Agent may reasonably require. If any of the conditions precedent with respect to the applicable Approved Subdivision have not been satisfied as permitted in Section 4.2, such conditions precedent shall have been satisfied. Also if any additional conditions precedent are set forth in the applicable Subdivision Approval Letter (or in a separate post-closing agreement) such additional conditions precedent shall have been satisfied.

(e) Other Actions. Borrower has performed such other actions as Administrative Agent may reasonably require.

4.4 Qualification of Units as Eligible Assets. Borrower may include and maintain a Unit in Eligible Assets only if the following conditions precedent are satisfied, at all times that such Unit is included in Eligible Assets:

(a) No Defaults. No Event of Default or Default shall have occurred and be continuing at the time such Unit is added as an Eligible Asset.

(b) Limitations. The addition of such Unit to the Borrowing Base will not cause the provisions of Article 3 to be violated.

(c) Lot. Such Unit is in an Approved Subdivision and the Lots on which such Units are located in such Subdivisions must be Finished Lots.

(d) Final Approved Subdivision Map or Plat. The Units must be subject to a final subdivision plat or map for the Approved Subdivision and such final subdivision plat or map shall have been recorded or filed with the appropriate Governmental Authorities.

(e) Purchase Contract. If such Unit is a Presold Unit and if requested by Administrative Agent, Borrower shall have provided to Administrative Agent and Administrative Agent shall have approved a copy of the fully executed Purchase Contract for such Unit.

(f) Start of Construction. Construction of the Unit shall have commenced at least to the Unit Construction Threshold.

(g) Other Actions. Borrower has performed such other actions as Administrative Agent may reasonably require.

4.5 Additional Conditions Precedent to Credit Extensions. The obligation of each Lender (including the Issuing Bank) to make a Credit Extension (including its initial Credit Extension) is additionally subject to the satisfaction of the following conditions, as determined by Administrative Agent:

(a) Defaults. No Event of Default or Default shall have occurred and be continuing on the date of such Credit Extension, both before and after giving effect thereto.

(b) Representations and Warranties. The representations and warranties of the Borrower set forth in this Agreement and in any other Loan Document shall be true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects) on and as of the date of such Credit Extension (or, in the case of any such representation or warranty expressly stated to have been made as of a specific date, as of such specific date).

(c) Other Conditions Precedent. Borrower will have satisfied all conditions precedent to Revolving Loans and the issuance of Letters of Credit in this Agreement and the other Loan Documents.

(d) Inspection Report. If and to the extent required by Administrative Agent, Administrative Agent shall have received written evidence reasonably acceptable to Administrative Agent from Administrative Agent's inspectors or from Administrative Agent's employees performing inspections for Administrative Agent (i) that construction of all Lot Improvements and each Unit constituting Eligible Assets complies with all Requirements, the A&D Lot Development Plans and Specifications, and the applicable Unit Plans and Specifications in all material respects, and (ii) that Borrower has completed all Lot Improvements and each such Unit to the stage reported on the most recent Borrowing Base Report received by Administrative Agent.

(e) Payment of Costs, Expenses, and Fees. All costs, expenses, and fees due to be paid by Borrower on or before the date of the Revolving Loan under the Loan Documents shall have been paid in full.

(f) Draw Request and Borrowing Base Report. Borrower will have delivered to Administrative Agent a Draw Request for such Revolving Loan and a Borrowing Base Report with a Borrowing Base Valuation Date no more than 3 Business Days prior to the date the Credit Extension is to be made by Lenders or Issuing Bank.

(g) Limit on Total Outstanding. After giving effect to the requested Revolving Loan or the issuance of the requested Letter of Credit, the Outstanding Credit Exposure will not violate the tests in Section 2.18 and no Remargining Payment will be required.

4.6 Right to Waive. Borrower authorizes Administrative Agent and Administrative Agent reserves the right to verify any documents and information submitted to it in connection with this Agreement. Administrative Agent may elect to waive any of the conditions precedent and requirements in this Article 4. Any such waiver will be limited to the conditions precedent and requirements in the applicable Sections of this Article 4. Delay or failure by Administrative Agent to insist on satisfaction of any condition precedent will not be a waiver of such condition precedent or any other condition precedent. The making of a Revolving Loan by Administrative Agent will not be deemed a waiver by Administrative Agent of the occurrence of an Event of Default or Default.

## ARTICLE 5
## BORROWER REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties. Borrower represents and warrants to Administrative Agent and each Lender that as of the Effective Date and as of the various other dates specified in this Agreement and the other Loan Documents on which such representations and warranties are to be accurate, the following:

(a) Formation and Authorization. Borrower is a limited liability company validly organized and existing in good standing under the laws of the State of Delaware. Borrower is a Wholly-Owned Subsidiary of Parent and LHI. Each Project Owner and Intermediate Entity is a Wholly-Owned Subsidiary of Borrower. Borrower has requisite power and authority to execute, deliver, and perform the Loan Documents. The execution, delivery and performance by Borrower of the Loan Documents have been duly authorized by all requisite action by or on behalf of Borrower and will not conflict with or result in a violation of or a default under the formation documents of Borrower. Each other Loan Party is a corporation, partnership, or limited liability company validly organized and existing in good standing under the laws of the State of such Loan Party's formation and is authorized to conduct business in the State in which the Approved Subdivision owned by such Loan Party is located. Each Loan Party has the requisite power and authority to execute, deliver, and perform the Loan Documents to which such Loan Party is a party. The execution, delivery and performance by each Loan Party of the Loan Documents to which it is a party have been duly authorized by all requisite action by or on behalf of such

Loan Party and will not conflict with or result in a violation of or a default under any of the formation documents of such Loan Party.

(b) No Approvals, etc. No approval, authorization, bond, consent, certificate, franchise, license, permit, registration, qualification, or other action or grant by or filing with any Governmental Authority or other Person is required in connection with the execution, delivery, or performance (other than performance which is not yet due) by Borrower of any Loan Document. No approval, authorization, bond, consent, certificate, franchise, license, permit, registration, qualification, or other action or grant by or filing with any Governmental Authority or other Person is required in connection with the execution, delivery, or performance (other than performance which is not yet due) by any Loan Party of any Loan Document.

(c) No Conflicts. The execution, delivery, and performance by Borrower and, as applicable, each other Loan Party, of the Loan Documents will not conflict with or result in a violation of or a default under (i) any applicable Law, ordinance, regulation, or rule (federal, state, or local), (ii) any judgment, order, or decree of any arbitrator, other private adjudicator, or Governmental Authority to which Borrower or such Loan Party is a party or by which Borrower or such Loan Party is bound, (iii) any of the Approvals and Permits, or (iv) any agreement, document, or instrument to which Borrower or such Loan Party is a party or by which Borrower or such Loan Party or any of the assets of Borrower or such Loan Party is bound.

(d) Execution and Delivery and Binding Nature of Loan Documents. The Loan Documents are legal, valid, and binding obligations of Borrower, enforceable in accordance with their terms against Borrower, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization, or similar laws and by equitable principles of general application. With respect to each Loan Party, the Loan Documents to which such Loan Party is a party are legal, valid, and binding obligations of such Loan Party, enforceable in accordance with their terms against such Loan Party, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization, or similar laws and by equitable principles of general application.

(e) Accurate Information. All information in any loan application, financial statement (other than financial projections), certificate, or other document, and all other information delivered by or on behalf of Borrower or any other Loan Party to Administrative Agent and the Lenders in connection with the Loan is correct and complete in all material respects as of the date thereof, and there are no omissions from any such information that result in any such information being materially incomplete, incorrect, or misleading as of the date thereof. Borrower does not have any knowledge of any material change in any such information. All financial statements (other than financial projections) heretofore delivered to Administrative Agent and the Lenders by Borrower or any Loan Party were prepared in accordance with the requirements in Section 6.4 and accurately present the financial conditions and results of operations as at the dates thereof and for the periods covered thereby in all material respects. All financial projections have been and will be prepared in accordance with the requirements of this Agreement, will be complete in all material respects as of the date thereof, and will be based on the applicable Person's

best good faith estimates, compiled and prepared with due diligence, of the matters set forth therein. Since the Effective Date, no Material Adverse Change has occurred. There is no material fact (i) with respect to any Approved Subdivision or the business and operations of Borrower or any Loan Party that Borrower has not disclosed to Administrative Agent and the Lenders in writing. Neither the financial statements nor any other certificate or document delivered herewith or heretofore by Borrower or any Loan Party to Administrative Agent in connection with negotiation of this Agreement and the other Loan Documents contains any untrue statement of material fact or omits to state any material fact necessary to keep the statements contained herein and therein from being untrue or misleading.

(f) Purpose of Revolving Loans. The purpose of each Revolving Loan is as set forth in Section 2.4(b). The purpose of Revolving Loans is a business purpose and not a personal, family, or household purpose.

(g) Legal Proceedings, Hearings, Inquiries, and Investigations. Except as disclosed to Administrative Agent in writing prior to the date of this Agreement:

(i) No legal proceeding, individually or in the aggregate with related proceedings, involving a sum of $250,000.00 or more in the case of any Loan Party other than Parent, and involving a sum of $500,000 or more in the case of Parent, is pending or, to best knowledge of Borrower, threatened in writing before any arbitrator, other private adjudicator, or Governmental Authority to which Borrower or any Loan Party is a party or by which Borrower or any Loan Party, or any assets of Borrower or any Loan Party, may be bound or affected that if resolved adversely to Borrower or the applicable Loan Party could result in a Material Adverse Change.

(ii) No hearing, inquiry, or investigation relating to Borrower or any Loan Party, or any assets of Borrower or any Loan Party, is pending or, to the best knowledge of Borrower or any Loan Party, threatened by any Governmental Authority that if resolved adversely to Borrower or any Loan Party could result in a Material Adverse Change.

(h) No Defaults. No Event of Default or Default has occurred and is continuing.

(i) Approvals and Permits; Assets and Property. Borrower and each Loan Party has obtained and there are in full force and effect all Approvals and Permits presently necessary for the conduct of the business of Borrower and each Loan Party, and Borrower and each Loan Party owns, leases, or licenses all assets necessary for conduct of the business and operations of Borrower and each Loan Party, except as otherwise permitted pursuant to this Agreement. The assets of Borrower, Intermediate Entities, and Project Owners are not subject to any Liens and Encumbrances, other than (i) the Liens and Encumbrances created pursuant to this Agreement or any other Loan Document, and (ii) the Permitted Exceptions with respect to Approved Subdivisions.

(j) Impositions. Except as otherwise permitted pursuant to Section 6.7, Borrower and each other Loan Party has filed or caused to be filed all tax returns (federal, state, and local) required to be filed by Borrower or such Loan Party and has paid or caused to be paid all Impositions and other amounts shown thereon to be due (including, without limitation, any interest or penalties) except for any failure to so file or to so pay that would not, individually or in the aggregate, be materially adverse to the business properties, assets, operations or condition (financial or otherwise) of Borrower or any other Loan Party.

(k) Compliance With Law. Other than noncompliance with applicable building codes which is not material, is not unusual in the ordinary course of business, and is correctable (and is in the process of being corrected) by Borrower or the applicable Project Owner, none of Borrower, any Project Owner, any Approved Subdivision, any Lots or Units is in violation of any Law.

(l) A&D Lot Development Budget, Plans and Specifications, and Construction Contract(s). Each A&D Lot Development Budget (as updated from time to time) contains all costs, expenses, and fees anticipated to be incurred by Borrower and its Subsidiaries in connection with acquisition of the applicable Approved Subdivision and, if applicable, construction of the Lot Improvements. All A&D Lot Development Plans and Specifications and related working drawings for such Approved Subdivision are and will be an accurate and complete description, in all material respects, of the Lot Improvements in such Approved Subdivision. The construction contracts relating to the construction of the Lot Improvements provide for all work and materials anticipated to be necessary to construct and all payments necessary to pay for the construction of the Lot Improvements.

(m) Unit Budget, Unit Plans and Specifications, and Construction Contracts. Each Unit Budget (as updated from time to time) contains all costs, expenses, and fees anticipated to be incurred by Borrower or the applicable Project Owner in connection with the respective type of Unit. The Unit Plans and Specifications and related working drawings are an accurate and complete description of each Unit included or to be included as Eligible Assets. The construction contracts relating to the construction of each such Unit provide for all work and materials anticipated to be necessary to construct and all payments necessary to pay for the construction of such Unit.

(n) Additional Representations and Agreements Relating to Subdivisions and Collateral.

(i) Ownership of Subdivisions. The applicable Project Owner is and will at all times be the legal and equitable owner of the Approved Subdivisions and Eligible Assets, free and clear of all Liens and Encumbrances, except for the Permitted Exceptions.

(ii) Ownership of Equity Interests. (A) Parent owns and Controls all of the Equity Interests of LHI; (B) LHI owns and Controls all of the Equity Interests of Borrower; and (C) Borrower owns and Controls all of the Equity Interests in the

Intermediate Entities and the Project Owners (which may be through one or more Intermediate Entities).

(iii) Authority to Encumber. Borrower and each other Loan Party has and will continue to have the full right and authority to encumber all of the Collateral.

(iv) Validity of the Lien and Encumbrance Created by the Pledge Agreement. The Lien and Encumbrance created by Pledge Agreement is (A) legal, valid, binding and enforceable (subject to applicable bankruptcy, insolvency and similar laws generally affecting the rights of creditors and the enforcement of debtors' obligations and by general principles of equity, regardless of whether enforcement is sought in a proceeding in equity or at law) and (B) is first priority except for Permitted Exceptions.

(v) Borrowing Base Classification. The classification and Asset Value of all Eligible Assets included in the Borrowing Base is true and correct as of the most recent date of determination and all of the representations and warranties set forth in the most recent Borrowing Base Report as of each date of determination are true and correct.

(vi) Governmental Approvals. With respect to each Approved Subdivision, Borrower and the applicable Project Owner have all material approvals from Governmental Authorities and all building permits necessary given the stage of development of the Approved Subdivision. The zoning classification of each item of Collateral is appropriate for the current use thereof.

(vii) Compliance With Law. None of Borrower, the Project Owners, the Approved Subdivisions, the Lot Improvements, the Lots or the Units is in violation of any Law to the extent such violation could reasonably be expected to cause a Material Adverse Change.

(viii) No Condemnation. No condemnation proceedings or moratorium is pending, or to the best of Borrower's knowledge, threatened against any Approved Subdivisions or any portion thereof which could reasonably be expected to result in a Material Adverse Change.

(ix) Finished Lots. Each Unit included in the Borrowing Base is constructed or being constructed on a Finished Lot.

(o) Use of Proceeds; Margin Stock. The proceeds of the Revolving Loans will be used by Borrower solely for the purposes specified in this Agreement. None of such proceeds will be used for the purpose of purchasing or carrying any "margin stock" as defined in Regulation U or G of the Board of Governors of the Federal Reserve System (12 C.F.R. Part 221 and 207), or for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry margin stock or for any other purpose which might constitute this transaction a "purpose credit" within the meaning of such Regulation U or G. Borrower is not engaged in the business of extending credit for the purpose of

purchasing or carrying margin stock. Neither Borrower nor any Person acting on behalf of Borrower has taken or will take any action which might cause this Agreement or any other Loan Document to violate Regulation U or G or any other regulations of the Board of Governors of the Federal Reserve System or to violate Section 7 of the Securities Exchange Act of 1934, or any rule or regulation thereunder, in each case as now in effect or as the same may hereafter be in effect. Borrower and its subsidiaries own no "margin stock".

(p) Governmental Regulation. Borrower is not subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Investment Company Act of 1940, the Interstate Commerce Act (as any of the preceding have been amended), or any other law which regulates the incurring by Borrower of indebtedness, including but not limited to laws relating to common or contract carriers or the sale of electricity, gas, steam, water, or other public utility services.

(q) ERISA Compliance.

(i) Except as could not reasonably be expected, either individually or in the aggregate, cause a Material Adverse Change, (i) each Plan is in compliance with the applicable provisions of ERISA, the Code and other federal or state Laws and (ii) each Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter from the IRS to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the IRS to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the IRS, and, to the knowledge of Borrower, nothing has occurred that would prevent or cause the loss of such tax-qualified status.

(ii) There are no pending or, to the knowledge of Borrower, threatened or contemplated claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that, either individually or in the aggregate, could reasonably be expected to cause a Material Adverse Change. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that, either individually or in the aggregate, has had or could reasonably be expected to cause a Material Adverse Change.

(iii) No ERISA Event has occurred, and neither Borrower nor any ERISA Affiliate is aware of any fact, event or circumstance that, either individually or in the aggregate, could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan that, either individually or in the aggregate, has had or could reasonably be expected to cause a Material Adverse Change.

(iv) The present value of all accrued benefits under each Pension Plan (based on those assumptions used to fund such Pension Plan) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Pension Plan allocable to such accrued benefits by a material amount. As of the most recent valuation date for each Multiemployer Plan, the potential liability of Borrower or any ERISA Affiliate

for a complete withdrawal from such Multiemployer Plan (within the meaning of Section 4203 or Section 4205 of ERISA), when aggregated with such potential liability for a complete withdrawal from all Multiemployer Plans, is zero.

(v) To the extent applicable, each Foreign Plan has been maintained in compliance with its terms and with the requirements of any and all applicable requirements of Law and has been maintained, where required, in good standing with applicable regulatory authorities, except to the extent that the failure so to comply could not reasonably be expected, either individually or in the aggregate, to cause a Material Adverse Change. Neither Borrower nor any Subsidiary has incurred any material obligation in connection with the termination of or withdrawal from any Foreign Plan. The present value of the accrued benefit liabilities (whether or not vested) under each Foreign Plan that is funded, determined as of the end of the most recently ended fiscal year of Borrower or Subsidiary, as applicable, on the basis of actuarial assumptions, each of which is reasonable, did not exceed the current value of the property of such Foreign Plan by a material amount, and for each Foreign Plan that is not funded, the obligations of such Foreign Plan are properly accrued.

(r) Sanctions; Anti-Corruption.

(i) None of Borrower, Parent, any of their respective Subsidiaries or any director, officer, employee, agent, or affiliate of Parent, Borrower or any of their respective Subsidiaries is an individual or entity ("person") that is, or is owned or controlled by persons that are: (A) the subject of any sanctions administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority (collectively, "Sanctions"), or (B) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions (including Crimea, Cuba, Iran, North Korea, Sudan and Syria).

(ii) Parent, Borrower, their respective Subsidiaries and their respective directors, officers and employees and, to the knowledge of Borrower, the agents of Borrower and its Subsidiaries, are in compliance with all applicable Sanctions and with the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA") and any other applicable anti-corruption law, in all material respects. Parent, Borrower and their respective Subsidiaries have instituted and maintain policies and procedures designed to ensure continued compliance with applicable Sanctions, the FCPA and any other applicable anti-corruption laws.

(s) Solvency. Each Loan Party is Solvent.

5.2 Representations and Warranties Upon Requests for Revolving Loans. Each request for a Revolving Loan or the issuance, renewal or amendment of a Letter of Credit will be a representation and warranty by Borrower that all of the representations and warranties in this

Article 5 and in the other Loan Documents are correct and complete as of the date of the Revolving Loan request and as of the date that the Revolving Loan is made (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date).

5.3 Representations and Warranties Upon Delivery of Financial Statements, Documents, and Other Information. Each delivery by Borrower of financial statements, other documents, or information after the date of this Agreement (including, without limitation, documents and information delivered in obtaining a Revolving Loan) will be a representation and warranty to Administrative Agent by Borrower that such financial statements, other documents, or information (other than financial projections) are correct and complete in all material respects, that there are no material omissions therefrom that result in such financial statements, other documents, or information being materially incomplete, incorrect, or misleading as of the date thereof, and that such financial statements accurately present the financial condition and results of operations of the subject thereof as at the dates thereof and for the periods covered thereby. Each delivery by Borrower of financial projections is a representation and warranty to Administrative Agent by Borrower that such financial projections have been prepared in accordance with the requirements in this Agreement, are complete in all material respects as of the date thereof, and are based on Borrower's best good faith estimates, compiled and prepared with due diligence, of the matters set forth therein.

## ARTICLE 6
## AFFIRMATIVE COVENANTS

The following covenants shall apply until the all Obligations of Borrower are paid and performed in full and Administrative Agent, Issuing Bank and Lenders have no further obligation to make any Credit Extensions to Borrower or any other Loan Party:

6.1 Corporate Existence. Borrower agrees that Borrower shall continue to be a limited liability company validly existing, and in good standing under the laws of the State of Delaware. Each of Parent, LHI, Project Owner and Intermediate Entity shall continue to be validly existing under the laws of the jurisdiction of its organization, and in good standing under both (a) the laws of the state of its organization, and (b) the laws of the state where the Approved Subdivision owned by it is located.

6.2 Books and Records; Access. Borrower agrees that Borrower and its Subsidiaries will maintain a standard, modern system of accounting (including, without limitation, a single, complete, and accurate set of books and records of its assets, business, financial condition, operations, prospects and results of operation) in accordance with GAAP. Borrower also agrees to maintain, and to cause each Project Owner to maintain, complete and accurate records regarding the acquisition, development and construction of Approved Subdivisions and Units, including, without limitation, all construction contracts, architectural contracts, engineering contracts, field and inspection reports, applications for payment, estimates and analyses regarding construction costs, names and addresses of all contractors and subcontractors performing work or providing materials or supplies with respect to the development and construction of Approved Subdivisions and Units, invoices and bills of sale for all costs and expenses incurred by contractors and subcontractors in connection with the development and construction of Lots and Units, payment, performance and other surety bonds (if applicable), releases and waivers of lien for all such work

performed and materials supplied, evidence of completion of all inspections required by any Governmental Authority, certificates of substantial completion, notices of completion, surveys, as-built plans, Approvals and Permits, Purchase Contracts, escrow instructions, records regarding all sales of Lots and Units, and all other documents and instruments relating to the acquisition, development, construction and/or sale of Lots and Units. Borrower also agrees that books and records required to be maintained by Borrower pursuant to this Section 6.2 shall be maintained for a period of time following payment in full of the Obligations and termination of the Commitment at least equal to the statute of limitations period within which Administrative Agent or Lenders would be entitled to commence an action with respect to the Obligations. During business hours, and so long as no Event of Default has occurred and is continuing, with twenty-four (24) hours prior notice Borrower will give representatives of Administrative Agent access to Borrower's and each of Borrower's Subsidiaries' respective assets, property, books, records, and documents and will permit such representatives to inspect such assets and property and to audit, copy, examine, and make excerpts from such books, records, and documents. Upon request by Administrative Agent, Borrower will also provide Administrative Agent with copies of the reports, documents, agreements, and other instruments described in this Section 6.2.

6.3 Covenants Relating to Collateral. Borrower agrees:

(a) Defense of Title. Borrower will, and will cause LHI and each Intermediate Entity to, defend its title to the Equity Interests pledged to Administrative Agent in the Pledge Agreement, and the legality, validity, binding nature, and enforceability of the Lien and Encumbrance contained in the Pledge Agreement and the first priority of the Lien created under the Pledge Agreement against all matters, including, without limitation, (i) any attachment, levy, or other seizure by legal process or otherwise of any or all such Collateral, (ii) any Lien or Encumbrance or claim thereof on any or all such Collateral, (iii) any attempt to foreclose or otherwise realize upon any or all Collateral under any Lien or Encumbrance, and (iv) any claim questioning the legality, validity, binding nature, enforceability, or priority of the Pledge Agreement. Borrower will notify Administrative Agent promptly in writing of any of the foregoing and will provide such information with respect thereto as Administrative Agent may from time to time request.

(b) No Encumbrances. Borrower will not, and will not cause or permit any Subsidiary of Borrower to, sell, assign, transfer or otherwise dispose of, or grant any option with respect to, or pledge or otherwise encumber, any of the Collateral or any interest therein or any fixtures thereof or proceeds thereof.

(c) Manager of Borrower and Subsidiaries. The manager of each of Borrower and its Subsidiaries at all times will be the sole member of such Person.

6.4 Covenants Relating to Real Estate Inventory. Borrower agrees:

(a) Defense of Title. Borrower will, and will cause each Project Owner to, defend its title to its Real Estate Inventory, including, without limitation, the Eligible Assets and Approved Subdivisions against all matters, including, without limitation, (i) any attachment, levy, or other seizure by legal process or otherwise of any or all such Real Estate Inventory, (ii) any Lien or Encumbrance or claim thereof on any or all such Real

Estate Inventory, and (iii) any attempt to foreclose or otherwise realize upon any or all Real Estate Inventory under any Lien or Encumbrance. Borrower will notify Administrative Agent promptly in writing of any of the foregoing and will provide such information with respect thereto as Administrative Agent may from time to time request.

(b) No Encumbrances. Borrower will not, and will not cause or permit any Subsidiary of Borrower to, sell, assign, transfer or otherwise dispose of, or grant any option with respect to, or pledge or otherwise encumber, any of the Real Estate Inventory or any interest therein or any fixtures thereof or proceeds thereof, except for (i) the Permitted Exceptions and (ii) sales and transfers of Real Estate Inventory in the ordinary course of Borrower's business.

(c) Utilities. Borrower will, and will cause each Project Owner to, provide or cause to be provided all telephone service, electric power, storm sewer (if required), sanitary sewer (if required) and water facilities for each Lot and each Unit in Approved Subdivisions, and such utilities will be adequate to serve such Lots and Units. No condition will exist to affect Borrower's or any of Borrower's Subsidiaries' right to connect into and have adequate use of such utilities, except for the payment of normal connection charges or tap charges and except for the payment of subsequent charges for such services to the utility supplier.

(d) Contracts. Borrower will, and will cause each Project Owner to, perform all of their respective material obligations under any contracts and agreements relating to the construction of Units and will pay all amounts thereunder as and when due, except to the extent such amounts are contested in accordance with the definition of Permitted Exceptions. Borrower (or the applicable Project Owner) will be the sole owner of all A&D Lot Development Plans and Specifications or, to the extent that Borrower (or the applicable Project Owner) is not the sole owner of all A&D Lot Development Plans and Specifications, Borrower (or the applicable Project Owner) will have the unconditional right to use such A&D Lot Development Plans and Specifications in connection with the construction of Lot Improvements. Administrative Agent will not be restricted in any way in use of such A&D Lot Development Plans and Specifications in connection with the construction of any Lot Improvements, and Borrower (or the applicable Project Owner) will obtain all consents and authorizations necessary for the use of such A&D Lot Development Plans and Specifications by Administrative Agent. Borrower (or the applicable Project Owner) will be the sole owner of all Unit Plans and Specifications or, to the extent that Borrower is not the sole owner of such Unit Plans and Specifications, Borrower (and the applicable Project Owner) will have the unconditional right to use all Unit Plans and Specifications in connection with the construction of Units. Administrative Agent will not be restricted in any way in use of such Unit Plans and Specifications in connection with the construction of any Units, and Borrower will obtain all consents and authorizations necessary for the use of such Unit Plans and Specifications by Administrative Agent during the continuation of an Event of Default.

(e) No Residential Use. The Real Estate Inventory is held only for construction and eventual sale to its first occupant upon or after removal from the Borrowing Base. Borrower (i) represents and warrants that Borrower has no intent to ever permit the

occupancy of any Unit as a residence and (ii) agrees that Borrower will never, and will not permit any other Person to, so occupy, lease or permit occupancy of any Unit without the prior written consent of Administrative Agent in its sole and absolute discretion.

(f) Flood Insurance. Unless flood insurance will first have been obtained, no Unit will be located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968.

(g) Compliance with Permitted Exceptions. Borrower will, and will cause each of Borrower's Subsidiaries to, keep and maintain in full force and effect all restrictive covenants, development agreements, easements and other agreements with Governmental Authorities and other Persons that are necessary or desirable for the use and occupancy of the Approved Subdivision and the sale of Units therein. Borrower will not, and will not cause or permit any of Borrower's Subsidiaries to, default in any material respect under any such covenants, development agreements, easements and other agreements and will diligently enforce its rights thereunder.

(h) Model Complexes. With respect to each Approved Subdivision, unless otherwise agreed by Administrative Agent, Borrower will, and will cause each Project Owner to, maintain an active complex of Model Units representing some of the Unit types available for sale in such Approved Subdivision.

6.5 Information and Statements. Borrower will furnish the following information and statements to Administrative Agent:

(a) Annual Statements - Borrower. Within one hundred twenty (120) days after the close of each Fiscal Year of Borrower unqualified financial statements of Borrower, certified and signed by the chief financial officer of Borrower or Parent in form satisfactory to Administrative Agent, prepared in accordance with GAAP in each case on a consolidated and consolidating basis, including balance sheets as of the end of such Fiscal Year and statements of income and retained earnings and a statement of cash flows, and setting forth in comparative form the balance sheet, income statement, retained earnings and cash flow figures for the preceding Fiscal Year.

(b) Annual Statements - Parent. Within one hundred twenty (120) days after the close of each Fiscal Year of Parent unqualified, audited annual financial statements of Parent, certified and signed by the chief financial officer of Parent in form satisfactory to Administrative Agent, and audited by PricewaterhouseCoopers or another nationally recognized independent certified public accountants reasonably acceptable to Administrative Agent, prepared in accordance with GAAP in each case on a consolidated and consolidating basis, including balance sheets as of the end of such Fiscal Year and statements of income and retained earnings and a statement of cash flows, and setting forth in comparative form the balance sheet, income statement, retained earnings and cash flow figures for the preceding Fiscal Year.

(c) Quarterly Financial Statements - Borrower. Within sixty (60) days after the close of each quarterly period of each Fiscal Year, company-prepared financial statements for Borrower on a consolidated and consolidating basis, including balance sheets as of the end of such period, statements of income and retained earnings and a statement of cash flows, in each case for the portion of the Fiscal Year ending with such fiscal period, all certified and signed by the chief financial officer of Borrower in form satisfactory to Administrative Agent. All consolidated and consolidating balance sheets shall set forth in comparative form figures for the preceding year end and the corresponding period in the preceding Fiscal Year. All such income statements shall reflect year-to-date figures.

(d) Quarterly Financial Statements - Parent. Within sixty (60) days after the close of each quarterly period of each Fiscal Year, company-prepared financial statements for Parent on a consolidated and consolidating basis, including balance sheets as of the end of such period, statements of income and retained earnings and a statement of cash flows, in each case for the portion of the Fiscal Year ending with such fiscal period, all certified and signed by the chief financial officer of Parent in form satisfactory to Administrative Agent. All consolidated and consolidating balance sheets shall set forth in comparative form figures for the preceding year end and the corresponding period in the preceding Fiscal Year. All such income statements shall reflect year-to-date figures. Such quarterly financial statements of Parent shall also include a list of all outstanding Guarantees by Parent (including, without limitation, payment, completion, and so-called "bad boy" guaranties) and such information regarding such Guarantees (including copies thereof and any actual or potential claims or demands thereon) as Administrative Agent may reasonably request.

(e) Monthly Sales Reports. Within fifteen (15) days after the end of each month, sales reports in form reasonably satisfactory to Administrative Agent reflecting Borrower's and the Project Owners' sales of all residential units in Borrower's and each Project Owner's projects (including, but not limited to, the Approved Subdivisions).

(f) Weekly Reports. On or before the last Business Day of each week, a report of sales and closings for Borrower in the Approved Subdivision during the previous week which shall include backlog, periodic and cumulative sales and closing activities.

(g) Borrowing Base Reports. Monthly, as and when required pursuant to Section 3.6, a Borrowing Base Report.

(h) Other Reports. As and when requested by Administrative Agent, such other periodic reports, documents, and schedules as may be requested by Administrative Agent from time to time.

(i) Compliance Information. All annual financial statements pursuant to Sections 6.5(a) and 6.5(b) and all quarterly financial statements pursuant to Sections 6.5(c) and 6.5(d) will also be accompanied by a Compliance Certificate signed by the chief financial officer of the reporting entity. Notwithstanding anything in this Agreement to the contrary, Borrower and Parent shall timely deliver such financial information as may be necessary to promptly and accurately calculate any financial ratio or covenant required

under this Agreement even if such information is not specifically enumerated herein. Any review of any financial statements provided by Borrower or Parent used to test any financial ratio or covenant will not waive Administrative Agent's rights to require further review or audit of such information or any rights if such further review or audit indicates financial information contrary to the financial statements provided by Borrower.

(j) Additional Notices. Borrower will promptly notify the Administrative Agent and each Lender of:

(i) the occurrence of any Default;

(ii) the filing or commencement of any action, suit, investigation or proceeding by or before any arbitrator or Governmental Authority against or affecting Borrower or any Affiliate thereof, including pursuant to any applicable Environmental Laws, that could reasonably be expected to be adversely determined, and, if so determined, could reasonably be expected to result in liability of Borrower, Parent, or their respective Subsidiaries in an aggregate amount exceeding $100,000 or otherwise result in a Material Adverse Change;

(iii) the occurrence of any ERISA Event that, either individually or together with any other ERISA Events, could reasonably be expected to result in liability of Borrower, Parent, or their respective Subsidiaries in an aggregate amount exceeding $100,000 or otherwise result in a Material Adverse Change;

(iv) notice of any action arising under any Environmental Law or of any noncompliance by Borrower or any Subsidiary with any Environmental Law or any permit, approval, license or other authorization required thereunder that, if adversely determined, could reasonably be expected result in liability of Borrower, Parent, or their respective Subsidiaries in an aggregate amount exceeding $100,000 or otherwise result in a Material Adverse Change;

(v) any material change in accounting or financial reporting practices by Borrower, Parent or any of their respective Subsidiaries;

(vi) any matter or development that has had or could reasonably be expected to result in a Material Adverse Change.

(vii) Each notice delivered under this Section shall be accompanied by a statement of a Responsible Officer of Borrower setting forth the details of the occurrence requiring such notice and stating what action Borrower has taken and proposes to take with respect thereto.

(k) Other Items and Information. Borrower shall also provide such other information concerning Borrower, each Loan Party, the Approved Subdivisions, Lots and Units, and the assets, business, financial condition, operations, prospects, and results of operations of Borrower and the other Loan Parties as Administrative Agent reasonably requests from time to time. Such other items shall include, without limitation, Borrower's

certification that all Purchase Contracts with respect to Units included in Eligible Assets satisfy the requirements of this Agreement.

6.6 Law; Judgments; Material Agreements; Approvals and Permits. Borrower agrees that Borrower will comply with, and cause each of Borrower's Subsidiaries to comply with, all laws, ordinances, regulations, and rules (federal, state, and local) and all judgments, orders, and decrees of any arbitrator, other private adjudicator, or Governmental Authority relating to Borrower, any Subsidiary of Borrower, the Approved Subdivisions, any Lots, any Units or the other assets, business, or operations of Borrower or any Subsidiary of Borrower. Borrower also agrees to comply with, and cause each of Borrower's Subsidiaries to comply with, all material agreements, documents, and instruments to which Borrower, or any Subsidiary of Borrower, is a party or by which Borrower, any Subsidiary of Borrower, the Approved Subdivisions, any Lots, any Units, or any of the other assets of Borrower or any Subsidiary of Borrower are bound or affected. Borrower also agrees to comply with, and cause each Subsidiary of Borrower to comply with, all Requirements (including, without limitation, as applicable, requirements of the Federal Housing Administration and the Veterans Administration) and all conditions and requirements of all Approvals and Permits. Borrower, at its expense, will obtain and maintain in effect, and cause each Subsidiary of Borrower to obtain and maintain in effect, from time to time all Approvals and Permits required for the business activities and operations then being conducted by Borrower and its Subsidiaries and as may be required to enable Borrower and its Subsidiaries to comply with their respective obligations hereunder and under the other Loan Documents.

6.7 Impositions and Other Indebtedness. Except for amounts being contested as provided in paragraph (b) of the definition of Permitted Exceptions and other assessments in connection with an Approved Subdivision, Borrower will pay and discharge (a) before delinquency all Impositions affecting Borrower, any Subsidiary of Borrower or their respective assets, (b) when due all lawful claims (including, without limitation, claims for labor, materials, and supplies), which, if unpaid, might become a Lien or Encumbrance upon any of the assets of Borrower or any of its Subsidiaries, and (c) all its other Indebtedness, when due.

6.8 Assets and Property . Borrower will, and will cause each Subsidiary of Borrower to, maintain, keep, and preserve all of its assets (tangible and intangible) necessary or useful in the proper conduct of its business and operations in good working order and condition, ordinary wear and tear excepted.

6.9 Casualty and Liability Insurance. Borrower, at its expense, shall, and shall cause each Subsidiary of Borrower to, maintain with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same locations.

(a) Other Requirements - California. Borrower acknowledges that Borrower has been advised by Administrative Agent of, and agrees that the requirements of this Section are in compliance with, the following legal limitation regarding hazard insurance coverage for the Approved Subdivisions pursuant to Civil Code Section 2955.5: "No lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements

on that real property in an amount exceeding the replacement value of the improvements on the property."

(b) Other Requirements - Arizona. Borrower acknowledges that Borrower has been advised by Administrative Agent of, and agrees that the requirements of this Section are in compliance with, the following legal limitation regarding hazard insurance coverage the Property pursuant to Arizona Revised Statutes Section 44-1208: ". . . . for any loan that is secured by real property, a person shall not require as a condition of the loan that Borrower obtain property insurance coverage in an amount that exceeds the replacement cost of the improvements as established by the property insurer."

6.10 ERISA.

(a) Borrower and the ERISA Affiliates each will take all actions and fulfill all conditions necessary to maintain any and all Plans in substantial compliance with applicable requirements of ERISA, the Code and applicable foreign law until such Plans are terminated, and the liabilities thereof discharged, in accordance with applicable Law.

(b) No Plan will have any "accumulated funding deficiency" (within the meaning of Section 412 of the Code), which deficiency could cause a Material Adverse Change.

(c) Borrower and the ERISA Affiliates each will take and fulfill all actions and conditions necessary to maintain, and will maintain, substantial compliance of any and all employee benefit plans established or maintained, or to which contributions are made by Borrower and the ERISA Affiliates with the requirements of ERISA and the rules and regulations adopted thereunder, in each case as in effect at the time.

(d) Borrower and each shareholder in Borrower shall continue to qualify at all times as an "operating company" pursuant to United States Department of Labor Regulation § 2510.3-101(c), and Borrower and each shareholder in Borrower shall otherwise act to ensure that the assets of Borrower and each member in Borrower are not "plan assets" of any employee benefit plan subject to the fiduciary responsibility requirements of ERISA, or, subject to receipt of prior notice by Administrative Agent and Administrative Agent's consent thereto, Borrower and each shareholder in Borrower shall otherwise ensure that an exemption from Section 406 of ERISA is available to cover the loan transaction with respect to each portion thereof.

6.11 Additional Covenants Relating to Construction.

(a) Commencement and Completion of Lot Improvements. Borrower agrees to cause Lot Improvements to be constructed in a good and workmanlike manner; in compliance with all applicable Requirements; and, unless otherwise consented to by Administrative Agent in advance in writing, in substantial accordance with the respective A&D Lot Development Plans and Specifications. Upon demand by Administrative Agent, Borrower will correct any material defect in the Lot Improvements or any material departure from any applicable Requirements or, to the extent not theretofore approved in writing by Administrative Agent, the respective A&D Lot Development Plans and

Specifications. All Lot Improvements shall be substantially completed within the applicable schedule approved by Administrative Agent in connection with approval of the applicable Approved Subdivision.

(b) Commencement and Completion of Units. Borrower agrees to cause Units to be constructed in a good and workmanlike manner; in compliance with all applicable Requirements; and, unless otherwise consented to by Administrative Agent in advance in writing, in substantial accordance with the respective Unit Plans and Specifications. Upon demand by Administrative Agent, Borrower will correct any defect in its respective Units or any material departure from any applicable Requirements or, to the extent not theretofore approved in writing by Administrative Agent, the respective Unit Plans and Specifications. Each Unit shall be substantially completed within nine (9) months after the Unit Eligibility Date for such Unit.

(c) Budget Changes. Borrower agrees that, without Administrative Agent's prior written consent (not to be unreasonably withheld), Borrower will not, and will not permit any Subsidiary of Borrower to, amend or modify the A&D Lot Development Budgets or the Unit Budgets more often than once per calendar year.

(d) Certain Information Relating to Improvements. Borrower agrees that it will obtain and provide to Administrative Agent, upon Administrative Agent's request the actual costs, expenses, and fees incurred by Borrower for labor and other work performed on the Lot Improvements and Units and for materials incorporated in the Lot Improvements and Units as indicated by bills, invoices, receipts, statements, vouchers, or other written evidence satisfactory to Administrative Agent showing the costs, expenses, and fees incurred.

6.12 [Reserved]

6.13 Rights of Inspection; Correction of Defects.

(a) Generally. Administrative Agent and its respective agents, employees, and representatives will have the right, in its sole discretion, to enter upon each Approved Subdivision, during business hours and, if requested by Borrower, accompanied by representative of Borrower, in order to inspect the Approved Subdivision, the Lot Improvements, the Units and all aspects thereof. So long as no Default has occurred and is continuing and unless Administrative Agent has reasonably determined that an immediate and/or unannounced inspection is necessary, Administrative Agent will endeavor to give Borrower reasonable advance notice of inspections. Inspections will be subject to Borrower's reasonable and customary safety requirements applicable to active construction sites. Borrower acknowledges that Administrative Agent, in its sole discretion, may inspect or cause to be inspected on a monthly basis at least 25% of the Lots and 25% of the Units included in the Eligible Assets. Administrative Agent is under no obligation to perform any such inspections. If Administrative Agent determines that any materials or work do not conform with the respective A&D Lot Development Plans and Specifications and the Unit Plans and Specifications, as applicable, in all material respects or with any applicable Requirements or are otherwise not in conformity with sound

building practice, Administrative Agent will have the right to stop the work on the affected Lots and Unit(s) and to order replacement or correction of any such materials or work regardless of whether or not such materials or work have theretofore been incorporated in the Unit (and/or to require that the affect Lots and Unit(s) be removed from Eligible Assets until such defects or other issues are corrected), regardless of whether Administrative Agent's representatives have previously inspected such work or materials, and regardless of whether Administrative Agent has previously made Revolving Loans to pay for such work or materials. Borrower will promptly make such replacement or correction.

(b) No Right to Rely. All inspections by Administrative Agent or on behalf of Administrative Agent, approvals of Draw Requests by Administrative Agent and other actions by Administrative Agent in connection therewith are not to be construed as a representation by Administrative Agent to any Person that there has been compliance with the A&D Lot Development Plans and Specifications and the Unit Plans and Specifications, the Loan Documents, the applicable Requirements, or that the Lots or Units are free of defects in materials or workmanship. No such inspections or review will limit any of the rights and remedies of Administrative Agent pursuant to this Agreement or the other Loan Documents, including without limitation, the right to require compliance with Section 6.11. Based on such inspections, Administrative Agent may adjust the Eligible Assets, Asset Values, Maximum Allowed Advances and other calculations pursuant to this Agreement. Borrower may make or cause to be made such other independent inspections as Borrower may desire for its own protection.

(c) Inspector(s). Administrative Agent may employ outside inspectors to perform some or all of the inspection duties set forth in this Section 6.13 and may also elect to have its own employees perform some or all of such inspection duties and review the reports of outside inspectors.

(d) Miscellaneous. Any inspections or determinations made by Administrative Agent or lien waivers, receipts, or other agreements, documents, and instruments obtained by Administrative Agent are made or obtained solely for Administrative Agent's own benefit and not in any way for the benefit or protection of Borrower. Administrative Agent may accept and rely on any information from an architect, any other Person providing labor, materials, or services for the Approved Subdivision, Borrower, or any other Person as to labor or materials furnished or incorporated in the Units or the Approved Subdivision and the cost and payment therefor and as to all other matters relating to construction of the Lot Improvements and Units without the necessity of verifying such information. Administrative Agent will not have any obligation to Borrower to ensure compliance by contractor, engineer, or any other Person in carrying out construction of the Lot Improvements or Units.

6.14 Verification of Costs. Administrative Agent will have the right (but no obligation) at any time and from time to time to review and verify all costs, expenses, and fees submitted by Borrower. Based on its review and verification of costs, expenses, and fees, Administrative Agent will have the right to reduce or increase the applicable Asset Values.

6.15 Use of Proceeds of Revolving Loans. Borrower will use proceeds of Revolving Loans only for the purposes described in Section 2.4(b).

6.16 Further Assurances. Borrower will promptly execute, acknowledge, and deliver such additional agreements, documents, and instruments and do or cause to be done such other acts as Administrative Agent may reasonably request from time to time to better assure, preserve, protect, and perfect the interest of Administrative Agent in the Collateral and the rights and remedies of Administrative Agent under this Agreement and the other Loan Documents. Without limiting the foregoing, to the extent that Administrative Agent determines from time to time the Pledge Agreement, financing statements, subordinations, and other documents are required in order to perfect all Liens and Encumbrances in favor of Administrative Agent, and cause all Collateral encumbered by the Pledge Agreement to be subject only to Permitted Exceptions, Borrower will execute and deliver such documents, instruments and other agreements as Administrative Agent may request.

6.17 Costs and Expenses of Borrower's Performance of Covenants and Satisfaction of Conditions. Borrower will perform all of its obligations and satisfy all conditions applicable to it under this Agreement and the other Loan Documents at its sole cost and expense.

6.18 Pledge of Equity Interest in Subsidiaries. The Borrower shall at all times cause the Obligations to be secured by a valid, perfected, enforceable, first priority pledge of and Liens on all right, title, and interest in the Equity Interests owned by (i) Borrower and each Intermediate Entity in all of the direct and indirect Equity Interests of the Subsidiaries of Borrower, and (ii) LHI in all of the Equity Interests of Borrower. The Borrower acknowledges and agrees that such Liens on Equity Interests shall be granted to the Administrative Agent pursuant to the Pledge Agreement. In addition, with respect to Subsidiaries acquired or arising after the Effective Date, the Borrower shall deliver the documentation required by the Pledge Agreement and the documentation described in Section 4.2(h) and (i).

6.19 Homeowners' Associations. Borrower shall, and shall cause each Subsidiary of Borrower to, timely and diligently perform all obligations of Borrower and each Subsidiary of Borrower and, if controlled by Borrower or a Subsidiary of Borrower, the declarant, sponsor, or controlling person of all homeowners' associations in the Approved Subdivision and all subassociations or community associations and Borrower shall, and shall cause each Subsidiary of Borrower to, pay or cause to be paid when due all dues, assessments, in-lieu payments and subsidies due from Borrower, any such Subsidiary, or the developer. Borrower shall, to the extent practicable and within Borrower's control, cause such associations to be managed and to perform their obligations as such associations for the benefit of the developments and homeowners in a manner consistent with and at least equal to their prior and present management so that all community and recreational facilities, and all landscaping, security gates, lighting and other amenities will be maintained and operated in the manner heretofore contemplated. Borrower shall enforce on a timely basis all covenants, conditions and restrictions applicable to the Approved Subdivision and the property within the Approved Subdivision which are material to the value of the Collateral and with respect to which Borrower is entitled to pursue such enforcement.

6.20 Deposit Accounts. Borrower shall, and shall cause its Subsidiaries to, maintain Western Alliance Bank as their principal depository bank for all deposit accounts and operating

accounts related to the projects financed pursuant hereto, and, to the extent permitted by law and contractual agreements, security and escrow deposits for such projects.

6.21 Separateness Covenants. Borrower agrees that except as permitted by this Agreement or the other Loan Documents, (a) Borrower and its Subsidiaries shall maintain separate records, books and accounts from those of Parent and its other Subsidiaries; (b) each Project Owner shall maintain separate books and records with respect to the Approved Subdivisions of that Project Owner, (c) Borrower shall not, and shall not cause of permit any of its Subsidiaries to commingle funds or assets with those of Parent or its other Subsidiaries; (d) Borrower shall correct any known misunderstanding regarding its and each Project Owner's separate identity; (e) Borrower shall, and shall cause each Project Owner to, maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other entity; and (f) Borrower shall, and shall cause each Project Owner to, hold regular meetings, as appropriate, to conduct its business and observe all organizational formalities and record keeping.

6.22 Post-Closing Requirements. Borrower will comply with the requirements set forth on Exhibit G.

## ARTICLE 7
## BORROWER NEGATIVE COVENANTS

The following negative covenants shall be applicable to Borrower and (as designated) Guarantor until this Agreement has terminated or expired and all Obligations are paid and performed in full and Administrative Agent, Issuing Bank and Lenders have no further obligation to make any Credit Extensions to Borrower or any other Loan Party:

7.1 Indebtedness. Borrower will not, nor will it permit any Subsidiary of Borrower to, create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness under the Loan Documents and Guarantees of such

Indebtedness.

(b) Trade debt incurred in the ordinary course of Borrower's or a Project Owner's business and paid in the ordinary course of Borrower's or such Project Owner's business and in any event not more than ninety (90) days after the invoice date, or if a payment date is specified in the applicable invoice within ninety (90) days after such specified payment date.

(c) Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds and completion guarantees and similar obligations not in connection with money borrowed, in each case provided in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business.

(d) Indebtedness (i) resulting from a bank or other financial institution honoring a check, draft or similar instrument in the ordinary course of business or (ii) arising under or in connection with cash management services in the ordinary course of business.

7.2 Liens. Borrower will not, nor will it permit any Subsidiary of Borrower to, create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) With respect to Real Estate Inventory, the Permitted Exceptions;

(b) Involuntary Liens for Impositions that are not delinquent and such Liens are being contested in good faith and by appropriate proceedings for which adequate reserves shall have been established on Borrower's books in accordance with GAAP;

(c) Inchoate Liens imposed by law, such as carriers' , warehousemen's, mechanics' and materialmen's Liens and other similar Liens arising in the ordinary course of business with respect to amounts that are not yet delinquent;

(d) Liens arising out of pledges or deposits under worker's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation;

(e) Bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and Cash Equivalent Investments on deposit in one or more accounts maintained by Borrower or any Project Owner, in each case in the ordinary course of business in favor of the bank or banks with which such accounts are maintained provided, that except with respect to Liens in favor of Administrative Agent for the benefit of Lenders, in no case shall any such Liens secure (either directly or indirectly) the repayment of any Indebtedness;

(f) Liens arising out of judgments or awards not resulting in an Event of Default; provided that such Liens do not attach to any Eligible Assets;

(g) Any zoning, building or similar laws or rights reserved to or vested in any Governmental Authority; or

(h) Sale Leaseback Transactions of Model Units that are permitted under this Agreement.

7.3 Fundamental Changes. None of the Loan Parties will dissolve, divide or liquidate, nor will Borrower or any Subsidiary become a party to any merger or consolidation or plan of division, or acquire by purchase, lease or otherwise all or substantially all of the assets or capital stock of any Person. In addition, Borrower shall not cause or permit a Change of Control.

7.4 Prohibition on Amendments to Organizational Documents. Without the prior written consent of Administrative Agent (which consent may be granted or withheld in the reasonable discretion of the Administrative Agent), Borrower shall not allow any amendments to be made in the terms of any Organizational Documents of Borrower or any Subsidiary. In addition, if the Organizational Documents of Borrower or any Borrower Subsidiary provide such Person will be managed by a manager, such manager at all times must be the sole member of such Person.

7.5 Lines of Business. Borrower (directly or through any other Persons) will not engage in or permit any Project Owner to engage in any line or lines of business activity other than the Approved Lines of Business.

7.6 Transfers.

(a) No Sale or Transfer. Except as permitted by this Agreement or sales of Real Estate Inventory in the ordinary course of business, Borrower shall not, and shall not permit any Subsidiary of Borrower to, sell or otherwise transfer (whether voluntarily or involuntarily) any Approved Subdivision or other Real Estate Inventory of Borrower or such Subsidiary.

(b) No Transfers to Affiliates. Borrower shall not sell or transfer, or permit any Subsidiary to sell or transfer, any material property or assets to Affiliates.

7.7 Restricted Payments. Borrower will not, and will not permit any Subsidiary to, declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that, so long as no Default or Event of Default shall have occurred and be continuing at the time of any action described below or would result therefrom:

(a) each Subsidiary may make Restricted Payments to Borrower and any other Person that owns an Equity Interest in such Subsidiary, ratably according to their respective holdings of such Equity Interests in respect of which such Restricted Payment is being made;

(b) Borrower and each Subsidiary may purchase, redeem or otherwise acquire Equity Interests issued by it with the proceeds received from the substantially concurrent issue of new common Equity Interests; and

(c) Borrower may (i) declare or pay cash dividends or distributions to LHI and (ii) purchase, redeem or otherwise acquire for cash its Equity Interests if, in either such case, after giving effect thereto, (A) no Default or Event of Default shall have occurred and be continuing, (B) Borrower's Net Income (as determined in accordance with GAAP) for the Fiscal Year in respect of which such dividend or distribution is being made is greater than zero, and (C) the amount of such dividend or distribution is not greater than such Net Income for such Fiscal Year.

7.8 Investments. Borrower will not, and will not permit any Subsidiary to, make any Investments, except Permitted Investments.

7.9 Transactions with Affiliates. Borrower will not, and will not permit any Subsidiary to, enter into any transaction of any kind with any Affiliate of Borrower, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to Borrower or such Subsidiary as would be obtainable by Borrower or such Subsidiary at the time in a comparable arm's-length transaction with a Person other than an Affiliate.

7.10 Certain Restrictive Agreements. Borrower will not, and will not permit any Subsidiary to, enter into any contract or other obligation (other than this Agreement or any other

Loan Document) that, directly or indirectly, (a) limits the ability of (i) any Subsidiary to make Restricted Payments to Borrower or to otherwise transfer property to Borrower, (ii) any Subsidiary to Guarantee Indebtedness of Borrower or (iii) Borrower or any Subsidiary to create, incur, assume or suffer to exist Liens in favor of Administrative Agent on their respective Equity Interests to secure the Obligations.

7.11 Transfer of Equity Interests. Borrower will not cause, permit, or allow (a) any Equity Interest in Borrower to be transferred, sold or assigned to any Person other than LHI, or any Lien or Encumbrance to be granted on such Equity Interests in Borrower (other than in favor of Administrative Agent), and (b) any Equity Interest in any Project Owner or Intermediate Entity to be transferred, sold, or assigned, or any Lien or Encumbrance to be granted on any such Equity Interest (other than in favor of Administrative Agent).

7.12 [Reserved].

7.13 Financial Covenants. Borrower and Parent shall not violate any of the following financial covenants:

(a) Liquidity. At all times during the term of the Loan, Parent, the consolidated Subsidiaries of Parent, and the other Loan Parties shall maintain Liquidity at a minimum of $40,000,000, tested by Administrative Agent on a quarterly basis, as verified by Administrative Agent pursuant to bank and/or brokerage statements furnished to Administrative Agent by Borrower and/or Parent. The first quarterly testing period shall end on December 31, 2019. As used herein, Minimum Liquidity will only be measured based on bank or brokerage accounts held in their own name by Parent and the other Loan Parties. "Liquidity" means an amount equal to the sum of: (i) Parent's, its consolidated Subsidiaries' , and the other Loan Parties' aggregate unencumbered and unrestricted cash (including (x) cash deposited with Western Alliance Bank to cash collateralize letters of credit issued by Western Alliance Bank for the account of Borrower or another Loan Party to the extent such cash has not been applied to reimbursement and other obligations in respect of such letters of credit and (y) other deposit accounts maintained pursuant to Section 7.13(b)), (ii) Parent's, its consolidated Subsidiaries' , and the other Loan Parties' aggregate unencumbered and unrestricted cash equivalents (to the extent consisting of readily marketable securities, excluding "margin stock" [within the meaning of Regulation U of the Board of Governors of the Federal Reserve System], restricted stock and stock subject to the provisions of Rule 144 of the Securities and Exchange Commission), deemed by Administrative Agent in its sole and absolute discretion to be liquid, and (iii) the Undrawn Availability; provided, however, Liquidity shall only include such cash and other assets held with financial institutions in the United States and shall not include cash or other assets held by Parent's Subsidiaries that are not formed pursuant to the laws of the United States (or a State of the United States) and with operations exclusively in the United States.

(b) Minimum Deposits. Parent shall maintain, or cause to be maintained, average daily free collected balances on deposit at Western Alliance Bank in the aggregate amount of at least $25,000,000, and of such amount, this covenant to be tested by Administrative Agent as of the end of each fiscal quarter of Parent (commencing with the

fiscal quarter ending December 31, 2019) for the fiscal quarter then ended. Such deposits shall be maintained by Parent, another Loan Party or other Subsidiaries of Parent designated in writing by Parent to Administrative Agent in such form as Administrative Agent may reasonably request. For clarity and for purposes of determining compliance with this Section 7.13(b), such free collected balances shall include Cash Collateral held by Western Alliance Bank as the Issuing Bank (or as the Administrative Agent) in order to Cash Collateralize L/C Obligations pursuant to Section 2.05 or Section 2.19 to the extent that such Cash Collateral has not been applied to the payment of L/C Obligations or other Obligations and without limiting any Loan Party's obligation with respect to the pledge and maintenance of such Cash Collateral.

(c) Minimum Tangible Net Worth. At all times during the term of the Loan, Parent shall maintain a minimum Tangible Net Worth equal or greater than the applicable Required Tangible Net Worth, to be tested by Administrative Agent on a quarterly basis, beginning on December 31, 2019.

(d) Maximum Leverage Ratio. At all times during the term of the Loan, Parent shall maintain a Leverage Ratio not greater that the ratios set forth in the table below for the applicable periods. The Leverage Ratio shall be tested by Administrative Agent on a quarterly basis, beginning with the fiscal quarter ending on December 31, 2019. The "Leverage Ratio" means the ratio determined by Administrative Agent and calculated by taking (a) the sum of (i) Consolidated Debt minus (ii) the Subordinated Debt pursuant to the Intercompany Subordination Agreement, divided by (b) Total Capitalization. "Total Capitalization" means the sum (without duplication) of (a) Tangible Net Worth, plus (b) the Subordinated Debt pursuant to the Intercompany Subordination Agreement and plus (c) Consolidated Debt. The maximum Leverage Ratio shall be as follows:

| Fiscal Quarter End | Maximum Leverage Ratio |
|---|---|
| December 31, 2019 | 0.75:1.00 |
| March 31, 2020 | 0.75:1.00 |
| June 30, 2020 | 0.75:1.00 |
| September 30, 2020 | 0.75:1.00 |
| December 31, 2020 | 0.75:1.00 |
| March 31, 2021 | 0.65:1.00 |
| June 30, 2021 | 0.65:1.00 |
| September 30, 2021 | 0.65:1.00 |
| December 31, 2021 | 0.65:1.00 |
| March 31, 2022 and each Fiscal Quarter thereafter | 0.60:1.00 |

(e) Interest Coverage. Commencing with the fiscal quarter ending December 31, 2020, and continuing at the end of each calendar quarter thereafter, Parent shall maintain a ratio of Consolidated EBITDA to Consolidated Interest Expense in an amount greater than or equal to 1.50 to 1.00. The interest only coverage ratio shall be calculated by Administrative Agent based upon the Consolidated EBITDA and Consolidated Interest Expense for the applicable preceding consecutive four (4) quarter period.

ARTICLE 8
EVENTS OF DEFAULT

8.1 Events of Default. Each of the following will be an event of default which entitles Administrative Agent to exercise the rights and remedies in Section 8.2 (each, an "Event of Default"):

(a) Payment.

(i) Borrower shall fail to pay any principal of any Revolving Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof, on maturity, or otherwise;

(ii) Borrower shall fail to pay any reimbursement obligation in respect of any L/C Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(iii) Borrower shall fail to Cash Collateralize L/C Obligations as and when required under this Agreement and the other Loan Documents; or

(iv) Borrower shall fail to pay any interest on any Revolving Loan, any L/C Obligation, or any fee or any other amount (other than an amount referred to in paragraph (i) or (ii) of this Section) payable under this Agreement, any other Loan Document or the Fee Letter, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three (3) or more Business Days.

(b) Negative Covenants/Financial Covenants. Borrower or any Subsidiary of Borrower shall fail to perform any term, covenant or agreement contained in Article 7 or (ii) Borrower or Parent shall breach or violate any financial covenant contained in Section 7.13.

(c) Other Defaults. Any Loan Party shall fail to perform any obligation not specifically identified in Section 8.1(a) or 8.1(b) or perform any other obligation not involving the payment of money, or to comply with any other term or condition applicable to any Loan Party, under any Loan Document and (except with regard to the obligation to maintain insurance pursuant to Section 6.9) such failure continues following the expiration of thirty (30) days after written notice of such failure by the Administrative Agent to Borrower unless Borrower has commenced such cure within such thirty (30) day period, in which event no Event of Default shall be deemed to have occurred if within such thirty (30) day period Borrower commences a diligent effort to cure such failure and continues such diligent effort until such failure is fully and completely cured, which in all events must occur within sixty (60) days of the notice of such failure.

(d) Representations and Warranties. Any representation or warranty by any Loan Party in any Loan Document is materially false, incorrect, or misleading as of the date made or received; provided, however, that such breach of a representation or warranty

shall not constitute an Event of Default in the event that (a) such breach is not intentional, (b) such breach is immaterial, and (c) such breach is remedied in a timely manner and in any event not more than thirty (30) days after the earlier of Administrative Agent's request or when a Responsible Officer of the Borrower has actual knowledge of such breach.

(e) Material Adverse Change. The occurrence of a Material Adverse Change.

(f) Failure to Maintain Insurance. Any of the insurance coverages required pursuant to Section 6.9 lapses or expires without being replaced by other insurance policies that comply with Section 6.9 prior to such lapse or expiration.

(g) Other Indebtedness. (i) The Parent or LHI shall fail to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness (other than Indebtedness under the Loan Documents) or Guarantee of Indebtedness having an aggregate principal amount of more than $10,000,000, in each case beyond the applicable grace period with respect thereto, if any; (ii) the Borrower or any Subsidiary Guarantor shall fail to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) in respect of any Indebtedness (other than Indebtedness under the Loan Documents) or Guarantee of Indebtedness having an aggregate principal amount of more than $500,000, in each case beyond the applicable grace period with respect thereto, if any; or (iii) the Parent, LHI, Borrower, or any Subsidiary Guarantor shall fail to observe or perform any other agreement or condition relating to any such Indebtedness in clause (i) for the Parent or LHI, and clause (ii) for Borrower or Subsidiary Guarantor, or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders or beneficiary or beneficiaries of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity.

(h) Involuntary Proceedings. An involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of Borrower or any other Loan Party or any of their debts, or of a substantial part of any of their assets, under any Debtor Relief Law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Borrower or any other Loan Party or for a substantial part of any of their assets, and, in any such case, such proceeding or petition shall continue undismissed for a period of sixty (60) or more days or an order or decree approving or ordering any of the foregoing shall be entered.

(i) Voluntary Proceedings. Borrower or any other Loan Party shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Debtor Relief Law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in Section 8.1(h), (iii) apply for or consent to the

appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Borrower or any other Loan Party or for a substantial part of the assets of Borrower or any other Loan Party, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing.

(j) Inability to Pay. Borrower or any other Loan Party shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) Judgments. There is entered against Borrower or other Loan Party (i) a final judgment or order for the payment of money in an aggregate amount (as to all such judgments and orders) exceeding $500,000.00 (to the extent not covered by independent third-party insurance as to which the insurer has been notified of such judgment or order and has not denied or failed to acknowledge coverage), or (ii) a non-monetary final judgment or order that, either individually or in the aggregate, has or could reasonably be expected to cause a Material Adverse Change and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of thirty (30) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect.

(l) ERISA. An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan that has resulted or could reasonably be expected to result in liability of Borrower under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of $100,000.00.

(m) Control. A Change of Control shall occur.

(n) Enforceability. Any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all Obligations, ceases to be in full force and effect; or Borrower or any other Person contests in writing the validity or enforceability of any provision of any Loan Document; or Borrower or any Loan Party denies in writing that it has any or further liability or obligation under any Loan Document, or purports in writing to revoke, terminate or rescind any Loan Document.

(o) Dissolution, etc. The dissolution or liquidation of Borrower or any other Loan Party or the taking of any action by Borrower or any Loan Party toward a dissolution or liquidation.

(p) Foreclosure Proceedings. The filing of any foreclosure proceeding, giving notice of a trustee's sale, or any other action by any Person, other than Administrative Agent, to realize upon any of the Real Estate Inventory under any Lien or Encumbrance on any or all of the Collateral, regardless of whether such Lien or Encumbrance is a Permitted Exception.

(q) Other Loan Documents. The occurrence of an Event of Default pursuant to any other Loan Document.

(r) Swap Contracts. The occurrence or existence of any default, event of default or similar condition or event (however described) with respect to any Swap Contract.

(s) Other Defaults. Borrower or any other Loan Party shall make any payment in respect of Subordinated Debt that is not permitted pursuant to this Agreement or the applicable subordination agreement.

8.2 Remedies. Upon the occurrence of any Event of Default and at any time thereafter, for so long as such Event of Default is continuing:

(a) the Administrative Agent may, and at the request of the Required Lenders shall, by notice to Borrower, take any or all of the following actions, at the same or different times:

(i) terminate the Commitments, and thereupon the Commitments shall terminate immediately;

(ii) declare the Obligations then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Obligations so declared to be due and payable, together with accrued interest thereon and all fees and other Obligations of Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by Borrower;

(iii) require that the Borrower Cash Collateralize the L/C Obligations as provided in Section 2.19; and

(iv) exercise on behalf of itself, the Lenders all rights and remedies available to it, the Lenders under the Loan Documents and applicable Law;

provided that, in case of any event with respect to the Borrower described in Section 8.1(h) or (i), the Commitments shall automatically terminate and the principal of the Revolving Loans then outstanding, together with accrued interest thereon and all fees and other Obligations accrued hereunder, shall automatically become due and payable, and the obligation of the Borrower to Cash Collateralize the L/C Obligations as provided in clause (iii) above shall automatically become effective, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower;

(b) if and to the extent not previously delivered to Administrative Agent, Borrower will, upon demand of Administrative Agent, deliver to Administrative Agent all surveys, plans and specifications, building permits, construction contracts and subcontracts, plats and other maps, lien releases, subdivision reports, annexation documents, declarant's rights, marketing material and other documents, permits, licenses and contracts that are necessary to complete construction and marketing of the Lots and Units, and Borrower will, on demand of Administrative Agent, assign to Administrative

Agent such of Borrower's rights thereunder as Administrative Agent may request. Administrative Agent shall be entitled to use and rely on all such surveys, plans, specifications, building permits, construction contracts and subcontracts, plats and other maps and other materials, permits, licenses and contracts without any further authorization or direction from Borrower and without any further consent from any other Person;

(c) Administrative Agent may enforce any and all rights and remedies under this Agreement and the other Loan Documents against any or all Collateral and may pursue all rights and remedies available at law or in equity;

(d) without limiting any other rights and remedies to which it is entitled, Administrative Agent may, at its option, without notice to Borrower or without regard to the adequacy of the Collateral for the payment of the Obligations, appoint one or more receivers of the Collateral, and Borrower does hereby irrevocably consent to such appointment, with such receivers having all the usual powers and duties of receivers in similar cases, including the full power to maintain, sell, dispose and otherwise operate the Collateral upon such terms that may be approved by a court of competent jurisdiction;

(e) Administrative Agent may direct all escrow companies and closing agents to pay over to Administrative Agent directly all moneys to which Borrower is entitled and held by such parties in pending escrows;

provided that, in case of any event with respect to Borrower described in Section 8.1(h) or Section 8.1(i), the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other Obligations accrued hereunder, shall automatically become due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by Borrower.

8.3 Credit Bidding. Administrative Agent or any Lender may purchase, in any public or private sale conducted under the provisions of the UCC (including pursuant to Sections 9-610 and 9-620 of the UCC), the provisions of the Bankruptcy Code (including pursuant to Section 363 of the Bankruptcy Code) or at any sale or foreclosure conducted by Administrative Agent (whether by judicial action or otherwise) in accordance with applicable Laws, all or any portion of the Collateral. The Lenders hereby irrevocably authorize Administrative Agent, and upon the written consent of the Required Lenders to Credit Bid (in an amount and on such terms as may be directed by Required Lenders) and purchase at any such sale (either directly or through one or more acquisition vehicles) all or any portion of the Collateral on behalf of and for the benefit of the Lenders (but not as agent for any individual Lender or Lenders, unless the Required Lenders shall otherwise agree in writing). Each Lender hereby agrees that, except as otherwise provided in the Loan Documents or with the written consent of Administrative Agent and the Required Lenders, it will not exercise any right that it might otherwise have to Credit Bid at any sales of all or any portion of the Collateral conducted under the provisions of the UCC or the Bankruptcy Code, foreclosure sales or other similar dispositions of Collateral.

8.4 Collateral Protection; Completion of Construction. Administrative Agent may at any time, but will not be obligated to, make Protective Advances which will be deemed to be Revolving Loans hereunder. In addition, Administrative Agent may take all action necessary to

complete the construction of any Units and expend all sums necessary therefor. Administrative Agent may, but will not be obligated to, make Revolving Loans from time to time to pay all costs and expenses of such completion. All amounts so advanced will be immediately due and payable by Borrower and will be added to the outstanding principal amount of all Revolving Loans. Administrative Agent will not have any duty to account to Borrower for any such expenditures.

8.5 Secured by Collateral. All Protective Advances, all other advances by Administrative Agent and the Lenders, and all other charges, costs and expenses, including reasonable attorneys' fees, incurred or paid by Administrative Agent and the Lenders in exercising any right, power or remedy conferred by this Agreement or any other Loan Document, or in the enforcement hereof, or in the protection of the Collateral or the completion of construction of the Real Estate Inventory, together with interest thereon at the Default Rate, from the date advanced, paid or incurred until repaid. Any Protective Advance will only occur through Administrative Agent or at Administrative Agent's direction and will not be funded directly to Borrower or any of its Affiliates by Administrative Agent or any Lender. Notwithstanding the foregoing, each Protective Advance and the charges, costs and expenses, including reasonable attorneys' fees, incurred or paid by Administrative Agent or Lenders in exercising any right, power or remedy conferred by this Agreement or any other Loan Document or in the enforcement thereof or in the protection of the Collateral or the completion of Real Estate Inventory shall be charged to Borrower pursuant to Section 10.4. The amount of such Protective Advances shall be secured by the Pledge Agreement.

8.6 Multiple Real and Personal Property Security. Borrower hereby acknowledges that Lenders are extending credit based upon both the financial statements of the Loan Parties and the values of the Real Estate Inventory. Accordingly, Borrower hereby agrees that, from and after any Event of Default, Administrative Agent will be allowed, to the greatest extent permitted by applicable Law, including the laws of whichever jurisdiction Administrative Agent may choose as most facilitating for the exercise of the rights of Administrative Agent and Lenders (and which may be applicable), to pursue and realize upon all of the remedies available to Administrative Agent and Lenders under any of the Loan Documents, at law, in equity, or otherwise, and simultaneously or consecutively, in the discretion of Administrative Agent, including, without limitation, commencement of one or more actions in one or more jurisdictions for repayment of all or portions of the Obligations, for the separate or simultaneous sale or foreclosure of the Collateral or portions thereof, for the obtaining of judgments and/or deficiency judgments, for the seeking of injunctive relief and receiverships, and for maximum access to and realization from the Obligations and Collateral or portions thereof in such manner as Administrative Agent may deem in the interest of Administrative Agent and Lenders, and Borrower hereby waives any requirement that any deficiency judgment proceeding be initiated or completed with respect to any other property constituting Collateral as a condition to commencing any enforcement proceeding against any party or any particular item of Collateral. Borrower hereby expressly acknowledges and agrees that various consents, waivers and agreements set forth in any of the Loan Documents, including the Pledge Agreements, were granted in recognition of the foregoing, and that all such waivers, consents and agreements will apply to each other Loan Document as though set forth therein. Borrower hereby waives the benefits of any "one- action rule" which may be applicable to it or to any of the Collateral and waives marshaling of assets for itself and all other parties claiming by, through or under it.

8.7 Scheduled Payments. Administrative Agent, Lenders and Borrower acknowledge that notwithstanding the continuation of an Event of Default, Borrower may elect to continue to make scheduled payments. Administrative Agent's acceptance of any such payments shall not be a waiver of any of Administrative Agent's or any Lender's rights and remedies, and Administrative Agent and the Lenders shall continue to be entitled to all such rights and remedies (including, without limitation, acceleration and foreclosure).

8.8 Application of Payments.

(a) So long as no Event of Default has occurred and is continuing, if at any time insufficient funds are received by and available to Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds received shall, subject to Section 2.18, be applied (i) first towards payment of fees, indemnities and expense reimbursements then due hereunder to the parties entitled thereto; (ii) second, towards payment of interest then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to each such parties; (iii) third, towards payment of principal then due hereunder, ratably among the parties entitled thereof in accordance with the amounts of principal then due to such parties; and (iv) fourth, towards payment of Bank Product Liabilities then due.

(b) Notwithstanding anything herein to the contrary, following the occurrence and during the continuance of an Event of Default, and notice thereof to the Administrative Agent by Borrower or the Required Lenders, all payments received on account of the Obligations shall, subject to Sections 2.19, shall be applied by the Administrative Agent as follows:

(i) first, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees and disbursements and other charges of counsel payable under Section 10.4 and amounts payable under the Fee Letter) payable to the Administrative Agent in its capacity as such;

(ii) second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts payable to the Lenders (other than principal, reimbursement obligations in respect of L/C Disbursements, interest and L/C Fees, but including fees and disbursements and other charges of counsel payable under Section 10.4) arising under the Loan Documents, ratably among them in proportion to the respective amounts described in this paragraph (ii) payable to them;

(iii) third, (A) to payment of that portion of the Obligations constituting unpaid principal of the Revolving Loans and unreimbursed L/C Disbursements and (B) to Cash Collateralize that portion of L/C Obligations comprising the undrawn amount of Letters of Credit to the extent not otherwise Cash Collateralized by the Borrower pursuant to Section 2.19, Section 2.20, or any other provision of this Agreement, ratably among the Lenders and the Issuing Bank in proportion to the respective amounts described in this clause (iii) payable to them; provided that (x) any such amounts applied pursuant to subclause (B) above shall be paid to the Administrative Agent for the ratable account of the Issuing Bank to Cash

Collateralize such L/C Obligations, (y) subject to Section 2.19(c) or 2.20, amounts used to Cash Collateralize the aggregate amount of Letters of Credit pursuant to this clause (iii) shall be used to satisfy drawings under such Letters of Credit as they occur, and (z) upon the expiration of any Letter of Credit (without any pending drawings), the pro rata share of Cash Collateral shall be distributed in accordance with this clause (iii).

(iv) fourth, to the payment in full of all other Obligations (including Bank Product Liabilities), in each case ratably among the Administrative Agent and the Lenders based upon the respective aggregate amounts of all such Obligations owing to them in accordance with the respective amounts thereof then due and payable; and

(v) finally, the balance, if any, after all Obligations have been indefeasibly paid in full, to Borrower or as otherwise required by Law.

If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired (without any pending drawings), such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

## ARTICLE 9
## AGENCY

9.1 Appointment and Authority . Each of the Lenders hereby irrevocably appoints Western Alliance Bank to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Except as otherwise provided in Section 9.6(b), the provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders, and Borrower shall not have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

9.2 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

9.3 Exculpatory Provisions.

(a) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(b) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 8.1 and 10.2), or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent in writing by Borrower or a Lender.

(c) The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the

satisfaction of any condition set forth in Article 4 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

9.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Revolving Loan or the issuance, extension, increase, reinstatement or renewal of a Letter of Credit that by its terms must be fulfilled to the satisfaction of a Lender or the Issuing Bank, the Administrative Agent may presume that such condition is satisfactory to such Lender or the Issuing Bank unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.5 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub- agent, and shall apply to their respective activities in connection with the syndication of the Loan as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

9.6 Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, upon approval by the Borrower if no Event of Default then exists, such approval not to be unreasonably withheld or delayed, to appoint a successor, which shall be a bank with an office in Phoenix, Arizona, or an Affiliate of any such bank with an office in Phoenix, Arizona. If no such successor shall have been appointed by the Required Lenders as aforesaid and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above; provided that in no event shall any such successor Administrative Agent be a

Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may and upon the request of the Borrower shall, to the extent permitted by applicable Law, by notice in writing to Borrower and such Person remove such Person as Administrative Agent and, upon approval by the Borrower if no Event of Default then exists, such approval not to be unreasonably withheld or delayed, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (ii) except for any indemnity payments owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent (other than any rights to indemnity payments owed to the retiring or removed Administrative Agent), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 10.4 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

9.7 Non-Reliance on Agents and Other Lenders. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

9.8 No Other Duties. Anything herein to the contrary notwithstanding, no Person designated as an "arranger" "syndication agent", "bookrunner" or other title shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender hereunder.

9.9 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to Borrower or any other Loan Party, the Administrative Agent (irrespective of whether the principal of any Revolving Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Revolving Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Section 10.4) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same in accordance with the terms of this Agreement and the other Loan Documents;

(c) and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 10.4.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender.

9.10 Bank Product Liability Arrangements. By reason of a Lender's execution of this Agreement or an Assignment and Assumption, as the case may be, any Affiliate of such Lender with whom any Loan Party has entered into an agreement creating a Bank Product Liability shall be deemed a Lender party hereto for the purposes of any reference in a Loan Document to the parties for whomthe Administrative Agent is acting, it being understood and agreed that the rights and benefits of such Affiliate under the Loan Document consist exclusively of such Affiliate's right to share in payments and collections out of the Collateral and guaranty as more fully set forth in Section 8.8. In connection with any such distribution of payments and collections, the Administrative Agent shall be entitled to assume no amounts are due to any Lender or its Affiliate

with respect to any Bank Product Liability unless such Lender has notified the Administrative Agent in writing of the amount of any such liability owed to it or its Affiliate prior to such distribution.

9.11 Foreclosure. In the event that all or any portion of the Collateral (the "Collateral Property") is acquired by Administrative Agent as the result of a foreclosure or acceptance of a deed or assignment in lieu of foreclosure, or is retained in satisfaction of all or any part of the Obligations, title to any such Collateral Property or any portion thereof shall be held in the name of Administrative Agent or a nominee or subsidiary of Administrative Agent, as agent, for the benefit of the Lenders, or in an entity co-owned by the Lenders as determined by the Administrative Agent. Administrative Agent shall prepare a recommended course of action (the "Post-Foreclosure Plan") for such Collateral Property and any real property owned by the entities that are Collateral Property (such real property, the "Real Estate Property") and submit it to the Lenders for approval by the Required Lenders. In the event that Administrative Agent does not obtain the approval of the Required Lenders to such Post-Foreclosure Plan, any Lender shall be permitted to submit an alternative Post-Foreclosure Plan to Administrative Agent, and Administrative Agent shall submit any and all such additional Post-Foreclosure Plan(s) to the Lenders for evaluation and the approval by the Required Lenders. In accordance with the approved Post-Foreclosure Plan, Administrative Agent shall manage, operate, repair, administer, complete, construct, restore or otherwise deal with the Collateral Property acquired and Real Estate Property and administer all transactions relating thereto, including, without limitation, employing a management agent, leasing agent and other agents, contractors and employees, including agents for the sale of such Collateral Property and/or Real Estate Property, and the collecting of rents and other sums from such Collateral Property and/or Real Estate Property and paying the expenses of such Collateral Property and Real Estate Property. Upon demand therefor from time to time, each Lender will contribute its ratable share (based on their respective Commitments immediately prior to the termination thereof) of all reasonable costs and expenses incurred by Administrative Agent pursuant to the Post-Foreclosure Plan in connection with the construction, operation, management, maintenance, leasing and sale of the Collateral Property and Real Estate Property. In addition, Administrative Agent shall render or cause to be rendered by the managing agent, to each of the Lenders, monthly, an income and expense statement for such Collateral Property and Real Estate Property, and each of the Lenders shall promptly contribute its ratable share (based on their respective Commitments immediately prior to the termination thereof) of any operating loss for the Collateral Property and Real Estate Property, and such other expenses and operating reserves as Administrative Agent shall deem reasonably necessary pursuant to and in accordance with the Post-Foreclosure Plan. To the extent there is net operating income from such Collateral Property and/or Real Estate Property, Administrative Agent shall, in accordance with the Post-Foreclosure Plan, determine the amount and timing of distributions to the Lenders. All such distributions shall be made to the Lenders in proportion to their respective Commitments immediately prior to the termination thereof. The Lenders acknowledge that if title to any Collateral Property and/or Real Estate Property is obtained by Administrative Agent or its nominee, or an entity co-owned by the Lenders, such Collateral Property will not be held as a permanent investment but will be disposed of as soon as practicable and within a time period consistent with the regulations applicable to national banks for owning real estate. Administrative Agent shall undertake to sell such Collateral Property and/or Real Estate Property at such price and upon such terms and conditions as the Required Lenders shall reasonably determine to be most advantageous. Any purchase money mortgage or deed of trust taken in connection with the disposition of such Collateral Property

and/or Real Estate Property in accordance with the immediately preceding sentence shall name Administrative Agent, as agent for the Lenders, as the beneficiary or mortgagee. In such case, Administrative Agent and the Lenders shall enter into an agreement with respect to such purchase money mortgage defining the rights of the Lenders in the same, which agreement shall be in all material respects similar to the rights of the Lenders with respect to the Collateral Property and/or Real Estate Property. Lenders agree not to unreasonably withhold or delay their approval of a Post-Foreclosure Plan or any third party offer to purchase the Collateral Property and/or Real Estate Property. An offer to purchase the Collateral Property and/or Real Estate Property at a gross purchase price of 95% of the fair market value of the property as set forth in a current appraisal reasonably acceptable to Administrative Agent and Required Lenders, shall be deemed to be a reasonable offer. Notwithstanding any other provision of this Section 9.11, in no event will Administrative Agent be required to take any action that Administrative Agent determines could subject it to any liabilities (including by deemed assumption of Loan Party liabilities) under any Lien or Encumbrance.

9.12 Lender Representation. Each Lender as of the Effective Date represents and warrants as of the Effective Date (or, if later, as of the date it becomes a Lender) to the Administrative Agent and not, for the avoidance of doubt, for the benefit of the Borrower or any other Loan Party, that (a) such Lender is not and will not be an employee benefit plan subject to Title I of ERISA or a plan or account subject to Section 4975 of the Internal Revenue Code; (b) the assets of such Lender do not constitute "Plan Assets" within the meaning of Section 3(42) of ERISA, or (c) such Lender is not a "Governmental Plan" within the meaning of Section 3(32) of ERISA.

## ARTICLE 10
## MISCELLANEOUS

10.1 Notices Generally.

(a) Addresses. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or email as follows:

(i) if to Borrower, to it at the address set forth on Exhibit H;

(ii) if to the Administrative Agent, to it at the address set forth on Exhibit H;

(iii) if to Issuing Bank, to it at the address set forth on Exhibit H; and

(iv) if to a Lender, to it at its address (or facsimile number or email address) set forth in its Administrative Questionnaire.

(b) Effectiveness. Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given

during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications, to the extent provided in paragraph (c) below, shall be effective as provided in said paragraph (c).

(c) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e mail, FpML, and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article 2 if such Lender, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(d) EMail. Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(e) Change of Address, etc. Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

(f) Platform.

(i) Borrower agrees that the Administrative Agent may, but shall not be obligated to, make the Communications (as defined below) available to the other Lenders by posting the Communications on the Platform. Borrower acknowledges and agrees that the DQ List shall be deemed suitable for posting and may be posted by the Administrative Agent on the Platform, including the portion of the Platform that is designated for "public side" Lenders.

(ii) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party

in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to Borrower, any Lender or any other Person or entity for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of Borrower's or the Administrative Agent's transmission of communications through the Platform. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of Borrower pursuant to any Loan Document or the transactions contemplated therein that is distributed to the Administrative Agent, any Lender by means of electronic communications pursuant to this Section, including through the Platform.

10.2 Waivers; Amendments.

(a) No Waiver; Remedies Cumulative; Enforcement. No failure or delay by the Administrative Agent or any Lender in exercising any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege, or any abandonment or discontinuance of steps to enforce such a right remedy, power or privilege, preclude any other or further exercise thereof or the exercise of any other right remedy, power or privilege. The rights, remedies, powers and privileges of the Administrative Agent and the Lenders hereunder and under the Loan Documents are cumulative and are not exclusive of any rights, remedies, powers or privileges that any such Person would otherwise have.

(b) Enforcement. Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against Borrower, the Collateral and any Loan Party shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.1 for the benefit of all the Lenders and the Lenders and such Affiliates of Lenders that may enter into or provide Bank Products hereby so authorize Administrative Agent; provided that the foregoing shall not prohibit (i) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents or (ii) any Lender from exercising setoff rights in accordance with Section 10.9; provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (x) the Required Lenders shall have the rights otherwise provided to the Administrative Agent pursuant to Section 8.1 and (y) in addition to the matters set forth in clauses (ii) and (iii) of the preceding proviso, any Lender may, with the consent of the Required Lenders, enforce any rights or remedies available to it and as authorized by the Required Lenders.

(c) Amendments, Etc. Except as otherwise expressly set forth in this Agreement, no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by Borrower therefrom, shall be effective

unless in writing executed by Borrower and the Required Lenders, and acknowledged by the Administrative Agent, or by Borrower and the Administrative Agent with the consent of the Required Lenders, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that no such amendment, waiver or consent shall:

(i) extend or increase any Commitment of any Lender without the written consent of such Lender (it being understood that a waiver of any condition precedent set forth in Article 4 or the waiver of any Default or Event of Default shall not constitute an extension or increase of any Commitment of any Lender);

(ii) reduce the principal of, or rate of interest specified herein on, any Revolving Loan or any L/C Disbursement or any fees or other amounts payable hereunder or under any other Loan Document (other than the Fee Letter), without the written consent of each Lender directly and adversely affected thereby (provided that only the consent of the Required Lenders shall be necessary (x) to amend the definition of "Default Rate" or to waive the obligation of Borrower to pay interest at the Default Rate or to pay any late charge or (y) to waive or amend any financial covenant (or any defined term directly or indirectly used therein), even if the effect of such amendment would be to reduce the rate of interest on any Loan or other Obligation or to reduce any fee payable hereunder);

(iii) postpone any date scheduled for any payment of principal of, or interest on, any Revolving Loan or L/C Disbursement, or any fees or other amounts payable hereunder or under any other Loan Document, or reduce the amount of, waive or excuse any such payment, without the written consent of each Lender directly and adversely affected thereby;

(iv) change Sections 2.14, or 8.8 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly and adversely affected thereby;

(v) waive any condition set forth in Article 4 without the written consent of each Lender;

(vi) change Section 2.5(e) in a manner that would permit the expiration date of any Letter of Credit to occur after the Maturity Date without the consent of each Lender; or

(vii) change any provision of this Section or the percentage in the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender;

provided, further, that no such amendment, waiver or consent shall amend, modify or otherwise affect the rights or duties hereunder or under any other Loan Document of the

Administrative Agent or the Issuing Bank, unless in writing executed by the Administrative Agent and the Issuing Bank, as applicable.

Notwithstanding anything herein to the contrary, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent that by its terms requires the consent of all the Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders, except that (x) the Commitment of any Defaulting Lender may not be increased or extended, or the maturity of any of its Loan may not be extended, the rate of interest on any of its Loans may not be reduced and the principal amount of any of its Loans may not be forgiven, in each case without the consent of such Defaulting Lender and (y) any amendment, waiver or consent requiring the consent of all the Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than the other affected Lenders shall require the consent of such Defaulting Lender).

In addition, notwithstanding anything in this Section to the contrary, if the Administrative Agent and Borrower shall have jointly identified an obvious error or any error or omission of a technical nature, in each case, in any provision of the Loan Documents, then the Administrative Agent and Borrower shall be permitted to amend such provision, and, in each case, such amendment shall become effective without any further action or consent of any other party to any Loan Document if the same is not objected to in writing by the Required Lenders to the Administrative Agent within ten (10) Business Days following receipt of notice thereof.

10.3 Collateral and Guaranty Matters. The Lenders irrevocably authorize the Administrative Agent, at its option and in its discretion:

(a) Releases. To release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (i) upon termination of the Commitments and payment in full of all Obligations (other than contingent indemnification obligations for which no claim has been asserted), (ii) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted (or not prohibited) hereunder or under any other Loan Document, or (iii) if approved, authorized or ratified in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the Loan Document or other Loan Documents).

(b) Subordination. To subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by the definition of Permitted Liens.

(c) Other Matters. To approve title to any Approved Subdivision and in connection therewith to enter into any agreements that Administrative Agent deems necessary or appropriate, including agreements with land sellers and other Persons.

Upon request by the Administrative Agent at any time, the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan

Documents) shall confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Loan Party from its obligations under any applicable Loan Document or to enter into other agreements pursuant to this Section 10.3. In each case as specified in this Section 10.3, the Administrative Agent shall, at Borrower's expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release of such items of Collateral from the Lien granted under the Loan Documents or to subordinate its interest in such item, or to release a Loan Party from its obligations under any Loan Document, in each case in accordance with the terms of the Loan Documents and this Section 10.3.

10.4 Expenses; Indemnity; Damage Waiver.

(a) Costs, Expenses, and Fees. Borrower agrees to pay the fees separately agreed to in writing between Borrower and the Administrative Agent, including, without limitation, the fees set forth in the Fee Letter. In addition, Borrower agrees to pay on demand all reasonable out-of-pocket costs, expenses, and fees of the Administrative Agent and the Issuing Bank (including, without limitation, reasonable fees and expenses for outside attorneys, consultants and other professional advisers, paralegals, document clerks and specialists, appraisals, and appraisal review, and including the fees and expenses of the Administrative Agent, the Issuing Bank, and of its consultants and others retained by it pursuant to the Loan Documents): (i) in the negotiation, execution, delivery, administration and modification of the Loan Documents and in connection with the issuance, amendment, extension, reinstatement or renewal of any Letter of Credit or any demand for payment thereunder, and (ii) in inspecting the Borrowing Base and the Collateral, including the evaluation of proposed Eligible Assets and Approved Subdivisions, and otherwise including new Approved Subdivisions in the Borrowing Base. In addition, Borrower agrees to pay on demand all reasonable costs, expenses, and fees of the Administrative Agent and the Lenders (including, without limitation, reasonable fees and expenses for inside and outside attorneys, consultants and other professional advisers, paralegals, document clerks and specialists, appraisals, and appraisal review, and including the fees and expenses of the Administrative Agent, the Lenders, and of consultants and others retained pursuant to the Loan Documents): (A) in the modification or enforcement of the Loan Documents and exercise of the rights and remedies of the Administrative Agent, the Issuing Bank, and the Lenders; (B) in defense of the legality, validity, binding nature, and enforceability of the Loan Documents or any Letter of Credit; (C) otherwise in relation to the enforcement of the rights and remedies of the Administrative Agent, the Issuing Bank, and the Lenders under the Loan Documents; and (D) in preparing for the foregoing, whether or not any legal proceeding is brought or other action is taken. Such costs, expenses, and fees will include, without limitation, all such reasonable costs, expenses, and fees incurred in connection with any court proceedings (whether at the trial or appellate level). If such costs, expenses and fees or any other costs, expenses and fees from time to time due under the Loan Documents are not paid within five (5) Business Days after demand by the Administrative Agent, Borrower agrees to pay interest on such costs, expenses, and fees at the Default Rate from the date incurred until paid in full. In addition, if such costs, expenses and fees are not paid within such five (5) Business Day period, the Administrative Agent may, in its sole and absolute discretion, cause a Revolving Loan to be made to pay such costs, expenses and fees, whether or not such Revolving Loan has

been requested by Borrower and whether or not the conditions precedent to a Revolving Loan have been satisfied. Arizona Revised Statutes Section 12-341.01 shall not be applicable to disputes arising under this Agreement or the other Loan Documents.

(b) Indemnification by Borrower. Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), the Issuing Bank, each Lender and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any Person (including Borrower) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Revolving Loan or any Letter of Credit (including any refusal by any Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Substances (as defined in the Environmental Indemnity) on or from any property owned or operated by Borrower or any of its Subsidiaries, or any Environmental Liability (as defined in the Environmental Indemnity) related in any way to Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by Borrower, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, (y) result from a claim brought by Borrower against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if Borrower has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction or (z) result from a claim not involving an act or omission of Borrower and that is brought by an Indemnitee against another Indemnitee (other than against the arranger or the Administrative Agent in their capacities as such). This paragraph shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that Borrower for any reason fails to indefeasibly pay any amount required under Section 10.4(a) or (b) to be paid by it to the Administrative Agent (or any sub-agent thereof), any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's Applicable Percentage at such time) of such unpaid

amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Law, Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document, any Letter of Credit or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Revolving Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable not later than ten (10) days after demand therefor.

(f) Survival. Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the obligations hereunder.

10.5 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of Section 10.5(b), (ii) by way of participation in accordance with the provisions of Section 10.5(d), or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 10.5(e) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 10.5(d) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it or contemporaneous assignments to related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in Section 10.5(b)(i)(B) in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in Section 10.5(b)(i)(A), the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Revolving Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $10,000,000, unless each of the Administrative Agent and, so long as no Default or Event of Default has occurred and is continuing, Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by Section 10.5(b)(i)(B) and, in addition:

(A) the consent of Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) a Default or Event of Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof and provided, further, that Borrower's consent shall not be required during the primary syndication of the Loan; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500.00; provided that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made to (A) Borrower or any of Borrower's Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person).

(vii) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Revolving Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to Section 10.5(c), from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.10 and 10.5 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly

agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 10.5(d).

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of Borrower, shall maintain at one of its offices in Phoenix, Arizona a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person, or Borrower or any of Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) Borrower, the Administrative Agent and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 10.5 with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 10.2(c)(i), (ii) or (iii) that affects such Participant. Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.10 and 2.11 (subject to the requirements and limitations therein, including the requirements under Section 2.11(g) (it being understood that the documentation required under Section 2.11(g) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 10.5(b); provided that such Participant shall not be entitled to receive any greater payment under Section 2.10 or 2.11, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a

participation shall, acting solely for this purpose as a non-fiduciary agent of Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

10.6 Survival. All covenants, agreements, representations and warranties made by Borrower herein and in any Loan Document or other documents delivered in connection herewith or therewith or pursuant hereto or thereto shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery hereof and thereof and the making of the Revolving Loans hereunder, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Revolving Loan, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding and so long as the Commitments have not expired or been terminated. The provisions of Sections 2.10, 2.11, 10.5, 10.16 and Article 9 shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the payment in full of the Obligations, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

10.7 Counterparts; Integration; Effectiveness; Electronic Execution.

(a) Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.1, this Agreement shall become effective when it

shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (e.g., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

10.8 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section, if and to the extent that the enforceability of any provision of this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, then such provision shall be deemed to be in effect only to the extent not so limited.

10.9 Right of Setoff. In addition to, and without limitation of, any rights of the Lenders under applicable Law, if an Event of Default occurs and is continuing, any and all deposits (including all account balances, whether provisional or final and whether or not collected or available) and any other Indebtedness at any time owing by any Lender or any Affiliate of any Lender to or for the credit or account of Borrower may be offset and applied toward the payment of the Obligations owing to such Lender, whether or not the Obligations, or any part thereof, shall then be due; provided, however, that no Lender will exercise any right of setoff unless Administrative Agent consents to such exercise, or requires such exercise in Administrative Agent's sole and absolute discretion and any Lender that exercises a right of setoff without such consent or requirement hereby agrees to indemnify Administrative Agent and each other Lender for, from and against any loss, liability, claims, damages, costs and expenses arising from the exercise of such right of setoff.

10.10 Governing Law; Jurisdiction; Etc.

(a) Governing Law. This Agreement and the other Loan Documents and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions

contemplated hereby and thereby shall be governed by, and construed in accordance with, the law of the State of Arizona.

(b) Jurisdiction. Borrower irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender, or any Related Party of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of Arizona sitting in Maricopa County, and of the United States District Court of the District of Arizona, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such Arizona State court or, to the fullest extent permitted by applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent, any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against Borrower or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. Borrower irrevocably and unconditionally waives, to the fullest extent permitted by applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in Section 10.10(b). Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 10.1. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable Law.

10.11 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS

BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

10.12 JUDICIAL REFERENCE. IN THE EVENT ANY LEGAL PROCEEDING IS FILED IN A COURT OF THE STATE OF CALIFORNIA (THE "COURT") BY OR AGAINST ANY PARTY HERETO IN CONNECTION WITH ANY CONTROVERSY, DISPUTE OR CLAIM DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY) (EACH, A "CLAIM") AND THE WAIVER SET FORTH IN SECTION 10.10 IS NOT ENFORCEABLE IN SUCH ACTION OR PROCEEDING, THE PARTIES HERETO AGREE AS FOLLOWS:

(a) WITH THE EXCEPTION OF THE MATTERS SPECIFIED IN PARAGRAPH (B) BELOW, ANY CLAIM WILL BE DETERMINED BY A GENERAL REFERENCE PROCEEDING IN ACCORDANCE WITH THE PROVISIONS OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 638 THROUGH 645.1. THE PARTIES INTEND THIS GENERAL REFERENCE AGREEMENT TO BE SPECIFICALLY ENFORCEABLE IN ACCORDANCE WITH CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638. EXCEPT AS OTHERWISE PROVIDED IN THE LOAN DOCUMENTS, VENUE FOR THE REFERENCE PROCEEDING WILL BE IN THE STATE OR FEDERAL COURT IN THE COUNTY OR DISTRICT WHERE VENUE IS OTHERWISE APPROPRIATE UNDER APPLICABLE LAW.

(b) THE FOLLOWING MATTERS SHALL NOT BE SUBJECT TO A GENERAL REFERENCE PROCEEDING: (I) NON-JUDICIAL FORECLOSURE OF ANY SECURITY INTERESTS IN REAL OR PERSONAL PROPERTY, (II) EXERCISE OF SELF-HELP REMEDIES (INCLUDING, WITHOUT LIMITATION, SET-OFF), (III) APPOINTMENT OF A RECEIVER AND (IV) TEMPORARY, PROVISIONAL OR ANCILLARY REMEDIES (INCLUDING, WITHOUT LIMITATION, WRITS OF ATTACHMENT, WRITS OF POSSESSION, TEMPORARY RESTRAINING ORDERS OR PRELIMINARY INJUNCTIONS). THIS AGREEMENT DOES NOT LIMIT THE RIGHT OF ANY PARTY TO EXERCISE OR OPPOSE ANY OF THE RIGHTS AND REMEDIES DESCRIBED IN CLAUSES (I)-(IV) AND ANY SUCH EXERCISE OR OPPOSITION DOES NOT WAIVE THE RIGHT OF ANY PARTY TO A REFERENCE PROCEEDING PURSUANT TO THIS AGREEMENT.

(c) UPON THE WRITTEN REQUEST OF ANY PARTY, THE PARTIES SHALL SELECT A SINGLE REFEREE, WHO SHALL BE A RETIRED JUDGE OR JUSTICE. IF THE PARTIES DO NOT AGREE UPON A REFEREE WITHIN TEN (10) DAYS OF SUCH WRITTEN REQUEST, THEN, ANY PARTY MAY REQUEST THE COURT TO APPOINT A REFEREE PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 640(B). A REQUEST FOR APPOINTMENT OF A REFEREE MAY BE HEARD ON AN EX PARTE OR EXPEDITED BASIS, AND THE PARTIES AGREE THAT IRREPARABLE HARM WOULD RESULT IF EX PARTE RELIEF IS NOT GRANTED.

(d) ALL PROCEEDINGS AND HEARINGS CONDUCTED BEFORE THE REFEREE, EXCEPT FOR TRIAL, SHALL BE CONDUCTED WITHOUT A COURT REPORTER, EXCEPT WHEN ANY PARTY SO REQUESTS, A COURT REPORTER WILL BE USED AND THE REFEREE WILL BE PROVIDED A COURTESY COPY OF THE TRANSCRIPT. THE PARTY MAKING SUCH REQUEST SHALL HAVE THE OBLIGATION TO ARRANGE FOR AND PAY COSTS OF THE COURT REPORTER, PROVIDED THAT SUCH COSTS, ALONG WITH THE REFEREE's FEES, SHALL ULTIMATELY BE BORNE BY THE PARTY WHO DOES NOT PREVAIL, AS DETERMINED BY THE REFEREE.

(e) THE REFEREE MAY REQUIRE ONE OR MORE PREHEARING CONFERENCES. THE PARTIES HERETO SHALL BE ENTITLED TO DISCOVERY, AND THE REFEREE SHALL OVERSEE DISCOVERY IN ACCORDANCE WITH THE RULES OF DISCOVERY, AND MAY ENFORCE ALL DISCOVERY ORDERS IN THE SAME MANNER AS ANY TRIAL COURT JUDGE IN PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA. THE REFEREE SHALL APPLY THE RULES OF EVIDENCE APPLICABLE TO PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA AND SHALL DETERMINE ALL ISSUES IN ACCORDANCE WITH APPLICABLE STATE AND FEDERAL LAW. THE REFEREE SHALL BE EMPOWERED TO ENTER EQUITABLE AS WELL AS LEGAL RELIEF AND RULE ON ANY MOTION WHICH WOULD BE AUTHORIZED IN A TRIAL, INCLUDING, WITHOUT LIMITATION, MOTIONS FOR DEFAULT JUDGMENT OR SUMMARY JUDGMENT. THE REFEREE SHALL REPORT HIS DECISION, WHICH REPORT SHALL ALSO INCLUDE FINDINGS OF FACT AND CONCLUSIONS OF LAW.

(f) THE PARTIES RECOGNIZE AND AGREE THAT ALL CLAIMS RESOLVED IN A GENERAL REFERENCE PROCEEDING PURSUANT HERETO WILL BE DECIDED BY A REFEREE AND NOT BY A JURY.

10.13 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

10.14 Treatment of Certain Information; Confidentiality. Each of the Administrative Agent, the Lenders agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by applicable Laws or by any subpoena or similar legal process; (d) to any other party hereto; (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement or defense of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (ii) any actual or prospective party

(or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to Borrower and its obligations, this Agreement or payments hereunder; (g) on a confidential basis to (i) any rating agency in connection with rating Borrower or its Subsidiaries or the Loan or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Loan; (h) with the consent of Borrower; or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Administrative Agent, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than Borrower who did not acquire such information as a result of a breach of this Section. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent or any Lender in connection with the administration of this Agreement, the other Loan Documents, and the Commitments.

For purposes of this Section, "Information" means all information received from Borrower or any of its Subsidiaries relating to Borrower or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender on a nonconfidential basis prior to disclosure by Borrower or any of its Subsidiaries; provided that, in the case of information received from Borrower or any of its Subsidiaries after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

10.15 PATRIOT Act. Each Lender subject to the PATRIOT Act hereby notifies Borrower that, pursuant to the requirements of the PATRIOT Act, it may be required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow such Lender to identify Borrower in accordance with the PATRIOT Act.

10.16 Sharing of Payments. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans or participations in L/C Disbursements or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Revolving Loans or participations in L/C Disbursements and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (1) notify the Administrative Agent of such fact, and (2) purchase (for cash at face value) participations in the Revolving Loans and participations in L/C Disbursements and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in L/C Disbursements and other amounts owing them; provided that:

(a) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(b) the provisions of this paragraph shall not be construed to apply to (i) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (ii) the application of Cash Collateral provided for in Section 2.20, or (iii) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in L/C Disbursements to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this paragraph shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements subject to Section 10.9, may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

10.17 Payments Set Aside. To the extent that any payment by or on behalf of Borrower is made to the Administrative Agent, the Issuing Bank, or any Lender, or the Administrative Agent, the Issuing Bank, or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, the Issuing Bank, or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect.

10.18 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a) (i) no fiduciary, advisory or agency relationship between Borrower and its Subsidiaries and the Administrative Agent, the Issuing Bank, or any Lender is intended to be or has been created in respect of the transactions contemplated hereby or by the other Loan Documents, irrespective of whether the Administrative Agent or any Lender has advised or is advising Borrower or any Subsidiary on other matters, (ii) the arranging and other services regarding this Agreement provided by the Administrative Agent and the Lenders are arm's-length commercial transactions between Borrower and its Affiliates, on the one hand, and the Administrative Agent, the Issuing Bank, and the Lenders, on the other hand, (iii) Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent that it has deemed appropriate and (iv) Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; and (b) (i) the Administrative Agent, the Issuing Bank, and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for Borrower

or any of its Affiliates, or any other Person; (ii) none of the Administrative Agent, the Issuing Bank, and the Lenders has any obligation to Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Issuing Bank, and the Lenders and their respective Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of Borrower and its Affiliates, and none of the Administrative Agent and the Lenders has any obligation to disclose any of such interests to Borrower or its Affiliates. To the fullest extent permitted by Law, Borrower hereby waives and releases any claims that it may have against any of the Administrative Agent, and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

10.19 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder that may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(c) a reduction in full or in part or cancellation of any such liability;

(d) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(e) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

10.20 Rescission or Return of Payments. If at any time or from time to time, whether before or after payment and performance of the Obligations in full, all or any part of any amount received by Administrative Agent, Issuing Bank, or any Lender in payment of, or on account of, any Obligation is or must be, or is claimed to be, avoided, rescinded, or returned by Administrative Agent or any Lender to Borrower or any other Person for any reason whatsoever (including, without limitation, bankruptcy, insolvency, or reorganization of Borrower or any other Person), such obligation and any liens, security interests, and other encumbrances that secured such obligations at the time such avoided, rescinded, or returned payment was received by Administrative Agent, Issuing Bank or any Lender will be deemed to have continued in existence or will be reinstated, as the case may be, all as though such payment had not been received.

10.21 No Brokers. Except as disclosed to Administrative Agent in writing prior to the date of this Agreement, Borrower represents and warrants that it knows of no broker's or finder's fee due in respect of the transaction described in this Agreement and that it has not used the services of a broker or a finder in connection with this transaction.

10.22 USA PATRIOT ACT. The Administrative Agent hereby notifies Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow the Administrative Agent and each Lender to identify Borrower in accordance with the Act.

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement has been executed as of the date first above written.

BORROWER:

LANDSEA HOMES- WAB 2 LLC, a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

ADMINISTRATIVE AGENT AND LENDER:

WESTERN ALLIANCE BANK, an Arizona corporation

By: /s/ John Eidgan
Name: JOHN EIDGAN
Title: SENIOR VICE PRESIDENT

**Exhibit 10.17**

Certain portions of this document have been omitted pursuant to Item 601(b)(10) of Regulation S-K and, where applicable, have been marked with "[***]" to indicate where omissions have been made. The marked information has been omitted because it is (i) not material and (ii) would likely cause competitive harm to the registrant if publicly disclosed.

[Note: Exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K.]

**FIRST AMENDMENT TO CREDIT AGREEMENT**

This FIRST AMENDMENT TO CREDIT AGREEMENT, dated as of May 15, 2020 (this "Amendment"), is made and entered into by and among **LANDSEA HOMES- WAB 2 LLC**, a Delaware limited liability company (the "Borrower"), **WESTERN ALLIANCE BANK**, an Arizona corporation ("WAB"), as Administrative Agent (in such capacity, the "Administrative Agent"), the lenders party to the Credit Agreement, and the other Loan Parties as of the date hereof.

RECITALS:

WHEREAS, reference is made to the Credit Agreement dated as of January 15, 2020 (as amended, supplemented or otherwise modified to the date hereof, the "Credit Agreement"), by and among the Borrower, the lenders from time to time party thereto and the Administrative Agent;

WHEREAS, it is intended that (a) the Borrower will obtain the Incremental Commitments (as defined below) and (b) the proceeds of the borrowings under the Incremental Commitments will be used (i) by Borrower and its Subsidiaries as provided in the Credit Agreement and (ii) to pay fees and expenses incurred in connection with the foregoing (the transactions described in this paragraph, collectively, the "Transactions");

WHEREAS, subject to the terms and conditions of the Credit Agreement, and pursuant to Section 2.13 of the Credit Agreement, the Borrower has requested that (a) WAB provide additional Commitments for Revolving Loans in the aggregate principal amount of $ 10,000,000 (such transaction, the "Revolving Commitment Increase"), and (b) the Credit Agreement be amended in the manner provided for herein; and

WHEREAS, WAB is willing to increase its Commitment to the Borrower on the Incremental Amendment Effective Date (as defined below), and the parties hereto wish to amend the Credit Agreement on the terms and subject to the conditions set forth herein and in the Credit Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Defined Terms; Interpretation; Etc. Capitalized terms used and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

SECTION 2. Incremental Loans. WAB (also referred to herein as " Incremental Lender") will increase its Commitment to Borrower to make Revolving Loans, in each case from and after the Incremental Amendment Effective Date in U.S. Dollars in an aggregate principal amount equal to the amount under the heading "Incremental Commitment" set forth opposite such Lender's name on Schedule I attached hereto (each, an "Incremental Commitment" and, collectively, the "Incremental Commitments"), on the terms set forth herein and in the Credit Agreement (as amended hereby), and subject to the conditions set forth herein. The Incremental Commitment shall be deemed to be a "Commitment" and "Incremental Commitment" as each such term is defined in the Credit Agreement (as amended hereby) for all purposes of the Loan Documents having terms and provisions identical to those applicable to the Commitments outstanding immediately prior to the Incremental Amendment Effective Date (the "Existing Revolving Commitments").

SECTION 3. Amendments to Credit Agreement; Other Agreements.

(a) Amendments to Credit Agreement. The Credit Agreement is hereby modified as follows:

(i) The definition of "Applicable MAA Percentage" is hereby amended in its entirety and restated to provide as follows:

"Applicable MAA Percentage" means [***]

(ii) Section 3.4(b) of the Credit Agreement is amended in its entirety and restated to provide as follows:

"(b) Lot Limit; Reductions in Lot Limit. At all times, the aggregate Maximum Allowed Advance with respect to all Lots included in the Borrowing Base will not at any one time exceed the lesser of (i) 50% of the total Maximum Allowed Advances of the Eligible Assets in the Borrowing Base, or (ii) 50% of the Commitments of the Lenders. The total aggregate number of A&D Lots and Finished Lots included in the Borrowing Base for any Approved Subdivision will not exceed the Lot Limit for such Subdivision, and any of such Lots in excess of the Lot Limit will not be Eligible Assets. In Land Development Subdivisions, and for so long as such Subdivision remains a Land Development Subdivision, (i) at the end of the ninth calendar month after the initial Lot Eligibility Date for any Lot in such Subdivision, the Lot Limit for such Subdivision will reduce by 10% and (ii) as of the last day of each third month thereafter, the Lot Limit for such Subdivision will reduce by an additional 10% from the original Lot Limit for such Subdivision (e.g., only 90% of the Lots may be Eligible Assets after the ninth month, only 80% of the Lots may be Eligible Assets after the 12th month, and only 70% of the Lots may be Eligible Assets after the 15th month). Administrative Agent may determine which Lots are excluded from being classified as Eligible Assets due to the Lot Limit being exceeded."

(b) Side Letter. The parties agree the Side Letter dated January 15, 2020, by Administrative Agent, Borrower and Guarantors is terminated, and accordingly, the Margin Values of the Eligible Assets from and after the date hereof will be determined in accordance with the Credit Agreement.

(c) Marketside II Subdivision. With respect to the Subdivision known as "Marketside II", Borrower has requested that Administrative Agent and Lenders permit Real Estate Inventory in such Subdivision be classified as Eligible Assets, notwithstanding the fact that such property is encumbered by (1) a deed of trust dated November 6, 2018, for the benefit of DMB White Tank, LLC, and recorded in the official records of Maricopa County, Arizona as instrument no. 20180826779, and (2) a deed of trust dated December 27, 2019, for the benefit of VMS72 Holdings, LLC, and recorded in Maricopa County, Arizona as Instrument No. 20191056060 (such deeds of trust, individually and collectively, the "Marketside Deed of Trust"). The parties acknowledge the Marketside Deeds of Trust are not Permitted Exceptions (as defined in the Credit Agreement), however, Administrative Agent and Lenders have agreed to permit such Real Estate Inventory in the "Marketside II" project to be Eligible Assets, subject to all other

terms, conditions and limitations in the Credit Agreement, provided that the following additional terms, limitations, requirements and conditions will apply with respect to the Marketside II Subdivision:

(i) Not later than May 29, 2020, Borrower will cause the Cash Collateral Conditions to be satisfied;

(ii) Until the Cash Collateral Conditions are satisfied, if any Eligible Assets in the Borrowing Base are located within the "Marketside II" Subdivision, the total Asset Value of the Borrowing Base will be reduced by [***];

(iii) Once the Cash Collateral Conditions are satisfied, the balance of the funds in the Cash Collateral Account (the "Minimum Balance") must be no less than (1) the number of Lots and Units in the Marketside II Subdivision that are Eligible Collateral, multiplied by (2) [***]. If no Event of Default is continuing and the balance in the Cash Collateral Account exceeds the Minimum Balance, upon request by Borrower, Administrative Agent will release the excess amount in the Cash Collateral Account to Borrower concurrently with making a Revolving Loan to Borrower, provided such funds will not be released more frequently than monthly. Funds held in the Cash Collateral Account will count towards Parent's compliance with the minimum deposit requirements in Section 7.13(b) of the Credit Agreement. Upon the release of the Marketside Deeds of Trust from all Eligible Collateral in the Marketside II Subdivision, and provided no Event of Default is continuing, the funds in the Cash Collateral Account will be released to Borrower; and

(iv) If any default occurs with respect to any obligation secured by any Marketside Deeds of Trust, or any beneficiary or secured party with respect to any Marketside Deed of Trust commences the enforcement of any remedies pursuant to a Marketside Deed of Trust, then the Real Estate Inventory subject to such Marketside Deed of Trust will no longer constitute an Eligible Asset.

"Cash Collateral Conditions" means that (1) Borrower has established a deposit account (the "Cash Collateral Account ") with Western Alliance Bank and deposited into such account funds in the amount of at least [***]; and (2) Borrower has executed and delivered to Administrative Agent a cash collateral security agreement in form and substance acceptable to Administrative Agent, granting Administrative Agent a security interest in the Cash Collateral Account and all money held in such account.

SECTION 4. Conditions Precedent to Incremental Loans. This Amendment, and Incremental Lender's obligation to provide the Incremental Commitments pursuant to this Amendment, shall become effective as of the date on which the following conditions precedent are satisfied (such date, the "Incremental Amendment Effective Date"):

(a) The Administrative Agent shall have received from the Borrower, each other Loan Party and Incremental Lender a counterpart of this Amendment duly executed and delivered on behalf of such party and a fully executed consent and reaffirmation of the Intercompany Subordination Agreement, by the parties thereto, in form and substance acceptable to Administrative Agent.

(b) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders (including, without limitation, the

Incremental Lender) and dated the Incremental Amendment Effective Date) of counsel for the Loan Parties in form and substance reasonably satisfactory to the Administrative Agent.

(c) The Administrative Agent shall have received a certificate of Borrower, dated the Incremental Amendment Effective Date and in form and substance reasonably satisfactory to the Administrative Agent, executed by any Responsible Officer of Borrower, including or attaching (i) copies of resolutions of the board of directors and/or similar governing bodies of Borrower approving and authorizing the execution, delivery and performance of the Loan Documents to which it is a party, certified as of the Incremental Amendment Effective Date by a secretary, an assistant secretary or a Responsible Officer of Borrower as being in full force and effect without modification or amendment, and (ii) the documents or certifications, as applicable, referred to in paragraph (d) of this Section, or otherwise certifying such documents provided to Administrative Agent in connection with the closing of the Credit Agreement or subsequent Subsidiary Guarantees by Subsidiary Guarantors (as applicable) remain in full force and effect, and without amendment or modification.

(d) The Administrative Agent shall have received (i) as to each Loan Party, either (x) a copy of each certificate or articles of incorporation or organization or other applicable constitutive documents of such Loan Party certified, to the extent applicable, as of a recent date by the applicable Governmental Authority or (y) written certification by such Loan Party's secretary, assistant secretary or other Responsible Officer that such Loan Party's certificate or articles of incorporation or organization or other applicable constitutive documents most recently certified and delivered to the Administrative Agent prior to the Incremental Amendment Effective Date pursuant to the Loan Documents remain in full force and effect on the Incremental Amendment Effective Date without modification or amendment since such original delivery, (ii) as to each Loan Party, either (x) signature and incumbency certificates of the Responsible Officers of such Loan Party executing the Loan Documents to which it is a party or (y) written certification by such Loan Party's secretary, assistant secretary or other Responsible Officer that such Loan Party's signature and incumbency certificates most recently delivered to the Administrative Agent prior to the Incremental Amendment Effective Date pursuant to the Loan Documents remain true and correct as of the Incremental Amendment Effective Date, and (iii) a certificate of existence or good standing (to the extent such concept exists) from the applicable Governmental Authority of each Loan Party's jurisdiction of incorporation, organization or formation as of a reasonably recent date.

(e) The Administrative Agent shall have received for Incremental Lender, that shall have requested a promissory note, a duly completed and executed promissory note for Incremental Lender.

(f) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Incremental Amendment Effective Date, including reimbursement or payment of all out-of-pocket expenses (including reasonable fees, charges and disbursements of counsel) required to be reimbursed or paid by any Loan Party.

(g) The Administrative Agent shall have received such other documents and agreements as required by Administrative Agent in connection with this Amendment.

(h) The Administrative Agent shall have received such UCC search results, title reports, title policies, and title insurance endorsements as Administrative Agent shall require.

(i) The Administrative Agent and Incremental Lender shall have received, at least three Business Days prior to the Incremental Amendment Effective Date, all documentation and other information about the Borrower and the other Loan Parties as shall have been requested prior to the Incremental Amendment Effective Date by the Administrative Agent or such Incremental Lender that they shall have reasonably determined is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the USA PATRIOT Act.

(j) Upon the effectiveness of this Amendment and both immediately before and immediately after giving effect to this Amendment, no Default or Event of Default shall exist.

(k) The representations and warranties in Section 5 of this Amendment shall be true and correct in all material respects.

The Administrative Agent shall notify the Borrower and the Lenders of the Incremental Amendment Effective Date, and such notice shall be conclusive and binding.

SECTION 5. Representations and Warranties. In order to induce the Lenders, Incremental Lender and the Administrative Agent to enter into this Amendment and to induce the Incremental Lender to provide the Incremental Commitments hereunder, the Borrower hereby represents and warrants to the Lenders, Incremental Lender and the Administrative Agent on and as of the Incremental Amendment Effective Date that:

(a) Existence, Qualification and Power. The Borrower and each Loan Party (i) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (ii) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (x) own or lease its assets and carry on its business and (y) execute, deliver and perform its obligations under the Amendment and the other Loan Documents to which it is a party, and (iii) is duly qualified and is licensed and, as applicable, in good standing under the laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, except to the extent that failure to do so could not reasonably be expected to result in a Material Adverse Change.

(b) Authorization; No Contravention. The execution, delivery and performance by the Borrower of the Amendment and each Loan Document to which it is party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (i) contravene the terms of its certificate or articles of incorporation or organization or other applicable constitutive documents, (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (x) any material contractual obligation to which the Borrower is a party or affecting the Borrower or the properties of the Borrower or any Subsidiary or (y) any material order, injunction, writ or decree of any Governmental Authority or any arbitral award to which the Borrower or any Subsidiary or its property is subject or (c) violate any law in any material respect.

(c) Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Borrower of this Amendment or any other Loan

Document, except for such approvals, consents, exemptions, authorizations, actions or notices that have been duly obtained, taken or made and in full force and effect.

(d) Execution and Delivery; Binding Effect. This Amendment has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by the Loan Parties party thereto. This Amendment constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other Laws affecting creditors' rights generally and by general principles of equity.

(e) Credit Agreement Representations and Warranties. The representations and warranties of the Borrower and the other Loan Parties set forth in the Credit Agreement or in any other Loan Document are true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects) on and as of the Incremental Amendment Effective Date (or, in the case of any such representation or warranty expressly stated to have been made as of a specific date, as of such specific date).

SECTION 6. Reaffirmation of Guarantees and Security Interests. Each Loan Party hereby acknowledges its receipt of a copy of this Amendment and its review of the terms and conditions hereof and consents to the terms and conditions of this Amendment and the transactions contemplated thereby, including the extension of credit in the form of the Incremental Commitments. Each Loan Party hereby (a) affirms and confirms its guarantees, pledges, grants and other undertakings under the Credit Agreement and the other Loan Documents to which it is a party, (b) agrees that (i) each Loan Document to which it is a party shall continue to be in full force and effect and (ii) all guarantees, pledges, grants and other undertakings thereunder shall continue to be in full force and effect and shall accrue to the benefit of the Administrative Agent and Lenders, and (c) acknowledges that from and after the date hereof, all Incremental Commitments and Revolving Loans under the Credit Agreement from time to time outstanding shall be deemed to be Borrower Obligations.

SECTION 7. Miscellaneous.

(a) Release. Each Loan Party fully, finally, and forever releases and discharges Administrative Agent, Lenders and their successors, assigns, directors, officers, employees, agents, and representatives from any and all actions, causes of action, claims, debts, demands, liabilities, obligations, and suits, of whatever kind or nature, in law or equity, that such Loan Party has or in the future may have, whether known or unknown, (i) in respect of the Loan, the Loan Documents, or the actions or omissions of Administrative Agent or Lenders in respect of the Loan or the Loan Documents and (ii) arising from events occurring prior to the date of this Amendment.

(b) Recordation of the Incremental Loans. Upon execution and delivery hereof, the Administrative Agent will record in the Register the Incremental Commitments made by the Incremental Lender.

(c) Amendment, Modification and Waiver. This Amendment may not be amended and no provision hereof may be waived except pursuant to a writing signed by each of the parties hereto.

(d) Entire Agreement. This Amendment, the Credit Agreement (as amended hereby) and the other Loan Documents constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties or any of them with respect to the subject matter hereof.

(e) Governing Law. This Amendment and any claims controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Amendment and the transactions contemplated hereby shall be governed by, and construed in accordance with, the laws of the State of Arizona.

(f) Jurisdiction. The Borrower and each other Loan Party irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender, or any Related Party of the foregoing in any way relating to this Amendment, the Credit Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of Arizona sitting in Maricopa County, and of the United States District Court of the District of Arizona, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such Arizona State court or, to the fullest extent permitted by applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent, any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against Borrower or its properties in the courts of any jurisdiction.

(g) Waiver of Venue. The Borrower and each other Loan Party irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Amendment or any other Loan Document in any court referred to in paragraph (e) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(h) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 10.1 of the Credit Agreement. Nothing in this Amendment or any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

(i) WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD

NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AMENDMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. WITHOUT LIMITING THE FOREGOING WAIVER OF JURY TRIAL, SECTION 10.12 OF THE CREDIT AGREEMENT IS HEREBY INCORPORATED HEREIN BY REFERENCE.

(j) Severability. Any term or provision of this Amendment that is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Amendment or affecting the validity or enforceability of any of the terms or provisions of this Amendment in any other jurisdiction. If any provision of this Amendment is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.

(k) Counterparts; Integration; Effectiveness. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5 hereof, this Amendment shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Amendment.

(l) Headings. The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

(m) Reference to and Effect on the Credit Agreement and the Other Loan Documents. On and after the Incremental Amendment Effective Date, each reference in the Credit Agreement to "this Agreement", "hereunder", "herein" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to the "Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment. Except as specifically amended by this Amendment, the Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed and this Amendment shall not be considered a novation. The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Administrative Agent or Lender under, the Credit Agreement or any of the other Loan Documents. This Amendment shall be deemed to be a Loan Document as defined in the Credit Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

ADMINISTRATIVE AGENT:

WESTERN ALLIANCE BANK, an Arizona corporation

By: /s/ Tim R. Brackner
Name: Tim R. Brackner
Title: CCO

LENDER:

WESTERN ALLIANCE BANK, an Arizona corporation

By: /s/ Tim R. Brackner
Name: Tim R. Brackner
Title: CCO

BORROWER:

LANDSEA HOMES- WAB 2 LLC, a Delaware limited liability company

By: /s/ John Ho
John Ho, Chief Executive Officer

GUARANTOR:

LANDSEA HOLDINGS CORPORATION, a Delaware corporation

By: /s/ John Ho
John Ho, Chief Executive Officer

GUARANTOR:

LANDSEA HOMES INCORPORATED, a Delaware corporation

By: /s/ John Ho
John Ho, Chief Executive Officer

GUARANTOR:

GARRETT WALKER HOMES, LLC, an Arizona limited liability company

By: /s/ John Ho
John Ho, Chief Executive Officer

[Signature Page to First Amendment to Credit Agreement]

GUARANTOR:

AV1, LLC, an Arizona limited liability company

By: /s/ John Ho
John Ho, Chief Executive Officer

[Signature Page to First Amendment to Credit Agreement]

GUARANTOR:

GWH NCC, LLC, an Arizona limited liability company

By: /s/ John Ho
John Ho, Chief Executive Officer

GUARANTOR:

GWH MOUNTAIN VIEWS, LLC, an Arizona limited liability company

By: /s/ John Ho
John Ho, Chief Executive Officer

GUARANTOR:

BETHANY RANCH, LLC, an Arizona limited liability company

By: /s/ John Ho
John Ho, Chief Executive Officer

GUARANTOR:

GWH GRAND VILLAGE, LLC, an Arizona limited liability company

By: /s/ John Ho
John Ho, Chief Executive Officer

GUARANTOR:

GWH NCC-71, LLC, an Arizona limited liability company

By: /s/ John Ho
John Ho, Chief Executive Officer

GUARANTOR:

GWH PARK FOREST, LLC, an Arizona limited liability company

By: /s/ John Ho
John Ho, Chief Executive Officer

GUARANTOR:

GWH WEST POINTE ESTATES, LLC, an Arizona limited liability company

By: /s/ John Ho
John Ho, Chief Executive Officer

[Signature Page to First Amendment to Credit Agreement]

GUARANTOR:

GWH WEST POINTE VILLAGE, LLC, an Arizona limited liability company

By: /s/ John Ho
John Ho, Chief Executive Officer

GUARANTOR:

GWH TRENTON PARK, LLC, an Arizona limited liability company

By: /s/ John Ho
John Ho, Chief Executive Officer

GUARANTOR:

GWH SUNDANCE, LLC, an Arizona limited liability company

By: /s/ John Ho
John Ho, Chief Executive Officer

GUARANTOR:

GWH NORTHERN FARMS, LLC, an Arizona limited liability company

By: /s/ John Ho
John Ho, Chief Executive Officer

GUARANTOR:

GWH NCC 13 & 14, LLC, an Arizona limited liability company

By: /s/ John Ho
John Ho, Chief Executive Officer

GUARANTOR:

ACOMA COURT, LLC, an Arizona limited liability company

By: /s/ John Ho
John Ho, Chief Executive Officer

GUARANTOR:

PINNACLE WEST HOMES M72 LLC, an Arizona limited liability company

By: /s/ John Ho
Name: John Ho
Title: Chief Executive Officer

GUARANTOR:

LS-ONTARIO LLC, a Delaware limited liability company

By: /s/ John Ho
Name: John Ho
Title: Chief Executive Officer

GUARANTOR:

GWH SUNSET FARMS, LLC, an Arizona limited liability company

By: /s/ John Ho
Name: John Ho
Title: Chief Executive Officer

GUARANTOR:

GWH NCC 9 & H, LLC, an Arizona limited liability company

By: /s/ John Ho
Name: John Ho
Title: Chief Executive Officer

**Exhibit 10.18**

Certain portions of this document have been omitted pursuant to Item 601(b)(10) of Regulation S-K and, where applicable, have been marked with "[***]" to indicate where omissions have been made. The marked information has been omitted because it is (i) not material and (ii) would likely cause competitive harm to the registrant if publicly disclosed.

[Note: Exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K.]

**SECOND AMENDMENT TO CREDIT AGREEMENT**

This SECOND AMENDMENT TO CREDIT AGREEMENT, dated as of October 27, 2020 (this "Amendment"), is made and entered into by and among **LANDSEA HOMES- WAB 2 LLC**, a Delaware limited liability company (the "Borrower"), **WESTERN ALLIANCE BANK**, an Arizona corporation ("WAB"), as Administrative Agent (in such capacity, the "Administrative Agent"), the lenders party to the Credit Agreement, and the other Loan Parties as of the date hereof.

RECITALS:

WHEREAS, reference is made to the Credit Agreement dated as of January 15, 2020, by and among the Borrower, the lenders from time to time party thereto and the Administrative Agent, as amended by the First Amendment to Credit Agreement dated as of May 15, 2020 (and as may be further amended, supplemented or otherwise modified to the date hereof, the "Credit Agreement");

WHEREAS, it is intended that (a) the Borrower will obtain the Incremental Commitments (as defined below) and (b) the proceeds of the borrowings under the Incremental Commitments will be used (i) by Borrower and its Subsidiaries as provided in the Credit Agreement and (ii) to pay fees and expenses incurred in connection with the foregoing (the transactions described in this paragraph, collectively, the "Transactions");

WHEREAS, subject to the terms and conditions of the Credit Agreement, and pursuant to Section 2.13 of the Credit Agreement, the Borrower has requested that (a) WAB provide additional Commitments for Revolving Loans in the aggregate principal amount of $ 15,000,000 (such transaction, the "Revolving Commitment Increase"), and (b) the Credit Agreement be amended in the manner provided for herein; and

WHEREAS, WAB is willing to increase its Commitment to the Borrower on the Amendment Effective Date (as defined below), and the parties hereto wish to amend the Credit Agreement on the terms and subject to the conditions set forth herein and in the Credit Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Defined Terms; Interpretation; Etc. Capitalized terms used and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

SECTION 2. Incremental Loans. WAB (also referred to herein as "Incremental Lender") will increase its Commitment to Borrower to make Revolving Loans, in each case from and after the Amendment Effective Date in U.S. Dollars in an aggregate principal amount equal to the amount under the heading "Incremental Commitment" set forth opposite such Lender's name on Schedule I attached hereto (each, an "Incremental Commitment" and, collectively, the "Incremental Commitments"), on the terms set forth herein and in the Credit Agreement (as amended hereby), and subject to the conditions set forth herein. The Incremental Commitment shall be deemed to be a "Commitment" and "Incremental Commitment" as each such term is defined in the Credit Agreement (as amended hereby) for all purposes of the Loan Documents having terms and provisions identical to those applicable to the Commitments outstanding immediately prior to the Amendment Effective Date (the "Existing Revolving Commitments").

SECTION 3. Amendments to Credit Agreement; Other Agreements.

(a) The following amendments are made to the Credit Agreement:

(i) The following definitions are hereby added to Section 1.1 of the Credit Agreement:

"Subdivision Escrow Agreement" means, for any Subdivision, an escrow agreement among the Project Owner, Administrative Agent and the escrow agent for retail closings of Units in such Subdivision, in form and substance reasonably acceptable to Administrative Agent.

(ii) The following definitions in Section 1.1 of the Credit Agreement are hereby amended to provide as follows:

"Maturity Date" means January 15, 2024, as such date may be extended pursuant to Section 2.7(a).

(iii) The following provision is hereby added to the Credit Agreement as Section 6.4(i):

(i) Escrow Instructions. With respect to each Approved Subdivision, if required by Administrative Agent, Borrower will, and will cause the escrow agent engaged to provide escrow services for retail sales of Units to, execute a Subdivision Escrow Agreement with respect to such Subdivision.

(b) Centerra Subdivision. With respect to the Subdivision known as "Centerra", Borrower has requested that Administrative Agent and Lenders permit Real Estate Inventory in such Subdivision be classified as Eligible Assets, notwithstanding the fact that such property is encumbered by one or more deeds of trust by Pinnacle West Homes Centerra LLC, for the benefit of Flying V. Land Partners, LLC (such deeds of trust, individually and collectively, the "Centerra Deeds of Trust"). The parties acknowledge the Centerra Deeds of Trust are not Permitted Exceptions (as defined in the Credit Agreement), however, Administrative Agent and Lenders have agreed to permit such Real Estate Inventory in the "Centerra" project to be Eligible Assets, subject to all other terms, conditions and limitations in the Credit Agreement, provided that the following additional terms, limitations, requirements and conditions will apply with respect to the Centerra Subdivision:

(i) Not later than October 28, 2020, Borrower will cause the Centerra Cash Collateral Conditions to be satisfied;

(ii) Until the Centerra Cash Collateral Conditions are satisfied, if any Eligible Assets in the Borrowing Base are located within the "Centerra" Subdivision, the total Asset Value of the Borrowing Base will be reduced by [***];

(iii) Once the Centerra Cash Collateral Conditions are satisfied, the balance of the funds in the Centerra Cash Collateral Account (the "Minimum Centerra Balance") must be no less than (1) the number of Lots and Units in the Centerra Subdivision that are Eligible Collateral, multiplied by (2) [***]. Calculation of the Minimum Centerra Balance will be made without including any other funds designated as cash collateral for obligations of Borrower owed to Administrative Agent and Lenders. If no Event of Default is continuing and the

balance in the Centerra Cash Collateral Account exceeds the Minimum Balance, upon request by Borrower, Administrative Agent will release the excess amount in the Centerra Cash Collateral Account to Borrower concurrently with making a Revolving Loan to Borrower, provided such funds will not be released more frequently than monthly. Funds held in the Centerra Cash Collateral Account will count towards Parent's compliance with the minimum deposit requirements in Section 7.13(b) of the Credit Agreement. Upon the release of the Centerra Deeds of Trust from all Eligible Collateral in the Centerra Subdivision, and provided no Event of Default is continuing, the funds in the Centerra Cash Collateral Account will be released to Borrower; and

(iv) If any default occurs with respect to any obligation secured by any Centerra Deed of Trust, or any beneficiary or secured party with respect to any Centerra Deed of Trust commences the enforcement of any remedies pursuant to a Centerra Deed of Trust, then the Real Estate Inventory subject to such Centerra Deed of Trust will no longer constitute an Eligible Asset.

"Centerra Cash Collateral Conditions" means that (1) Borrower has established a deposit account (the "Centerra Cash Collateral Account") with Western Alliance Bank and deposited into such account funds in the amount of at least [***]; and (2) Borrower has executed and delivered to Administrative Agent a Cash Collateral security agreement in form and substance acceptable to Administrative Agent, granting Administrative Agent a security interest in the Cash Collateral Account and all money held in such account.

(c) Destiny Subdivision. With respect to the Subdivision known as "Destiny", Borrower has requested that Administrative Agent and Lenders permit Real Estate Inventory in such Subdivision be classified as Eligible Assets, notwithstanding the fact that such property is encumbered by one or more Deeds of Trust by Pinnacle West Homes Destiny LLC, for the benefit of V68 Holdings, LLC (such deeds of trust, individually and collectively, the "Destiny Deeds of Trust"). The parties acknowledge the Destiny Deeds of Trust are not Permitted Exceptions (as defined in the Credit Agreement), however, Administrative Agent and Lenders have agreed to permit such Real Estate Inventory in the "Destiny" project to be Eligible Assets, subject to all other terms, conditions and limitations in the Credit Agreement, provided that the following additional terms, limitations, requirements and conditions will apply with respect to the Destiny Subdivision:

(i) Not later than October 28, 2020, Borrower will cause the Destiny Cash Collateral Conditions to be satisfied;

(ii) Until the Destiny Cash Collateral Conditions are satisfied, if any Eligible Assets in the Borrowing Base are located within the "Destiny" Subdivision, the total Asset Value of the Borrowing Base will be reduced by [***];

(iii) Once the Destiny Cash Collateral Conditions are satisfied, the balance of the funds in the Destiny Cash Collateral Account (the "Minimum Destiny Balance") must be no less than (1) the number of Lots and Units in the Destiny Subdivision that are Eligible Collateral, multiplied by (2) [***]. Calculation of the Minimum Destiny Balance will be made without including any other funds designated as cash collateral for obligations of Borrower owed to Administrative Agent and Lenders. If no Event of Default is continuing and the balance in the Destiny Cash Collateral Account exceeds the Minimum Balance, upon request by Borrower, Administrative Agent will release the excess amount in the Destiny Cash

Collateral Account to Borrower concurrently with making a Revolving Loan to Borrower, provided such funds will not be released more frequently than monthly. Funds held in the Destiny Cash Collateral Account will count towards Parent's compliance with the minimum deposit requirements in Section 7.13(b) of the Credit Agreement. Upon the release of the Destiny Deeds of Trust from all Eligible Collateral in the Destiny Subdivision, and provided no Event of Default is continuing, the funds in the Destiny Cash Collateral Account will be released to Borrower; and

(iv) If any default occurs with respect to any obligation secured by any Destiny Deed of Trust, or any beneficiary or secured party with respect to any Destiny Deed of Trust commences the enforcement of any remedies pursuant to a Destiny Deed of Trust, then the Real Estate Inventory subject to such Destiny Deed of Trust will no longer constitute an Eligible Asset.

"Destiny Cash Collateral Conditions" means that (1) Borrower has established a deposit account (the "Destiny Cash Collateral Account") with Western Alliance Bank and deposited into such account funds in the amount of at least [***]; and (2) Borrower has executed and delivered to Administrative Agent a Cash Collateral security agreement in form and substance acceptable to Administrative Agent, granting Administrative Agent a security interest in the Cash Collateral Account and all money held in such account.

(d) Post-Closing Requirement. Not later than 45 days after the date of this Amendment, Borrower will obtain ALTA Owners Title Insurance Policies in form and substance and with an insurance amount reasonably acceptable to Administrative Agent, and insuring (i) Pinnacle West Homes Centerra, LLC, an Arizona limited liability company, is the owner of the fee simple interest in the Real Estate Inventory commonly referred to as the "Centerra" Subdivision, subject only to Permitted Exceptions and the Centerra Deeds of Trust, and (ii) Pinnacle West Homes Destiny, LLC, an Arizona limited liability company, is the owner of the fee simple interest in the Real Estate Inventory commonly referred to as the "Destiny" Subdivision, subject only to Permitted Exceptions and the Destiny Deeds of Trust.

SECTION 4. Conditions Precedent to Incremental Loans. This Amendment, and Incremental Lender's obligation to provide the Incremental Commitments pursuant to this Amendment, shall become effective as of the date on which the following conditions precedent are satisfied (such date, the "Amendment Effective Date"):

(a) The loan commitment by Western Alliance Bank made pursuant to the Master Revolving Line of Credit Agreement (Revolving Construction Loan Facility – Residential) dated October 19, 2018 by Western Alliance Bank, as lender, and Pinnacle West Homes E48 LLC, an Arizona limited liability company, Pinnacle West Homes Encanta LLC, an Arizona limited liability company, Pinnacle West Homes And Development, LLC, an Arizona limited liability company; Pinnacle West Homes Destiny LLC, an Arizona limited liability company; and Pinnacle West Homes Centerra LLC, an Arizona limited liability company, shall have been canceled and all amounts owing with respect to such credit agreement shall have been repaid in full.

(b) The Administrative Agent shall have received from the Borrower, each other Loan Party and Incremental Lender a counterpart of this Amendment duly executed and delivered on behalf of such party and a fully executed consent and reaffirmation of the Intercompany

Subordination Agreement, by the parties thereto, in form and substance acceptable to Administrative Agent.

(c) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders (including, without limitation, the Incremental Lender) and dated the Amendment Effective Date) of counsel for the Loan Parties in form and substance reasonably satisfactory to the Administrative Agent.

(d) The Administrative Agent shall have received a certificate of Borrower, dated the Amendment Effective Date and in form and substance reasonably satisfactory to the Administrative Agent, executed by any Responsible Officer of Borrower, including or attaching (i) copies of resolutions of the board of directors and/or similar governing bodies of Borrower approving and authorizing the execution, delivery and performance of the Loan Documents to which it is a party, certified as of the Amendment Effective Date by a secretary, an assistant secretary or a Responsible Officer of Borrower as being in full force and effect without modification or amendment, and (ii) the documents or certifications, as applicable, referred to in paragraph (d) of this Section, or otherwise certifying such documents provided to Administrative Agent in connection with the closing of the Credit Agreement or subsequent Subsidiary Guarantees by Subsidiary Guarantors (as applicable) remain in full force and effect, and without amendment or modification.

(e) The Administrative Agent shall have received (i) as to each Loan Party, either (x) a copy of each certificate or articles of incorporation or organization or other applicable constitutive documents of such Loan Party certified, to the extent applicable, as of a recent date by the applicable Governmental Authority or (y) written certification by such Loan Party's secretary, assistant secretary or other Responsible Officer that such Loan Party's certificate or articles of incorporation or organization or other applicable constitutive documents most recently certified and delivered to the Administrative Agent prior to the Amendment Effective Date pursuant to the Loan Documents remain in full force and effect on the Amendment Effective Date without modification or amendment since such original delivery, (ii) as to each Loan Party, either (x) signature and incumbency certificates of the Responsible Officers of such Loan Party executing the Loan Documents to which it is a party or (y) written certification by such Loan Party's secretary, assistant secretary or other Responsible Officer that such Loan Party's signature and incumbency certificates most recently delivered to the Administrative Agent prior to the Amendment Effective Date pursuant to the Loan Documents remain true and correct as of the Amendment Effective Date, and (iii) a certificate of existence or good standing (to the extent such concept exists) from the applicable Governmental Authority of each Loan Party's jurisdiction of incorporation, organization or formation as of a reasonably recent date.

(f) The Administrative Agent shall have received for Incremental Lender, that shall have requested a promissory note, a duly completed and executed promissory note for Incremental Lender.

(g) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Amendment Effective Date, including reimbursement or payment of all out-of-pocket expenses (including reasonable fees, charges and disbursements of counsel) required to be reimbursed or paid by any Loan Party.

(h) The Administrative Agent shall have received an extension fee in the amount provided in the Fee Letter.

(i) The Administrative Agent shall have received such other documents and agreements as required by Administrative Agent in connection with this Amendment.

(j) The Administrative Agent shall have received such UCC search results, title reports, title policies, and title insurance endorsements as Administrative Agent shall require.

(k) The Administrative Agent and Incremental Lender shall have received, at least three Business Days prior to the Amendment Effective Date, all documentation and other information about the Borrower and the other Loan Parties as shall have been requested prior to the Amendment Effective Date by the Administrative Agent or such Incremental Lender that they shall have reasonably determined is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the USA PATRIOT Act.

(l) Upon the effectiveness of this Amendment and both immediately before and immediately after giving effect to this Amendment, no Default or Event of Default shall exist.

(m) The representations and warranties in Section 5 of this Amendment shall be true and correct in all material respects.

The Administrative Agent shall notify the Borrower and the Lenders of the Amendment Effective Date, and such notice shall be conclusive and binding.

SECTION 5. Representations and Warranties. In order to induce the Lenders, Incremental Lender and the Administrative Agent to enter into this Amendment and to induce the Incremental Lender to provide the Incremental Commitments hereunder, the Borrower hereby represents and warrants to the Lenders, Incremental Lender and the Administrative Agent on and as of the Amendment Effective Date that:

(a) Existence, Qualification and Power. The Borrower and each Loan Party (i) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (ii) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (x) own or lease its assets and carry on its business and (y) execute, deliver and perform its obligations under the Amendment and the other Loan Documents to which it is a party, and (iii) is duly qualified and is licensed and, as applicable, in good standing under the laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, except to the extent that failure to do so could not reasonably be expected to result in a Material Adverse Change.

(b) Authorization; No Contravention. The execution, delivery and performance by the Borrower of the Amendment and each Loan Document to which it is party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (i) contravene the terms of its certificate or articles of incorporation or organization or other applicable constitutive documents, (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (x) any material contractual obligation to which the Borrower is a party or affecting the Borrower or the properties of the Borrower or any Subsidiary or (y) any material order, injunction, writ or decree of any Governmental Authority or any arbitral award to which the Borrower or any Subsidiary or its property is subject or (c) violate any law in any material respect.

(c) Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Borrower of this Amendment or any other Loan Document, except for such approvals, consents, exemptions, authorizations, actions or notices that have been duly obtained, taken or made and in full force and effect.

(d) Execution and Delivery; Binding Effect. This Amendment has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by the Loan Parties party thereto. This Amendment constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other Laws affecting creditors' rights generally and by general principles of equity.

(e) Credit Agreement Representations and Warranties. The representations and warranties of the Borrower and the other Loan Parties set forth in the Credit Agreement or in any other Loan Document are true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects) on and as of the Amendment Effective Date (or, in the case of any such representation or warranty expressly stated to have been made as of a specific date, as of such specific date).

SECTION 6. Reaffirmation of Guarantees and Security Interests. Each Loan Party hereby acknowledges its receipt of a copy of this Amendment and its review of the terms and conditions hereof and consents to the terms and conditions of this Amendment and the transactions contemplated thereby, including the extension of credit in the form of the Incremental Commitments. Each Loan Party hereby (a) affirms and confirms its guarantees, pledges, grants and other undertakings under the Credit Agreement and the other Loan Documents to which it is a party, (b) agrees that (i) each Loan Document to which it is a party shall continue to be in full force and effect and (ii) all guarantees, pledges, grants and other undertakings thereunder shall continue to be in full force and effect and shall accrue to the benefit of the Administrative Agent and Lenders, and (c) acknowledges that from and after the date hereof, all Incremental Commitments and Revolving Loans under the Credit Agreement from time to time outstanding shall be deemed to be Borrower Obligations.

SECTION 7. Miscellaneous.

(a) Release. Each Loan Party fully, finally, and forever releases and discharges Administrative Agent, Lenders and their successors, assigns, directors, officers, employees, agents, and representatives from any and all actions, causes of action, claims, debts, demands, liabilities, obligations, and suits, of whatever kind or nature, in law or equity, that such Loan Party has or in the future may have, whether known or unknown, (i) in respect of the Loan, the Loan Documents, or the actions or omissions of Administrative Agent or Lenders in respect of the Loan or the Loan Documents and (ii) arising from events occurring prior to the date of this Amendment.

(b) Recordation of the Incremental Loans. Upon execution and delivery hereof, the Administrative Agent will record in the Register the Incremental Commitments made by the Incremental Lender.

(c) Amendment, Modification and Waiver. This Amendment may not be amended and no provision hereof may be waived except pursuant to a writing signed by each of the parties hereto.

(d) Entire Agreement. This Amendment, the Credit Agreement (as amended hereby) and the other Loan Documents constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties or any of them with respect to the subject matter hereof.

(e) Governing Law. This Amendment and any claims controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Amendment and the transactions contemplated hereby shall be governed by, and construed in accordance with, the laws of the State of Arizona.

(f) Jurisdiction. The Borrower and each other Loan Party irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender, or any Related Party of the foregoing in any way relating to this Amendment, the Credit Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of Arizona sitting in Maricopa County, and of the United States District Court of the District of Arizona, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such Arizona State court or, to the fullest extent permitted by applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent, any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against Borrower or its properties in the courts of any jurisdiction.

(g) Waiver of Venue. The Borrower and each other Loan Party irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Amendment or any other Loan Document in any court referred to in paragraph (e) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(h) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 10.1 of the Credit Agreement. Nothing in this Amendment or any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

(i) WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT

OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AMENDMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. WITHOUT LIMITING THE FOREGOING WAIVER OF JURY TRIAL, SECTION 10.12 OF THE CREDIT AGREEMENT IS HEREBY INCORPORATED HEREIN BY REFERENCE.

(j) Severability. Any term or provision of this Amendment that is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Amendment or affecting the validity or enforceability of any of the terms or provisions of this Amendment in any other jurisdiction. If any provision of this Amendment is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.

(k) Counterparts; Integration; Effectiveness. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5 hereof, this Amendment shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or in electronic (i.e., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of this Amendment.

(l) Headings. The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

(m) Reference to and Effect on the Credit Agreement and the Other Loan Documents. On and after the Amendment Effective Date, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “herein” or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to the “Credit Agreement”, “thereunder”, “thereof” or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment. Except as specifically amended by this Amendment, the Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed and this Amendment shall not be considered a novation. The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Administrative Agent or Lender under, the Credit Agreement or any of the other Loan Documents. This Amendment shall be deemed to be a Loan Document as defined in the Credit Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

**ADMINISTRATIVE AGENT:**

**WESTERN ALLIANCE BANK,** an Arizona corporation

By: /s/ John Eldean
Name: JOHN ELDEAN
Title: SVP

**LENDER:**

**WESTERN ALLIANCE BANK,** an Arizona corporation

By: /s/ John Eldean
Name: JOHN ELDEAN
Title: SVP

**BORROWER:**

**LANDSEA HOMES- WAB 2 LLC,** a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

**GUARANTOR:**

**LANDSEA HOLDINGS CORPORATION,** a Delaware corporation

By: /s/ John Ho
John Ho, Chief Executive Officer

**GUARANTORS:**

**LANDSEA HOMES INCORPORATED,** a Delaware corporation
**GARRETT WALKER HOMES, LLC,** an Arizona limited liability company
**AV1, LLC,** an Arizona limited liability company
**GWH NCC, LLC,** an Arizona limited liability company
**GWH MOUNTAIN VIEWS, LLC,** an Arizona limited liability company
**BETHANY RANCH, LLC,** an Arizona limited liability company
**GWH GRAND VILLAGE, LLC,** an Arizona limited liability company
**GWH NCC-71, LLC,** an Arizona limited liability company
**GWH PARK FOREST, LLC,** an Arizona limited liability company
**GWH WEST POINTE ESTATES, LLC,** an Arizona limited liability company
**GWH WEST POINTE VILLAGE, LLC,** an Arizona limited liability company
**GWH TRENTON PARK, LLC,** an Arizona limited liability company
**GWH SUNDANCE, LLC,** an Arizona limited liability company
**GWH NORTHERN FARMS, LLC,** an Arizona limited liability company
**GWH NCC 13 & 14, LLC,** an Arizona limited liability company
**ACOMA COURT, LLC,** an Arizona limited liability company
**PINNACLE WEST HOMES M72 LLC,** an Arizona limited liability company
**GWH SUNSET FARMS, LLC,** an Arizona limited liability company
**GWH NCC 9 & 11, LLC,** an Arizona limited liability company
**GWH SUNRISE, LLC,** an Arizona limited liability company
**PINNACLE WEST HOMES CENTERRA, LLC,** an Arizona limited liability company
**PINNACLE WEST HOMES DESTINY, LLC,** an Arizona limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

[Note: Exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K.]

**THIRD AMENDMENT TO CREDIT AGREEMENT**

This THIRD AMENDMENT TO CREDIT AGREEMENT, dated as of December 30, 2020 (this "Amendment"), is made and entered into by and among **LANDSEA HOMES- WAB 2 LLC**, a Delaware limited liability company (the "Borrower"), **WESTERN ALLIANCE BANK**, an Arizona corporation ("WAB"), as Administrative Agent (in such capacity, the "Administrative Agent"), the lenders party to the Credit Agreement, and the other Loan Parties as of the date hereof.

RECITALS:

WHEREAS, reference is made to the Credit Agreement dated as of January 15, 2020, by and among the Borrower, the lenders from time to time party thereto and the Administrative Agent, as amended by the First Amendment to Credit Agreement dated as of May 15, 2020, and Second Amendment to Credit Agreement dated as of October 27, 2020 (and as may be further amended, supplemented or otherwise modified to the date hereof, the "Credit Agreement");

WHEREAS, Landsea Holdings Corporation, a Delaware corporation ("LHC"), Landsea Homes Incorporated, a Delaware corporation ("LHI"), LF Capital Acquisition Corp., a Delaware corporation ("LF Capital"), and LFCA Merger Sub, Inc. ("LF Merger Sub") entered into that certain Agreement and Plan of Merger dated as of August 31, 2020 (the "Merger Agreement"), pursuant to which, among other things, upon the Closing (as defined in the Merger Agreement), LF Merger Sub will merge with and into LHI, with LHI being the surviving corporation (the "Merger");

WHEREAS, upon the effectiveness of the Merger, LHC shall be released from its Guaranty under the Credit Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Defined Terms; Interpretation; Etc. Capitalized terms used and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

SECTION 2. Amendments to Credit Agreement; Other Agreements.

(a) The following amendments are made to the Credit Agreement:

(i) The following definitions are hereby added to Section 1.1 of the Credit Agreement:

"Landsea Homes Corp." means Landsea Homes Corporation, a Delaware corporation.

"LHC" means Landsea Holdings Corporation, a Delaware corporation.

"LHC Control Event" means LHC shall cease to directly own and Control 100% of the Equity Interests of LHI, free and clear of all Liens and Encumbrances; provided, however , if the Merger Effective Date occurs on or prior to December 31, 2020, then from and after the Merger Effective Date, "LHC Control Event" will mean (a) LHC shall cease to directly own and Control at least 50.1% of the Equity Interests of Landsea Homes Corp., free and clear of all Liens and Encumbrances, or (b) Landsea Homes Corp. shall cease to directly own and Control 100% of the Equity Interests of LHI, free and clear of all Liens and Encumbrances.

"Merger Agreement" means that certain Agreement and Plan of Merger dated as of August 31, 2020, by and among Landsea Holdings Corporation, a Delaware corporation, Landsea Homes Incorporated, a Delaware corporation, LF Capital Acquisition Corp., a Delaware corporation, and LFCA Merger Sub, Inc.

"Merger Effective Date" means the effective date of the Closing (as defined in the Merger Agreement).

(ii) The following definitions in Section 1.1 of the Credit Agreement are hereby amended to provide as follows:

"Change of Control" means the occurrence of any of the following:

(a) The occurrence of an LHC Control Event;

(b) LHI shall cease to (i) directly own 100% of the Equity Interests of Borrower, free and clear of all Liens and Encumbrances (other than the Pledge Agreement in favor of Administrative Agent), or (ii) Control Borrower;

(c) Any Project Owner or Intermediate Entity shall cease to (i) be Wholly-Owned by Borrower, free and clear of all Liens and Encumbrances (other than the Pledge Agreement in favor of Administrative Agent), or (ii) be Controlled by Borrower; and

(d) an event or series of events by which: (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its Subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such

person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right")), directly or indirectly, of 25% or more of the Equity Interests of the Parent entitled to vote for members of the board of directors or equivalent governing body of the Parent on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right); or (ii) during any period of twenty-four (24) consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Parent cease to be composed of individuals (A) who were members of that board or equivalent governing body on the first day of such period, (B) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (A) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (C) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (A) and (B) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.

"Guarantor" means, individually and collectively, Parent, LHI and each Subsidiary Guarantor; provided, from and after the Merger Effective Date, "Guarantor" will mean individually and collectively LHI and each Subsidiary Guarantor.

"Intercompany Subordination Agreement" means a Subordination Agreement with respect to all Indebtedness of LHC owing to any Affiliate of LHC in form and content approved by Administrative Agent in its sole and absolute discretion.

"Parent" means (a) prior to the Merger Effective Date, LHC; and (b) from and after the Merger Effective Date, LHI.

"Permitted Subordinated Debt" means (a) prior to the Merger Effective Date, the Indebtedness subject to subordination in the Intercompany Subordination Agreement; and (b) from and after the Merger Effective Date, such Indebtedness as approved by Administrative Agent, in its sole discretion, that is subordinated to the applicable Person's obligations under the Loan Documents pursuant to a subordination agreement acceptable to Administrative Agent in its sole discretion.

"Required Tangible Net Worth" means (a) as of December 31, 2019, March 31, 2020, June 30, 2020, and September 30, 2020, an amount equal to 50% of LHC's Tangible Net Worth as of December 31, 2019 (the "Baseline Net Worth"); and (b) as of December 31, 2020, and the end of each Fiscal Quarter thereafter, an amount equal to the sum of (i) the Baseline Net Worth

plus (ii) the cumulative amount of 50% of the Parent's Net Income for each Fiscal Year ending after December 31, 2019; provided, (A) if in any Fiscal Year, Parent's Net Income is less than $0, the Net Income amount for such Fiscal Year will be excluded from the Required Tangible Net Worth, and (B) if the Merger Effective Date occurs on or prior to December 31, 2020, for purposes of the determining Parent's Net Income during the calendar year 2020, such Net Income will equal LHC's Net Income from January 1, 2020 through June 30, 2020, plus LHI's Net Income from July 1, 2020 through December 31, 2020. If the Merger Effective Date does not occur on or prior to December 31, 2020, then the adjustments in clause (B) will not be effective.

"Tangible Net Worth" means the sum of (a) the Parent's consolidated total assets; minus (b) intangible assets (goodwill, patents, trademarks, trade names, organizational expense, treasury stock, monies due from affiliates, officers, directors or shareholders of Parent and other intangibles); minus (c) Consolidated Debt of Parent, plus (d) for time periods occurring prior to the Merger Effective Date, the Subordinated Debt pursuant to the Intercompany Subordination Agreement and (without duplication) accrued unpaid interest on such Subordinated Debt.

(iii) Section 5.1(n)(ii) of the Credit Agreement is amended in its entirety and restated to provide as follows:

(ii) Ownership of Equity Interests. (A) No LHC Control Event has occurred; (B) LHI owns and Controls all of the Equity Interests of Borrower; and (C) Borrower owns and Controls all of the Equity Interests in the Intermediate Entities and the Project Owners (which may be through one or more Intermediate Entities).

(iv) Section 5.1(r) of the Credit Agreement is amended in its entirety and restated to provide as follows:

(r) Sanctions; Anti-Corruption.

(i) None of Borrower, LHC, LHI, any of their respective Subsidiaries or any director, officer, employee, agent, or Affiliate of LHI, LHC, Borrower or any of their respective Subsidiaries is an individual or entity ("person") that is, or is owned or controlled by persons that are: (A) the subject of any sanctions administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority (collectively, "Sanctions"), or (B) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions (including Crimea, Cuba, Iran, North Korea, Sudan and Syria).

(ii) LHC, LHI, Borrower, their respective Subsidiaries and their respective directors, officers and employees and, to the knowledge of Borrower, the agents of Borrower and its Subsidiaries, are in compliance with all applicable Sanctions and with the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA") and any other applicable anti-corruption law, in all material respects. Parent, Borrower and their respective Subsidiaries have instituted and maintain policies and procedures designed to ensure continued compliance with applicable Sanctions, the FCPA and any other applicable anti-corruption laws.

(v) Section 6.5(b) of the Credit Agreement is amended in its entirety and restated to provide as follows:

(b) Annual Statements – Parent. Within one hundred twenty (120) days after the close of each Fiscal Year of Parent, unqualified, audited annual financial statements of Parent, certified and signed by the chief financial officer of Parent, respectively, in form satisfactory to Administrative Agent, and audited by PricewaterhouseCoopers or another nationally recognized independent certified public accountants reasonably acceptable to Administrative Agent, prepared in accordance with GAAP in each case on a consolidated and consolidating basis, including balance sheets as of the end of such Fiscal Year and statements of income and retained earnings and a statement of cash flows, and setting forth in comparative form the balance sheet, income statement, retained earnings and cash flow figures for the preceding Fiscal Year.

(vi) Section 6.5(d) of the Credit Agreement is amended in its entirety and restated to provide as follows:

(d) Quarterly Financial Statements – Parent. Within sixty (60) days after the close of each quarterly period of each Fiscal Year of Parent, financial statements for Parent on a consolidated and consolidating basis, including balance sheets as of the end of such period, statements of income and retained earnings and a statement of cash flows, in each case for the portion of the Fiscal Year ending with such fiscal period, all certified and signed by the chief financial officer of Parent, respectively, in form satisfactory to Administrative Agent. The financial statements may be company-prepared, but Borrower shall deliver to Administrative Agent copies of any audited financial statements for the relevant period which may be prepared, as soon as they are available. All consolidated and consolidating balance sheets shall set forth in comparative form figures for the preceding year end and the corresponding period in the preceding Fiscal Year. All such income statements shall reflect year-to-date figures. Such quarterly financial statements of Parent shall also include a list of all outstanding Guarantees by Parent (including, without limitation, payment, completion, and so-called "bad boy" guaranties) and such information regarding such Guarantees (including copies thereof and any

actual or potential claims or demands thereon) as Administrative Agent may reasonably request.

(vii) Section 7.13(d) of the Credit Agreement is amended in its entirety and restated to provide as follows:

(d) Maximum Leverage Ratio. At all times during the term of the Loan, Parent shall maintain a Leverage Ratio not greater that the ratios set forth in the table below for the applicable periods. The Leverage Ratio shall be tested by Administrative Agent on a quarterly basis, beginning with the fiscal quarter ending on December 31, 2019. The "Leverage Ratio" means the ratio determined by Administrative Agent and calculated by taking (a) the sum of (i) Consolidated Debt minus (ii) the Permitted Subordinated Debt, divided by (b) Total Capitalization. "Total Capitalization" means the sum (without duplication) of (a) Tangible Net Worth, plus (b) the Permitted Subordinated Debt, and plus (c) Consolidated Debt. The maximum Leverage Ratio shall be as follows:

| Fiscal Quarter End | Maximum Leverage Ratio |
|---|---|
| December 31, 2019 | 0.75:1.00 |
| March 31, 2020 | 0.75:1.00 |
| June 30, 2020 | 0.75:1.00 |
| September 30, 2020 | 0.75:1.00 |
| December 31, 2020 | 0.75:1.00 |
| March 31, 2021 | 0.65:1.00 |
| June 30, 2021 | 0.65:1.00 |
| September 30, 2021 | 0.65:1.00 |
| December 31, 2021 | 0.65:1.00 |
| March 31, 2022 and each Fiscal Quarter thereafter | 0.60:1.00 |

(b) Consent to Merger. Administrative Agent and Lenders hereby consent to the Merger in accordance with the terms of the Merger Agreement; provided that such Merger must be completed by no later than December 31, 2020 and the Merger Effective Date must occur on or before December 31, 2020. Notwithstanding the foregoing, the parties acknowledge that certain modifications to the Loan Documents provided herein are dependent upon the Merger Effective Date occurring. Accordingly, if the Merger is not completed by December 31, 2020, (i) the consent to the Merger provided herein will be *void ab initio*, and (ii) Borrower, LHC and LHI will not cause or permit the Merger to become effective without again obtaining the written consent of Administrative Agent and Lenders. Within 5 Business Days of the completion of the Merger, Borrower will provide written notice thereof to Administrative Agent and provide Administrative Agent with copies of the certificate of incorporation of LHI and Landsea Homes Corp.,

the bylaws of LHI and Landsea Homes Corp., and all other documents pertaining to the authority of LHI and Landsea Homes Corp. to transact business.

(c) Release of LHC Obligations. Provided the Merger Effective Date occurs on or before December 31, 2020, then effective upon the Merger Effective Date, LHC is released from its obligations under the Guaranty dated as of January 15, 2020, by LHC, in favor of Administrative Agent and Lenders (the "LHC Guaranty"). Notwithstanding anything to the contrary contained herein, (i) the foregoing release of LHC does not, and will not, terminate or otherwise impair the indemnification and other provisions of the LHC Guaranty that are expressly stated to survive the termination thereof and the payment of all amounts owing thereunder; (ii) no Person, other than LHC, is released from any obligations pursuant to the terms of this Section 2(c); and (iii) if the Merger Effective Date does not occur on or before December 31, 2020, the release of LHC provided in this Section 2(c) will not become effective and will be *void ab initio*.

SECTION 3. Conditions Precedent to Amendment. This Amendment shall become effective as of the date on which the following conditions precedent are satisfied (such date, the "Amendment Effective Date"):

(a) The Administrative Agent shall have received from the Borrower, each other Loan Party, and each Lender a counterpart of this Amendment duly executed and delivered on behalf of such party.

(b) If required by Administrative Agent, the Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Amendment Effective Date) of counsel for the Loan Parties in form and substance reasonably satisfactory to the Administrative Agent.

(c) The Administrative Agent shall have received a certificate of Borrower, dated the Amendment Effective Date and in form and substance reasonably satisfactory to the Administrative Agent, executed by any Responsible Officer of Borrower, including or attaching (i) copies of resolutions of the board of directors and/or similar governing bodies of Borrower approving and authorizing the execution, delivery and performance of the Loan Documents to which it is a party, certified as of the Amendment Effective Date by a secretary, an assistant secretary or a Responsible Officer of Borrower as being in full force and effect without modification or amendment, and (ii) the documents or certifications, as applicable, referred to in paragraph (d) of this Section, or otherwise certifying such documents provided to Administrative Agent in connection with the closing of the Credit Agreement or subsequent Subsidiary Guarantees by Subsidiary Guarantors (as applicable) remain in full force and effect, and without amendment or modification.

(d) The Administrative Agent shall have received (i) as to each Loan Party, either (x) a copy of each certificate or articles of incorporation or organization or other applicable constitutive documents of such Loan Party certified, to the extent applicable, as of a recent date by the applicable Governmental Authority or (y) written

certification by such Loan Party's secretary, assistant secretary or other Responsible Officer that such Loan Party's certificate or articles of incorporation or organization or other applicable constitutive documents most recently certified and delivered to the Administrative Agent prior to the Amendment Effective Date pursuant to the Loan Documents remain in full force and effect on the Amendment Effective Date without modification or amendment since such original delivery, (ii) as to each Loan Party, either (x) signature and incumbency certificates of the Responsible Officers of such Loan Party executing the Loan Documents to which it is a party or (y) written certification by such Loan Party's secretary, assistant secretary or other Responsible Officer that such Loan Party's signature and incumbency certificates most recently delivered to the Administrative Agent prior to the Amendment Effective Date pursuant to the Loan Documents remain true and correct as of the Amendment Effective Date, and (iii) a certificate of existence or good standing (to the extent such concept exists) from the applicable Governmental Authority of each Loan Party's jurisdiction of incorporation, organization or formation as of a reasonably recent date.

(e) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Amendment Effective Date, including reimbursement or payment of all out-of-pocket expenses (including reasonable fees, charges and disbursements of counsel) required to be reimbursed or paid by any Loan Party.

(f) The Administrative Agent shall have received such other documents and agreements as required by Administrative Agent in connection with this Amendment.

(g) Upon the effectiveness of this Amendment and both immediately before and immediately after giving effect to this Amendment, no Default or Event of Default shall exist.

(h) The representations and warranties in Section 4 of this Amendment shall be true and correct in all material respects.

The Administrative Agent shall notify the Borrower and the Lenders of the Amendment Effective Date, and such notice shall be conclusive and binding.

SECTION 4. Representations and Warranties. In order to induce the Lenders, and the Administrative Agent to enter into this Amendment, the Borrower hereby represents and warrants to the Lenders, and the Administrative Agent on and as of the Amendment Effective Date that:

(a) Existence, Qualification and Power. The Borrower and each Loan Party (i) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (ii) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (x) own or lease its assets and carry on its business and (y) execute, deliver and perform its obligations under the Amendment and the other Loan

Documents to which it is a party, and (iii) is duly qualified and is licensed and, as applicable, in good standing under the laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, except to the extent that failure to do so could not reasonably be expected to result in a Material Adverse Change.

(b) Authorization; No Contravention. The execution, delivery and performance by the Borrower of the Amendment and each Loan Document to which it is party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (i) contravene the terms of its certificate or articles of incorporation or organization or other applicable constitutive documents, (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (x) any material contractual obligation to which the Borrower is a party or affecting the Borrower or the properties of the Borrower or any Subsidiary or (y) any material order, injunction, writ or decree of any Governmental Authority or any arbitral award to which the Borrower or any Subsidiary or its property is subject or (iii) violate any law in any material respect.

(c) Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Borrower of this Amendment or any other Loan Document, except for such approvals, consents, exemptions, authorizations, actions or notices that have been duly obtained, taken or made and in full force and effect.

(d) Execution and Delivery; Binding Effect. This Amendment has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by the Loan Parties party thereto. This Amendment constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other Laws affecting creditors' rights generally and by general principles of equity.

(e) Credit Agreement Representations and Warranties. The representations and warranties of the Borrower and the other Loan Parties set forth in the Credit Agreement or in any other Loan Document are true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects) on and as of the Amendment Effective Date (or, in the case of any such representation or warranty expressly stated to have been made as of a specific date, as of such specific date).

(f) Merger Agreement. Borrower has provided to Administrative Agent a true, correct and complete copy of the Merger Agreement, and such Merger Agreement sets forth all of the material terms of the Merger. The organizational chart attached as

Exhibit A accurately reflects the ownership of the Loan Parties after giving effect to the Merger.

SECTION 5. Reaffirmation of Guarantees and Security Interests. Each Loan Party hereby acknowledges its receipt of a copy of this Amendment and its review of the terms and conditions hereof and consents to the terms and conditions of this Amendment and the transactions contemplated thereby. Each Loan Party hereby (a) affirms and confirms its guarantees, pledges, grants and other undertakings under the Credit Agreement and the other Loan Documents to which it is a party, (b) agrees that (i) each Loan Document to which it is a party shall continue to be in full force and effect and (ii) all guarantees, pledges, grants and other undertakings thereunder shall continue to be in full force and effect and shall accrue to the benefit of the Administrative Agent and Lenders, and (c) acknowledges that from and after the date hereof, all Revolving Loans under the Credit Agreement from time to time outstanding shall be deemed to be Borrower Obligations.

SECTION 6. Miscellaneous.

(a) Release. Each Loan Party fully, finally, and forever releases and discharges Administrative Agent, Lenders and their successors, assigns, directors, officers, employees, agents, and representatives from any and all actions, causes of action, claims, debts, demands, liabilities, obligations, and suits, of whatever kind or nature, in law or equity, that such Loan Party has or in the future may have, whether known or unknown, (i) in respect of the Loan, the Loan Documents, or the actions or omissions of Administrative Agent or Lenders in respect of the Loan or the Loan Documents and (ii) arising from events occurring prior to the date of this Amendment.

(b) Amendment, Modification and Waiver. This Amendment may not be amended and no provision hereof may be waived except pursuant to a writing signed by each of the parties hereto.

(c) Entire Agreement. This Amendment, the Credit Agreement (as amended hereby) and the other Loan Documents constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties or any of them with respect to the subject matter hereof.

(d) Governing Law. This Amendment and any claims controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Amendment and the transactions contemplated hereby shall be governed by, and construed in accordance with, the laws of the State of Arizona.

(e) Jurisdiction. The Borrower and each other Loan Party irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender, or any Related Party of the foregoing in any way relating to this Amendment, the Credit Agreement or any other

Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of Arizona sitting in Maricopa County, and of the United States District Court of the District of Arizona, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such Arizona State court or, to the fullest extent permitted by applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent, any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against Borrower or its properties in the courts of any jurisdiction.

(f) Waiver of Venue. The Borrower and each other Loan Party irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Amendment or any other Loan Document in any court referred to in paragraph (e) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(g) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 10.1 of the Credit Agreement. Nothing in this Amendment or any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

(h) WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AMENDMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. WITHOUT LIMITING THE FOREGOING WAIVER OF JURY TRIAL, SECTION 10.12 OF THE CREDIT AGREEMENT IS HEREBY INCORPORATED HEREIN BY REFERENCE.

(i) Severability. Any term or provision of this Amendment that is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the

extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Amendment or affecting the validity or enforceability of any of the terms or provisions of this Amendment in any other jurisdiction. If any provision of this Amendment is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.

(j) Counterparts; Integration; Effectiveness. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5 hereof, this Amendment shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Amendment.

(k) Headings. The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

(l) Reference to and Effect on the Credit Agreement and the Other Loan Documents. On and after the Amendment Effective Date, each reference in the Credit Agreement to "this Agreement", "hereunder", "herein" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to the "Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment. Except as specifically amended by this Amendment, the Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed and this Amendment shall not be considered a novation. The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Administrative Agent or Lender under, the Credit Agreement or any of the other Loan Documents. This Amendment shall be deemed to be a Loan Document as defined in the Credit Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

**ADMINISTRATIVE AGENT:**

**WESTERN ALLIANCE BANK,** an Arizona corporation

By: /s/ Debbie Niles
Name: Debbie Niles
Title: Vice President

**LENDER:**

**WESTERN ALLIANCE BANK,** an Arizona corporation

By: /s/ Debbie Niles
Name: Debbie Niles
Title: Vice President

**BORROWER:**

**LANDSEA HOMES- WAB 2 LLC,** a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

[Signature Page to Third Amendment to Credit Agreement]

**GUARANTOR:**

**LANDSEA HOLDINGS CORPORATION,** a Delaware corporation

By: /s/ John Ho
John Ho, Chief Executive Officer

**GUARANTORS:**

**LANDSEA HOMES INCORPORATED,** a Delaware corporation
**GARRETT WALKER HOMES, LLC,** an Arizona limited liability company
**AV1, LLC,** an Arizona limited liability company
**GWH NCC, LLC,** an Arizona limited liability company
**GWH MOUNTAIN VIEWS, LLC,** an Arizona limited liability company
**BETHANY RANCH, LLC,** an Arizona limited liability company
**GWH GRAND VILLAGE, LLC,** an Arizona limited liability company
**GWH NCC-71, LLC,** an Arizona limited liability company
**GWH PARK FOREST, LLC,** an Arizona limited liability company
**GWH WEST POINTE ESTATES, LLC,** an Arizona limited liability company
**GWH WEST POINTE VILLAGE, LLC,** an Arizona limited liability company
**GWH TRENTON PARK, LLC,** an Arizona limited liability company
**GWH SUNDANCE, LLC,** an Arizona limited liability company
**GWH NORTHERN FARMS, LLC,** an Arizona limited liability company
**GWH NCC 13 & 14, LLC,** an Arizona limited liability company
**ACOMA COURT, LLC,** an Arizona limited liability company
**PINNACLE WEST HOMES M72 LLC,** an Arizona limited liability company
**GWH SUNSET FARMS, LLC,** an Arizona limited liability company
**GWH NCC 9 & 11, LLC,** an Arizona limited liability company
**GWH SUNRISE, LLC,** an Arizona limited liability company
**PINNACLE WEST HOMES CENTERRA, LLC,** an Arizona limited liability company
**PINNACLE WEST HOMES DESTINY, LLC,** an Arizona limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

**GUARANTOR:**

**LS-VERRADO VICTORY DUPLEX LLC,** a Delaware limited liability company

By: /s/ Bart Beasley
Name: Bart Beasley
Title: Senior Vice President

[Signature Page to Third Amendment to Credit Agreement]

**Exhibit 10.20**

Certain portions of this document have been omitted pursuant to Item 601(b)(10) of Regulation SK and, where applicable, have been marked with "[***]" to indicate where omissions have been made. The marked information has been omitted because it is (i) not material and (ii) would likely cause competitive harm to the registrant if publicly disclosed.

**FOURTH AMENDMENT TO CREDIT AGREEMENT**

This FOURTH AMENDMENT TO CREDIT AGREEMENT, dated as of February 26, 2021 (this "Amendment"), is made and entered into by and among **LANDSEA HOMES- WAB 2 LLC**, a Delaware limited liability company (the "Borrower"), **WESTERN ALLIANCE BANK**, an Arizona corporation ("WAB"), as Administrative Agent (in such capacity, the "Administrative Agent"), the lenders party to the Credit Agreement, and the other Loan Parties as of the date hereof.

RECITALS:

WHEREAS, reference is made to the Credit Agreement dated as of January 15, 2020, by and among the Borrower, the lenders from time to time party thereto and the Administrative Agent, as amended by the First Amendment to Credit Agreement dated as of May 15, 2020, and Second Amendment to Credit Agreement dated as of October 27, 2020, and Third Amendment to Credit Agreement dated as of December 30, 2020 (and as may be further amended, supplemented or otherwise modified to the date hereof, the "Credit Agreement");

WHEREAS, Borrower has requested certain amendments be made to the Credit Agreement to permit Project Owners to grant certain completion deeds of trust on Approved Subdivisions;

WHEREAS, Administrative Agent and Lenders have agreed to permit such completion deeds of trust, subject to the terms and conditions herein;

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Defined Terms; Interpretation; Etc. Capitalized terms used and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

SECTION 2. Amendments to Credit Agreement; Other Agreements.

(a) The following amendments are made to the Credit Agreement:

(i) The following definitions are hereby added to Section 1.1 of the Credit Agreement:

"Adjusted Margin Value" means, for any Eligible Asset, the "Adjusted Margin Value" set forth below:

| **Eligible Asset** | **Adjusted Margin Value** |
|---|---|
| Presold Units | [***] of Cost (subject to the limitations in Section 3.1(b) below) |
| Spec Units | [***] of Cost (subject to the limitations in Section 3.1(c) below) |
| Model Units | [***] of Cost (subject to the limitations in Section 3.1(d) below) |
| Finished Lots | [***] of Cost (subject to the limitations in Section 3.1(e) below) |
| A&D Lots | [***] of Cost (subject to the limitations in Section 3.1(f) below) |

"Completion Deed of Trust" means a deed of trust or mortgage in favor of a land seller that secures deferred purchase price payable by the Project Owner upon partial or full completion of onsite and/or offsite improvements (including for example grading, streets and utilities) in the applicable Approved Subdivision that are being constructed and developed by the land seller after the acquisition of title to the Approved Subdivision by the Project Owner.

"Completion Deed of Trust Permitted Amount" means the lesser of (a) 20% of the aggregate Commitments of the Lenders; and (b) $25,000,000.

(ii) The following definitions in Section 1.1 of the Credit Agreement are hereby amended to provide as follows effective as of March 1, 2021:

"Floor Rate" means a rate of interest equal to 5.00% per annum.

(iii) The following definitions in Section 1.1 of the Credit Agreement are hereby amended to provide as follows effective as of the date hereof:

"Guarantor" means individually and collectively LHI and each Subsidiary Guarantor.

"LHC Control Event" means (a) LHC shall cease to directly own and Control at least 50.1% of the Equity Interests of Landsea Homes Corp., free and clear of all Liens and Encumbrances, or (b) Landsea Homes Corp. shall cease to directly own and Control 100% of the Equity Interests of LHI, free and clear of all Liens and Encumbrances.

"LHI" means Landsea Homes US Corporation, a Delaware corporation (f/k/a Landsea Homes Incorporated).

" Margin Value" means, for any Eligible Asset, the "Margin Value" of such Eligible Asset as provided in Section 3.1(a), but subject to the limitations provided in this Agreement; provided, if such Eligible Asset is subject to a Completion Deed of Trust, and Administrative Agent is not holding cash collateral set aside to ensure the payment of the amounts secured by such Completion Deed of Trust, then the Margin Value for such Eligible Asset will be the Adjusted Margin Value for so long as such Completion Deed of Trust encumbers such Eligible Asset.

"Parent" means LHI.

"Permitted Exceptions" means:

(a) Involuntary Liens for Impositions that are not delinquent;

(b) Involuntary Liens (other than for Impositions) with respect to which Borrower satisfies each of the following requirements: (i) Borrower diligently contests the validity of such Involuntary Lien in good faith by appropriate legal proceedings and after setting aside adequate reserves to pay such amounts, (ii) Borrower gives written notice to Administrative Agent of Borrower's intent to contest or object to the same, (iii) Borrower demonstrates to Administrative Agent's satisfaction that the procedures will conclusively operate to prevent the sale of any part of the Real Estate Inventory in order to satisfy the Involuntary Lien prior to the final determination of such proceedings, (iv) the aggregate amount of such Involuntary Liens with respect to the Borrowing Group as a whole does not exceed $250,000.00 (unless otherwise approved by Administrative Agent), and (v) Borrower takes any and all other actions (including, without limitation, obtaining bonds or other security) as Administrative Agent may deem necessary or appropriate in order to prevent the sale of any Real Estate Inventory to satisfy the Involuntary Lien and prevent any impairment of any such Real Estate Inventory or, if such Real Estate Inventory is Eligible Assets, Borrower removes the affected Real Estate Inventory from the Borrowing Base;

(c) Utility easements, rights of way, zoning restrictions, covenants, conditions, restrictions, reservations, condominium declarations, plat maps and replats (provided that such plats and replats are consistent with the overall development plans for the applicable Approved Subdivision) and such other burdens, encumbrances or charges, or other minor irregularities of title, as are of a nature generally existing with respect to properties of a similar character and which do not in any material way interfere with the use thereof or the sale thereof in the ordinary course of business of Borrower or the applicable Project Owner or materially detract from the value of the applicable Real Estate Inventory;

(d) Land Seller Documents;

(e) the Pledge Agreement; and

(f) Liens constituting Completion Deeds of Trust; provided, that (i) any such Liens and the terms and conditions thereof shall be subject to review and approval by Administrative Agent and (ii) the unpaid amounts secured by Completion Deeds of Trust in the aggregate shall not exceed the Completion Deed of Trust Permitted Amount at any time outstanding and to the extent that any Completion Deed of Trust causes such amount to be exceeded, such Completion Deed of Trust will not be a Permitted Exception; provided, however, if Administrative Agent has agreed in writing to accept cash collateral from Borrower to ensure there are sufficient funds to pay Borrower's or the Project Owner's obligations with respect to a Completion Deed of Trust, then the payments secured by such Completion Deed of Trust will not be included in determining the amounts secured under clause (ii);

provided, in no case will Permitted Exceptions include Liens or Encumbrances securing any Indebtedness, Guarantee, or indemnity obligations of any Person, except as specifically permitted by clause (f) above.

"Permitted Subordinated Debt" means such Indebtedness as approved by Administrative Agent, in its sole discretion, that is subordinated to the applicable Person's obligations under the Loan Documents pursuant to a subordination agreement acceptable to Administrative Agent in its sole discretion.

(b) Section 3.1(c) of the Credit Agreement is amended in its entirety and restated to provide as follows:

(c) Limitations on Spec Units. (i) If the Unit Term for a Spec Unit is extended from 15 months to 18 months pursuant to Section 3.3(b), the Margin Value of such Spec Unit will be [***] of Cost (provided, if such Spec Unit is subject to the Adjusted Margin Value, the Margin Value will be [***] of Cost), and (ii) after the Unit Term has expired for such Unit, the Margin Value for such Unit will be $0.

(c) The following provision is added to the Credit Agreement as Section 3.1(g):

(g) Completion Deeds of Trust. If the unpaid amounts secured by Completion Deeds of Trust exceeds, in the aggregate, the Completion Deed of Trust Permitted Amount, Administrative Agent may exclude Lots and Units in the applicable Approved Subdivisions from the Eligible Assets with an aggregate Margin Value equal to such excess, as determined by Administrative Agent; provided, however, if Administrative Agent has agreed in writing to accept cash collateral from Borrower to ensure there are sufficient funds to pay Borrower's or the Project Owner's obligations with respect to a Completion Deed of Trust, then the payments secured by such Completion Deed of Trust will not be included in

determining the amounts secured by Completion Deeds of Trust pursuant to this Section.

SECTION 3. Conditions Precedent to Amendment. This Amendment shall become effective as of the date on which the following conditions precedent are satisfied (such date, the "Amendment Effective Date"):

(a) The Administrative Agent shall have received from the Borrower, each other Loan Party, and each Lender a counterpart of this Amendment duly executed and delivered on behalf of such party.

(b) If required by Administrative Agent, the Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Amendment Effective Date) of counsel for the Loan Parties in form and substance reasonably satisfactory to the Administrative Agent.

(c) The Administrative Agent shall have received a certificate of Borrower, dated the Amendment Effective Date and in form and substance reasonably satisfactory to the Administrative Agent, executed by any Responsible Officer of Borrower, including or attaching (i) copies of resolutions of the board of directors and/or similar governing bodies of Borrower approving and authorizing the execution, delivery and performance of the Loan Documents to which it is a party, certified as of the Amendment Effective Date by a secretary, an assistant secretary or a Responsible Officer of Borrower as being in full force and effect without modification or amendment, and (ii) the documents or certifications, as applicable, referred to in paragraph (d) of this Section, or otherwise certifying such documents provided to Administrative Agent in connection with the closing of the Credit Agreement or subsequent Subsidiary Guarantees by Subsidiary Guarantors (as applicable) remain in full force and effect, and without amendment or modification.

(d) The Administrative Agent shall have received (i) as to each Loan Party, either (x) a copy of each certificate or articles of incorporation or organization or other applicable constitutive documents of such Loan Party certified, to the extent applicable, as of a recent date by the applicable Governmental Authority or (y) written certification by such Loan Party's secretary, assistant secretary or other Responsible Officer that such Loan Party's certificate or articles of incorporation or organization or other applicable constitutive documents most recently certified and delivered to the Administrative Agent prior to the Amendment Effective Date pursuant to the Loan Documents remain in full force and effect on the Amendment Effective Date without modification or amendment since such original delivery, (ii) as to each Loan Party, either (x) signature and incumbency certificates of the Responsible Officers of such Loan Party executing the Loan Documents to which it is a party or (y) written certification by such Loan Party's secretary, assistant secretary or other Responsible Officer that such Loan Party's signature and incumbency certificates most recently delivered to the Administrative Agent prior to the Amendment Effective Date pursuant to the Loan Documents remain true and correct as of the Amendment Effective Date, and (iii) a

certificate of existence or good standing (to the extent such concept exists) from the applicable Governmental Authority of each Loan Party's jurisdiction of incorporation, organization or formation as of a reasonably recent date.

(e) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Amendment Effective Date, including reimbursement or payment of all out-of-pocket expenses (including reasonable fees, charges and disbursements of counsel) required to be reimbursed or paid by any Loan Party.

(f) The Administrative Agent shall have received such other documents and agreements as required by Administrative Agent in connection with this Amendment.

(g) Upon the effectiveness of this Amendment and both immediately before and immediately after giving effect to this Amendment, no Default or Event of Default shall exist.

(h) The representations and warranties in Section 4 of this Amendment shall be true and correct in all material respects.

The Administrative Agent shall notify the Borrower and the Lenders of the Amendment Effective Date, and such notice shall be conclusive and binding.

SECTION 4. Representations and Warranties. In order to induce the Lenders, and the Administrative Agent to enter into this Amendment, the Borrower hereby represents and warrants to the Lenders, and the Administrative Agent on and as of the Amendment Effective Date that:

(a) Existence, Qualification and Power. The Borrower and each Loan Party (i) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (ii) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (x) own or lease its assets and carry on its business and (y) execute, deliver and perform its obligations under the Amendment and the other Loan Documents to which it is a party, and (iii) is duly qualified and is licensed and, as applicable, in good standing under the laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, except to the extent that failure to do so could not reasonably be expected to result in a Material Adverse Change.

(b) Authorization; No Contravention. The execution, delivery and performance by the Borrower of the Amendment and each Loan Document to which it is party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (i) contravene the terms of its certificate or articles of incorporation or organization or other applicable constitutive documents, (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under, or

require any payment to be made under (x) any material contractual obligation to which the Borrower is a party or affecting the Borrower or the properties of the Borrower or any Subsidiary or (y) any material order, injunction, writ or decree of any Governmental Authority or any arbitral award to which the Borrower or any Subsidiary or its property is subject or (iii) violate any law in any material respect.

(c) Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Borrower of this Amendment or any other Loan Document, except for such approvals, consents, exemptions, authorizations, actions or notices that have been duly obtained, taken or made and in full force and effect.

(d) Execution and Delivery; Binding Effect. This Amendment has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by the Loan Parties party thereto. This Amendment constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other Laws affecting creditors' rights generally and by general principles of equity.

(e) Credit Agreement Representations and Warranties. The representations and warranties of the Borrower and the other Loan Parties set forth in the Credit Agreement or in any other Loan Document are true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects) on and as of the Amendment Effective Date (or, in the case of any such representation or warranty expressly stated to have been made as of a specific date, as of such specific date).

(f) Merger Agreement. Borrower has provided to Administrative Agent a true, correct and complete copy of the Merger Agreement, and such Merger Agreement sets forth all of the material terms of the Merger. The organizational chart attached as Exhibit A accurately reflects the ownership of the Loan Parties after giving effect to the Merger.

SECTION 5. Reaffirmation of Guarantees and Security Interests. Each Loan Party hereby acknowledges its receipt of a copy of this Amendment and its review of the terms and conditions hereof and consents to the terms and conditions of this Amendment and the transactions contemplated thereby. Each Loan Party hereby (a) affirms and confirms its guarantees, pledges, grants and other undertakings under the Credit Agreement and the other Loan Documents to which it is a party, (b) agrees that (i) each Loan Document to which it is a party shall continue to be in full force and effect and (ii) all guarantees, pledges, grants and other undertakings thereunder shall continue to be in full force and effect and shall accrue to the benefit of the Administrative Agent and Lenders, and (c) acknowledges that from and after the

date hereof, all Revolving Loans under the Credit Agreement from time to time outstanding shall be deemed to be Borrower Obligations.

SECTION 6. Miscellaneous.

(a) Release. Each Loan Party fully, finally, and forever releases and discharges Administrative Agent, Lenders and their successors, assigns, directors, officers, employees, agents, and representatives from any and all actions, causes of action, claims, debts, demands, liabilities, obligations, and suits, of whatever kind or nature, in law or equity, that such Loan Party has or in the future may have, whether known or unknown, (i) in respect of the Loan, the Loan Documents, or the actions or omissions of Administrative Agent or Lenders in respect of the Loan or the Loan Documents and (ii) arising from events occurring prior to the date of this Amendment.

(b) Amendment, Modification and Waiver. This Amendment may not be amended and no provision hereof may be waived except pursuant to a writing signed by each of the parties hereto.

(c) Entire Agreement. This Amendment, the Credit Agreement (as amended hereby) and the other Loan Documents constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties or any of them with respect to the subject matter hereof.

(d) Governing Law. This Amendment and any claims controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Amendment and the transactions contemplated hereby shall be governed by, and construed in accordance with, the laws of the State of Arizona.

(e) Jurisdiction. The Borrower and each other Loan Party irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender, or any Related Party of the foregoing in any way relating to this Amendment, the Credit Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of Arizona sitting in Maricopa County, and of the United States District Court of the District of Arizona, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such Arizona State court or, to the fullest extent permitted by applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent, any Lender may otherwise

have to bring any action or proceeding relating to this Agreement or any other Loan Document against Borrower or its properties in the courts of any jurisdiction.

(f) Waiver of Venue. The Borrower and each other Loan Party irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Amendment or any other Loan Document in any court referred to in paragraph (e) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(g) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 10.1 of the Credit Agreement. Nothing in this Amendment or any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

(h) WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AMENDMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. WITHOUT LIMITING THE FOREGOING WAIVER OF JURY TRIAL, SECTION 10.12 OF THE CREDIT AGREEMENT IS HEREBY INCORPORATED HEREIN BY REFERENCE.

(i) Severability. Any term or provision of this Amendment that is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Amendment or affecting the validity or enforceability of any of the terms or provisions of this Amendment in any other jurisdiction. If any provision of this Amendment is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.

(j) Counterparts; Integration; Effectiveness. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all

previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5 hereof, this Amendment shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Amendment.

(k) Headings. The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

(l) Reference to and Effect on the Credit Agreement and the Other Loan Documents. On and after the Amendment Effective Date, each reference in the Credit Agreement to "this Agreement", "hereunder", "herein" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to the "Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment. Except as specifically amended by this Amendment, the Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed and this Amendment shall not be considered a novation. The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Administrative Agent or Lender under, the Credit Agreement or any of the other Loan Documents. This Amendment shall be deemed to be a Loan Document as defined in the Credit Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

**ADMINISTRATIVE AGENT:**

**WESTERN ALLIANCE BANK,** an Arizona corporation

By: /s/ Tomas Fach
Name: Tomas Fach
Title: Vice President

**LENDER:**

**WESTERN ALLIANCE BANK,** an Arizona corporation

By: /s/ Tomas Fach
Name: Tomas Fach
Title: Vice President

**BORROWER:**

**LANDSEA HOMES- WAB 2 LLC,** a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

**GUARANTORS:**

**LANDSEA HOMES US CORPORATION,** a Delaware corporation (f/k/a Landsea Homes Incorporated)
**GARRETT WALKER HOMES, LLC,** an Arizona limited liability company
**AV1, LLC,** an Arizona limited liability company
**GWH NCC, LLC,** an Arizona limited liability company
**GWH MOUNTAIN VIEWS, LLC,** an Arizona limited liability company
**BETHANY RANCH, LLC,** an Arizona limited liability company
**GWH GRAND VILLAGE, LLC,** an Arizona limited liability company
**GWH NCC-71, LLC,** an Arizona limited liability company
**GWH PARK FOREST, LLC,** an Arizona limited liability company
**GWH WEST POINTE ESTATES, LLC,** an Arizona limited liability company
**GWH WEST POINTE VILLAGE, LLC,** an Arizona limited liability company
**GWH TRENTON PARK, LLC,** an Arizona limited liability company
**GWH SUNDANCE, LLC,** an Arizona limited liability company
**GWH NORTHERN FARMS, LLC,** an Arizona limited liability company
**GWH NCC 13 & 14, LLC,** an Arizona limited liability company
**ACOMA COURT, LLC,** an Arizona limited liability company
**PINNACLE WEST HOMES M72 LLC,** an Arizona limited liability company
**GWH SUNSET FARMS, LLC,** an Arizona limited liability company
**GWH NCC 9 & 11, LLC,** an Arizona limited liability company
**GWH SUNRISE, LLC,** an Arizona limited liability company
**PINNACLE WEST HOMES CENTERRA, LLC,** an Arizona limited liability company
**PINNACLE WEST HOMES DESTINY, LLC,** an Arizona limited liability company
**LS-VERRADO VICTORY DUPLEX LLC,** a Delaware limited liability company

By: /s/ Bart Beasley
Bart Beasley, Senior Vice President

**Exhibit 10.22**

***Execution Version***

January 7, 2021

LF Capital Acquisition Corp.
600 Madison Avenue
Suite 1802
New York, NY 10022

Re: Investor Representation Letter

Ladies and Gentlemen:

The undersigned (the "Holder") is a holder of shares of common stock of Landsea Homes Incorporated, a Delaware corporation (the "Company"). LF Capital Acquisition Corp., a Delaware corporation ("Parent"), is acquiring the Company (the "Acquisition") pursuant to that certain Agreement and Plan of Merger, dated as of August 31, 2020 (as it may be amended from time to time in accordance with its terms, the "Merger Agreement"), by and among Parent, Merger Sub, the Company and the Seller. Capitalized terms used in this letter (this "Investor Representation Letter") and not otherwise defined herein shall have the same meanings ascribed to such terms in the Merger Agreement.

Upon the closing of the Acquisition (the "Closing" and, the date of such Closing, the "Closing Date"), each share of issued and outstanding Company Common Stock held by the Holder shall be cancelled and automatically converted into the right to receive shares of Parent Class A Stock, subject to and in accordance with the terms of the Merger Agreement, in a private placement effected in reliance on the exemption from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), provided by Section 4(a)(2) of the Securities Act and/or Regulation D promulgated under the Securities Act, and exemptions from the qualification requirements of applicable state law. The Holder hereby acknowledges and agrees that Parent is relying on the truth and accuracy of the representations and warranties made by the Holder in this Investor Representation Letter in order to rely on the exemptions described above. In addition, it is a condition to the Closing that the undersigned enters into and delivers this Investor Representation Letter.

1. Representations, Warranties and Certain Agreements of the Holder. The Holder hereby makes the following representations, warranties and agreements to Parent, each of which is true and correct as to the Holder as of the date hereof and will be true and correct on and as of the Closing Date as if made on the Closing Date (or, if any such representations and warranties expressly relate to an earlier date, then as of such earlier date).

1.1 Investment Representation Authorization Letter. This Investor Representation Letter constitutes the Holder's valid and legally binding obligation, enforceable against the Holder in accordance with its terms, except as may be limited by: (a) applicable bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights generally; or (b) the effect of rules of law governing the availability of equitable remedies.

1.2 Acquisition for Own Account. The shares of Parent Class A Stock to be acquired by the Holder pursuant to the Merger Agreement will be acquired for investment for the Holder's own account, not as a nominee or agent, and not with a view to the public resale or distribution thereof within the meaning of the Securities Act, or which would violate the securities laws of the United States or any other jurisdiction in any manner whatsoever, and the Holder has no present intention of selling, granting any participation in, or otherwise distributing the same.

1.3 No Solicitation. At no time was the Holder presented with or solicited by any publicly issued or circulated newspaper, mail, radio, television or other form of general advertising or solicitation in connection with the offer, sale and purchase of the Parent Class A Stock by Parent or its agents.

1.4 Accredited Investor. The Holder is an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

1.5 Disclosure of Information. The Holder has received or has had full access to all the information the Holder considers necessary or appropriate to make an informed investment decision with respect to the shares of Parent Class A Stock. The Holder further has had an opportunity to ask questions and receive answers from Parent regarding the terms and conditions of the offering of the shares of Parent Class A Stock and to obtain additional information necessary to verify any information furnished to the Holder or to which the Holder had access.

1.6 Understanding of Risks . The Holder is fully aware of (a) the highly speculative nature of the shares of Parent Class A Stock and (b) the financial risk involved.

1.7 The Holder's Qualifications. The Holder has such knowledge and experience in financial and business matters that the Holder is capable of evaluating the merits and risks of this prospective investment, has the capacity to protect the Holder's own interests in connection with this transaction and is financially capable of bearing a total loss of the shares of Parent Class A Stock. The Holder has determined, based on its own independent review and such professional advice as it deems appropriate, that its participation in this transaction is proper and suitable, notwithstanding the substantial risks inherent in investing in or holding securities.

1.8 Compliance with Securities Laws. The Holder understands and acknowledges that, in reliance upon the representations and warranties made by the Holder herein, the shares of Parent Class A Stock are not being registered with the U.S. Securities and Exchange Commission ("SEC") under the Securities Act or any state securities laws, but instead are being transferred under an exemption or exemptions from the registration and qualification requirements of the Securities Act and applicable state securities laws which impose certain restrictions on the Holder's ability to transfer the shares of Parent Class A Stock.

1.9 Restricted Securities. The Holder agrees not to make any disposition of all or any portion of the shares of Parent Class A Stock unless and until: (a) there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement; or (b) the Holder shall have furnished Parent with an opinion of counsel, in a form reasonably satisfactory to Parent, that such disposition will not require registration of the shares of Parent Class A Stock under the Securities Act and otherwise complies with applicable state securities laws; provided that no such registration statement or opinion shall be required for dispositions effected under Rule 144 promulgated under the Act.

1.10 Rule 144. The Holder acknowledges that, because the shares of Parent Class A Stock have not been registered under the Securities Act, such shares must be held indefinitely unless subsequently registered under the Securities Act or unless an exemption from such registration is available. The Holder is aware of the provisions of Rule 144 promulgated under the Securities Act.

1.11 Contractual Restrictions. The Holder acknowledges and agrees that he, she or it shall not Transfer any Parent Class A Stock to be acquired by the Holder pursuant to the Merger Agreement until 180 days after the Closing Date. "Transfer" shall mean the: (a) sale of, offer to sell, contract or

agreement to sell, hypothecate, pledge, grant of any option to purchase or otherwise dispose of or agreement to dispose of, directly or indirectly, or establishment or increase of a put equivalent position or liquidation with respect to or decrease of a call equivalent position within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder with respect to, any security; (b) entry into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any security, whether any such transaction is to be settled by delivery of such securities, in cash or otherwise; or (c) public announcement of any intention to effect any transaction specified in clause (a) or (b). Notwithstanding the foregoing, the Holder may Transfer any or all of such shares of Parent Class A Stock: (i) by gift to a member of the individual's immediate family, to a trust, the beneficiary of which is a member of the individual's immediate family or an affiliate of such person, or to a charitable organization; (ii) by virtue of laws of descent and distribution upon death of the individual; (iii) in the event of Parent's liquidation, merger, capital stock exchange, reorganization or other similar transaction which results in all of Parent's stockholders having the right to exchange their shares of Parent Class A Stock for cash, securities or other property; (iv) if the Holder is an entity, by distribution to partners, members or stockholders of the Holder, or to any corporation, partnership or other entity that controls, is controlled by or is under common control with the Holder, (v) to any holder of phantom stock or equivalent security of the Holder that has vested, as determined by the board of directors of the Holder, in satisfaction of such vested phantom stock or equivalent security of the Holder, or (vi) a pledge or hypothecation of any Parent Class A Stock as collateral to a third party loan; provided, however, with respect to each of clauses (i) - (iv) above, it shall be a condition to the Transfer that the transferee execute an agreement stating that the transferee is receiving and holding the securities subject to the provisions of this Investor Representation Letter.

1.12 Legends. The certificates or book-entry entitlements representing the shares of Parent Class A Stock shall bear the following legend (as well as any other legends required by applicable state and federal securities laws) until such time as such legends are no longer relevant or applicable:

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER APPLICABLE STATE SECURITIES LAWS AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL FOR THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933 OR APPLICABLE STATE SECURITIES LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AS SET FORTH IN A LETTER TO THE COMPANY.

The legend shall be removed by Parent from any certificate or book-entry entitlement evidencing the shares of Parent Class A Stock upon delivery to Parent of an opinion of counsel, reasonably satisfactory in form and substance to Parent, that either: (a) a registration statement under the Securities Act is at that time in effect with respect to the legended security; or (b) such security can be freely transferred without requiring registration thereof under the Securities Act and such transfer otherwise complies with the applicable state securities laws.

1.13 Stop-Transfer Instructions. The Holder agrees that, in order to ensure compliance with the restrictions imposed by this Investor Representation Letter, Parent may issue appropriate "stop-transfer" instructions to its transfer agent. Parent will not be required: (a) to transfer on its books any shares of Parent Class A Stock that have been sold or otherwise transferred in violation of any of the provisions of this Investor Representation Letter; or (b) to treat as owner of such shares of Parent Class A Stock, or to

accord the right to vote or receive dividends, to any purchaser or other transferee to whom such shares of Parent Class A Stock have been so transferred in violation of any of the provisions of this Investor Representation Letter.

1.14 Entire Agreement. This Investor Representation Letter and the Merger Agreement constitute the entire agreement and understanding of the parties with respect to the subject matter of this Investor Representation Letter, and supersede all prior understandings and agreements, whether oral or written, between or among the parties hereto with respect to the specific subject matter hereof.

IN WITNESS WHEREOF, the Holder has entered into this Investor Representation Letter as of the date and year first entered.

Very truly yours,

**THE HOLDER:**

LANDSEA HOLDINGS CORPORATION

By: /s/ John Ho
Name: John Ho
Title: CEO

Landsea Holdings Corporation
660 Newport Center Drive, Suite 300
Newport Beach, CA 92660
Attention: Joanna Zhou
Email: zhouqin@landsea.cn

With copies of any notice to:

Squire Patton Boggs LLP
555 South Flower Street, 31st Floor
Los Angeles, CA 90071
Attention: James Hsu; Charlotte Westfall
Email: james.hsu@squirepb.com;
charlotte.westfall@squirepb.com

*[Signature Page to Investor Representation Letter]*

**Exhibit 21.1**

**LANDSEA HOMES CORPORATION**
**Subsidiaries List**

| | Entity Name | Jurisdiction of Incorporation or Organization |
|---|---|---|
| 1 | 54 Windsor, LLC | AZ |
| 2 | A & J Companies, LLC | AZ |
| 3 | Acoma Court, LLC | AZ |
| 4 | Alice Park, LLC | AZ |
| 5 | AV1, LLC | AZ |
| 6 | Bethany Ranch, LLC | AZ |
| 7 | CDR11, LLC | AZ |
| 8 | Garrett Walker Development, LLC | AZ |
| 9 | Garrett Walker Homes, LLC | AZ |
| 10 | Grand Manor, LLC | AZ |
| 11 | GW Sales, LLC | AZ |
| 12 | GWH Cantada, LLC | AZ |
| 13 | GWH Grand Village, LLC | AZ |
| 14 | GWH Holdings, LLC | AZ |
| 15 | GWH Mountain Views, LLC | AZ |
| 16 | GWH NCC 13 & 14, LLC | AZ |
| 17 | GWH NCC 9 & 11, LLC | AZ |
| 18 | GWH NCC, LLC | AZ |
| 19 | GWH NCC-71, LLC | AZ |
| 20 | GWH Northern Farms, LLC | AZ |
| 21 | GWH Park Forest, LLC | AZ |
| 22 | GWH Sundance, LLC | AZ |
| 23 | GWH Sunrise, LLC | AZ |
| 24 | GWH Sunset Farms, LLC | AZ |
| 25 | GWH Trenton Park, LLC | AZ |
| 26 | GWH West Pointe Estates, LLC | AZ |
| 27 | GWH West Pointe Village, LLC | AZ |
| 28 | Hearn Manor, LLC | AZ |
| 29 | HNM, LLC | AZ |
| 30 | JJAZ Construction, LLC | AZ |
| 31 | Landsea Construction Arizona Inc. | DE |
| 32 | Landsea Construction Inc. | DE |
| 33 | Landsea Construction LLC | CA |
| 34 | Landsea Homes of Arizona LLC | DE |
| 35 | Landsea Homes of California Inc. | DE |
| 36 | Landsea Homes of Texas LLC | DE |
| 37 | Landsea Homes US Corporation (fka: Landsea Homes Incorporated) | DE |
| 38 | Landsea Homes- WAB 2 LLC | DE |
| 39 | Landsea Homes-WAB LLC | DE |
| 40 | Landsea Real Estate Arizona Inc. | DE |
| 41 | Landsea Real Estate California, Inc. | CA |
| 42 | Landsea Real Estate Inc. | CA |
| 43 | Landsea Real Estate, New Jersey, L.L.C. | DE |
| 44 | Landsea Urban LLC | DE |
| 45 | LS Investco Vale LLC | DE |
| 46 | LS Manager Vale LLC | DE |
| 47 | LS-14 Ave JV LLC | DE |
| 48 | LS-14 Ave LLC | DE |
| 49 | LS-14 Ave Member LLC | DE |
| 50 | LS-14 Ave Mezz LLC | DE |
| 51 | LS-925 Wolfe LLC | DE |
| 52 | LS-Anaheim LLC | DE |
| 53 | LS-Boston Point LLC | DE |
| 54 | LS-Chandler LLC | DE |
| 55 | LS-Chatsworth LLC | DE |
| 56 | LS-Danville LLC | DE |
| 57 | LS-Eastmark LLC | DE |
| 58 | LS-Eastmark V LLC | DE |
| 59 | LS-Goodyear LLC | DE |
| 60 | LS-LA Simi LLC | CA |
| 61 | LS-LA Simi Mezz LLC | DE |

| | | |
|---|---|---|
| 62 | LS-Lido LLC | DE |
| 63 | LS-Milpitas LLC | DE |
| 64 | LS-Newark LLC | DE |
| 65 | LS-NJ Port Imperial Borrower, LLC | DE |
| 66 | LS-NJ Port Imperial EB5 Borrower, LLC | DE |
| 67 | LS-NJ Port Imperial JV, LLC | DE |
| 68 | LS-NJ Port Imperial LLC | DE |
| 69 | LS-NJ Port Imperial Member, LLC | DE |
| 70 | LS-North Phoenix LLC | DE |
| 71 | LS-Novato LLC | DE |
| 72 | LS-OC Portola LLC | CA |
| 73 | LS-Ontario II LLC | DE |
| 74 | LS-Ontario LLC | DE |
| 75 | LS-PA Boston Point LLC | DE |
| 76 | LS-Queen Creek II LLC | DE |
| 77 | LS-Queen Creek LLC | DE |
| 78 | LS-Santa Clara LLC | DE |
| 79 | LS-SF Jordan Ranch LLC | CA |
| 80 | LS-Sunnyvale LLC | CA |
| 81 | LS-Tracy LLC | DE |
| 82 | LS-Verrado Marketside LLC | DE |
| 83 | LS-Verrado Victory Duplex LLC | DE |
| 84 | LS-Walnut Creek LLC | DE |
| 85 | LS-Wilder LLC | DE |
| 86 | Olive Park, LLC | AZ |
| 87 | Paradise 21, LLC | AZ |
| 88 | Pinnacle West Homes Alamar LLC | AZ |
| 89 | Pinnacle West Homes and Development, LLC | AZ |
| 90 | Pinnacle West Homes Centerra LLC | AZ |
| 91 | Pinnacle West Homes Destiny LLC | AZ |
| 92 | Pinnacle West Homes E-69 LLC | AZ |
| 93 | Pinnacle West Homes E44, LLC | AZ |
| 94 | Pinnacle West Homes E48 LLC | AZ |
| 95 | Pinnacle West Homes E70 LLC | AZ |
| 96 | Pinnacle West Homes E92 LLC | AZ |
| 97 | Pinnacle West Homes Encanta LLC | AZ |
| 98 | Pinnacle West Homes Highlands LLC | AZ |
| 99 | Pinnacle West Homes Holding Corp. | DE |
| 100 | Pinnacle West Homes M71 LLC | AZ |
| 101 | Pinnacle West Homes M72 LLC | AZ |
| 102 | Pinnacle West Homes V117, LLC | AZ |
| 103 | Point Condo Holdings LLC | DE |
| 104 | Point Condo LLC | DE |
| 105 | Portola PA-1 Mezz Owner LLC | DE |
| 106 | Portola PA-1 Owner, LLC | DE |
| 107 | Portola PA-3 Mezz Owner LLC | DE |
| 108 | Portola PA-3 Owner, LLC | DE |
| 109 | Portola PA-4 Mezz Owner LLC | DE |
| 110 | Portola PA-4 Owner, LLC | DE |
| 111 | Portola PA-5 Mezz Owner LLC | DE |
| 112 | Portola PA-5 Owner, LLC | DE |
| 113 | Portola PA-5B Mezz Owner LLC | DE |
| 114 | Portola PA-5B Owner, LLC | DE |
| 115 | SF Vale, LLC | DE |
| 116 | SFGW, LLC | AZ |
| 117 | SGCR, LLC | AZ |
| 118 | SMGWH, LLC | AZ |
| 119 | Summers Place At Baseline, LLC | AZ |
| 120 | The Grove At Baseline, LLC | AZ |
| 121 | The Ridge, LLC | AZ |
| 122 | The Vale PA-1 Owner, LLC | DE |
| 123 | The Vale PA-2 Owner, LLC | DE |
| 124 | The Vale PA-3 Owner, LLC | DE |
| 125 | Townley Park, LLC | AZ |

**EXHIBIT 31.1**

**CERTIFICATIONS**

I, John Ho, certify that:

1. I have reviewed this annual report on Form 10-K of Landsea Homes Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 12, 2021

By: /s/ John Ho
Name: John Ho
Title: Chief Executive Officer
(Principal Executive Officer)

**EXHIBIT 31.2**

**CERTIFICATIONS**

I, John Ho, certify that:

1. I have reviewed this annual report on Form 10-K of Landsea Homes Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controlsand procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 12, 2021

By: /s/ John Ho
Name: John Ho
Title: Interim Chief Financial Officer
(Principal Financial Officer)

**EXHIBIT 32.1**

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the Annual Report of Landsea Homes Corporation (the "Company") on Form 10-K for the period ended December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Ho, Chief Executive Officer and Interim Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 12, 2021

By: /s/ John Ho
Name: John Ho
Title: Chief Executive Officer and Interim Chief Financial Officer
(Principal Executive Officer and Principal Financial Officer)