

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) February 21, 2019



TRI Pointe Group, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-35796
(Commission
File Number)

61-1763235
(IRS Employer
Identification No.)

19540 Jamboree Road, Suite 300, Irvine, California
(Address of principal executive offices)

92612
(Zip Code)

Registrant's telephone number, including area code (949) 438-1400

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02**Results of Operations and Financial Condition**

On February 26, 2019, TRI Pointe Group, Inc., a Delaware corporation (the “Company”), announced in a press release its financial results for the quarter ended December 31, 2018 and full year 2018. A copy of the Company’s press release announcing these financial results is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information furnished pursuant to this Item 2.02, including the exhibits attached hereto, shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (“Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into any filings under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth in such filing. In addition, the press release furnished as an exhibit to this report includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On February 21, 2019, the Board of Directors of the Company approved the Amended and Restated 2013 Long-Term Incentive Plan (the “Plan”) and amended forms of award agreements (the “Award Agreements”).

The Plan, as amended and restated, has been revised to provide for (i) pro rata vesting upon an election by a participant who meets the definition of “Retirement,” including the attainment of age 60 and a minimum of five years of service with the Company or its subsidiaries, and (ii) pro rata vesting for equity-based awards and vesting based on assumed achievement at the target level for cash-based awards in the event of a participant’s death or Disability, as defined in the Plan. In addition, the Plan has been revised to reflect updating and other changes typical of equity incentive plans of public companies. The Award Agreements, as revised, include revisions made in connection with the amendment and restatement of the Plan.

The foregoing summary of the terms and conditions of the Plan and Award Agreements is not a complete discussion of the documents. Accordingly, the foregoing is qualified in its entirety by reference to the full text of the Plan included as Exhibit 10.1 to this Current Report on Form 8-K and Award Agreements included as Exhibits 10.2-10.7 to this Current Report on Form 8-K, which are incorporated herein by reference.

Item 9.01**Financial Statements and Exhibits**

(d)	Exhibits	
	10.1	Amended and Restated 2013 Long-Term Incentive Plan
	10.2	Form of Non-Employee Director Restricted Stock Unit Award Agreement
	10.3	Form of Time-Vested Restricted Stock Unit Award Agreement
	10.4	Form of Time-Vested Restricted Stock Unit Award Agreement
	10.5	Form of Performance-Based Cash Award Agreement
	10.6	Form of Performance-Based Restricted Stock Unit Award Agreement (earnings per share)
	10.7	Form of Performance-Based Restricted Stock Unit Award Agreement (total stockholder return)
	99.1	Press Release dated February 26, 2019

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TRI Pointe Group, Inc.

Date: February 21, 2019

By: /s/ Michael D. Grubbs

Michael D. Grubbs,
Chief Financial Officer and Treasurer

INDEX OF EXHIBITS

Exhibit No.	Description of Document
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**TRI POINTE GROUP, INC.
AMENDED AND RESTATED
2013 LONG-TERM INCENTIVE PLAN**

I. INTRODUCTION

1.1 Purposes. The purposes of the TRI Pointe Group, Inc. Amended and Restated 2013 Long-Term Incentive Plan (this “**Plan**”) are (i) to align the interests of the Company’s stockholders and the recipients of awards under this Plan by increasing the proprietary interest of such recipients in the Company’s growth and success; (ii) to advance the interests of the Company by attracting and retaining directors, officers, employees, and other service providers; and (iii) to motivate such persons to act in the long-term best interests of the Company and its stockholders.

1.2 Certain Definitions.

“**Agreement**” shall mean the written or electronic agreement evidencing an award hereunder between the Company and the recipient of such award.

“**Board**” shall mean the Board of Directors of the Company.

“**Bonus Stock**” shall mean shares of Common Stock that are not subject to a Restriction Period or Performance Measures.

“**Bonus Stock Award**” shall mean an award of Bonus Stock under this Plan.

“**Cause**” shall be defined as that term is defined in the participant’s offer letter, employment agreement, change in control agreement, or other similar agreement; or if there is no such definition, “Cause” means, as determined by the Company in its sole discretion and unless provided otherwise in the applicable Agreement, any of the following: (i) the participant’s breach of any agreement with the Company or any Subsidiary; (ii) the participant’s failure or refusal to satisfactorily perform the duties reasonably required of him or her as an employee to the Company or any Subsidiary; (iii) the participant’s commission of any act of fraud, embezzlement, dishonesty, or insubordination; (iv) the participant’s unauthorized use or disclosure of confidential information or trade secrets of the Company or any Subsidiary; (v) the participant’s breach of a policy of the Company or any Subsidiary or the rules of any governmental or regulatory body applicable to the Company or any Subsidiary; or (vi) any other misconduct by the participant that has, or could have, an adverse impact on the business, reputation, or affairs of the Company or any Subsidiary. A Separation from Service for Cause shall be deemed to include a determination by the Company after the participant’s separation that circumstances existing before the separation would have entitled the Company or a Subsidiary to have terminated the participant’s service for Cause. All rights that a participant has or may have under this Plan shall be suspended automatically during the pendency of any investigation by the Company, or during any negotiations between the Company and the participant, regarding any actual or alleged act or omission by the participant of the type described in the applicable definition of Cause.

“**Change in Control**” shall be defined as that term is defined in the participant’s offer letter, employment agreement, change in control agreement, or other similar agreement; or if there is no such definition, “Change in Control” shall have the meaning set forth in **Section 5.8(b)**.

“**Chief Executive Officer**” shall mean the Chief Executive Officer of the Company.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended.

“**Committee**” shall mean the Committee designated by the Board, consisting of two or more members of the Board, each of whom may be (i) a “non-employee director” within the meaning of Rule 16b-3 under the Exchange Act, (ii) an “outside director” within the meaning of Section 162(m) of the Code, and (iii) “independent” within the meaning of the rules of the New York Stock Exchange or any other stock exchange on which the shares of Common Stock have been listed by the Company.

“**Common Stock**” shall mean the common stock, par value \$0.01 per share, of the Company, and all rights appurtenant thereto.

“**Company**” shall mean TRI Pointe Group, Inc., a Delaware corporation, or any successor thereto.

“**Consultant**” means any consultant or advisor who is a natural person and who provides services to the Company or any Subsidiary, so long as that person (i) renders bona fide services that are not in connection with the offer and sale of the Company’s securities in a capital raising transaction, (ii) does not directly or indirectly promote or maintain a market for the Company’s securities, and (iii) otherwise qualifies as a consultant under the applicable rules of the Securities and Exchange Commission for registration of securities on a Form S-8 registration statement (or any successor thereto).

“**Disability**” shall be defined as that term is defined in the participant’s offer letter, employment agreement, change in control agreement, or other similar agreement; or if there is no such definition, “Disability” means the participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or has lasted or can be expected to last for a continuous period of 180 days or more, as determined by an independent physician selected with the approval of the Company or any Subsidiary and the participant.

“**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended.

“**Fair Market Value**” shall mean the closing transaction price of a share of Common Stock as reported on the New York Stock Exchange on the date as of which such value is being determined or, if the Common Stock is not listed on the New York Stock Exchange, the closing transaction price of a share of Common Stock on the principal national stock exchange on which the Common Stock is traded on the date as of which such value is being determined or, if there are no reported transactions for such date, on the next preceding date for which transactions were reported; provided, however, that if the Common Stock is not listed on a national stock exchange or if Fair Market Value for any date cannot be so determined, Fair Market Value shall be determined by the Committee by whatever means or method as it shall at such time deem appropriate.

“**Free-Standing SAR**” shall mean an SAR which is not granted in tandem with, or by reference to, an option, which entitles the holder thereof to receive, upon exercise, shares of Common Stock (which may be Restricted Stock) with an aggregate value equal to the excess of the Fair Market Value of one share of Common Stock on the date of exercise over the base price of such SAR, multiplied by the number of such SARs which are exercised.

“**Incentive Stock Option**” shall mean an option to purchase shares of Common Stock that meets the requirements of Section 422 of the Code, or any successor provision, which is intended by the Committee to constitute an Incentive Stock Option.

“**Non-Employee Director**” shall mean any director of the Company who is not an officer or employee of the Company or any Subsidiary.

“**Nonqualified Stock Option**” shall mean an option to purchase shares of Common Stock that is not an Incentive Stock Option.

“**Performance Award**” shall mean a right to receive an amount of cash, shares of Common Stock, or a combination of both, contingent upon the attainment of specified Performance Measures within a specified Performance Period.

“**Performance Measures**” shall mean the criteria and objectives, established by the Committee, which shall be satisfied or met (i) as a condition to the grant or exercisability of all or a portion of an option or SAR or (ii) during the applicable Restriction Period or Performance Period as a condition to the vesting of the holder’s interest, in the case of a Restricted Stock Award, of the shares of Common Stock subject to such award, or, in the case of a Restricted Stock Unit Award or Performance Award, to the holder’s receipt of the shares of Common Stock subject to such award or of payment with respect to such award. Such criteria and objectives may include, without limitation, one or more of the following corporate-wide or subsidiary, division, operating unit, or individual measures, stated in either absolute terms or relative terms, such as rates of growth or improvement: the attainment by a share of Common Stock of a specified Fair Market Value for a specified period of time, earnings per share, return to stockholders (including dividends), return on assets, return on equity, earnings of the Company before or after taxes and/or interest, revenues, expenses, market share, cash flow or cost reduction goals, interest expense after taxes, return on investment, return on investment capital, return on operating costs, economic value created, operating margin, gross margin, the achievement of annual operating profit plans, net income before or after taxes, pretax earnings before interest, depreciation and/or amortization, pretax operating earnings after interest expense and before incentives, and/or extraordinary or special items, operating earnings, net cash provided by operations, and strategic business criteria, specified market penetration, cost targets, customer satisfaction, or any combination of the foregoing. The Committee may amend or adjust the Performance Measures or other terms and conditions of an outstanding award in recognition of unusual or nonrecurring events affecting the Company or its financial statements or changes in law or accounting principles.

“**Performance Period**” shall mean any period designated by the Committee during which (i) the Performance Measures applicable to an award shall be measured and (ii) the conditions to vesting applicable to an award shall remain in effect.

“**Restricted Stock**” shall mean shares of Common Stock which are subject to a Restriction Period and which may, in addition thereto, be subject to the attainment of specified Performance Measures within a specified Performance Period.

“**Restricted Stock Award**” shall mean an award of Restricted Stock under this Plan.

“**Restricted Stock Unit**” shall mean a right to receive one share of Common Stock or, in lieu thereof, the Fair Market Value of such share of Common Stock in cash, which shall be contingent upon the expiration of a specified Restriction Period and which may, in addition thereto, be contingent upon the attainment of specified Performance Measures within a specified Performance Period.

“**Restricted Stock Unit Award**” shall mean an award of Restricted Stock Units under this Plan.

“**Restriction Period**” shall mean any period designated by the Committee during which (i) the Common Stock subject to a Restricted Stock Award may not be sold, transferred, assigned, pledged, hypothecated, or otherwise encumbered or disposed of, except as provided in this Plan or the Agreement relating to such award, or (ii) the conditions to vesting applicable to a Restricted Stock Unit Award shall remain in effect.

“**Retirement**” shall mean a participant’s voluntary Separation from Service without Cause at or after the time the participant has (i) attained age 60 and (ii) worked for the Company or its Subsidiaries for at least five years, provided that each of the following conditions must also be satisfied in order for the participant’s Separation from Service to constitute a Retirement.

- (a) The participant must provide the Company with written notice of his or her intent to retire on a form provided by the Company electing Retirement treatment under this Plan (a “**Retirement Notice**”) at least 180 days prior to the participant’s anticipated date of Retirement, as stated in the Retirement Notice. During this period, the participant shall remain an at-will employee and must remain in good standing and continue to meet all applicable performance standards, as determined by the Company.
- (b) The participant must execute a separation agreement and general release in a form acceptable to the Company.
- (c) The participant’s length of service with the Company and its Subsidiaries shall be determined by the Company.

“**SAR**” shall mean a stock appreciation right which may be a Free-Standing SAR or a Tandem SAR.

“**Section 409A**” shall mean Section 409A of the Code.

“**Separation from Service**” shall mean the termination of the applicable participant’s employment with, and performance of services for, the Company and each Subsidiary, in each case as determined by the Company in its sole discretion. Unless otherwise determined by the Company, if a participant’s employment or service with the Company or a Subsidiary terminates but the participant continues to provide services to the Company or a Subsidiary in a Non-Employee Director capacity or as an employee, officer, or Consultant, as applicable, such change in status shall not be deemed a Separation from Service. Approved temporary absences from employment because of illness, vacation, or leave of absence and transfers among the Company and its Subsidiaries shall not be considered Separations from Service.

“**Stock Award**” shall mean a Bonus Stock Award, Restricted Stock Award, or a Restricted Stock Unit Award.

“**Subsidiary**” shall mean any corporation, limited liability company, partnership, joint venture, or similar entity in which the Company owns, directly or

indirectly, an equity interest possessing more than 50% of the combined voting power of the total outstanding equity interests of such entity.

“**Substitute Award**” shall mean an award granted under this Plan upon the assumption of, or in substitution for, outstanding equity awards previously granted by a company or other entity in connection with a corporate transaction, including a merger, combination, consolidation, or acquisition of property or stock; provided, however, that in no event shall the term “Substitute Award” be construed to refer to an award made in connection with the cancellation and repricing of an option or SAR.

“**Tandem SAR**” shall mean an SAR which is granted in tandem with, or by reference to, an option (including a Nonqualified Stock Option granted prior to the date of grant of the SAR), which entitles the holder thereof to receive, upon exercise of such SAR and surrender for cancellation of all or a portion of such option, shares of Common Stock (which may be Restricted Stock) with an aggregate value equal to the excess of the Fair Market Value of one share of Common Stock on the date of exercise over the base price of such SAR, multiplied by the number of shares of Common Stock subject to such option, or portion thereof, which is surrendered.

“**Tax Date**” shall have the meaning set forth in **Section 5.5**.

“**Ten Percent Holder**” shall have the meaning set forth in **Section 2.1(a)**.

1.3 Administration. This Plan shall be administered by the Committee. Any one or a combination of the following awards may be made under this Plan to eligible persons: (i) options to purchase shares of Common Stock in the form of Incentive Stock Options or Nonqualified Stock Options; (ii) SARs in the form of Tandem SARs or Free-Standing SARs; (iii) Stock Awards in the form of Bonus Stock, Restricted Stock, or Restricted Stock Units; and (iv) Performance Awards. The Committee shall, subject to the terms of this Plan, select eligible persons for participation in this Plan and determine the form, amount, and timing of each award to such persons and, if applicable, the number of shares of Common Stock, the number of SARs, the number of Restricted Stock Units, the dollar value subject to an award, the purchase price or base price associated with the award, the time and conditions of exercise or settlement of the award, and all other terms and conditions of the award, including, without limitation, the form of the Agreement evidencing the award. The Committee may, in its sole discretion and for any reason at any time, take action such that (i) any or all outstanding options and SARs shall become exercisable in part or in full, (ii) all or a portion of the Restriction Period applicable to any outstanding Restricted Stock or Restricted Stock Units shall lapse, (iii) all or a portion of the Performance Period applicable to any outstanding Restricted Stock, Restricted Stock Units or Performance Award shall lapse, and (iv) the Performance Measures (if any) applicable to any outstanding award shall be deemed to be satisfied at the target or any other level. The Committee, subject to the terms of this Plan, shall interpret this Plan and the application thereof and establish rules and regulations it deems necessary or desirable for the administration of this Plan, and may impose, incidental to the grant of an award, conditions with respect to the award. All such interpretations, rules, regulations, conditions, and other actions by the Committee under this Plan shall be in the Committee’s sole discretion and shall be conclusive and binding on all parties.

The Committee may delegate some or all of its power and authority hereunder to the Board or, subject to applicable law, to the Chief Executive Officer or such other executive officer as the Committee deems appropriate; provided, however, that the Committee may not delegate its power and authority to the Chief Executive Officer or any other executive officer with regard to the selection for participation in this Plan of an officer, director, or other person subject to Section 16 of the Exchange Act or decisions concerning the timing, pricing, or amount of an award to such an officer, director, or other person.

No member of the Board or Committee, and neither the Chief Executive Officer nor any other executive officer to whom the Committee delegates any of its power and authority hereunder, shall be liable for any act, omission, interpretation, construction, or determination made in connection with this Plan in good faith, and the members of the Board and the Committee and the Chief Executive Officer and any other executive officer shall be entitled to indemnification and reimbursement by the Company in respect of any claim, loss, damage, or expense (including attorneys’ fees) arising therefrom to the full extent permitted by law (except as otherwise may be provided in the Company’s Certificate of Incorporation and/or Bylaws) and under any directors’ and officers’ liability insurance that may be in effect from time to time.

A majority of the Committee shall constitute a quorum. The acts of the Committee shall be either (i) acts of a majority of the members of the Committee present at any meeting at which a quorum is present or (ii) acts approved in writing by all of the members of the Committee without a meeting.

1.4 Eligibility. Participants in this Plan shall consist of such officers, Non-Employee Directors, employees, and Consultants, and persons expected to become officers, Non-Employee Directors, employees, and Consultants of the Company and its Subsidiaries as the Committee may select from time to time. The Committee’s selection of a person to participate in this Plan at any time shall not require the Committee to select such person to participate in this Plan at any other time. The Committee shall determine, in its sole discretion, the extent to which a participant shall be considered employed during any periods during which such participant is on an approved leave of absence.

1.5 Shares Available. Subject to adjustment as provided in **Section 5.7** and to all other limits set forth in this **Section 1.5**, 10,942,517 shares of Common Stock shall be available for all awards under this Plan, of which no more than 10,942,517 shares of Common Stock in the aggregate may be issued under this Plan in connection with Incentive Stock Options. The number of shares of Common Stock available under this Plan shall be reduced by the sum of the aggregate number of shares of Common Stock which become subject to outstanding options, outstanding Free-Standing SARs, outstanding Stock Awards, and outstanding Performance Awards. To the extent that shares of Common Stock subject to an outstanding option, SAR, stock award, or performance award granted under this Plan or any predecessor plan are not issued or delivered by reason of (i) the expiration, termination, cancellation, or forfeiture of such award (excluding shares subject to an option cancelled upon settlement in shares of a related tandem SAR or shares subject to a tandem SAR cancelled upon exercise of a related option) or (ii) the settlement of such award in cash, then such shares of Common Stock shall again be available under this Plan.

Notwithstanding anything in this **Section 1.5** to the contrary, shares of Common Stock subject to an award under this Plan may not be made available again for issuance under this Plan if such shares are: (i) shares that were subject to a stock-settled SAR and were not issued upon the net settlement or net exercise of such SAR; (ii) shares delivered to or withheld by the Company to pay the purchase price or the withholding taxes related to an outstanding option or SAR; or (iii) shares repurchased on the open market with the proceeds of an option exercise. Shares delivered to or withheld by the Company to pay the withholding taxes for Stock Awards or Performance Awards shall again be available under this Plan.

The number of shares of Common Stock available for awards under this Plan shall not be reduced by (i) the number of shares of Common Stock subject to Substitute Awards or (ii) available shares under a stockholder approved plan of a company or other entity which was a party to a corporate transaction with the Company (as appropriately adjusted to reflect such corporate transaction) which become subject to awards granted under this Plan (subject to applicable stock exchange requirements).

Shares of Common Stock to be delivered under this Plan shall be made available from authorized and unissued shares of Common Stock, or authorized and issued shares of Common Stock reacquired and held as treasury shares or otherwise or a combination thereof.

Subject to adjustment as provided in **Section 5.7**, notwithstanding anything herein to the contrary, options and SARs may be granted, in the aggregate, to any one participant with respect to a maximum of 2,000,000 shares of Common Stock during a single calendar year. In addition, any Stock Award (other than a Bonus Stock Award) or Performance Award may be granted, in the aggregate, to any one participant, with respect to a maximum of 2,000,000 shares of Common Stock during a single calendar year. Such numbers shall be calculated and adjusted pursuant to **Section 5.7** only to the extent that such calculation or adjustment will not affect the status of any award intended to qualify as “performance-based compensation” under Section 162(m) of the Code. The maximum cash amount payable pursuant to that portion of a Performance Award earned for any 12-month period to any participant under this Plan shall not exceed \$10.0 million.

Notwithstanding the foregoing, if the participant is a Non-Employee Director, the maximum amount of options, SARs, Stock Awards (including Bonus Stock Awards) and Performance Awards that may be granted during a single calendar year to any one Non-Employee Director shall be in the aggregate \$300,000 as determined by the Fair Market Value of the shares of Common Stock underlying such options, SARs, Stock Awards (including Bonus Stock Awards), and Performance Awards on the applicable grant dates.

II. STOCK OPTIONS AND STOCK APPRECIATION RIGHTS

2.1 Stock Options. The Committee may grant options to purchase shares of Common Stock to such eligible persons as may be selected by the Committee; provided, however, that Incentive Stock Options shall be granted only to persons who are employees of the Company or one of its Subsidiaries that is a corporation within the meaning of Section 7701(a)(3) of the Code, in accordance with Section 422 of the Code. Each option, or portion thereof, that is not an Incentive Stock Option, shall be a Nonqualified Stock Option. To the extent that the aggregate Fair Market Value (determined as of the date of grant) of shares of Common Stock with respect to which options designated as Incentive Stock Options are exercisable for the first time by a participant during any calendar year (under this Plan or any other plan of the Company, or any parent or Subsidiary) exceeds the amount (currently \$100,000) established by the Code, such options shall constitute Nonqualified Stock Options.

Options shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan (including **Sections 5.8** and **5.9**), as the Committee shall deem advisable:

(a) **Number of Shares and Purchase Price.** The number of shares of Common Stock subject to an option and the purchase price per share of Common Stock purchasable upon exercise of the option shall be determined by the Committee; provided, however, that the purchase price per share of Common Stock purchasable upon exercise of an option shall not be less than 100% of the Fair Market Value of a share of Common Stock on the date of grant of such option; provided, further, that if an Incentive Stock Option is granted to any person who, at the time such option is granted, owns, or is deemed to own pursuant to Section 424(d) of the Code, capital stock possessing more than 10 percent of the total combined voting power of all classes of capital stock of the Company (or of any parent or Subsidiary) (a “**Ten Percent Holder**”), the purchase price per share of Common Stock shall not be less than the price (currently 110% of Fair Market Value) required by the Code in order to constitute an Incentive Stock Option.

Notwithstanding the foregoing, in the case of an option that is a Substitute Award, the purchase price per share of the shares subject to such option may be less than 100% of the Fair Market Value per share on the date of grant, provided, that the excess of: (a) the aggregate Fair Market Value (as of the date such Substitute Award is granted) of the shares subject to the Substitute Award, over (b) the aggregate purchase price thereof does not exceed the excess of: (x) the aggregate fair market value (as of the time immediately preceding the transaction giving rise to the Substitute Award, such fair market value to be determined by the Committee) of the shares of the predecessor company or other entity that were subject to the grant assumed or substituted for by the Company, over (y) the aggregate purchase price of such shares.

(b) **Option Period and Exercisability.** The period during which an option may be exercised shall be determined by the Committee; provided, however, that no option shall be exercised later than ten years after its date of grant; provided, further, that if an Incentive Stock Option is granted to a Ten Percent Holder, such option shall not be exercised later than five years after its date of grant. The Committee may establish an applicable Performance Period and Performance Measures which shall be satisfied or met as a condition to the grant of such option or to the exercisability of all or a portion of such option. The Committee shall determine whether an option shall become exercisable in cumulative or non-cumulative installments and in part or in full at any time. An exercisable option, or portion thereof, may be exercised only with respect to whole shares of Common Stock.

(c) **Method of Exercise.** An option may be exercised (i) by giving written notice to the Company specifying the number of whole shares of Common Stock to be purchased and accompanying such notice with payment therefor in full (or arrangement made for such payment to the Company’s satisfaction) either (A) in cash, (B) by delivery (either actual delivery or by attestation procedures established by the Company) of shares of Common Stock having a Fair Market Value, determined as of the date of exercise, equal to the aggregate purchase price payable by reason of such exercise, (C) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the date of exercise, equal to the amount necessary to satisfy such obligation, (D) in cash by a broker-dealer acceptable to the Company to whom the optionee has submitted an irrevocable notice of exercise, or (E) a combination of (A), (B), and (C), in each case to the extent set forth in the Agreement relating to the option or as otherwise authorized by the Committee; (ii) if applicable, by surrendering to the Company any Tandem SARs which are cancelled by reason of the exercise of the option; and (iii) by executing such documents as the Company may reasonably request. Any fraction of a share of Common Stock which would be required to pay such purchase price shall be disregarded and the remaining amount due shall be paid in cash by the optionee. No shares of Common Stock shall be issued and no certificate representing Common Stock shall be delivered until the full purchase price therefor and any withholding taxes thereon, as described in **Section 5.5**, have been paid (or arrangement made for such payment to the Company’s satisfaction).

2.2 Stock Appreciation Rights. The Committee may grant SARs to such eligible persons as may be selected by the Committee. The Agreement relating to an SAR shall specify whether the SAR is a Tandem SAR or a Free-Standing SAR.

SARs shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan (including **Sections 5.8** and **5.9**), as the Committee shall deem advisable:

(a) **Number of SARs and Base Price.** The number of SARs subject to an award shall be determined by the Committee. Any Tandem SAR related to an Incentive Stock Option shall be granted at the same time that such Incentive Stock Option is granted. The base price of a Tandem SAR shall be the purchase price per share of Common Stock of the related option. The base price of a Free-Standing SAR shall be determined by the Committee;

provided, however, that such base price shall not be less than 100% of the Fair Market Value of a share of Common Stock on the date of grant of such SAR.

Notwithstanding the foregoing, in the case of an SAR that is a Substitute Award, the base price per share of the shares subject to such SAR may be less than 100% of the Fair Market Value per share on the date of grant, provided, that the excess of: (a) the aggregate Fair Market Value (as of the date such Substitute Award is granted) of the shares subject to the Substitute Award, over (b) the aggregate base price thereof does not exceed the excess of: (x) the aggregate fair market value (as of the time immediately preceding the transaction giving rise to the Substitute Award, such fair market value to be determined by the Committee) of the shares of the predecessor company or other entity that were subject to the grant assumed or substituted for by the Company, over (y) the aggregate base price of such shares.

(b) Exercise Period and Exercisability. The period for the exercise of an SAR shall be determined by the Committee; provided, however, that no Tandem SAR shall be exercised later than the expiration, cancellation, forfeiture, or other termination of the related option and no Free-Standing SAR shall be exercised later than ten years after its date of grant. The Committee may establish Performance Measures which shall be satisfied or met as a condition to the grant of an SAR or to the exercisability of all or a portion of an SAR. The Committee shall determine whether an SAR may be exercised in cumulative or non-cumulative installments and in part or in full at any time. An exercisable SAR, or portion thereof, may be exercised, in the case of a Tandem SAR, only with respect to whole shares of Common Stock and, in the case of a Free-Standing SAR, only with respect to a whole number of SARs. If an SAR is exercised for shares of Restricted Stock, a certificate or certificates representing such Restricted Stock shall be issued in accordance with **Section 3.3(c)**, or such shares shall be transferred to the holder in book entry form with restrictions on the shares duly noted, and the holder of such Restricted Stock shall have such rights of a stockholder of the Company as determined pursuant to **Section 3.3(d)**. Prior to the exercise of an SAR, the holder of such SAR shall have no rights as a stockholder of the Company with respect to the shares of Common Stock subject to such SAR.

(c) Method of Exercise. A Tandem SAR may be exercised (i) by giving written notice to the Company specifying the number of whole SARs which are being exercised, (ii) by surrendering to the Company any options which are cancelled by reason of the exercise of the Tandem SAR, and (iii) by executing such documents as the Company may reasonably request. A Free-Standing SAR may be exercised (A) by giving written notice to the Company specifying the whole number of SARs which are being exercised and (B) by executing such documents as the Company may reasonably request. No shares of Common Stock shall be issued and no certificate representing Common Stock shall be delivered until any withholding taxes thereon, as described in **Section 5.5**, have been paid (or arrangement made for such payment to the Company's satisfaction).

2.1 No Repricing Without Stockholder Approval. Other than in connection with any equity restructuring or any other change in the Company's capitalization (as described in **Section 5.7**), the Committee shall not, without stockholder approval, reduce the exercise price of a previously awarded option or SAR and, at any time when the exercise price of a previously awarded option or SAR is above the Fair Market Value of a share of Common Stock, the Committee shall not, without stockholder approval, cancel and re-grant or exchange such option or SAR for cash or a new award with a lower (or no) exercise price.

III. STOCK AWARDS

3.1 Stock Awards. The Committee may grant Stock Awards to such eligible persons as may be selected by the Committee. The Agreement relating to a Stock Award shall specify whether the Stock Award is a Bonus Stock Award, Restricted Stock Award, or Restricted Stock Unit Award.

3.2 Terms of Bonus Stock Awards. The number of shares of Common Stock subject to a Bonus Stock Award shall be determined by the Committee. Bonus Stock Awards shall not be subject to any Restriction Periods or Performance Measures. Upon the grant of a Bonus Stock Award, subject to the Company's right to require payment of any taxes in accordance with **Section 5.5**, a certificate or certificates evidencing ownership of the requisite number of shares of Common Stock shall be delivered to the holder of such award or such shares shall be transferred to the holder in book entry form.

3.3 Terms of Restricted Stock Awards. Restricted Stock Awards shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable.

(a) Number of Shares and Other Terms. The number of shares of Common Stock subject to a Restricted Stock Award and the Restriction Period, Performance Period (if any), and Performance Measures (if any) applicable to a Restricted Stock Award shall be determined by the Committee.

(b) Vesting and Forfeiture. The Agreement relating to a Restricted Stock Award shall provide, in the manner determined by the Committee and subject to the provisions of this Plan (including **Sections 5.8** and **5.9**), for the vesting of the shares of Common Stock subject to such award (i) if the holder of such award does not incur a Separation from Service during the specified Restriction Period and (ii) if specified Performance Measures (if any) are satisfied or met during a specified Performance Period, and for the forfeiture of the shares of Common Stock subject to such award (x) if the holder of such award incurs a Separation from Service during the specified Restriction Period or (y) if specified Performance Measures (if any) are not satisfied or met during a specified Performance Period.

(c) Stock Issuance. During the Restriction Period, the shares of Restricted Stock shall be held by a custodian in book entry form with restrictions on such shares duly noted or, alternatively, a certificate or certificates representing a Restricted Stock Award shall be registered in the holder's name and may bear a legend, in addition to any legend which may be required pursuant to **Section 5.6**, indicating that the ownership of the shares of Common Stock represented by such certificate is subject to the restrictions, terms, and conditions of this Plan and the Agreement relating to the Restricted Stock Award. All such certificates shall be deposited with the Company, together with stock powers or other instruments of assignment (including a power of attorney), each endorsed in blank with a guarantee of signature if deemed necessary or appropriate, which would permit transfer to the Company of all or a portion of the shares of Common Stock subject to the Restricted Stock Award in the event such award is forfeited in whole or in part. Upon termination of any applicable Restriction Period (and the satisfaction or attainment of applicable Performance Measures), subject to the Company's right to require payment of any taxes in accordance with **Section 5.5**, the restrictions shall be removed from the requisite number of any shares of Common Stock that are held in book entry form, and all certificates evidencing ownership of the requisite number of shares of Common Stock shall be delivered to the holder of such award.

(d) Rights with Respect to Restricted Stock Awards. Unless otherwise set forth in the Agreement relating to a Restricted Stock Award, and subject to the terms and conditions of a Restricted Stock Award, the holder of such award shall have all rights as a stockholder of the Company, including, but not limited to, voting rights, the right to receive dividends and the right to participate in any capital adjustment applicable to all holders of Common Stock; provided, however, that (i) a distribution with respect to shares of Common Stock, other than a regular cash dividend, and (ii) a regular cash dividend with respect to shares of Common Stock that are subject to performance-based vesting conditions, in each case, shall be deposited with the

Company and shall be subject to the same restrictions as the shares of Common Stock with respect to which such distribution was made.

3.4 Terms of Restricted Stock Unit Awards. Restricted Stock Unit Awards shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable.

(a) **Number of Shares and Other Terms.** The number of shares of Common Stock subject to a Restricted Stock Unit Award and the Restriction Period, Performance Period (if any), and Performance Measures (if any) applicable to a Restricted Stock Unit Award shall be determined by the Committee.

(b) **Vesting and Forfeiture.** The Agreement relating to a Restricted Stock Unit Award shall provide, in the manner determined by the Committee and subject to the provisions of this Plan (including **Sections 5.8** and **5.9**), for the vesting of such Restricted Stock Unit Award (i) if the holder of such award does not incur a Separation from Service during the specified Restriction Period and (ii) if specified Performance Measures (if any) are satisfied or met during a specified Performance Period, and for the forfeiture of the shares of Common Stock subject to such award (x) if the holder of such award incurs a Separation from Service during the specified Restriction Period or (y) if specified Performance Measures (if any) are not satisfied or met during a specified Performance Period.

(c) **Settlement of Vested Restricted Stock Unit Awards.** The Agreement relating to a Restricted Stock Unit Award shall specify (i) whether such award may be settled in shares of Common Stock or cash or a combination thereof and (ii) whether the holder thereof shall be entitled to receive, on a current or deferred basis, dividend equivalents, and, if determined by the Committee, interest on, or the deemed reinvestment of, any deferred dividend equivalents, with respect to the number of shares of Common Stock subject to such award. Any dividend equivalents with respect to Restricted Stock Units that are subject to performance-based vesting conditions shall be subject to the same restrictions as such Restricted Stock Units. Prior to the settlement of a Restricted Stock Unit Award, the holder of such award shall have no rights as a stockholder of the Company with respect to the shares of Common Stock subject to such award.

IV. PERFORMANCE AWARDS

4.1 Performance Awards. The Committee may grant Performance Awards to such eligible persons as may be selected by the Committee.

4.2 Terms of Performance Awards. Performance Awards shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable.

(a) **Value of Performance Awards and Performance Measures.** The method of determining the value of the Performance Award and the Performance Measures and Performance Period applicable to a Performance Award shall be determined by the Committee.

(b) **Vesting and Forfeiture.** The Agreement relating to a Performance Award shall provide, in the manner determined by the Committee and subject to the provisions of this Plan (including **Sections 5.8** and **5.9**), for the vesting of such Performance Award if the specified Performance Measures are satisfied or met during the specified Performance Period and for the forfeiture of such award if the specified Performance Measures are not satisfied or met during the specified Performance Period.

(c) **Settlement of Vested Performance Awards.** The Agreement relating to a Performance Award shall specify whether such award may be settled in shares of Common Stock (including shares of Restricted Stock) or cash or a combination thereof. If a Performance Award is settled in shares of Restricted Stock, such shares of Restricted Stock shall be issued to the holder in book entry form or a certificate or certificates representing such Restricted Stock shall be issued in accordance with **Section 3.3(c)** and the holder of such Restricted Stock shall have such rights as a stockholder of the Company as determined pursuant to **Section 3.3(d)**. Any dividends or dividend equivalents with respect to a Performance Award that is subject to performance-based vesting conditions shall be subject to the same restrictions as such Performance Award. Prior to the settlement of a Performance Award in shares of Common Stock, including Restricted Stock, the holder of such award shall have no rights as a stockholder of the Company.

V. GENERAL

5.1 Effective Date and Term of Plan. This Plan originally became effective January 30, 2013. This Plan was subsequently amended effective as of June 23, 2014; July 7, 2015; and August 12, 2015, respectively. The terms and conditions set forth herein constitute an amendment and restatement of this Plan, effective as of February 21, 2019 (the "**Amendment Date**"), and shall not apply to any awards granted under this Plan prior to the Amendment Date. Each award under this Plan shall be governed by the terms of this Plan as in effect at the time the award was granted, i.e., amendment of this Plan shall not affect the terms or conditions of any award granted hereunder prior to amendment, unless specifically set forth in the amendment. This Plan shall terminate on January 30, 2023, unless terminated earlier by the Board. Termination of this Plan shall not affect the terms or conditions of any award granted prior to termination. Awards hereunder may be made at any time prior to the termination of this Plan, provided that no such award may be made later than January 30, 2023.

5.2 Amendments. The Board may amend this Plan as it shall deem advisable, subject to any requirement of stockholder approval required by applicable law, rule or regulation, including Section 162(m) of the Code and any rule of the New York Stock Exchange, or, if the Common Stock is not listed on the New York Stock Exchange, any rule of the principal national stock exchange on which the Common Stock is then traded; provided, however, that no amendment may impair the rights of a holder of an outstanding award without the consent of such holder.

5.3 Agreement. Each award under this Plan shall be evidenced by an Agreement setting forth the terms and conditions applicable to such award. No award shall be valid until an Agreement is executed by the Company and, to the extent required by the Company, either executed by the recipient or accepted by the recipient by electronic means approved by the Company within the time period specified by the Company. Upon such execution or electronic acceptance, such award shall be effective as of the effective date set forth in the Agreement.

5.4 Non-Transferability. No award shall be transferable other than by will, the laws of descent and distribution, or pursuant to beneficiary designation procedures approved by the Company or, to the extent expressly permitted in the Agreement relating to such award, to the holder's family members, a trust or entity established by the holder for estate planning purposes, a charitable organization designated by the holder, or pursuant to a domestic relations order, in each case, without consideration. Except to the extent permitted by the foregoing sentence or the Agreement relating to an award, each award may be exercised or settled during the holder's lifetime only by the holder or the holder's legal representative or similar person. Except as permitted by the second preceding sentence, no award may be sold, transferred, assigned, pledged, hypothecated, encumbered, or otherwise disposed of (whether by operation of law or otherwise) or be subject

to execution, attachment, or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber, or otherwise dispose of any award, such award and all rights thereunder shall immediately become null and void.

5.5 Tax Withholding. The Company shall have the right to require, prior to the issuance or delivery of any shares of Common Stock or the payment of any cash pursuant to an award made hereunder, payment by the holder of such award of any federal, state, local, or other taxes which may be required to be withheld or paid in connection with such award. An Agreement may provide that (i) the Company shall withhold whole shares of Common Stock which would otherwise be delivered to a holder, having an aggregate Fair Market Value determined as of the date the obligation to withhold or pay taxes arises in connection with an award (the “**Tax Date**”), or withhold an amount of cash which would otherwise be payable to a holder, in the amount necessary to satisfy any such obligation or (ii) the holder may satisfy any such obligation by any of the following means: (A) a cash payment to the Company; (B) delivery (either actual delivery or by attestation procedures established by the Company) to the Company of previously owned whole shares of Common Stock having an aggregate Fair Market Value, determined as of the Tax Date, equal to the amount necessary to satisfy any such obligation; (C) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the Tax Date, or withhold an amount of cash which would otherwise be payable to a holder, equal to the amount necessary to satisfy any such obligation; (D) in the case of the exercise of an option and except as may be prohibited by applicable law, a cash payment by a broker-dealer acceptable to the Company to whom the optionee has submitted an irrevocable notice of exercise; or (E) any combination of (A), (B), and (C), in each case to the extent set forth in the Agreement relating to the award or as otherwise authorized by the Committee. Shares of Common Stock to be delivered or withheld may have an aggregate Fair Market Value up to the maximum amount required as may be necessary to satisfy the withholding obligations in this **Section 5.5**, and the shares so delivered or withheld shall have an aggregate Fair Market Value equal to such withholding obligations. To the extent applicable, a participant may satisfy his or her withholding obligation only with shares that are not subject to any repurchase, forfeiture, unfulfilled vesting, or other similar requirements. Any fraction of a share of Common Stock which would be required to satisfy such an obligation shall be disregarded and the remaining amount due shall be paid in cash by the holder.

5.6 Restrictions on Shares. Each award made hereunder shall be subject to the requirement that if at any time the Company determines that the listing, registration, or qualification of the shares of Common Stock subject to such award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares thereunder, such shares shall not be delivered unless such listing, registration, qualification, consent, approval, or other action has been effected or obtained, free of any conditions not acceptable to the Company. The Company may require that certificates evidencing shares of Common Stock delivered pursuant to any award made hereunder bear a legend indicating that the sale, transfer, or other disposition thereof by the holder is prohibited except in compliance with the Securities Act of 1933, as amended, and the rules and regulations thereunder. The Committee may require any participant to sign such additional documentation, make such representations, and furnish such information as the Committee may consider appropriate in connection with the grant of awards under this Plan or issuance or delivery of shares under this Plan in compliance with applicable laws.

5.7 Adjustment. In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation) that causes the per share value of shares of Common Stock to change, such as a stock dividend, stock split, spinoff, rights offering, or recapitalization through an extraordinary dividend, the number and class of securities available under this Plan, the terms of each outstanding option and SAR (including the number and class of securities subject to each outstanding option or SAR and the purchase price or base price per share), the terms of each outstanding Restricted Stock Award and Restricted Stock Unit Award (including the number and class of securities subject thereto), and the terms of each outstanding Performance Award shall be appropriately adjusted by the Committee, such adjustments to be made in the case of outstanding options and SARs without an increase in the aggregate purchase price or base price. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence may be made as determined to be appropriate and equitable by the Committee (or, if the Company is not the surviving corporation in any such transaction, the board of directors of the surviving corporation) to prevent dilution or enlargement of rights of participants. In either case, the decision of the Committee regarding any such adjustment shall be final, binding, and conclusive.

5.8 Change in Control.

(a) Subject to the terms of the applicable award Agreement, in the event of a Change in Control, the Board (as constituted prior to such Change in Control) may, in its discretion:

(i) provide that (A) some or all outstanding options and SARs shall become exercisable in full or in part, either immediately or upon a subsequent termination of employment, (B) the Restriction Period applicable to some or all outstanding Restricted Stock Awards and Restricted Stock Unit Awards shall lapse in full or in part, either immediately or upon a subsequent termination of employment, (C) the Performance Period applicable to some or all outstanding awards shall lapse in full or in part, and (D) the Performance Measures applicable to some or all outstanding awards shall be deemed to be satisfied at the target or any other level;

(ii) require that shares of stock of the corporation resulting from such Change in Control, or a parent corporation thereof, be substituted for some or all of the shares of Common Stock subject to an outstanding award, with an appropriate and equitable adjustment to such award as shall be determined by the Board in accordance with **Section 5.7**; and/or

(iii) require outstanding awards, in whole or in part, to be surrendered to the Company by the holder, and to be immediately cancelled by the Company, and to provide for the holder to receive (A) a cash payment in an amount equal to (1) in the case of an option or an SAR, the number of shares of Common Stock then subject to the portion of such option or SAR surrendered, to the extent such option or SAR is then exercisable or becomes exercisable pursuant to **Section 5.8(a)(i)**, multiplied by the excess, if any, of the Fair Market Value of a share of Common Stock as of the date of the Change in Control, over the purchase price or base price per share of Common Stock subject to such option or SAR, (2) in the case of a Stock Award or a Performance Award denominated in shares of Common Stock, the number of shares of Common Stock then subject to the portion of such award surrendered, to the extent the Restriction Period and Performance Period, if any, on such Stock Award or Performance Award have lapsed or will lapse pursuant to **Section 5.8(a)(i)** and to the extent that the Performance Measures, if any, have been satisfied or are deemed satisfied pursuant to **Section 5.8(a)(i)**, multiplied by the Fair Market Value of a share of Common Stock as of the date of the Change in Control, and (3) in the case of a Performance Award denominated in cash, the value of the Performance Award then subject to the portion of such award surrendered, to the extent the Performance Period applicable to such award has lapsed or will lapse pursuant to **Section 5.8(a)(i)** and to the extent the Performance Measures applicable to such award have been satisfied or are deemed satisfied pursuant to **Section 5.8(a)(i)**; (B) shares of capital stock of the corporation resulting from or succeeding to the business of the Company pursuant to such Change in Control, or a parent corporation thereof, having a fair market value not less than the amount determined under clause (A) above; or (C) a combination of the payment of cash pursuant to clause (A) above and the issuance of shares pursuant to clause (B) above.

(a) A “**Change in Control**” of the Company shall be deemed to have occurred upon the happening of any of the following events:

(i) The acquisition, other than from the Company, by any individual, entity, or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either the then outstanding shares of Common Stock of the Company or the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors, but excluding, for this purpose, any such acquisition by the Company or any of its Subsidiaries, or any employee benefit plan (or related trust) of the Company or its Subsidiaries, or any entity with respect to which, following such acquisition, more than 50% of, respectively, the then outstanding equity of such entity and the combined voting power of the then outstanding voting equity of such entity entitled to vote generally in the election of all or substantially all of the members of such entity’s governing body is then beneficially owned, directly or indirectly, by the individuals and entities who were the beneficial owners, respectively, of the Common Stock and voting securities of the Company immediately prior to such acquisition in substantially the same proportion as their ownership, immediately prior to such acquisition, of the then outstanding shares of Common Stock or the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors, as the case may be; or

(ii) The consummation of a reorganization, merger, or consolidation of the Company, in each case, with respect to which all or substantially all of the individuals and entities who were the respective beneficial owners of the Common Stock and voting securities of the Company immediately prior to such reorganization, merger, or consolidation do not, following such reorganization, merger, or consolidation, beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of Common Stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such reorganization, merger, or consolidation; or

(iii) A complete liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets of the Company; or

(iv) Individuals who at the beginning of any two-year period constitute the Board (the “**Incumbent Board**”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual who becomes a director of the Company during such two-year period and whose election, or whose nomination for election by the Company’s stockholders, to the Board was either (A) approved by a vote of at least a majority of the directors then comprising the Incumbent Board or (B) recommended by a nominating committee comprised entirely of directors who are then Incumbent Board members, 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 either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act), other actual or threatened solicitation of proxies or consents, or an actual or threatened tender offer.

Further, solely to the extent required by Section 409A, an event described above shall not constitute a Change in Control for purposes of the payment (but not vesting) terms of any Plan award subject to Section 409A unless such event also constitutes a change in ownership or effective control of the Company or a change in the ownership of a substantial portion of the Company’s assets within the meaning of Section 409A.

Notwithstanding the foregoing, any bona fide primary or secondary public offering shall not constitute a Change in Control.

5.1 Separation from Service. This **Section 5.9** shall only apply to awards granted under this Plan on or after the Amendment Date.

(a) **Retirement.** Unless provided otherwise by the Committee, if a participant incurs a Retirement, the participant’s outstanding unvested awards under this Plan shall be eligible to vest as follows:

(i) For awards that vest based solely on continued service, the proportion of an award vesting under this provision shall be equal to the number of days in the Restriction Period for such award that elapsed before the Separation from Service divided by the total number of days in such Restriction Period (for the avoidance of doubt, net of any proportion of the award that has already vested), provided that, if the first anniversary of the grant of an award has not occurred or will not occur by Retirement, a minimum of 365 days (but in no event more than 100%) of vesting shall be allotted to the participant. If the participant incurs a Separation from Service due to death or Disability after the participant provides a Retirement Notice but before Retirement, the participant’s awards shall be treated as though the participant’s Retirement occurred upon such Separation from Service. Any awards vesting under this **Section 5.9(a)(i)** shall vest upon the participant’s Retirement or upon the participant’s earlier Separation from Service due to death or Disability, as applicable.

(ii) For stock-based Performance Awards, (A) the proportion of an award vesting under this provision shall be equal to the number of days in the Performance Period for such award that elapsed before the Separation from Service divided by the total number of days in such Performance Period (for the avoidance of doubt, net of any proportion of the award that has already vested), provided that a minimum of 365 days (but in no event more than 100%) of vesting shall be allotted to the participant, and (B) the amount of the award vesting under this provision shall be based on actual achievement of the Performance Measures for such award measured at the end of the Performance Period, provided that if, after providing a Retirement Notice but before the end of the Performance Period, the participant incurs a Separation from Service due to death or Disability, the participant’s awards shall be treated as provided in **Section 5.9(b)**. If a Change in Control occurs after the participant provides a Retirement Notice but before the end of the Performance Period, the participant’s awards shall be treated in accordance with the “Change in Control” provisions of the applicable Agreements. Any awards vesting under this **Section 5.9(a)(ii)** shall vest at the end of the applicable Performance Period, upon the participant’s earlier Separation from Service due to death or Disability, or upon an earlier Change in Control, as applicable.

(iii) For cash-based Performance Awards, (A) the proportion of an award vesting under this provision shall be equal to the number of days in the Performance Period for such award that elapsed before the Separation from Service divided by the total number of days in such Performance Period (for the avoidance of doubt, net of any proportion of the award that has already vested), and (B) the amount of the award vesting under this provision shall be based on actual achievement of the Performance Measures for such award measured at the end of the Performance Period, provided that if, after providing a Retirement Notice but before the end of the Performance Period, the participant incurs a Separation from Service due to death or Disability, the participant’s awards shall be treated as provided in **Section 5.9(b)**. Any awards vesting under this **Section 5.9(a)(iii)** shall vest at the end of the applicable Performance Period or upon the participant’s earlier Separation from Service due to death or Disability, as applicable.

(b) **Death or Disability.** Unless provided otherwise by the Committee, if a participant incurs a Separation from Service due to death or Disability, the participant's outstanding unvested awards under this Plan shall be eligible to vest as follows:

(i) For awards that vest based solely on continued service, the proportion of an award vesting under this provision shall be equal to the number of days in the Restriction Period for such award that elapsed before the Separation from Service divided by the total number of days in such Restriction Period (for the avoidance of doubt, net of any proportion of the award that has already vested).

(ii) For stock-based Performance Awards, (A) the proportion of an award vesting under this provision shall be equal to the number of days in the Performance Period for such award that elapsed before the Separation from Service divided by the total number of days in such Performance Period (for the avoidance of doubt, net of any proportion of the award that has already vested), and (B) the amount of the award vesting under this provision shall be based on an assumed achievement of all relevant Performance Measures at the "target" level.

(iii) For cash-based Performance Awards, the amount of an award vesting under this provision shall be based on an assumed achievement of all relevant Performance Measures at the "target" level.

Any awards vesting under this **Section 5.9(b)** shall vest upon the participant's Separation from Service due to death or Disability.

(c) In calculating the proportion of an award vesting under **Sections 5.9(a)** and **5.9(b)**, (A) for options and SARs, if the number of shares subject to an option or SAR becoming exercisable as of a vesting date is a fractional number, the number of shares becoming exercisable shall be rounded down to the nearest whole number with any fractional portion carried forward, and (B) for Restricted Stock, Restricted Stock Units and Performance Awards, if the number of shares determined as of a vesting date is a fractional number, the number of shares vesting shall be rounded down to the nearest whole number with any fractional portion carried forward.

(d) **Separation from Service for Cause.** The Company may annul an award under this Plan if the participant incurs a Separation from Service for Cause. All awards under this Plan shall also be subject to the Company's Executive Recoupment Policy and any Company clawback or similar policy and any applicable law related to such actions. A participant's acceptance of a Plan award shall be deemed to constitute the participant's acknowledgement of and consent to the Company's application, implementation, and enforcement of the Executive Recoupment Policy and any other applicable Company clawback or similar policy that may apply to the participant, whether adopted before or after the Amendment Date, and any applicable law relating to clawback, cancellation, recoupment, rescission, payback, or reduction of compensation, and the participant's agreement that the Company may take any actions that may be necessary to effectuate any such policy or applicable law, without further consideration or action.

(e) **Other Separations from Service.** Except as provided in **Sections 5.9(a)**, **5.9(b)**, and **5.9(d)**, and otherwise in this Plan, any other terms relating to the treatment of an award under this Plan upon a Separation from Service shall be determined by the Committee and set forth in the applicable award Agreement.

5.2 Deferrals. The Committee may determine that the delivery of shares of Common Stock or the payment of cash, or a combination thereof, upon the exercise or settlement of all or a portion of any award (other than awards of Incentive Stock Options, Nonqualified Stock Options, and SARs) made hereunder shall be deferred, or the Committee may approve deferral elections made by holders of awards. Deferrals shall be for such periods and upon such terms as the Committee may determine.

5.3 No Right of Participation, Employment, or Service. Unless otherwise set forth in an employment agreement, no person shall have any right to participate in this Plan. Neither this Plan nor any award made hereunder shall confer upon any person any right to continued employment by or service with the Company, any Subsidiary, or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary, or any affiliate of the Company to terminate the employment or service of any person at any time without liability hereunder.

5.4 Rights as Stockholder. No person shall have any right as a stockholder of the Company with respect to any shares of Common Stock or other equity security of the Company which is subject to an award hereunder unless and until such person becomes a stockholder of record with respect to such shares of Common Stock or equity security.

5.5 Designation of Beneficiary. A holder of an award may file with the Committee a written designation of one or more persons as such holder's beneficiary or beneficiaries (both primary and contingent) in the event of the holder's death or incapacity. To the extent an outstanding option or SAR granted hereunder is exercisable, such beneficiary or beneficiaries shall be entitled to exercise such option or SAR pursuant to procedures prescribed by the Committee.

Each beneficiary designation shall become effective only when filed in writing with the Committee during the holder's lifetime on a form prescribed by the Committee. The spouse of a married holder domiciled in a community property jurisdiction shall join in any designation of a beneficiary other than such spouse. The filing with the Committee of a new beneficiary designation shall cancel all previously filed beneficiary designations.

If a holder fails to designate a beneficiary, or if all designated beneficiaries of a holder predecease the holder, then each outstanding option and SAR hereunder held by such holder, to the extent exercisable, may be exercised by such holder's executor, administrator, legal representative, or similar person.

5.6 Governing Law. This Plan, each award hereunder and the related Agreement, and all determinations made and actions taken pursuant thereto, to the extent not otherwise governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

5.7 Foreign Employees. Without amending this Plan, the Committee may grant awards to eligible persons who are foreign nationals on such terms and conditions different from those specified in this Plan as may in the judgment of the Committee be necessary or desirable to foster and promote achievement of the purposes of this Plan and, in furtherance of such purposes the Committee may make such modifications, amendments, procedures, subplans, and the like as may be necessary or advisable to comply with provisions of laws in other countries or jurisdictions in which the Company or its Subsidiaries operates or has employees.

5.8 Severability. If any term or condition of this Plan or any Agreement is determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining terms and conditions hereof and thereof shall be severable and enforceable, and all terms and conditions shall remain enforceable in any other jurisdiction.

5.9 Section 409A. This Plan is intended to comply with Section 409A to the extent subject thereto, and, accordingly, to the maximum extent permitted, this Plan shall be interpreted and administered to be in compliance therewith. Any payments described in this Plan that are due within the “short-term deferral period” as defined in Section 409A shall not be treated as deferred compensation unless applicable laws require otherwise. For purposes of Section 409A, each installment payment under this Plan shall be treated as a separate payment. Notwithstanding any other term or condition of this Plan, to the extent required to avoid accelerated taxation or tax penalties under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided under this Plan during the six-month period immediately after a participant’s Separation from Service shall instead be paid on the first payroll date after the six-month anniversary of the participant’s Separation from Service (or the participant’s death, if earlier). Notwithstanding the foregoing, neither the Company nor the Board shall have any obligation to take any action to prevent the assessment of any additional tax or penalty on any participant under Section 409A and neither the Company nor the Board shall have any liability to any participant for such tax or penalty.

5.10 No Limitations on Company. The grant of awards under this Plan shall not affect or limit in any way the right or power of the Company to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure or to merge, consolidate, dissolve, or liquidate, or to sell or transfer all or any part of its business or assets.

TRI POINTE GROUP, INC.
2013 LONG-TERM INCENTIVE PLAN

NON-EMPLOYEE DIRECTOR RESTRICTED STOCK UNIT AWARD AGREEMENT

TRI Pointe Group, Inc., a Delaware corporation (the “Company”), hereby grants to _____ (the “Holder”) as of _____ (the “Grant Date”), pursuant to the terms and conditions of the TRI Pointe Group, Inc. 2013 Long-Term Incentive Plan (the “Plan”), a restricted stock unit award (the “Award”) with respect to _____ shares of the Company’s Common Stock, par value \$0.01 per share (“Common Stock”), upon and subject to the restrictions, terms, and conditions set forth in the Plan and this agreement (the “Agreement”).

1. Award Subject to Acceptance of Agreement. The Award shall be null and void unless the Holder accepts this Agreement by executing it in the space provided below and returning such original execution copy to the Company.

 2. Rights as a Shareholder. The Holder shall not be entitled to any privileges of ownership with respect to the shares of Common Stock subject to the Award unless and until, and only to the extent, such shares become vested pursuant to Section 3 hereof and the Holder becomes a shareholder of record with respect to such shares. As of each date on which the Company pays a cash dividend to record owners of shares of Common Stock (a “Dividend Date”), then the number of shares subject to the Award shall increase by (i) the product of the total number of shares subject to the Award immediately prior to such Dividend Date multiplied by the dollar amount of the cash dividend paid per share of Common Stock by the Company on such Dividend Date, divided by (ii) the Fair Market Value of a share of Common Stock on such Dividend Date. Any such additional shares shall be subject to the same vesting conditions and payment terms set forth herein as the shares to which they relate.

 3. Restriction Period and Vesting.
 - a. Service-Based Vesting Condition. Except as otherwise provided in this Section 3, the Award shall vest on the day immediately prior to the Company’s _____ Annual Meeting of Stockholders. The period of time prior to the vesting shall be referred to herein as the “Restriction Period.”

 - b. Change in Control. Upon a Change in Control, the Restriction Period shall lapse and the Award shall become fully vested and shall be subject to Section 5.8 of the Plan.

 - c. Separation from Service. Except as provided in Sections 5.9(a) and 5.9(b) of the Plan, if the Holder incurs a Separation from Service as a Non-Employee Director prior to the end of the Restriction Period for any reason, then the portion of the Award that was not vested immediately prior to such Separation from Service shall be immediately forfeited by the Holder and cancelled by the Company.
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4. Delivery of Certificates. Subject to Section 6, as soon as practicable (but not later than 30 days) after the vesting of the Award, in whole or in part, the Company shall deliver or cause to be delivered one or more certificates issued in the Holder's name (or such other name as is acceptable to the Company and designated in writing by the Holder) representing the number of vested shares. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such delivery. Prior to the issuance to the Holder of the shares of Common Stock subject to the Award, the Holder shall have no direct or secured claim in any specific assets of the Company or in such shares of Common Stock, and will have the status of a general unsecured creditor of the Company.
5. Transfer Restrictions and Investment Representation.
- a. Non-transferability of Award. The Award may not be transferred by the Holder other than by will or the laws of descent and distribution, pursuant to the designation of one or more beneficiaries on the form prescribed by the Company, a trust or entity established by the Holder for estate planning purposes, a charitable organization designated by the Holder or pursuant to a qualified domestic relations order, in each case, without consideration. Except to the extent permitted by the foregoing sentence, the Award may not be sold, transferred, assigned, pledged, hypothecated, encumbered, or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber, or otherwise dispose of the Award, the Award and all rights hereunder shall immediately become null and void.
- b. Investment Representation. The Holder hereby represents and covenants that (a) any share of Common Stock acquired upon the vesting of the Award will be acquired for investment and not with a view to the distribution thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), unless such acquisition has been registered under the Securities Act and any applicable state securities laws; (b) any subsequent sale of any such shares shall be made either pursuant to an effective registration statement under the Securities Act and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws; and (c) if requested by the Company, the Holder shall submit a written statement, in form satisfactory to the Company, to the effect that such representation (x) is true and correct as of the date of vesting of any shares of Common Stock hereunder or (y) is true and correct as of the date of any sale of any such share, as applicable. As a further condition precedent to the delivery to the Holder of any shares of Common Stock subject to the Award, the Holder shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance or delivery of the shares and, in connection therewith,

shall execute any documents which the Board shall in its sole discretion deem necessary or advisable.

6. Additional Terms and Conditions of Award.

- a. Adjustment. In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation-Stock Compensation) that causes the per share value of shares of Common Stock to change, such as a stock dividend, stock split, spinoff, rights offering or recapitalization through an extraordinary dividend, the terms of this Award, including the number and class of securities subject hereto, shall be appropriately adjusted by the Committee. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence may be made as determined to be appropriate and equitable by the Committee (or, if the Company is not the surviving corporation in any such transaction, the board of directors of the surviving corporation) to prevent dilution or enlargement of rights of participants. The decision of the Committee regarding any such adjustment shall be final, binding, and conclusive.
- b. Compliance with Applicable Law. The Award is subject to the condition that if the listing, registration or qualification of the shares of Common Stock subject to the Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares hereunder, the shares of Common Stock subject to the Award shall not be delivered, in whole or in part, unless such listing, registration, qualification, consent, approval, or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval, or other action.
- c. Award Confers No Rights to Continued Service. In no event shall the granting of the Award or its acceptance by the Holder, or any provision of the Agreement, give or be deemed to give the Holder any right to continued service as a Non-Employee Director.
- d. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by the Holder or by the Company forthwith to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on all parties.

- e. Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon the Holder and his or her heirs, executors, administrators, successors, and assigns.
- f. Notices. All notices, requests or other communications provided for in this Agreement shall be made, if to the Company, to TRI Pointe Group, Inc., Attn: Chief Financial Officer, 19540 Jamboree Road, Suite 300, Irvine, California 92612, and if to the Holder, to the last known mailing address of the Holder contained in the records of the Company. All notices, requests or other communications provided for in this Agreement shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mails, or (d) by express courier service. The notice, request, or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request, or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.
- g. Governing Law. This Agreement, the Award and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.
- h. Entire Agreement. The Plan is incorporated herein by reference. Capitalized terms not defined herein shall have the meanings specified in the Plan. This Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Holder with respect to the subject matter hereof, and may not be modified adversely to the Holder's interest except by means of a writing signed by the Company and the Holder.
- i. Partial Invalidity. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provision was omitted.
- j. Amendment and Waiver. The provisions of this Agreement may be amended or waived only by the written agreement of the Company and the Holder, and no course

of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect, or enforceability of this Agreement.

- k. Counterparts. This Agreement may be executed in two counterparts each of which shall be deemed an original and both of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS.]

TRI Pointe Group, Inc.

By: _____

Name:

Title:

Accepted this _____ day of [MONTH], [YEAR].

[NAME]

TRI POINTE GROUP, INC.
2013 LONG-TERM INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT

TRI Pointe Group, Inc., a Delaware corporation (the “Company”), hereby grants to the Employee listed below (the “Holder”) as of the date listed below (the “Grant Date”), pursuant to the terms and conditions of the TRI Pointe Group, Inc. 2013 Long-Term Incentive Plan, as amended (the “Plan”), an award of restricted stock units (the “Award” and the restricted stock units granted pursuant to this Agreement, the “Award Units”) with respect to the number of shares listed below of the Company’s Common Stock, par value \$0.01 per share (“Common Stock”), upon and subject to the restrictions, terms, and conditions set forth in the Plan and this agreement (the “Agreement”).

1. Award Subject to Acceptance of Agreement. The Award shall be null and void unless the Holder accepts this Agreement by executing it in the space provided below and returning such original execution copy to the Company, or by approving this Agreement by electronic means in a manner that has been approved by the Company.

2. Rights as a Stockholder. Each Award Unit shall represent the Holder’s right to receive one share of the Company’s Common Stock if and to the extent that such Award Unit becomes vested pursuant to the terms and conditions of this Agreement and the Plan. The Holder shall not be entitled to any privileges of ownership with respect to the shares of Common Stock subject to the Award unless and until, and only to the extent, such shares become vested pursuant to Section 3 hereof and the Holder becomes a stockholder of record with respect to such shares. As of each date on which the Company pays a cash dividend to record owners of shares of Common Stock (a “Dividend Date”), then the number of Award Units and shares subject to the Award shall increase by (i) the product of the total number of shares subject to the Award immediately prior to such Dividend Date multiplied by the dollar amount of the cash dividend paid per share of Common Stock by the Company on such Dividend Date, divided by (ii) the Fair Market Value of a share of Common Stock on such Dividend Date. Any such additional Award Units and shares shall be subject to the same restrictions, vesting conditions, and payment terms set forth herein as the shares to which they relate.

3. Restriction Period and Vesting.

3.1. Service-Based Vesting Condition. Except as otherwise provided in this Section 3, the Award shall vest (i) on the first anniversary of the Grant Date with respect to one-third of the number of Award Units and shares subject thereto on the Grant Date, rounded down to the nearest whole share, (ii) on the second anniversary of the Grant Date with respect to an additional one-third of the number of Award Units and shares subject thereto on the Grant Date, rounded up to the nearest whole share, and (iii) on the third anniversary of the Grant Date with respect to the remaining Award Units and shares subject thereto on the Grant Date, provided the Holder does not incur a Separation from Service before the applicable vesting date. The period of time prior to the vesting shall be referred to herein as the “Restriction Period.”

3.2. Change in Control. Upon a Change in Control, the Award shall be subject to Section 5.8 of the Plan.

3.3. Separation from Service. Except as provided in Sections 5.9(a) and 5.9(b) of the Plan, if the Holder incurs a Separation from Service prior to the end of the Restriction Period for any reason, then the portion of the Award Units that were not vested immediately prior to such Separation from Service shall be immediately forfeited by the Holder for no consideration and cancelled by the Company.

4. Delivery of Certificates. Subject to Section 6, as soon as practicable (but no later than 30 days) after the vesting of Award Units, in whole or in part, the Company shall (i) deliver or cause to be delivered one or more certificates issued in the Holder’s name (or such other name as is acceptable to the Company and designated in writing by the Holder) or (ii) issue in book entry form registered in the name of the Holder (or such other name as is acceptable to the Company and designated in writing by the Holder) a written or electronic notice or statement representing the number of vested shares represented by such vested Award Units. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such delivery, except as otherwise provided in Section 6. Prior to the issuance to the Holder of the shares of Common Stock subject to the Award, the Holder shall have no direct or secured claim in any specific assets of the Company or in such shares of Common Stock, and will have the status of a general unsecured creditor of the Company.

5. Transfer Restrictions and Investment Representation.

5.1. Nontransferability of Award. The Award may not be transferred by the Holder other than by will or the laws of descent

and distribution, pursuant to the designation of one or more beneficiaries on the form prescribed by the Company, a trust or entity established by the Holder for estate planning purposes, or a charitable organization designated by the Holder or pursuant to a qualified domestic relations order, in each case, without consideration. Except to the extent permitted by the foregoing sentence, the Award and the Award Units may not be sold, transferred, assigned, pledged, hypothecated, encumbered, or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment, or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber, or otherwise dispose of the Award or the Award Units in violation of this Agreement or the Plan, the Award and the Award Units and all rights hereunder shall immediately become null and void.

5.2. Investment Representation. The Holder hereby represents and covenants that (a) any share of Common Stock acquired upon the vesting of the Award Units will be acquired for investment and not with a view to the distribution thereof within the meaning of the Securities Act of 1933, as amended (the “Securities Act”), unless such acquisition has been registered under the Securities Act and any applicable state securities laws; (b) any subsequent sale of any such shares shall be made either pursuant to an effective registration statement under the Securities Act and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws; and (c) if requested by the Company, the Holder shall submit a written statement, in form satisfactory to the Company, to the effect that such representation (x) is true and correct as of the date of vesting of any shares of Common Stock hereunder or (y) is true and correct as of the date of any sale of any such share, as applicable. As a further condition precedent to the delivery to the Holder of any shares of Common Stock subject to the Award, the Holder shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance or delivery of the shares and, in connection therewith, shall execute any documents which the Board shall in its sole discretion deem necessary or advisable.

6. Additional Terms and Conditions of Award.

6.1. Withholding Taxes. (a) The Company shall have the right to require, prior to the issuance or delivery of any shares of Common Stock upon the vesting of the Award Units, payment by the Holder of such Award of any federal, state, local, or other taxes which may be required to be withheld or paid in connection with such Award (the “Required Tax Payments”).

(b) The Holder may satisfy his or her obligation to advance the Required Tax Payments by any of the following means: (1) a cash payment to the Company, (2) delivery (either actual delivery or by attestation procedures established by the Company) to the Company of previously owned whole shares of Common Stock having an aggregate Fair Market Value, determined as of the Tax Date, equal to the Required Tax Payments, (3) authorizing the Company to withhold up to the maximum required number of shares of Common Stock which would otherwise be delivered or an amount of cash which would otherwise be payable to the Holder having an aggregate Fair Market Value, determined as of the Tax Date, equal to the Required Tax Payments, or (4) any combination of (1), (2), and (3). To the extent applicable, the Holder may satisfy his or her withholding obligation only with shares that are not subject to any repurchase, forfeiture, unfulfilled vesting, or other similar requirements.

6.2. Adjustment. In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation-Stock Compensation) that causes the per share value of shares of Common Stock to change, such as a stock dividend, stock split, spinoff, rights offering, or recapitalization through an extraordinary dividend, the terms of this Award, including the number and class of securities subject hereto, shall be appropriately adjusted by the Committee. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence may be made as determined to be appropriate and equitable by the Committee (or, if the Company is not the surviving corporation in any such transaction, the board of directors of the surviving corporation) to prevent dilution or enlargement of rights of participants. The decision of the Committee regarding any such adjustment shall be final, binding, and conclusive.

6.3. Compliance with Applicable Law. The Award is subject to the condition that if the listing, registration or qualification of the shares of Common Stock subject to the Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares hereunder, the shares of Common Stock subject to the Award shall not be delivered, in whole or in part, unless such listing, registration, qualification, consent, approval, or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval, or other action.

6.4. Award Confers No Rights to Continued Employment or Service. In no event shall the granting of the Award or its acceptance by the Holder, or any provision of the Agreement or the Plan, give or be deemed to give the Holder any right to continued employment by or service to the Company, any Subsidiary, or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary, or any affiliate of the Company to terminate the employment or service of any person at any time.

6.5. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by the Holder or by the Company forthwith to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on all parties.

6.6. Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon the Holder and his or her heirs, executors, administrators, successors, and assigns.

6.7. Notices. All notices, requests or other communications provided for in this Agreement shall be made, if to the Company, to TRI Pointe Group, Inc., Attn: Chief Financial Officer, 19540 Jamboree Road, Suite 300, Irvine, California 92612, and if to the Holder, to the last known mailing address of the Holder contained in the records of the Company. All notices, requests or other communications provided for in this Agreement shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mails, or (d) by express courier service. The notice, request, or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request, or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

6.8. Governing Law. This Agreement, the Award and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

6.9. Agreement Subject to the Plan. This Agreement is subject to the provisions of the Plan, including Section 5.8 relating to a Change in Control, and shall be interpreted in accordance therewith. To the extent of any inconsistency between the Terms of the Plan and the terms of this Agreement, the terms of the Plan shall control. The Holder hereby acknowledges receipt of a copy of the Plan.

6.10. Entire Agreement. The Plan is incorporated herein by reference. Capitalized terms not defined herein shall have the meanings specified in the Plan. This Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Holder with respect to the subject matter hereof, and may not be modified adversely to the Holder's interest except by means of a writing signed by the Company and the Holder.

6.11. Partial Invalidity. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provision was omitted.

6.12. Amendment and Waiver. The provisions of this Agreement may be amended or waived only by the written agreement of the Company and the Holder, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect, or enforceability of this Agreement.

6.13. Counterparts. This Agreement may be executed in two counterparts each of which shall be deemed an original and both of which together shall constitute one and the same instrument.

6.14 Section 409A. This Agreement will be interpreted in accordance with Section 409A of the Code, to the extent applicable, including without limitation any Treasury Regulations or other Department of Treasury guidance that may be issued or amended after the date hereof, and will not be amended or modified in any manner that would cause this Agreement to violate the requirements of Section 409A. If, following the date hereof, the Committee determines that the Award may be subject to Section 409A, including such Department of Treasury guidance as may be issued after the date hereof, the Committee may, in its discretion, adopt such amendments to this Agreement or adopt such other policies and procedures (including amendments, policies, and procedures with retroactive effect), or take any other actions, as the Committee determines are necessary or appropriate to (i) exempt the Award from Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (ii) comply with the requirements of Section 409A. Notwithstanding anything to the contrary in the Plan or in this Agreement, the Holder agrees that the Holder (or the Holder's estate or permitted beneficiary(ies)) will be solely responsible for the satisfaction of all taxes, interest, and penalties that may be imposed on the Holder or for the Holder's account in connection with this Award (including, without limitation, any taxes, interest, and penalties under Section 409A), and neither the Company nor its Affiliates will have any obligation to reimburse, indemnify, or otherwise hold the Holder (or the Holder's estate or permitted beneficiary(ies))

harmless from any or all of such taxes, interest, or penalties.

Date: _____, 20__

**TRI POINTE GROUP, INC.
2013 LONG-TERM INCENTIVE PLAN**

**RESTRICTED STOCK UNIT AWARD AGREEMENT – TIME VESTED
(EXECUTIVE FORM)**

TRI Pointe Group, Inc., a Delaware corporation (the “Company”), hereby grants to [NAME] (the “Holder”) as of [DATE] (the “Grant Date”), pursuant to the terms and conditions of the TRI Pointe Group, Inc. 2013 Long-Term Incentive Plan, as amended (the “Plan”), an award of restricted stock units (the “Award”) and the restricted stock units granted pursuant to this Agreement, the “Award Units”) with respect to [###] shares of the Company’s Common Stock, par value \$0.01 per share (“Common Stock”), upon and subject to the restrictions, terms, and conditions set forth in the Plan and this agreement (the “Agreement”).

1. Award Subject to Acceptance of Agreement. The Award shall be null and void unless the Holder accepts this Agreement by executing it in the space provided below and returning such original execution copy to the Company, or by approving this Agreement by electronic means in a manner that has been approved by the Company.

2. Rights as a Stockholder. Each Award Unit shall represent the Holder’s right to receive one share of the Company’s Common Stock if and to the extent that such Award Unit becomes vested pursuant to the terms and conditions of this Agreement and the Plan. The Holder shall not be entitled to any privileges of ownership with respect to the shares of Common Stock subject to the Award unless and until, and only to the extent, such shares become vested pursuant to Section 3 hereof and the Holder becomes a stockholder of record with respect to such shares. As of each date on which the Company pays a cash dividend to record owners of shares of Common Stock (a “Dividend Date”), then the number of Award Units and shares subject to the Award shall increase by (i) the product of the total number of shares subject to the Award immediately prior to such Dividend Date multiplied by the dollar amount of the cash dividend paid per share of Common Stock by the Company on such Dividend Date, divided by (ii) the Fair Market Value of a share of Common Stock on such Dividend Date. Any such additional Award Units and shares shall be subject to the same restrictions, vesting conditions, and payment terms set forth herein as the shares to which they relate.

3. Restriction Period and Vesting.

3.1. Service-Based Vesting Condition. Except as otherwise provided in this Section 3, the Award shall vest (i) on the first anniversary of the Grant Date with respect to one-third of the number of Award Units and shares subject thereto on the Grant Date, rounded down to the nearest whole share, (ii) on the second anniversary of the Grant Date with respect to an additional one-third of the number of Award Units and shares subject thereto on the Grant Date, rounded up to the nearest whole share, and (iii) on the third anniversary of the Grant Date with respect to the remaining Award Units and shares subject thereto on the Grant Date, provided the Holder does not incur a Separation from Service before the applicable vesting date. The period of time prior to the vesting shall be referred to herein as the “Restriction Period.”

3.2. Change in Control and Acceleration. In the event a Change in Control occurs prior to the end of the Restriction Period, the following provisions shall apply:

3.2.1. If (a) the Holder does not incur a Separation from Service before the date of the closing of the Change in Control transaction, and (b) the Award is not assumed in full by the acquiring or successor company or its affiliate upon the closing of the Change in Control or otherwise expressly continued in full force and effect pursuant to the terms of the Change in Control transaction, the Award Units shall vest as of the date of the closing of the Change in Control.

3.2.2. If (a) the Holder does not incur a Separation from Service before the date of the closing of the Change in Control transaction, and (b) the Award is assumed in full by the acquiring or successor company or its affiliate upon the closing of the Change in Control, or is otherwise expressly continued in full force and effect pursuant to the terms of the Change in Control transaction, the Award Units shall become vested in accordance with the provisions of Section 3.1, provided that if the Holder suffers a Qualifying Termination before all the Award Units become vested and the Holder remains continuously employed by the Company or its successor-in-interest or an affiliate thereof through the date of such Qualifying Termination, the Award Units will become fully vested as to all remaining Award Units upon the effective date of such Qualifying Termination. A “Qualifying Termination” means a Separation from Service that occurs within 3 months prior to or 24 months following a Change in Control, by the Company (or its successor-in-interest) without Cause or by the Holder for Good Reason.

As used herein, a “Change in Control” means (i) the acquisition, other than from the Company, by any individual, entity, or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 35% or more of either the then outstanding shares of Common Stock of the Company or the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors, but excluding, for this purpose, any such acquisition by the Company or any of its Subsidiaries, or any employee benefit plan (or related trust) of the Company or its Subsidiaries, or any entity with respect to which, following such acquisition, more than 65% of, respectively, the then outstanding equity of such entity and the combined voting power of the then outstanding voting equity of such entity entitled to vote generally in the election of all or substantially all of the members of such entity’s governing body is then beneficially owned, directly or indirectly, by the individuals and entities who were the beneficial owners, respectively, of the Common Stock and voting securities of the Company immediately prior to such acquisition in substantially the same proportion as their ownership, immediately prior to such acquisition, of the then outstanding shares of Common Stock of the Company or the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors, as the case may be; or (ii) the consummation of a reorganization, merger, or consolidation of the Company, in each case, with respect to which all or substantially all of the individuals and entities who were the respective beneficial owners of the Common Stock and voting securities of the Company immediately prior to such reorganization, merger, or consolidation do not, following such reorganization, merger, or consolidation, beneficially own, directly or indirectly, more than 60% of, respectively, the then outstanding shares of Common Stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such reorganization, merger, or consolidation; or (iii) a complete liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets of the Company; or (iv) individuals who at the beginning of any two-year period constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual

who becomes a director of the Company during such two-year period and whose election, or whose nomination for election by the Company's stockholders, to the Board was either (A) approved by a vote of at least a majority of the directors then comprising the Incumbent Board or (B) recommended by a nominating committee comprised entirely of directors who are then Incumbent Board members, 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 either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act), other actual or threatened solicitation of proxies or consents, or an actual or threatened tender offer. Notwithstanding the foregoing, (I) any bona fide primary or secondary public offering shall not constitute a Change in Control and (II) if a Change in Control constitutes a payment event with respect to any payment or benefit that provides for the deferral of compensation and is subject to Section 409A, the Change in Control transaction or event with respect to such payment or benefit must also constitute a "change in control event," as defined in Treasury Regulation § 1.409A-3(i)(5) to the extent required by Section 409A.

As used herein, the term "Good Reason" shall be defined as that term is defined in the Holder's offer letter, employment agreement, change in control agreement, or other similar agreement; or if there is no such definition, "Good Reason" shall mean any of the following are undertaken without the Holder's prior written consent: (a) a material diminution in the Holder's title, authority, duties, or responsibilities that substantially reduces the nature or character of the Holder's position with the Company (or the highest parent entity if the Company has one or more parent entities); (b) a reduction by the Company of the Holder's base salary as in effect immediately prior to such reduction; (c) a material reduction by the Company of the Holder's target annual bonus as in effect immediately prior to such reduction; (d) relocation of the Holder's principal office (defined as a relocation of the Holder's principal office to a location that increases the Holder's one-way commute by more than 50 miles), provided, that, for the avoidance of doubt, reasonable required travel by the Holder on the Company's business shall not constitute a relocation; (e) a change in the Employee's title following a Change in Control such that the Employee does not serve as [TITLE] of the surviving entity's highest parent entity; or (f) any material breach by the Company of any provision of this Agreement. Notwithstanding the foregoing, the Holder's resignation shall not constitute a resignation for "Good Reason" as a result of any event described in the preceding sentence unless (A) the Holder provides written notice thereof to the Company within 30 days after the first occurrence of such event; (B) to the extent correctable, the Company fails to remedy such circumstance or event within 30 days following the Company's receipt of such written notice; and (C) the effective date of the Holder's resignation for "Good Reason" is not later than 90 days after the initial existence of the circumstances constituting Good Reason.

3.3. Separation from Service. Except as set forth in Section 3.2 and Sections 5.9(a) and 5.9(b) of the Plan, if the Holder incurs a Separation from Service prior to the end of the Restriction Period for any reason, then the portion of the Award Units that were not vested immediately prior to such Separation from Service shall be immediately forfeited by the Holder for no consideration and cancelled by the Company.

4. Delivery of Certificates. Subject to Section 6, as soon as practicable (but no later than 30 days) after the vesting of Award Units, in whole or in part, the Company shall (i) deliver or cause to be delivered one or more certificates issued in the Holder's name (or such other name as is acceptable to the Company and designated in writing by the Holder) or (ii) issue in book entry form registered in the name of the Holder (or such other name as is acceptable to the Company and designated in writing by the Holder) a written or electronic notice or statement representing the number of vested shares represented by such vested Award Units. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such delivery, except as otherwise provided in Section 6. Prior to the issuance to the Holder of the shares of Common Stock subject to the Award, the Holder shall have no direct or secured claim in any specific assets of the Company or in such shares of Common Stock, and will have the status of a general unsecured creditor of the Company.

5. Transfer Restrictions and Investment Representation.

5.1. Nontransferability of Award. The Award may not be transferred by the Holder other than by will or the laws of descent and distribution, pursuant to the designation of one or more beneficiaries on the form prescribed by the Company, a trust or entity established by the Holder for estate planning purposes, or a charitable organization designated by the Holder or pursuant to a qualified domestic relations order, in each case, without consideration. Except to the extent permitted by the foregoing sentence, the Award and the Award Units may not be sold, transferred, assigned, pledged, hypothecated, encumbered, or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment, or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber, or otherwise dispose of the Award or the Award Units in violation of this Agreement or the Plan, the Award and the Award Units and all rights hereunder shall immediately become null and void.

5.2. Investment Representation. The Holder hereby represents and covenants that (a) any share of Common Stock acquired upon the vesting of the Award Units will be acquired for investment and not with a view to the distribution thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), unless such acquisition has been registered under the Securities Act and any applicable state securities laws; (b) any subsequent sale of any such shares shall be made either pursuant to an effective registration statement under the Securities Act and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws; and (c) if requested by the Company, the Holder shall submit a written statement, in form satisfactory to the Company, to the effect that such representation (x) is true and correct as of the date of vesting of any shares of Common Stock hereunder or (y) is true and correct as of the date of any sale of any such share, as applicable. As a further condition precedent to the delivery to the Holder of any shares of Common Stock subject to the Award, the Holder shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance or delivery of the shares and, in connection therewith, shall execute any documents which the Board shall in its sole discretion deem necessary or advisable.

6. Additional Terms and Conditions of Award.

6.1. Withholding Taxes. (a) The Company shall have the right to require, prior to the issuance or delivery of any shares of Common Stock upon the vesting of the Award Units, payment by the Holder of such Award of any federal, state, local, or other taxes which may be required to be withheld or paid in connection with such Award (the "Required Tax Payments").

(b) The Holder may satisfy his or her obligation to advance the Required Tax Payments by any of the following means: (1) a cash payment to the Company, (2) delivery (either actual delivery or by attestation procedures established by the Company) to the Company of previously owned whole shares of Common Stock having an aggregate Fair Market Value, determined as of the Tax Date, equal to the Required Tax Payments, (3) authorizing the Company to withhold up to the maximum required number of shares of Common Stock which would otherwise be delivered or an amount of cash which would otherwise be payable to the Holder having an aggregate Fair Market Value, determined as of the Tax Date, equal to the Required Tax Payments, or (4) any combination of (1), (2), and (3). To the extent applicable, the Holder may satisfy his or her withholding obligation only with shares that are not subject to any repurchase, forfeiture, unfulfilled vesting, or other similar requirements.

6.2. Adjustment. In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting

Standards Codification Topic 718, Compensation-Stock Compensation) that causes the per share value of shares of Common Stock to change, such as a stock dividend, stock split, spinoff, rights offering, or recapitalization through an extraordinary dividend, the terms of this Award, including the number and class of securities subject hereto, shall be appropriately adjusted by the Committee. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence may be made as determined to be appropriate and equitable by the Committee (or, if the Company is not the surviving corporation in any such transaction, the board of directors of the surviving corporation) to prevent dilution or enlargement of rights of participants. The decision of the Committee regarding any such adjustment shall be final, binding, and conclusive.

6.3. Compliance with Applicable Law. The Award is subject to the condition that if the listing, registration or qualification of the shares of Common Stock subject to the Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares hereunder, the shares of Common Stock subject to the Award shall not be delivered, in whole or in part, unless such listing, registration, qualification, consent, approval, or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval, or other action.

6.4. Award Confers No Rights to Continued Employment or Service. In no event shall the granting of the Award or its acceptance by the Holder, or any provision of this Agreement or the Plan, give or be deemed to give the Holder any right to continued employment by or service to the Company, any Subsidiary, or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary, or any affiliate of the Company to terminate the employment or service of any person at any time.

6.5. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by the Holder or by the Company forthwith to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on all parties.

6.6. Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon the Holder and his or her heirs, executors, administrators, successors, and assigns.

6.7. Notices. All notices, requests or other communications provided for in this Agreement shall be made, if to the Company, to TRI Pointe Group, Inc., Attn: Chief Financial Officer, 19540 Jamboree Road, Suite 300, Irvine, California 92612, and if to the Holder, to the last known mailing address of the Holder contained in the records of the Company. All notices, requests or other communications provided for in this Agreement shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mails, or (d) by express courier service. The notice, request, or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission, or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request, or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

6.8. Governing Law. This Agreement, the Award, and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

6.9. Agreement Subject to the Plan. This Agreement is subject to the provisions of the Plan and shall be interpreted in accordance therewith. To the extent of any inconsistency between the terms of the Plan and the terms of this Agreement, the terms of the Plan shall control. The Holder hereby acknowledges receipt of a copy of the Plan.

6.10. Entire Agreement. The Plan is incorporated herein by reference. Capitalized terms not defined herein shall have the meanings specified in the Plan. This Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Holder with respect to the subject matter hereof, and may not be modified adversely to the Holder's interest except by means of a writing signed by the Company and the Holder.

6.11. Partial Invalidity. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provision was omitted.

6.12. Amendment and Waiver. The provisions of this Agreement may be amended or waived only by the written agreement of the Company and the Holder, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect, or enforceability of this Agreement.

6.13. Counterparts. This Agreement may be executed in two counterparts each of which shall be deemed an original and both of which together shall constitute one and the same instrument.

6.14. Section 409A. This Agreement will be interpreted in accordance with Section 409A of the Code, to the extent applicable, including without limitation any Treasury Regulations or other Department of Treasury guidance that may be issued or amended after the date hereof, and will not be amended or modified in any manner that would cause this Agreement to violate the requirements of Section 409A. If, following the date hereof, the Committee determines that the Award may be subject to Section 409A, including such Department of Treasury guidance as may be issued after the date hereof, the Committee may, in its discretion, adopt such amendments to this Agreement or adopt such other policies and procedures (including amendments, policies, and procedures with retroactive effect), or take any other actions, as the Committee determines are necessary or appropriate to (i) exempt the Award from Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (ii) comply with the requirements of Section 409A. Notwithstanding anything to the contrary in the Plan or in this Agreement, the Holder agrees that the Holder (or the Holder's estate or permitted beneficiary(ies)) will be solely responsible for the satisfaction of all taxes, interest, and penalties that may be imposed on the Holder or for the Holder's account in connection with this Award (including, without limitation, any taxes, interest, and penalties under Section 409A), and neither the Company nor its Affiliates will have any obligation to reimburse, indemnify, or otherwise hold the Holder (or the Holder's estate or permitted beneficiary(ies)) harmless from any or all of such taxes, interest, or penalties.

6.15. *[Signature page follows.]*

TRI POINTE GROUP, INC.,
a Delaware corporation

By:

Name:

Its:

Accepted this ___ day of [MONTH], [YEAR].

[NAME]

TRI POINTE GROUP, INC.
2013 LONG-TERM INCENTIVE PLAN
PERFORMANCE-BASED CASH AWARD AGREEMENT

TRI Pointe Group, Inc., a Delaware corporation (the “Company”), hereby grants to [NAME] (the “Employee”) as of [DATE] (the “Grant Date”), pursuant to the terms and conditions of the TRI Pointe Group, Inc. 2013 Long-Term Incentive Plan, as amended (the “Plan”), a performance-based cash award (the “Award”), upon and subject to the restrictions, terms, and conditions set forth in the Plan and this agreement (the “Agreement”). Capitalized terms used in this Agreement and not defined herein or set forth in Attachment A have the respective meanings given to them in the Plan.

1. Award Subject to Acceptance of Agreement. The Award shall be null and void unless the Employee accepts this Agreement by executing it in the space provided below and returning such original execution copy to the Company, or by approving this Agreement by electronic means in a manner that has been approved by the Company.

2. Grant. The Company hereby grants to the Employee the Award, which entitles the Employee to earn a cash payment in an amount equal to the product of (a) the Cash Target Amount, and (b) the Percentage of the Award that Vests. Employee shall not be entitled to any privileges of ownership with respect to the cash subject to the Award unless and until, and only to the extent, such cash award becomes vested pursuant to Section 3 hereof.

3. Performance Period and Vesting.

3.1. Performance-Based Vesting Conditions. The Award granted pursuant to this Agreement shall constitute a Performance Award (as defined in the Plan). Except as otherwise provided in this Section 3, if and to the extent that all or a portion of the Award (as determined in accordance with the provisions of this Section 3 and Attachment B) shall vest on the Vesting Date as a result of the Company satisfying the Performance Measures set forth in Attachment B to this Agreement over the Performance Period, the Employee shall become vested in the cash Award, or the applicable portion thereof, if any, on the Vesting Date, provided that the Employee does not incur a Separation from Service before the Vesting Date. As used herein, (i) the term “Performance Period” shall mean the one-year period beginning on [DATE] and ending on [DATE] and (ii) the term “Vesting Date” shall mean the date on which the vested portion of the cash under the Award is delivered under Section 4.

3.2. Separation from Service; Failure to Satisfy Performance Measures; Change in Control.

3.2.1. Except as otherwise provided in this Section 3.2 and Sections 5.9(a) and 5.9(b) of the Plan, if the Employee incurs a Separation from Service prior to the Vesting Date for any reason, then the entire Award shall be immediately forfeited by the Employee for no consideration and cancelled, effective as of the date of the Employee’s Separation from Service.

3.2.2. If the Employee incurs a Separation from Service (i) by the Company (or its successor-in-interest after a Change in Control) without Cause or (ii) by the Employee for Good Reason (each, an “Involuntary Termination”), the Award shall be eligible to vest as follows: (a) the proportion of the Award vesting under this provision shall be equal to the number of days in the Performance Period that elapsed before the Involuntary Termination divided by the total number of days in such Performance Period (for the avoidance of doubt, net of any proportion of the Award that has already vested), and (b) the amount of the Award vesting under this provision shall be based on actual achievement of the Performance Measures measured at the end of the Performance Period. Any awards vesting under this provision shall vest at the end of the applicable Performance Period.

As used herein, a “Change in Control” means (i) the acquisition, other than from the Company, by any individual, entity, or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 35% or more of either the then outstanding shares of Common Stock of the Company or the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors, but excluding, for this purpose, any such acquisition by the Company or any of its Subsidiaries, or any employee benefit plan (or related trust) of the Company or its Subsidiaries, or any entity with respect to which, following such acquisition, more than 65% of, respectively, the then outstanding equity of such entity and the combined voting power of the then outstanding voting equity of such entity entitled to vote generally in the election of all or substantially all of the members of such entity’s governing body is then beneficially owned, directly or indirectly, by the individuals and entities who were the beneficial owners, respectively, of the Common Stock and voting securities of the Company immediately prior to such acquisition in substantially the same proportion as their ownership, immediately prior to such acquisition, of the then outstanding shares of Common Stock of the Company or the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors, as the case may be; or (ii) the consummation of a reorganization, merger, or consolidation of the Company, in each case, with respect to which all or substantially all of the individuals and entities who were the respective beneficial owners of the Common Stock and voting securities of the Company immediately prior to such reorganization, merger, or consolidation do not, following such reorganization, merger, or consolidation, beneficially own, directly or indirectly, more than 60% of, respectively, the then outstanding shares of Common Stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such reorganization, merger, or consolidation; or (iii) a complete liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets of the Company; or (iv) individuals who at the beginning of any two-year period constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual who becomes a director of the Company during such two-year period and whose election, or whose nomination for election by the Company’s stockholders, to the Board was either (A) approved by a vote of at least a majority of the directors then comprising the Incumbent Board or (B) recommended by a nominating committee comprised entirely of directors who are then Incumbent Board members, 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 either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act), other actual or threatened solicitation of proxies or consents, or an actual or threatened tender offer. Notwithstanding the foregoing, (I) any bona fide primary or secondary public offering shall not constitute a Change in Control and (II) if a Change in Control constitutes a payment event with respect to any payment or benefit that provides for the deferral of compensation and is subject to Section 409A, the Change in Control transaction or event with respect to such payment or benefit must also constitute a “change in control event,” as defined in Treasury Regulation § 1.409A-3(i)(5) to the extent required by Section 409A.

As used herein, the term “Good Reason” shall be defined as that term is defined in the Employee’s offer letter, employment agreement, change in control agreement, or other similar agreement; or if there is no such definition, “Good Reason” shall mean any of the following are undertaken without the Employee’s prior written consent: (a) a material diminution in the Employee’s title, authority, duties, or responsibilities that substantially reduces the nature or character of the Employee’s position with the Company (or the highest parent entity if the Company has one or more parent entities); (b) a reduction by the Company of the Employee’s base salary as in effect immediately prior to such reduction; (c) a material reduction by the Company of the Employee’s target annual bonus as in effect immediately prior to such reduction; (d) relocation of the Employee’s principal office (defined as a relocation of the Employee’s principal office to a location that increases the Employee’s one-way commute by more than 50 miles), provided, that, for the avoidance of doubt, reasonable required travel by the Employee on the Company’s business shall not constitute a relocation; (e) a change in the Employee’s title following a Change in Control such that the Employee does not serve as [TITLE] of the surviving entity’s highest parent entity; or (f) any material breach by the Company of any provision of this Agreement. Notwithstanding the foregoing, the Employee’s resignation shall not constitute a resignation for “Good Reason” as a result of any event described in the preceding sentence unless (A) the Employee provides written notice thereof to the Company within 30 days after the first occurrence of such event; (B) to the extent correctable, the Company fails to remedy such circumstance or event within 30 days following the Company’s receipt of such written notice; and (C) the effective date of the Employee’s resignation for “Good Reason” is not later than 90 days after the initial existence of the circumstances constituting Good Reason.

3.2.3. If the Employee does not incur a Separation from Service before the Vesting Date, but the Performance Measures set forth in Attachment B to this Agreement do not equal or exceed the Maximum Performance Level, and the Employee thus does not become vested in 200% of the Cash Target Amount, then the right to receive any portion of the cash under the Award in which the Employee does not become vested pursuant to the Performance Measures set forth in said Attachment B shall be immediately forfeited by the Employee for no consideration and cancelled, effective as of the last day of the Performance Period.

4. Delivery of Cash Payment. Subject to Section 6, within 30 days after the determination of the Performance Measures set forth in Attachment B, in whole or in part, but in no event later than 180 days after the end of the Performance Period, the Company shall deliver or cause to be delivered the vested portion of the cash under the Award, as calculated in accordance with this Agreement and Attachment B hereto. Prior to the payment to the Employee of the cash that has vested under the Award, the Employee shall have no direct or secured claim in any specific assets of the Company, and will have the status of a general unsecured creditor of the Company.

5. Transfer Restrictions and Investment Representation.

5.1. Nontransferability of Award. The Award may not be transferred by the Employee other than by will or the laws of descent and distribution, pursuant to the designation of one or more beneficiaries on the form prescribed by the Company, a trust or entity established by the Employee for estate planning purposes, or a charitable organization designated by the Employee or pursuant to a qualified domestic relations order, in each case, without consideration. Except to the extent permitted by the foregoing sentence, the Award may not be sold, transferred, assigned, pledged, hypothecated, encumbered, or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment, or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber, or otherwise dispose of the Award in violation of this Agreement or the Plan, the Award and all rights hereunder shall immediately become null and void.

5.2. Additional Restrictions. If the Employee is, or becomes, a person subject to any policy of the Company providing for recoupment of performance based compensation in the event of a restatement of the Company’s financial results, then Employee agrees the Award (and any cash issued with respect thereto) will be subject to such recoupment policy.

6. Additional Terms and Conditions of Award.

6.1. Withholding Taxes. The Company shall have the right to withhold from any cash payment under the Award and remit to the appropriate taxing authorities all taxes required to be withheld under applicable law, as determined by the Company in its sole and absolute discretion.

6.2. Award Confers No Rights to Continued Employment or Service. In no event shall the granting of the Award or its acceptance by the Employee, or any provision of this Agreement or the Plan, give or be deemed to give the Employee any right to continued employment by or service to the Company, any Subsidiary, or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary, or any affiliate of the Company to terminate the employment or service of any person at any time.

6.3. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by the Employee or by the Company forthwith to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on all parties.

6.4. Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon the Employee and his or her heirs, executors, administrators, successors, and assigns.

6.5. Notices. All notices, requests or other communications provided for in this Agreement shall be made, if to the Company, to TRI Pointe Group, Inc., Attn: Chief Financial Officer, 19540 Jamboree Road, Suite 300, Irvine, California 92612, and if to the Employee, to the last known mailing address of the Employee contained in the records of the Company. All notices, requests or other communications provided for in this Agreement shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mails, or (d) by express courier service. The notice, request, or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission, or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request, or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

6.6. Governing Law. This Agreement, the Award and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

6.7. Agreement Subject to the Plan. This Agreement is subject to the provisions of the Plan, including without limitation, Section 4.2 relating to terms of Performance Awards, and shall be interpreted in accordance therewith. To the extent of any inconsistency between the terms of the Plan and the terms

of this Agreement, the terms of the Plan shall control. The Employee hereby acknowledges receipt of a copy of the Plan.

6.8. Entire Agreement. The Plan is incorporated herein by reference. This Agreement and the Plan constitute the entire agreement of the parties with respect to the Award and supersede in their entirety all prior undertakings and agreements of the Company and the Employee with respect to the Award, and may not be modified adversely to the Employee's interest except by means of a writing signed by the Company and the Employee.

6.9. Partial Invalidity. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provision was omitted.

6.10. Amendment and Waiver. The provisions of this Agreement may be amended or waived only by the written agreement of the Company and the Employee, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect, or enforceability of this Agreement.

6.11. Counterparts. This Agreement may be executed in two counterparts each of which shall be deemed an original and both of which together shall constitute one and the same instrument.

6.12. Section 409A. This Agreement will be interpreted in accordance with Section 409A of the Code, to the extent applicable, including without limitation any Treasury Regulations or other Department of Treasury guidance that may be issued or amended after the date hereof, and will not be amended or modified in any manner that would cause this Agreement to violate the requirements of Section 409A. If, following the date hereof, the Committee determines that the Award may be subject to Section 409A, including such Department of Treasury guidance as may be issued after the date hereof, the Committee may, in its discretion, adopt such amendments to this Agreement or adopt such other policies and procedures (including amendments, policies, and procedures with retroactive effect), or take any other actions, as the Committee determines are necessary or appropriate to (i) exempt the Award from Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (ii) comply with the requirements of Section 409A. Notwithstanding anything to the contrary in the Plan or in this Agreement, the Employee agrees that the Employee (or the Employee's estate or permitted beneficiary(ies)) will be solely responsible for the satisfaction of all taxes, interest, and penalties that may be imposed on the Employee or for the Employee's account in connection with this Award (including, without limitation, any taxes, interest, and penalties under Section 409A), and neither the Company nor its Affiliates will have any obligation to reimburse, indemnify, or otherwise hold the Employee (or the Employee's estate or permitted beneficiary(ies)) harmless from any or all of such taxes, interest, or penalties.

[Signature page follows.]

TRI POINTE GROUP, INC.,
a Delaware corporation

By:

Name:
Its:

Accepted this _____ day of [MONTH], [YEAR].

[NAME]

Attachment A

DEFINITIONS

For purpose of this Agreement, the following terms shall have the meanings set forth below:

“Adjusted Pre-Tax Income” means the income from continuing operations before taxes of the Company, as reported in the Company's consolidated financial statements for the relevant periods, after such adjustments thereto as the Committee deems appropriate in its sole discretion (i) to exclude the effect of extraordinary, unusual, and/or nonrecurring items, including net income attributable to non-controlling interests, and changes in applicable accounting standards and (ii) to reflect such other factors as the Committee deems appropriate to fairly reflect pre-tax income.

“Cash Target Amount” means the product of (i) [%] multiplied by (ii) the Employee's annualized base salary for the fiscal year of the Company during which the Grant Date falls.

“Pre-Tax Income” means the sum of the Adjusted Pre-Tax Income over the Performance Period for each period in which Adjusted Pre-Tax Income is measured pursuant to the above definition of Adjusted Pre-Tax Income.

“Percentage of the Award that Vests” means the percentage set forth on Attachment B to this Agreement in the column labeled “Percentage of Cash Target Amount That Vests,” as determined based on the applicable Performance Level met for the Performance Period (as determined in accordance with Attachment B to this Agreement), or portion thereof, as applicable.

“Performance Measures” means the Performance Measures set forth on Attachment B to this Agreement.

Attachment B

PERFORMANCE MEASURES

Performance Level	[PERFORMANCE MEASURE]	Percentage of Cash Target Amount That Vests
Maximum	[] or above	[]%
Target	[]	[]%
Threshold	[]	[]%
Below Threshold	Below []	0%

The percentage of the Award that vests if [PERFORMANCE MEASURE] is between the “Threshold” and “Target” or “Target” and “Maximum” performance levels, as applicable, shall be determined by straight line interpolation. The Committee shall determine the portion of the Award that shall vest by multiplying the “Percentage of Award That Vests,” set forth above, by the Cash Target Amount.

TRI POINTE GROUP, INC.
2013 LONG-TERM INCENTIVE PLAN

**PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT –
EPS PERFORMANCE MEASUREMENT
(EXECUTIVE FORM)**

TRI Pointe Group, Inc., a Delaware corporation (the “Company”), hereby grants to [NAME] (the “Holder”) as of [DATE] (the “Grant Date”), pursuant to the terms and conditions of the TRI Pointe Group, Inc. 2013 Long-Term Incentive Plan, as amended (the “Plan”), an award of performance-based restricted stock units (the “Award” and the restricted stock units granted pursuant to this Agreement, the “Award Units”) with respect to [####] shares of the Company’s Common Stock, par value \$0.01 per share (“Common Stock”), upon and subject to the restrictions, terms, and conditions set forth in the Plan and this agreement (the “Agreement”). Capitalized terms used in this Agreement and not defined herein or set forth in Attachment A have the respective meanings given to them in the Plan.

1. Award Subject to Acceptance of Agreement. The Award shall be null and void unless the Holder accepts this Agreement by executing it in the space provided below and returning such original execution copy to the Company, or by approving this Agreement by electronic means in a manner that has been approved by the Company.

2. Rights as a Stockholder. Each Award Unit shall represent the Holder’s right to receive one share of the Company’s Common Stock if and to the extent that such Award Unit becomes vested pursuant to the terms and conditions of this Agreement and the Plan. The Holder shall not be entitled to any privileges of ownership with respect to the shares of Common Stock subject to the Award unless and until, and only to the extent, such shares become vested pursuant to Section 3 hereof and the Holder becomes a stockholder of record with respect to such shares. As of each date on which the Company pays a cash dividend to record owners of shares of Common Stock (a “Dividend Date”), then the number of Award Units and shares subject to the Award shall increase by (i) the product of the total number of shares subject to the Award immediately prior to such Dividend Date multiplied by the dollar amount of the cash dividend paid per share of Common Stock by the Company on such Dividend Date, divided by (ii) the Fair Market Value of a share of Common Stock on such Dividend Date. Any such additional Award Units and shares shall be subject to the same restrictions, vesting conditions, and payment terms set forth herein as the shares to which they relate.

3. Performance Period and Vesting.

3.1 Performance-Based Vesting Conditions. The Award granted pursuant to this Agreement shall constitute a Performance Award (as defined in the Plan). Except as otherwise provided in this Section 3, if and to the extent that all or a portion of the Award (as determined in accordance with the provisions of Attachment B) shall vest on the Vesting Date as a result of the Company satisfying the Performance Measures set forth in Attachment B to this Agreement over the Performance Period, the Holder shall become vested in the Award Units, or the applicable portion thereof, if any, on the Vesting Date, provided that the Holder does not incur a Separation from Service before the Vesting Date. As used herein, (i) the term “Performance Period” shall mean the three-year period beginning on [DATE] and ending on [DATE] and (ii) the term “Vesting Date” shall mean [DATE]. If the Performance Period is shortened pursuant to Section 3.2 as a result of a Change in Control, appropriate adjustments to the performance targets, performance periods, and the determination of actual performance shall be made by the Committee in order to carry out the intent of this Agreement.

3.2 Change in Control and Acceleration. In the event a Change in Control occurs after the first day of the Performance Period but prior to the end of the Performance Period, the Performance Period shall terminate on the closing date of the Change in Control transaction and the following provisions shall apply:

3.2.1 If (a) the closing of the Change in Control transaction occurs on or before the 12-month anniversary of the first day of the Performance Period, (b) the Holder does not incur a Separation from Service before the date of the closing of the Change in Control transaction, and (c) the Award is not assumed in full by the acquiring or successor company or its affiliate upon the closing of the Change in Control or otherwise expressly continued in full force and effect pursuant to the terms of the Change in Control transaction, 50% of the Award Units shall vest as of the date of the closing of the Change in Control.

3.2.2 If (a) the closing of the Change in Control transaction occurs on or before the 12-month anniversary of the first day of the Performance Period and (b) the Award is assumed in full by the acquiring or successor company or its affiliate upon the closing of the Change in Control, or is otherwise expressly continued in full force and effect pursuant to the terms of the Change in Control transaction, 50% of the Award Units may become vested in accordance with the provisions of the last sentence of this Section 3.2.2. If (i) the Holder remains in service with the Company or its successor-in-interest or an affiliate thereof through

the Vesting Date, 50% of the Award Units shall become fully vested effective as of the Vesting Date or (ii) if the Holder suffers a Qualifying Termination before the Vesting Date, 50% of the Award Units shall become vested upon the later of the effective date of such Qualifying Termination and the closing of the Change in Control.

3.2.3 If (a) the closing of the Change in Control transaction occurs after the 12-month anniversary of the first day of the Performance Period, (b) the Holder does not incur a Separation from Service before the date of the closing of the Change in Control transaction, and (c) the Award is not assumed in full by the acquiring or successor company or its affiliate upon the closing of the Change in Control or otherwise expressly continued in full force and effect pursuant to the terms of the Change in Control transaction, the Award shall vest as of the date of the closing of the Change in Control transaction, but only with respect to a number of Award Units equal to the Change in Control Units.

3.2.4 If (a) the closing of the Change in Control transaction occurs after the 12-month anniversary of the first day of the Performance Period and (b) the Award is assumed in full by the acquiring or successor company or its affiliate upon the closing of the Change in Control, or is otherwise expressly continued in full force and effect pursuant to the terms of the Change in Control transaction, the Award Units may become vested in accordance with the provisions of the last sentence of this Section 3.2.4, but only with respect to a number of Award Units equal to the Change in Control Units. If (i) the Holder remains in service with the Company or its successor-in-interest or an affiliate thereof through the Vesting Date, such Change in Control Units shall become fully effective as of the Vesting Date or (ii) if the Holder suffers a Qualifying Termination before the Vesting Date and the Holder remains in service with the Company or its successor-in-interest or an affiliate thereof through the date of such Qualifying Termination, the Change in Control Units shall become vested upon the later of the effective date of such Qualifying Termination and the closing of the Change in Control.

3.2.5 The portion of the Award Units that do not vest in the event of a Change in Control pursuant to Sections 3.2.1, 3.2.2, 3.2.3, or 3.2.4 (i.e., the total number of Award Units less the number of Award Units that become vested pursuant to Sections 3.2.1, 3.2.2, 3.2.3, and 3.2.4) shall be cancelled and forfeited by the Holder for no consideration on the date of the Change in Control.

3.2.6 As used herein, a “Change in Control” means (i) the acquisition, other than from the Company, by any individual, entity, or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 35% or more of either the then outstanding shares of Common Stock of the Company or the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors, but excluding, for this purpose, any such acquisition by the Company or any of its Subsidiaries, or any employee benefit plan (or related trust) of the Company or its Subsidiaries, or any entity with respect to which, following such acquisition, more than 65% of, respectively, the then outstanding equity of such entity and the combined voting power of the then outstanding voting equity of such entity entitled to vote generally in the election of all or substantially all of the members of such entity’s governing body is then beneficially owned, directly or indirectly, by the individuals and entities who were the beneficial owners, respectively, of the Common Stock and voting securities of the Company immediately prior to such acquisition in substantially the same proportion as their ownership, immediately prior to such acquisition, of the then outstanding shares of Common Stock of the Company or the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors, as the case may be; or (ii) the consummation of a reorganization, merger, or consolidation of the Company, in each case, with respect to which all or substantially all of the individuals and entities who were the respective beneficial owners of the Common Stock and voting securities of the Company immediately prior to such reorganization, merger, or consolidation do not, following such reorganization, merger, or consolidation, beneficially own, directly or indirectly, more than 60% of, respectively, the then outstanding shares of Common Stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such reorganization, merger, or consolidation; or (iii) a complete liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets of the Company; or (iv) individuals who at the beginning of any two-year period constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual who becomes a director of the Company during such two-year period and whose election, or whose nomination for election by the Company’s stockholders, to the Board was either (A) approved by a vote of at least a majority of the directors then comprising the Incumbent Board or (B) recommended by a nominating committee comprised entirely of directors who are then Incumbent Board members, 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 either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act), other actual or threatened solicitation of proxies or consents, or an actual or threatened tender offer. Notwithstanding the foregoing, (I) any bona fide primary or secondary public offering shall not constitute a Change in Control and (II) if a Change in Control constitutes a payment event with respect to any payment or benefit that provides for the deferral of compensation and is subject to Section 409A, the Change in Control transaction or event with respect to such payment or benefit must also constitute a “change in control event,” as defined in Treasury Regulation § 1.409A-3(i)(5) to the extent required by Section 409A.

3.3 Separation from Service; Death or Disability; Failure to Satisfy Performance Measures.

3.3.1 Except as otherwise provided in Section 3.2 and in Sections 5.9(a) and 5.9(b) of the Plan, if the Holder incurs a Separation from Service before the Vesting Date for any reason, then the entire Award shall be immediately forfeited by the Holder for no consideration and cancelled, effective as of the date of the Holder's Separation from Service.

3.3.2 If the Holder does not incur a Separation from Service before the Vesting Date, but the Cumulative EPS for the Company for the Performance Period does not equal or exceed the Maximum Performance Level, as set forth on Attachment B to this Agreement and the Holder thus does not become vested in 100% of the Award Units, then any Award Units in which the Holder does not become vested pursuant to the Performance Measures set forth in said Attachment B shall be immediately forfeited by the Holder for no consideration and cancelled, effective as of the last day of the Performance Period.

4. Delivery of Certificates. Subject to Section 6, as soon as practicable after the vesting of Award Units, in whole or in part, but in no event later than March 15 of the calendar year immediately following the year in which Award Units become vested, the Company shall (i) deliver or cause to be delivered one or more certificates issued in the Holder's name (or such other name as is acceptable to the Company and designated in writing by the Holder), or (ii) issue in book entry form registered in the name of the Holder (or such other name as is acceptable to the Company and designated in writing by the Holder) a written or electronic notice or statement representing the number of vested shares represented by such vested Award Units. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such delivery, except as otherwise provided in Section 6. Prior to the issuance to the Holder of the shares of Common Stock subject to the Award, the Holder shall have no direct or secured claim in any specific assets of the Company or in such shares of Common Stock, and will have the status of a general unsecured creditor of the Company.

5. Transfer Restrictions and Investment Representation.

5.1 Nontransferability of Award. The Award may not be transferred by the Holder other than by will or the laws of descent and distribution, pursuant to the designation of one or more beneficiaries on the form prescribed by the Company, a trust or entity established by the Holder for estate planning purposes, or a charitable organization designated by the Holder or pursuant to a qualified domestic relations order, in each case, without consideration. Except to the extent permitted by the foregoing sentence, the Award and the Award Units may not be sold, transferred, assigned, pledged, hypothecated, encumbered, or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment, or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber, or otherwise dispose of the Award or the Award Units in violation of this Agreement or the Plan, the Award and the Award Units and all rights hereunder shall immediately become null and void.

5.2 Investment Representation. The Holder hereby represents and covenants that (a) any share of Common Stock acquired upon the vesting of the Award Units will be acquired for investment and not with a view to the distribution thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), unless such acquisition has been registered under the Securities Act and any applicable state securities laws; (b) any subsequent sale of any such shares shall be made either pursuant to an effective registration statement under the Securities Act and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws; and (c) if requested by the Company, the Holder shall submit a written statement, in form satisfactory to the Company, to the effect that such representation (x) is true and correct as of the date of vesting of any shares of Common Stock hereunder or (y) is true and correct as of the date of any sale of any such share, as applicable. As a further condition precedent to the delivery to the Holder of any shares of Common Stock subject to the Award, the Holder shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance or delivery of the shares and, in connection therewith, shall execute any documents which the Board shall in its sole discretion deem necessary or advisable.

5.3 Additional Restrictions. If the Holder is, or becomes, a person subject to any policy of the Company providing for recoupment of performance based compensation in the event of a restatement of the Company's financial results, then Holder agrees the Award and the Award Units (and any shares of Common Stock issued with respect thereto) will be subject to such recoupment policy. The Company may impose, and Holder agrees to be bound by, such restrictions, conditions, or limitations as the Company determines appropriate as to the timing and manner of any resales or other transfers of any Award Units (and any shares of Common Stock issued with respect thereto) as to which transferability restrictions have lapsed as provided under this Agreement, including without limitation (a) restrictions under an insider trading or other Company policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Holder and others following a public offering of the Company's securities, (c) stock ownership or holding requirements, and (d) the required use of a specified brokerage firm for such resales or other transfers.

6. Additional Terms and Conditions of Award.

6.1 Withholding Taxes. The Company shall have the right to require, prior to the issuance or delivery of any shares of Common Stock upon the vesting of the Award Units, payment by the Holder of such Award of any federal, state, local or other taxes which may be required to be withheld or paid in connection with such Award (the “Required Tax Payments”). The Holder may satisfy his or her obligation to advance the Required Tax Payments by any of the following means: (1) a cash payment to the Company, (2) delivery (either actual delivery or by attestation procedures established by the Company) to the Company of previously owned whole shares of Common Stock having an aggregate Fair Market Value, determined as of the Tax Date, equal to the Required Tax Payments, (3) authorizing the Company to withhold up to the maximum required number of shares of Common Stock which would otherwise be delivered or an amount of cash which would otherwise be payable to the Holder having an aggregate Fair Market Value, determined as of the Tax Date, equal to the Required Tax Payments, or (4) any combination of (1), (2), and (3). To the extent applicable, the Holder may satisfy his or her withholding obligation only with shares that are not subject to any repurchase, forfeiture, unfulfilled vesting, or other similar requirements.

6.2 Adjustment. In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation-Stock Compensation) that causes the per share value of shares of Common Stock to change, such as a stock dividend, stock split, spinoff, rights offering, or recapitalization through an extraordinary dividend, the terms of this Award, including the number and class of securities subject hereto, shall be appropriately adjusted by the Committee. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence may be made as determined to be appropriate and equitable by the Committee (or, if the Company is not the surviving corporation in any such transaction, the board of directors of the surviving corporation) to prevent dilution or enlargement of rights of participants. The decision of the Committee regarding any such adjustment shall be final, binding, and conclusive.

6.3 Compliance with Applicable Law. The Award is subject to the condition that if the listing, registration, or qualification of the shares of Common Stock subject to the Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares hereunder, the shares of Common Stock subject to the Award shall not be delivered, in whole or in part, unless such listing, registration, qualification, consent, approval, or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval, or other action.

6.4 Award Confers No Rights to Continued Employment or Service. In no event shall the granting of the Award or its acceptance by the Holder, or any provision of this Agreement or the Plan, give or be deemed to give the Holder any right to continued employment by or service to the Company, any Subsidiary, or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary, or any affiliate of the Company to terminate the employment or service of any person at any time.

6.5 Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by the Holder or by the Company forthwith to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on all parties.

6.6 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon the Holder and his or her heirs, executors, administrators, successors, and assigns.

6.7 Notices. All notices, requests or other communications provided for in this Agreement shall be made, if to the Company, to TRI Pointe Group, Inc., Attn: Chief Financial Officer, 19540 Jamboree Road, Suite 300, Irvine, California 92612, and if to the Holder, to the last known mailing address of the Holder contained in the records of the Company. All notices, requests or other communications provided for in this Agreement shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mails, or (d) by express courier service. The notice, request, or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission, or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request, or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

6.8 Governing Law. This Agreement, the Award, and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

6.9 Agreement Subject to the Plan. This Agreement is subject to the provisions of the Plan, including without limitation, Section 4.2 relating to terms of Performance Awards, and shall be interpreted in accordance therewith. To the extent of any inconsistency between the terms of the Plan and the terms of this Agreement, the terms of the Plan shall control. The Holder hereby acknowledges receipt of a copy of the Plan.

6.10 Entire Agreement. The Plan is incorporated herein by reference. This Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Holder with respect to the subject matter hereof, and may not be modified adversely to the Holder's interest except by means of a writing signed by the Company and the Holder.

6.11 Partial Invalidity. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provision was omitted.

6.12 Amendment and Waiver. The provisions of this Agreement may be amended or waived only by the written agreement of the Company and the Holder, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect, or enforceability of this Agreement.

6.13 Counterparts. This Agreement may be executed in two counterparts each of which shall be deemed an original and both of which together shall constitute one and the same instrument.

6.14 Section 409A. This Agreement will be interpreted in accordance with Section 409A of the Code, to the extent applicable, including without limitation any Treasury Regulations or other Department of Treasury guidance that may be issued or amended after the date hereof, and will not be amended or modified in any manner that would cause this Agreement to violate the requirements of Section 409A. If, following the date hereof, the Committee determines that the Award may be subject to Section 409A, including such Department of Treasury guidance as may be issued after the date hereof, the Committee may, in its discretion, adopt such amendments to this Agreement or adopt such other policies and procedures (including amendments, policies, and procedures with retroactive effect), or take any other actions, as the Committee determines are necessary or appropriate to (i) exempt the Award from Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (ii) comply with the requirements of Section 409A. Notwithstanding anything to the contrary in the Plan or in this Agreement, the Holder agrees that the Holder (or the Holder's estate or permitted beneficiary(ies)) will be solely responsible for the satisfaction of all taxes, interest, and penalties that may be imposed on the Holder or for the Holder's account in connection with this Award (including, without limitation, any taxes, interest, and penalties under Section 409A), and neither the Company nor its Affiliates will have any obligation to reimburse, indemnify, or otherwise hold the Holder (or the Holder's estate or permitted beneficiary(ies)) harmless from any or all of such taxes, interest, or penalties.

6.15 *[Signature page follows.]*

TRI POINTE GROUP, INC.,
a Delaware corporation

By: ___
Name:
Title:

Accepted this ___ day of [MONTH], [YEAR]

[NAME]

For purpose of this Agreement, the following terms shall have the meanings set forth below:

“ Adjusted EPS ” shall mean the fully diluted earnings per share of the Company, as reported in the Company’s consolidated financial statements for the relevant periods, after such adjustments thereto as the Committee deems appropriate in its sole discretion (i) to exclude the effect of extraordinary, unusual, and/or nonrecurring items and changes in applicable accounting standards and (ii) to reflect such other factors as the Committee deems appropriate to fairly reflect earnings per share growth.

“ Change in Control Units ” in the event a Change in Control is consummated during the Performance Period but before the Vesting Date, Change in Control Units means the total number of Award Units, multiplied by the percentage in the column labeled “Percentage of Award That Vests” (which may be 0%, if applicable), as set forth in Attachment B, based on the actual Performance Level set forth in Attachment B as determined by the Cumulative EPS through the end of the Company’s last fiscal quarter ending before the closing date of the Change in Control as if the last day of such quarter were the last day of the Performance Period. The Cumulative EPS Plan shall be reduced proportionally to the number of quarters completed from the first day of the Performance Period through the end of the Company’s last fiscal quarter ending before the date of the Change in Control.

“ Cumulative EPS ” means the sum of the Adjusted EPS over the Performance Period for each period in which Adjusted EPS is measured pursuant to the above definition of Adjusted EPS.

“ Cumulative EPS Plan ” means \$[] per share.

“ Good Reason ” shall be defined as that term is defined in the Holder’s offer letter, employment agreement, change in control agreement, or other similar agreement; or if there is no such definition, “Good Reason” shall mean any of the following are undertaken without the Holder’s prior written consent: (a) a material diminution in the Holder’s title, authority, duties, or responsibilities that substantially reduces the nature or character of the Holder’s position with the Company (or the highest parent entity if the Company has one or more parent entities); (b) a reduction by the Company of the Holder’s base salary as in effect immediately prior to such reduction; (c) a material reduction by the Company of the Holder’s target annual bonus as in effect immediately prior to such reduction; (d) relocation of the Holder’s principal office (defined as a relocation of the Holder’s principal office to a location that increases the Holder’s one-way commute by more than 50 miles), provided, that, for the avoidance of doubt, reasonable required travel by the Holder on the Company’s business shall not constitute a relocation; (e) a change in the Holder’s title following a Change in Control such that the Holder does not serve as [TITLE] of the surviving entity’s highest parent entity; or (f) any material breach by the Company of any provision of this Agreement. Notwithstanding the foregoing, the Holder’s resignation shall not constitute a resignation for “Good Reason” as a result of any event described in the preceding sentence unless (A) the Holder provides written notice thereof to the Company within 30 days after the first occurrence of such event; (B) to the extent correctable, the Company fails to remedy such circumstance or event within 30 days following the Company’s receipt of such written notice; and (C) the effective date of the Holder’s resignation for “Good Reason” is not later than 90 days after the initial existence of the circumstances constituting Good Reason.

“ Performance Measures ” means the Performance Measures set forth on Attachment B to this Agreement.

“ Qualifying Termination ” means (a) a Separation from Service of the Holder that occurs within 3 months prior to or within 24 months following a Change in Control, by reason of the Holder’s dismissal or discharge by the Company (or its successor-in-interest) without Cause or by the Holder for Good Reason, or (b) a Retirement after a Change in Control where the Holder provided a Retirement Notice in accordance with the Plan prior to the Change in Control.

Attachment B

PERFORMANCE MEASURES

<u>Performance Level</u>	<u>The Company’s Cumulative EPS</u>	<u>Percentage of Award That Vests</u>
Maximum	[]% of Cumulative EPS Plan and above	[]%
Target	[]% of Cumulative EPS Plan	[]%
Threshold	[]% of Cumulative EPS Plan	[]%

Below Threshold

Below []% of Cumulative EPS Plan

0%

The percentage of the Award that vests if the Cumulative EPS for the Performance Period is between the “Threshold” and “Target” or “Target” and “Maximum” performance levels, as applicable, shall be determined by straight line interpolation. The Committee shall determine the portion of the Award that shall vest and become exercisable by multiplying the “Percentage of Award That Vests,” set forth above, by the number of units subject to this Agreement.

**TRI POINTE GROUP, INC.
2013 LONG-TERM INCENTIVE PLAN**

**PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT – TSR PERFORMANCE MEASUREMENT
(EXECUTIVE FORM)**

TRI Pointe Group, Inc., a Delaware corporation (the “Company”), hereby grants to [NAME] (the “Holder”) as of [DATE] (the “Grant Date”), pursuant to the terms and conditions of the TRI Pointe Group, Inc. 2013 Long-Term Incentive Plan, as amended (the “Plan”), an award of performance-based restricted stock units (the “Award”) and the restricted stock units granted pursuant to this Agreement, the “Award Units”) with respect to [###] shares of the Company’s Common Stock, par value \$0.01 per share (“Common Stock”), upon and subject to the restrictions, terms, and conditions set forth in the Plan and this agreement (the “Agreement”). Capitalized terms used in this Agreement and not defined herein or set forth in Attachment A have the respective meanings given to them in the Plan.

1. Award Subject to Acceptance of Agreement. The Award shall be null and void unless the Holder accepts this Agreement by executing it in the space provided below and returning such original execution copy to the Company, or by approving this Agreement by electronic means in a manner that has been approved by the Company.

2. Rights as a Stockholder. Each Award Unit shall represent the Holder’s right to receive one share of the Company’s Common Stock if and to the extent that such Award Unit becomes vested pursuant to the terms and conditions of this Agreement and the Plan. The Holder shall not be entitled to any privileges of ownership with respect to the shares of Common Stock subject to the Award unless and until, and only to the extent, such shares become vested pursuant to Section 3 hereof and the Holder becomes a stockholder of record with respect to such shares. As of each date on which the Company pays a cash dividend to record owners of shares of Common Stock (a “Dividend Date”), then the number of Award Units and shares subject to the Award shall increase by (i) the product of the total number of shares subject to the Award immediately prior to such Dividend Date multiplied by the dollar amount of the cash dividend paid per share of Common Stock by the Company on such Dividend Date, divided by (ii) the Fair Market Value of a share of Common Stock on such Dividend Date. Any such additional Award Units and shares shall be subject to the same restrictions, vesting conditions, and payment terms set forth herein as the shares to which they relate.

3. Performance Period and Vesting.

3.1. Performance-Based Vesting Conditions. The Award granted pursuant to this Agreement shall constitute a Performance Award (as defined in the Plan). Except as otherwise provided in this Section 3, if and to the extent that all or a portion of the Award (as determined in accordance with the provisions of Attachment B) shall vest on the Vesting Date as a result of the Company satisfying the Performance Measures set forth in Attachment B to this Agreement over the Performance Period, the Holder shall become vested in the Award Units, or the applicable portion thereof, if any, on the Vesting Date, provided that the Holder does not incur a Separation from Service before the Vesting Date. As used herein, (i) the term “Performance Period” shall mean the three-year period beginning on [DATE] and ending on [DATE] and (ii) the term “Vesting Date” shall mean [DATE]. If the Performance Period is shortened pursuant to Section 3.2 as a result of a Change in Control, appropriate adjustments to the performance targets, performance periods, and the determination of actual performance shall be made by the Committee in order to carry out the intent of this Agreement.

3.2. Change in Control and Acceleration. In the event a Change in Control occurs after the first day of the Performance Period but prior to the end of the Performance Period, the Performance Period shall terminate on the closing date of the Change in Control transaction and the following provisions shall apply:

3.2.1. If (a) the closing of the Change in Control transaction occurs on or before the 12-month anniversary of the first day of the Performance Period, (b) the Holder does not incur a Separation from Service before the date of the closing of the Change in Control transaction, and (c) the Award is not

assumed in full by the acquiring or successor company or its affiliate upon the closing of the Change in Control or otherwise expressly continued in full force and effect pursuant to the terms of the Change in Control transaction, 50% of the Award Units shall vest as of the date of the closing of the Change in Control transaction.

3.2.2. If (a) the closing of the Change in Control transaction occurs on or before the 12-month anniversary of the first day of the Performance Period and (b) the Award is assumed in full by the acquiring or successor company or its affiliate upon the closing of the Change in Control, or is otherwise expressly continued in full force and effect pursuant to the terms of the Change in Control transaction, 50% of the Award Units may become vested in accordance with the provisions of the last sentence of this [Section 3.2.2](#). If (i) the Holder remains in service with the Company or its successor-in-interest or an affiliate thereof through the Vesting Date, 50% of the Award Units shall become fully vested effective as of the Vesting Date or (ii) if the Holder suffers a Qualifying Termination before the Vesting Date, 50% of the Award Units shall become vested upon the later of the effective date of such Qualifying Termination and the closing of the Change in Control.

3.2.3. If (a) the closing of the Change in Control transaction occurs after the 12-month anniversary of the first day of the Performance Period, (b) the Holder does not incur a Separation from Service before the date of the closing of the Change in Control transaction, and (c) the Award is not assumed in full by the acquiring or successor company or its affiliate upon the closing of the Change in Control or otherwise expressly continued in full force and effect pursuant to the terms of the Change in Control transaction, the Award shall vest as of the date of the closing of the Change in Control transaction, but only with respect to a number of Award Units equal to the Change in Control Units.

3.2.4. If (a) the closing of the Change in Control transaction occurs after the 12-month anniversary of the first day of the Performance Period and (b) the Award is assumed in full by the acquiring or successor company or its affiliate upon the closing of the Change in Control, or is otherwise expressly continued in full force and effect pursuant to the terms of the Change in Control transaction, the Award Units may become vested in accordance with the provisions of the last sentence of this [Section 3.2.4](#), but only with respect to a number of Award Units equal to the Change in Control Units. If (i) the Holder remains in service with the Company or its successor-in-interest or an affiliate thereof through the Vesting Date, such Change in Control Units shall become fully effective as of the Vesting Date or (ii) if the Holder suffers a Qualifying Termination before the Vesting Date and the Holder remains in service with the Company or its successor-in-interest or an affiliate thereof through the date of such Qualifying Termination, the Change in Control Units shall become vested upon the later of the effective date of such Qualifying Termination and the closing of the Change in Control.

3.2.5. The portion of the Award Units that do not vest in the event of a Change in Control pursuant to [Sections 3.2.1](#), [3.2.2](#), [3.2.3](#), or [3.2.4](#) (i.e., the total number of Award Units less the number of Award Units that become vested pursuant to [Sections 3.2.1](#), [3.2.2](#), [3.2.3](#), and [3.2.4](#)) shall be cancelled and forfeited by the Holder for no consideration on the date of the Change in Control.

3.2.6. As used herein, a “[Change in Control](#)” means (i) the acquisition, other than from the Company, by any individual, entity, or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 35% or more of either the then outstanding shares of Common Stock of the Company or the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors, but excluding, for this purpose, any such acquisition by the Company or any of its Subsidiaries, or any employee benefit plan (or related trust) of the Company or its Subsidiaries, or any entity with respect to which, following such acquisition, more than 65% of, respectively, the then outstanding equity of such entity and the combined voting power of the then outstanding voting equity of such entity entitled to vote generally in the election of all or substantially all of the members of such entity’s governing body is then beneficially owned, directly or indirectly, by the individuals and entities who were the beneficial owners, respectively, of the Common Stock and voting securities of the Company immediately prior to such acquisition in substantially the same proportion as

their ownership, immediately prior to such acquisition, of the then outstanding shares of Common Stock of the Company or the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors, as the case may be; or (ii) the consummation of a reorganization, merger, or consolidation of the Company, in each case, with respect to which all or substantially all of the individuals and entities who were the respective beneficial owners of the Common Stock and voting securities of the Company immediately prior to such reorganization, merger, or consolidation do not, following such reorganization, merger, or consolidation, beneficially own, directly or indirectly, more than 60% of, respectively, the then outstanding shares of Common Stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such reorganization, merger, or consolidation; or (iii) a complete liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets of the Company; or (iv) individuals who at the beginning of any two-year period constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual who becomes a director of the Company during such two-year period and whose election, or whose nomination for election by the Company’s stockholders, to the Board was either (A) approved by a vote of at least a majority of the directors then comprising the Incumbent Board or (B) recommended by a nominating committee comprised entirely of directors who are then Incumbent Board members, 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 either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act), other actual or threatened solicitation of proxies or consents, or an actual or threatened tender offer. Notwithstanding the foregoing, (I) any bona fide primary or secondary public offering shall not constitute a Change in Control and (II) if a Change in Control constitutes a payment event with respect to any payment or benefit that provides for the deferral of compensation and is subject to Section 409A, the Change in Control transaction or event with respect to such payment or benefit must also constitute a “change in control event,” as defined in Treasury Regulation § 1.409A-3(i)(5) to the extent required by Section 409A.

3.3. Separation from Service; Death or Disability; Failure to Satisfy Performance Measures.

3.3.1. Except as otherwise provided in Section 3.2 and in Sections 5.9(a) and 5.9(b) of the Plan, if the Holder incurs a Separation from Service prior to the Vesting Date for any reason, then the entire Award shall be immediately forfeited by the Holder for no consideration and cancelled, effective as of the date of the Holder’s Separation from Service.

3.3.2. If the Holder does not incur a Separation from Service before the Vesting Date, but the TSR for the Company for the Performance Period does not equal or exceed the Maximum Performance Level as set forth on Attachment B to this Agreement and the Holder thus does not become vested in 100% of the Award Units, then any Award Units in which the Holder does not become vested pursuant to the Performance Measures set forth in said Attachment B shall be immediately forfeited by the Holder for no consideration and cancelled, effective as of the last day of the Performance Period.

4. Delivery of Certificates. Subject to Section 6, as soon as practicable after the vesting of Award Units, in whole or in part, but in no event later than March 15 of the calendar year immediately following the year in which Award Units become vested, the Company shall (i) deliver or cause to be delivered one or more certificates issued in the Holder’s name (or such other name as is acceptable to the Company and designated in writing by the Holder), or (ii) issue in book entry form registered in the name of the Holder (or such other name as is acceptable to the Company and designated in writing by the Holder) a written or electronic notice or statement representing the number of vested shares represented by such vested Award Units. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such delivery, except as otherwise provided in Section 6. Prior to the issuance to the Holder of the shares of Common Stock subject to the Award, the Holder shall have no direct or secured claim in any specific assets of the Company or in such shares of Common Stock, and will have the status of a general unsecured creditor of the Company.

5. Transfer Restrictions and Investment Representation.

5.1. Nontransferability of Award. The Award may not be transferred by the Holder other than by will or the laws of descent and distribution, pursuant to the designation of one or more beneficiaries on the form prescribed by the Company, a trust or entity established by the Holder for estate planning purposes, or a charitable organization designated by the Holder or pursuant to a qualified domestic relations order, in each case, without consideration. Except to the extent permitted by the foregoing sentence, the Award and the Award Units may not be sold, transferred, assigned, pledged, hypothecated, encumbered, or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment, or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber, or otherwise dispose of the Award or the Award Units in violation of this Agreement or the Plan, the Award and the Award Units and all rights hereunder shall immediately become null and void.

5.2. Investment Representation. The Holder hereby represents and covenants that (a) any share of Common Stock acquired upon the vesting of the Award Units will be acquired for investment and not with a view to the distribution thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), unless such acquisition has been registered under the Securities Act and any applicable state securities laws; (b) any subsequent sale of any such shares shall be made either pursuant to an effective registration statement under the Securities Act and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws; and (c) if requested by the Company, the Holder shall submit a written statement, in form satisfactory to the Company, to the effect that such representation (x) is true and correct as of the date of vesting of any shares of Common Stock hereunder or (y) is true and correct as of the date of any sale of any such share, as applicable. As a further condition precedent to the delivery to the Holder of any shares of Common Stock subject to the Award, the Holder shall comply with all regulations and requirements of any regulatory authority having control or supervision over the issuance or delivery of the shares and, in connection therewith, shall execute any documents which the Board shall in its sole discretion deem necessary or advisable.

5.3. Additional Restrictions. If the Holder is, or becomes, a person subject to any policy of the Company providing for recoupment of performance based compensation in the event of a restatement of the Company's financial results, then Holder agrees the Award and the Award Units (and any shares of Common Stock issued with respect thereto) will be subject to such recoupment policy. The Company may impose, and Holder agrees to be bound by, such restrictions, conditions, or limitations as the Company determines appropriate as to the timing and manner of any resales or other transfers of any Award Units (and any shares of Common Stock issued with respect thereto) as to which transferability restrictions have lapsed as provided under this Agreement, including without limitation (a) restrictions under an insider trading or other Company policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Holder and others following a public offering of the Company's securities, (c) stock ownership or holding requirements, and (d) the required use of a specified brokerage firm for such resales or other transfers.

6. Additional Terms and Conditions of Award.

6.1. Withholding Taxes. The Company shall have the right to require, prior to the issuance or delivery of any shares of Common Stock upon the vesting of the Award Units, payment by the Holder of such Award of any federal, state, local or other taxes which may be required to be withheld or paid in connection with such Award (the "Required Tax Payments"). The Holder may satisfy his or her obligation to advance the Required Tax Payments by any of the following means: (1) a cash payment to the Company, (2) delivery (either actual delivery or by attestation procedures established by the Company) to the Company of previously owned whole shares of Common Stock having an aggregate Fair Market Value, determined as of the Tax Date, equal to the Required Tax Payments, (3) authorizing the Company to withhold up to the maximum required number of shares of Common Stock which would otherwise be delivered or an amount of cash which would otherwise be payable to the Holder having an aggregate Fair Market Value, determined as of the Tax Date, equal to the Required Tax Payments, or (4) any combination of (1), (2), and (3). To the extent applicable, the Holder may satisfy his or her withholding obligation only with shares that are not subject to any repurchase, forfeiture, unfulfilled vesting, or other similar requirements.

6.2. Adjustment. In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation-Stock Compensation) that causes the per share value of shares of Common Stock to change, such as a stock dividend, stock split, spinoff, rights offering, or recapitalization through an extraordinary dividend, the terms of this Award, including the number and class of securities subject hereto, shall be appropriately adjusted by the Committee. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence may be made as determined to be appropriate and equitable by the Committee (or, if the Company is not the surviving corporation in any such transaction, the board of directors of the surviving corporation) to prevent dilution or enlargement of rights of participants. The decision of the Committee regarding any such adjustment shall be final, binding, and conclusive.

6.3. Compliance with Applicable Law. The Award is subject to the condition that if the listing, registration, or qualification of the shares of Common Stock subject to the Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares hereunder, the shares of Common Stock subject to the Award shall not be delivered, in whole or in part, unless such listing, registration, qualification, consent, approval, or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval, or other action.

6.4. Award Confers No Rights to Continued Employment or Service. In no event shall the granting of the Award or its acceptance by the Holder, or any provision of this Agreement or the Plan, give or be deemed to give the Holder any right to continued employment by or service to the Company, any Subsidiary, or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary, or any affiliate of the Company to terminate the employment or service of any person at any time.

6.5. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by the Holder or by the Company forthwith to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on all parties.

6.6. Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon the Holder and his or her heirs, executors, administrators, successors, and assigns.

6.7. Notices. All notices, requests or other communications provided for in this Agreement shall be made, if to the Company, to TRI Pointe Group, Inc., Attn: Chief Financial Officer, 19540 Jamboree Road, Suite 300, Irvine, California 92612, and if to the Holder, to the last known mailing address of the Holder contained in the records of the Company. All notices, requests or other communications provided for in this Agreement shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mails, or (d) by express courier service. The notice, request, or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission, or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request, or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

6.8. Governing Law. This Agreement, the Award, and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

6.9. Agreement Subject to the Plan. This Agreement is subject to the provisions of the Plan, including without limitation, Section 4.2 relating to terms of Performance Awards, and shall be interpreted in

accordance therewith. To the extent of any inconsistency between the terms of the Plan and the terms of this Agreement, the terms of the Plan shall control. The Holder hereby acknowledges receipt of a copy of the Plan.

6.10. Entire Agreement. The Plan is incorporated herein by reference. This Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Holder with respect to the subject matter hereof, and may not be modified adversely to the Holder's interest except by means of a writing signed by the Company and the Holder.

6.11. Partial Invalidity. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provision was omitted.

6.12. Amendment and Waiver. The provisions of this Agreement may be amended or waived only by the written agreement of the Company and the Holder, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect, or enforceability of this Agreement.

6.13. Counterparts. This Agreement may be executed in two counterparts each of which shall be deemed an original and both of which together shall constitute one and the same instrument.

6.14. Section 409A. This Agreement will be interpreted in accordance with Section 409A of the Code, to the extent applicable, including without limitation any Treasury Regulations or other Department of Treasury guidance that may be issued or amended after the date hereof, and will not be amended or modified in any manner that would cause this Agreement to violate the requirements of Section 409A. If, following the date hereof, the Committee determines that the Award may be subject to Section 409A, including such Department of Treasury guidance as may be issued after the date hereof, the Committee may, in its discretion, adopt such amendments to this Agreement or adopt such other policies and procedures (including amendments, policies, and procedures with retroactive effect), or take any other actions, as the Committee determines are necessary or appropriate to (i) exempt the Award from Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (ii) comply with the requirements of Section 409A. Notwithstanding anything to the contrary in the Plan or in this Agreement, the Holder agrees that the Holder (or the Holder's estate or permitted beneficiary(ies)) will be solely responsible for the satisfaction of all taxes, interest, and penalties that may be imposed on the Holder or for the Holder's account in connection with this Award (including, without limitation, any taxes, interest, and penalties under Section 409A), and neither the Company nor its Affiliates will have any obligation to reimburse, indemnify, or otherwise hold the Holder (or the Holder's estate or permitted beneficiary(ies)) harmless from any or all of such taxes, interest, or penalties.

6.15. *[Signature page follows.]*

TRI POINTE GROUP, INC.,
a Delaware corporation

By:

Name:

Its:

Accepted this _____ day of [MONTH], [YEAR].

[NAME]

Attachment A

DEFINITIONS

For purpose of this Agreement, the following terms shall have the meanings set forth below:

“Beginning Average Market Value” means, with respect to the Company, or a company in the Company’s Peer Group, the average Stock Price for each of the trading days in the 30 calendar day period ending on and including the first day of the Performance Period.

“Change in Control Units” in the event a Change in Control is consummated during the Performance Period but before the Vesting Date, Change in Control Units means the total number of Award Units, multiplied by the percentage in the column labeled “Percentage of Award That Vests” (which may be 0%, if applicable), as set forth in Attachment B (based on the actual Performance Level set forth in Attachment B as determined by the TSR Percentile achieved by the Company through the closing date of the Change in Control as if the closing date of the Change in Control were the last day of the Performance Period).

“Ending Average Market Value” means, with respect to the Company, or a company in the Company’s Peer Group, the average Stock Price for each of the trading days in the 30 calendar day period ending on and including the last day of the Performance Period.

“Good Reason” shall be defined as that term is defined in the Holder’s offer letter, employment agreement, change in control agreement, or other similar agreement; or if there is no such definition, “Good Reason” shall mean any of the following are undertaken without the Holder’s prior written consent: (a) a material diminution in the Holder’s title, authority, duties, or responsibilities that substantially reduces the nature or character of the Holder’s position with the Company (or the highest parent entity if the Company has one or more parent entities); (b) a reduction by the Company of the Holder’s base salary as in effect immediately prior to such reduction; (c) a material reduction by the Company of the Holder’s target annual bonus as in effect immediately prior to such reduction; (d) relocation of the Holder’s principal office (defined as a relocation of the Holder’s principal office to a location that increases the Holder’s one-way commute by more than 50 miles), provided, that, for the avoidance of doubt, reasonable required travel by the Holder on the Company’s business shall not constitute a relocation; (e) a change in the Holder’s title following a Change in Control such that the Holder does not serve as [TITLE] of the surviving entity’s highest parent entity; or (f) any material breach by the Company of any provision of this Agreement. Notwithstanding the foregoing, the Holder’s resignation shall not constitute a resignation for “Good Reason” as a result of any event described in the preceding sentence unless (A) the Holder provides written notice thereof to the Company within 30 days after the first occurrence of such event; (B) to the extent correctable, the Company fails to remedy such circumstance or event within 30 days following the Company’s receipt of such written notice; and (C) the effective date of the Holder’s resignation for “Good Reason” is not later than 90 days after the initial existence of the circumstances constituting Good Reason.

“Performance Measures” means the Performance Measures set forth on Attachment B to this Agreement.

“Qualifying Termination” means a Separation from Service of the Holder that occurs within 3 months prior to or within 24 months following a Change in Control, by reason of the Holder’s dismissal or discharge by the Company (or its successor-in-interest) without Cause or by the Holder for Good Reason, or (b) a Retirement after a Change in Control where the Holder provided a Retirement Notice in accordance with the Plan prior to the Change in Control.

“Stock Price” means closing price per share of the Common Stock (or of the common stock of such other company, as applicable) as reported by the New York Stock Exchange (or, if the Common Stock, or the common stock of a company in the Company’s Peer Group, is not then listed on the New York Stock Exchange, the principal national stock exchange or other trading market on which the Common Stock or such common stock is traded).

“Total Stockholder Return” or “TSR” with respect to the Company or a company in the Company’s Peer Group, as applicable, means the quotient determined pursuant to the following:

X = The Ending Average Market Value.

Y = All cash dividends for the Performance Period, assuming same day reinvestment into Common Stock (or common stock of the applicable member of the Peer Group) on the applicable ex-dividend date.

Z = The Beginning Average Market Value.

TSR shall be equitably adjusted to reflect stock dividends, stock splits, reverse stock splits, recapitalizations, spin-offs, and other corporate changes having similar effect.

“TSR Percentile” means the percentile rank of the TSR for the Company during the Performance Period relative to the TSR for the 12 companies listed on Attachment C (the “Peer Group”) during the Performance Period; provided, however, that for purposes of measuring the TSR Percentile, the Committee shall have the right to make adjustments to the Peer Group based on developments that occur during the Performance Period, such as removing from the Peer Group, retroactively to the beginning of the Performance Period, any company no longer existing as an independent entity or which has announced it is being acquired.

Attachment B

PERFORMANCE MEASURES

<u>Performance Level</u>	<u>The Company's TSR Percentile on Vesting Date</u>	<u>Percentage of Award That Vests</u>
Maximum	[]th TSR Percentile and above	[]%
Target	[]th TSR Percentile	[]%
Threshold	[]th TSR Percentile	[]%
Below Threshold	Below []th TSR Percentile	0%

The percentage of the Award that vests if the Company's TSR Percentile at the end of the Performance Period is between the "Threshold" and "Target" or "Target" and "Maximum" performance levels, as applicable, shall be determined by straight line interpolation. The Committee shall determine the portion of the Award that shall vest and become exercisable by multiplying the "Percentage of Award That Vests," set forth above, by the number of units subject to this Agreement.

Attachment C

PEER GROUP

Company Name

D.R. Horton, Inc.

Lennar Corp.

PulteGroup, Inc.

NVR, Inc.

Toll Brothers, Inc.

Taylor Morrison Home Corp.

KB Home

Hovnanian Enterprises, Inc

Meritage Homes Corp.

M.D.C. Holdings, Inc.

Beazer Homes USA, Inc.

M/I Homes, Inc.



TRI POINTE GROUP, INC. REPORTS 2018 FOURTH QUARTER AND FULL YEAR RESULTS AND ANNOUNCES NEW STOCK REPURCHASE PROGRAM

Irvine, California, February 26, 2019 /Business Wire/ – TRI Pointe Group, Inc. (the “Company”) (NYSE: TPH) today announced results for the fourth quarter ended December 31, 2018 and full year 2018. The Company also announced that its Board of Directors has approved a new stock repurchase program authorizing the repurchase of up to \$100 million of Company common stock through March 31, 2020 (the “Repurchase Program”).

Results and Operational Data for Fourth Quarter 2018 and Comparisons to Fourth Quarter 2017

- Net income available to common stockholders was \$99.4 million, or \$0.70 per diluted share, compared to \$74.0 million, or \$0.49 per diluted share. In the fourth quarter of 2018, the Company recorded a charge relating to a \$17.5 million settlement payment in connection with the settlement of a previously disclosed lawsuit involving a land sale that occurred in 1987 and transaction expenses of \$686,000 related to the acquisition of a Dallas, Texas based homebuilder. Excluding these items, adjusted net income available to common stockholders was \$112.9 million, or \$0.79 per diluted share, for the fourth quarter of 2018.* In the fourth quarter of 2017, the Company recorded a \$22.0 million tax charge related to the re-measurement of the Company’s net deferred tax assets as a result of the Tax Cuts and Jobs Act, as well as a pretax charge of \$13.2 million related to the impairment of an investment in an unconsolidated entity. Excluding these items, adjusted net income available to common stockholders was \$107.4 million, or \$0.70 per diluted share, for the fourth quarter of 2017.*
 - Home sales revenue for the quarter was flat at \$1.1 billion
 - New home deliveries of 1,727 homes compared to 1,757 homes, a decrease of 2%
 - Average sales price of homes delivered of \$649,000 compared to \$639,000, an increase of 2%
 - Homebuilding gross margin percentage of 21.9% compared to 21.7%, an increase of 20 basis points
 - Excluding interest, impairments and lot option abandonments, adjusted homebuilding gross margin percentage was 24.8% *
 - SG&A expense as a percentage of homes sales revenue of 9.1% compared to 7.2%, an increase of 190 basis points
 - New home orders of 812 compared to 1,063, a decrease of 24%
 - Active selling communities averaged 131.5 compared to 127.5, an increase of 3%
 - New home orders per average selling community decreased by 26% to 6.2 orders (2.1 monthly) compared to 8.3 orders (2.8 monthly)
 - Cancellation rate of 25% compared to 17%
 - Backlog units at quarter end of 1,335 homes compared to 1,571, a decrease of 15%
 - Dollar value of backlog at quarter end of \$897.3 million compared to \$1.0 billion, a decrease of 13%
 - Average sales price in backlog at quarter end of \$672,000 compared to \$657,000, an increase of 2%
 - Ratios of debt-to-capital and net debt-to-net capital of 40.7% and 35.5% *, respectively, as of December 31, 2018
 - Ended fourth quarter of 2018 with total liquidity of \$845.9 million, including cash of \$277.7 million and \$568.2 million of availability under the Company’s unsecured revolving credit facility
- * See “Reconciliation of Non-GAAP Financial Measures”

Results and Operational Data for Full Year 2018 and Comparisons to Full Year 2017

- Net income available to common stockholders was \$269.9 million, or \$1.81 per diluted share, compared to \$187.2 million, or \$1.21 per diluted share. Adjusted net income available to common stockholders for the full year 2018 was \$283.6 million, or \$1.90 per diluted share, after excluding the \$17.5 million settlement payment and \$686,000 of transaction expenses related to the Dallas acquisition. Adjusted net income available to common stockholders for the full year 2017 was \$220.6 million, or \$1.42 per diluted share, after excluding the \$22.0 million tax charge related to the re-measurement
-



of the Company's net deferred tax assets and the \$13.2 million pretax charge related to the impairment of an investment in an unconsolidated entity.*

- Home sales revenue of \$3.2 billion compared to \$2.7 billion , an increase of 19%
 - New home deliveries of 5,071 homes compared to 4,697 homes, an increase of 8%
 - Average sales price of homes delivered of \$640,000 compared to \$582,000, an increase of 10%
- Homebuilding gross margin percentage of 21.8% compared to 20.5% , an increase of 130 basis points
 - Excluding interest, impairments and lot option abandonments, adjusted homebuilding gross margin percentage was 24.5% *
- SG&A expense as a percentage of homes sales revenue of 10.6% compared to 10.1% , an increase of 50 basis points
- New home orders of 4,686 compared to 5,075 , a decrease of 8%
- Active selling communities averaged 130.1 compared to 127.5 , an increase of 2%
 - New home orders per average selling community decreased by 9% to 36.0 orders (3.0 monthly) compared to 39.8 orders (3.3 monthly)
 - Cancellation rate of 18% compared to 15% , an increase of 300 basis points
- Repurchased 10,392,609 shares of common stock at an average price of \$14.05 for an aggregate dollar amount of \$146.1 million in the full year ended December 31, 2018

* See "Reconciliation of Non-GAAP Financial Measures"

"2018 was a record-setting year for TRI Pointe Group as we delivered over 5,000 homes for the first time in our company's history and recorded net income in excess of \$270 million", said Doug Bauer, Chief Executive Officer of TRI Pointe Group. "We established a presence in two new markets - Dallas and the Carolinas - expanding our geographic reach and further diversifying our operations. We also generated over \$300 million in cash from operations and ended the year in excellent financial shape with a net debt to net capital ratio of 35.5%.*"

Mr. Bauer continued, "2018 was also a year of two halves, as the strong sales momentum we experienced in the first part of the year dissipated in the back half of the year as buyers pulled back from the market in response to a rise in interest rates and higher home prices. While this recent market correction adds an element of uncertainty to our industry in the short-term, we remain encouraged about the outlook over the long-term thanks to the under supplied nature of our industry, strong demographics and job growth. We continue to stay focused on our long-term goals while also adjusting our business to remain competitive in the current environment. With a seasoned leadership team, well located communities and a strong balance sheet, we believe that TRI Pointe Group is well positioned for long-term success."

Fourth Quarter 2018 Operating Results

Net income available to common stockholders was \$99.4 million , or \$0.70 per diluted share, for the fourth quarter of 2018 , compared to net income available to common stockholders of \$74.0 million , or \$0.49 per diluted share, for the fourth quarter of 2017. The increase in net income available to common stockholders was primarily driven by a higher homebuilding gross margin and a lower provision for income taxes. Current year net income available to common stockholders was negatively impacted by the \$17.5 million settlement payment. In addition, the Company incurred \$686,000 of expenses related to the purchase of a Dallas, Texas based builder that closed in the fourth quarter. Prior year net income available to common stockholders was negatively impacted by a \$22.0 million tax charge related to the re-measurement of the Company's net deferred tax assets and a pretax charge of \$13.2 million related to the impairment of an investment in an unconsolidated entity. Excluding these items, adjusted net income available to common stockholders was \$112.9 million or \$0.79 per diluted share for the fourth quarter of 2018, compared to 107.4 million or \$0.70 per diluted share for the fourth quarter of 2017.*

Home sales revenue was flat at \$1.1 billion for the fourth quarter of 2018 and 2017. The average selling price of homes delivered during the fourth quarter of 2018 increased 2% to \$649,000 from \$639,000, offset by a 2% decrease in new homes delivered in the fourth quarter of 2018 to 1,727 from 1,757.



Homebuilding gross margin percentage for the fourth quarter of 2018 increased to 21.9% compared to 21.7% for the fourth quarter of 2017. Excluding interest, impairments and lot option abandonments in cost of home sales, adjusted homebuilding gross margin percentage was 24.8% for the fourth quarter of 2018 compared to 24.2% for the fourth quarter of 2017.*

Selling, general and administrative ("SG&A") expense for the fourth quarter of 2018 increased to 9.1% of home sales revenue as compared to 7.2% for the fourth quarter of 2017 due to our expansion initiatives, including the expansion into the Carolinas, Sacramento and Dallas markets. In addition, the adoption of Accounting Standards Codification 606 resulted in various sales office, model and other marketing related costs that were previously capitalized to inventory and amortized through cost of home sales being expensed when incurred to selling expense or capitalized to other assets and amortized to selling expense.

New home orders decreased 24% to 812 homes for the fourth quarter of 2018, as compared to 1,063 homes for the same period in 2017. Average selling communities was 131.5 for the fourth quarter of 2018 compared to 127.5 for the fourth quarter of 2017. New home orders per average selling community for the fourth quarter of 2018 was 6.2 orders (2.1 monthly) compared to 8.3 orders (2.8 monthly) during the fourth quarter of 2017.

The Company ended the quarter with 1,335 homes in backlog, representing approximately \$897.3 million. The average selling price of homes in backlog as of December 31, 2018 increased \$15,000, or 2%, to \$672,000 compared to \$657,000 at December 31, 2017.

"Product differentiation is critical in a more challenging demand environment, which is why TRI Pointe Group continues to focus on ways to distinguish itself from the competition with innovative home designs and customer-centric features like smart home technologies", said TRI Pointe Group President and Chief Operating Officer Tom Mitchell. "We remain focused on core locations for our communities, targeting sites that offer easy access to employment centers, quality schools and vibrant neighborhoods. We believe that offering customers homes that are tailored to their needs in places that they want to live is the right strategy for long-term success and builds a premium brand perception in our local markets."

* See "Reconciliation of Non-GAAP Financial Measures"

Outlook

For the first quarter of 2019, the Company expects to open 9 new communities and close out of 7 communities, resulting in 148 active selling communities as of March 31, 2019. In addition, the Company anticipates delivering 55% to 60% of its 1,335 homes in backlog as of December 31, 2018 at an average sales price of \$600,000. The Company expects its homebuilding gross margin percentage to be approximately 16% for the first quarter. The decrease in homebuilding gross margin percentage compared to previous quarters is expected to be the result of a lower mix of deliveries from California, higher incentives on inventory homes at year end and purchase accounting adjustments related to the acquisition of a Dallas builder. Due to the low number of homes expected to close in the first quarter, the Company anticipates its SG&A expense as a percentage of homes sales revenue will be in a range of 15% to 16%. Lastly, the Company expects its effective tax rate to be in the range of 25% to 26%.

For the full year, assuming similar market conditions to what the Company is currently experiencing, the Company anticipates delivering between 4,600 and 5,000 homes at an average sales price of \$610,000 to \$620,000. In addition, the Company expects homebuilding gross margin percentage to be in the range of 19% to 20% for the full year. Finally, the Company expects full year SG&A expense as a percentage of homes sales revenue will be in a range of 11% to 12%. The Company expects its effective tax rate for the full year to be in the range of 25% to 26%.



Stock Repurchase Program

On February 21, 2019, our Board of Directors cancelled the share repurchase program approved in 2018, which had approximately \$53.9 million remaining in authorized repurchases, and approved the Repurchase Program, which authorizes the repurchase of up to \$100 million of Company common stock through March 31, 2020. Purchases of common stock pursuant to the Repurchase Program may be made in open market transactions effected through a broker-dealer at prevailing market prices, in block trades, or by other means in accordance with federal securities laws, including pursuant to any trading plan that may be adopted in accordance with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. We are not obligated under the Repurchase Program to repurchase any specific number or dollar amount of shares of common stock, and we may modify, suspend or discontinue the Repurchase Program at any time. Our management will determine the timing and amount of any repurchases in its discretion based on a variety of factors, such as the market price of our common stock, corporate requirements, general market economic conditions and legal requirements.

Earnings Conference Call

The Company will host a conference call via live webcast for investors and other interested parties beginning at 7:00 a.m. Pacific Time (10:00 a.m. Eastern Time) on Tuesday, February 26, 2019. The call will be hosted by Doug Bauer, Chief Executive Officer, Tom Mitchell, President and Chief Operating Officer and Mike Grubbs, Chief Financial Officer.

Interested parties can listen to the call live on the internet through the Investor Relations section of the Company's website at www.TRIPointeGroup.com. Listeners should go to the website at least fifteen minutes prior to the call to download and install any necessary audio software. The call can also be accessed by dialing 1-877-407-3982 for domestic participants or 1-201-493-6780 for international participants. Participants should ask for the TRI Pointe Group Fourth Quarter 2018 Earnings Conference Call. Those dialing in should do so at least ten minutes prior to the start. The replay of the call will be available for two weeks following the call. To access the replay, the domestic dial-in number is 1-844-512-2921, the international dial-in number is 1-412-317-6671, and the reference code is #13686901. An archive of the webcast will be available on the Company's website for a limited time.

About TRI Pointe Group, Inc.

Headquartered in Irvine, California, TRI Pointe Group, Inc. (NYSE: TPH) is among the largest public homebuilders in the United States. The company designs, constructs and sells premium single-family homes through its portfolio of six quality brands across eight states, including Maracay™ in Arizona; Pardee Homes® in California and Nevada; Quadrant Homes® in Washington; Trendmaker® Homes in Texas; TRI Pointe Homes® in California, Colorado and the Carolinas; and Winchester® Homes in Maryland and Virginia. Additional information is available at www.TRIPointeGroup.com. Winchester is a registered trademark and is used with permission.



Forward-Looking Statements

Various statements contained in this press release, including those that express a belief, expectation or intention, as well as those that are not statements of historical fact, are forward-looking statements. These forward-looking statements may include, but are not limited to, statements regarding our strategy, projections and estimates concerning the timing and success of specific projects and our future production, land and lot sales, operational and financial results, including our estimates for growth, financial condition, sales prices, prospects, and capital spending. Forward-looking statements that are included in this press release are generally accompanied by words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “future,” “goal,” “guidance,” “intend,” “likely,” “may,” “might,” “outlook,” “plan,” “potential,” “predict,” “project,” “should,” “strategy,” “target,” “will,” “would,” or other words that convey future events or outcomes. The forward-looking statements in this press release speak only as of the date of this press release, and we disclaim any obligation to update these statements unless required by law, and we caution you not to rely on them unduly. These forward-looking statements are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. The following factors, among others, may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements: the effect of general economic conditions, including employment rates, housing starts, interest rate levels, availability of financing for home mortgages and strength of the U.S. dollar; market demand for our products, which is related to the strength of the various U.S. business segments and U.S. and international economic conditions; levels of competition; the successful execution of our internal performance plans, including any restructuring and cost reduction initiatives; global economic conditions; raw material prices; oil and other energy prices; the effect of weather, including the re-occurrence of drought conditions in California; the risk of loss from earthquakes, volcanoes, fires, floods, droughts, windstorms, hurricanes, pest infestations and other natural disasters, and the risk of delays, reduced consumer demand, and shortages and price increases in labor or materials associated with such natural disasters; transportation costs; federal and state tax policies; the effect of land use, environment and other governmental regulations; legal proceedings or disputes and the adequacy of reserves; risks relating to any unforeseen changes to or effects on liabilities, future capital expenditures, revenues, expenses, earnings, synergies, indebtedness, financial condition, losses and future prospects; changes in accounting principles; risks related to unauthorized access to our computer systems, theft of our customers’ confidential information or other forms of cyber-attack; and additional factors discussed under the sections captioned “Risk Factors” included in our annual and quarterly reports filed with the Securities and Exchange Commission. The foregoing list is not exhaustive. New risk factors may emerge from time to time and it is not possible for management to predict all such risk factors or to assess the impact of such risk factors on our business.

Investor Relations Contact:

Chris Martin, TRI Pointe Group
Drew Mackintosh, Mackintosh Investor Relations
InvestorRelations@TRIPointeGroup.com, 949-478-8696

Media Contact:

Carol Ruiz, cruiz@newgroundco.com, 310-437-0045



KEY OPERATIONS AND FINANCIAL DATA
(dollars in thousands)
(unaudited)

	Three Months Ended December 31,			Year Ended December 31,		
	2018	2017	Change	2018	2017	Change
Operating Data:						
Home sales revenue	\$ 1,120,952	\$ 1,122,841	\$ (1,889)	\$ 3,244,087	\$ 2,732,299	\$ 511,788
Homebuilding gross margin	\$ 245,704	\$ 244,153	\$ 1,551	\$ 707,188	\$ 559,048	\$ 148,140
Homebuilding gross margin %	21.9 %	21.7%	0.2 %	21.8 %	20.5%	1.3 %
Adjusted homebuilding gross margin %*	24.8 %	24.2%	0.6 %	24.5 %	22.9%	1.6 %
Land and lot sales revenue	\$ 4,792	\$ 4,608	\$ 184	\$ 8,758	\$ 74,269	\$ (65,511)
Land and lot gross margin ⁽¹⁾	\$ (16,480)	\$ 3,019	\$ (19,499)	\$ (16,677)	\$ 59,381	\$ (76,058)
Land and lot gross margin % ⁽¹⁾	(343.9)%	65.5%	(409.4)%	(190.4)%	80.0%	(270.4)%
SG&A expense	\$ 102,010	\$ 81,328	\$ 20,682	\$ 342,297	\$ 274,830	\$ 67,467
SG&A expense as a % of home sales revenue	9.1 %	7.2%	1.9 %	10.6 %	10.1%	0.5 %
Net income available to common stockholders	\$ 99,382	\$ 74,020	\$ 25,362	\$ 269,911	\$ 187,191	\$ 82,720
Adjusted net income available to common stockholders*	\$ 112,876	\$ 107,403	\$ 5,473	\$ 283,550	\$ 220,574	\$ 62,976
Adjusted EBITDA*	\$ 199,314	\$ 202,178	\$ (2,864)	\$ 511,534	\$ 439,932	\$ 71,602
Interest incurred	\$ 24,542	\$ 22,595	\$ 1,947	\$ 91,631	\$ 84,264	\$ 7,367
Interest in cost of home sales	\$ 29,235	\$ 26,387	\$ 2,848	\$ 83,161	\$ 64,835	\$ 18,326
Other Data:						
Net new home orders	812	1,063	(251)	4,686	5,075	(389)
New homes delivered	1,727	1,757	(30)	5,071	4,697	374
Average selling price of homes delivered	\$ 649	\$ 639	\$ 10	\$ 640	\$ 582	\$ 58
Cancellation rate	25 %	17%	8 %	18 %	15%	3 %
Average selling communities	131.5	127.5	4.0	130.1	127.5	2.6
Selling communities at end of period	146	130	16			
Backlog (estimated dollar value)	\$ 897,343	\$ 1,032,776	\$ (135,433)			
Backlog (homes)	1,335	1,571	(236)			
Average selling price in backlog	\$ 672	\$ 657	\$ 15			
	December 31, 2018	December 31, 2017	Change			
Balance Sheet Data:						
Cash and cash equivalents	\$ 277,696	\$ 282,914	\$ (5,218)			
Real estate inventories	\$ 3,216,059	\$ 3,105,553	\$ 110,506			
Lots owned or controlled	27,740	27,312	428			
Homes under construction ⁽²⁾	2,166	1,941	225			
Homes completed, unsold	417	269	148			
Total debt, net	\$ 1,410,804	\$ 1,471,302	\$ (60,498)			
Stockholders' equity	\$ 2,056,924	\$ 1,929,722	\$ 127,202			
Book capitalization	\$ 3,467,728	\$ 3,401,024	\$ 66,704			
Ratio of debt-to-capital	40.7 %	43.3%	(2.6)%			
Ratio of net debt-to-net-capital*	35.5 %	38.1%	(2.6)%			

⁽¹⁾ The fourth quarter and full year results for 2018 include a \$17.5 million charge related to a legal settlement.
⁽²⁾ Homes under construction included 40 and 60 models at December 31, 2018 and December 31, 2017, respectively.
* See "Reconciliation of Non-GAAP Financial Measures"



CONSOLIDATED BALANCE SHEETS
(in thousands, except share amounts)

	December 31, 2018	December 31, 2017
Assets	(unaudited)	
Cash and cash equivalents	\$ 277,696	\$ 282,914
Receivables	51,592	125,600
Real estate inventories	3,216,059	3,105,553
Investments in unconsolidated entities	5,410	5,870
Goodwill and other intangible assets, net	160,427	160,961
Deferred tax assets, net	67,768	76,413
Other assets	105,251	48,070
Total assets	\$ 3,884,203	\$ 3,805,381
Liabilities		
Accounts payable	\$ 81,313	\$ 72,870
Accrued expenses and other liabilities	335,149	330,882
Senior notes	1,410,804	1,471,302
Total liabilities	1,827,266	1,875,054
Commitments and contingencies		
Equity		
Stockholders' Equity:		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized; no shares issued and outstanding as of December 31, 2018 and December 31, 2017, respectively	—	—
Common stock, \$0.01 par value, 500,000,000 shares authorized; 141,661,713 and 151,162,999 shares issued and outstanding at December 31, 2018 and December 31, 2017, respectively	1,417	1,512
Additional paid-in capital	658,720	793,980
Retained earnings	1,396,787	1,134,230
Total stockholders' equity	2,056,924	1,929,722
Noncontrolling interests	13	605
Total equity	2,056,937	1,930,327
Total liabilities and equity	\$ 3,884,203	\$ 3,805,381



CONSOLIDATED STATEMENT OF OPERATIONS
(in thousands, except share and per share amounts)
(unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Homebuilding:				
Home sales revenue	\$ 1,120,952	\$ 1,122,841	\$ 3,244,087	\$ 2,732,299
Land and lot sales revenue	4,792	4,608	8,758	74,269
Other operations revenue	6,369	581	8,164	2,333
Total revenues	1,132,113	1,128,030	3,261,009	2,808,901
Cost of home sales	875,248	878,688	2,536,899	2,173,251
Cost of land and lot sales	21,272	1,589	25,435	14,888
Other operations expense	1,393	572	3,174	2,298
Sales and marketing	58,386	44,857	187,267	137,066
General and administrative	43,624	36,471	155,030	137,764
Homebuilding income from operations	132,190	165,853	353,204	343,634
Equity in loss of unconsolidated entities	(9)	(13,079)	(393)	(11,433)
Other (expense) income, net	(40)	4	(419)	151
Homebuilding income before income taxes	132,141	152,778	352,392	332,352
Financial Services:				
Revenues	584	490	1,738	1,371
Expenses	191	98	582	331
Equity in income of unconsolidated entities	3,545	3,515	8,517	6,426
Financial services income before income taxes	3,938	3,907	9,673	7,466
Income before income taxes	136,079	156,685	362,065	339,818
Provision for income taxes	(35,095)	(82,443)	(90,552)	(152,267)
Net income	100,984	74,242	271,513	187,551
Net income attributable to noncontrolling interests	(1,602)	(222)	(1,602)	(360)
Net income available to common stockholders	\$ 99,382	\$ 74,020	\$ 269,911	\$ 187,191
Earnings per share				
Basic	\$ 0.70	\$ 0.49	\$ 1.82	\$ 1.21
Diluted	\$ 0.70	\$ 0.49	\$ 1.81	\$ 1.21
Weighted average shares outstanding				
Basic	142,191,174	150,859,014	148,183,431	154,134,411
Diluted	142,673,662	152,568,093	149,004,690	155,085,366



MARKET DATA BY REPORTING SEGMENT & STATE
(dollars in thousands)
(unaudited)

	Three Months Ended December 31,				Year Ended December 31,			
	2018		2017		2018		2017	
	New Homes Delivered	Average Sales Price	New Homes Delivered	Average Sales Price	New Homes Delivered	Average Sales Price	New Homes Delivered	Average Sales Price
New Homes Delivered:								
Maracay	155	\$ 524	181	\$ 507	538	\$ 489	628	\$ 473
Pardee Homes	577	609	535	613	1,582	632	1,431	529
Quadrant Homes	118	962	146	765	359	850	352	697
Trendmaker Homes	221	506	163	496	610	502	506	494
TRI Pointe Homes	487	745	530	761	1,470	730	1,313	706
Winchester Homes	169	592	202	532	512	578	467	549
Total	1,727	\$ 649	1,757	\$ 639	5,071	\$ 640	4,697	\$ 582

	Three Months Ended December 31,				Year Ended December 31,			
	2018		2017		2018		2017	
	New Homes Delivered	Average Sales Price	New Homes Delivered	Average Sales Price	New Homes Delivered	Average Sales Price	New Homes Delivered	Average Sales Price
New Homes Delivered:								
California	788	\$ 711	821	\$ 726	2,217	\$ 725	2,093	\$ 651
Colorado	69	550	75	600	251	582	172	596
Maryland	115	518	154	507	368	532	346	522
Virginia	54	751	48	613	144	695	121	625
Arizona	155	524	181	507	538	489	628	473
Nevada	207	564	169	531	584	547	479	456
Texas	221	506	163	496	610	502	506	494
Washington	118	962	146	765	359	850	352	697
Total	1,727	\$ 649	1,757	\$ 639	5,071	\$ 640	4,697	\$ 582



MARKET DATA BY REPORTING SEGMENT & STATE, continued
(unaudited)

	Three Months Ended December 31,				Year Ended December 31,			
	2018		2017		2018		2017	
	Net New Home Orders	Average Selling Communities	Net New Home Orders	Average Selling Communities	Net New Home Orders	Average Selling Communities	Net New Home Orders	Average Selling Communities
Net New Home Orders:								
Maracay	90	10.0	93	12.7	472	12.0	597	14.8
Pardee Homes	281	40.0	298	31.3	1,575	35.9	1,580	29.9
Quadrant Homes	35	7.5	84	7.8	261	6.9	395	7.5
Trendmaker Homes	146	29.5	123	28.5	601	29.1	516	30.4
TRI Pointe Homes	178	30.5	348	32.7	1,311	32.1	1,492	32.0
Winchester Homes	82	14.0	117	14.5	466	14.1	495	12.9
Total	812	131.5	1,063	127.5	4,686	130.1	5,075	127.5

	Three Months Ended December 31,				Year Ended December 31,			
	2018		2017		2018		2017	
	Net New Home Orders	Average Selling Communities	Net New Home Orders	Average Selling Communities	Net New Home Orders	Average Selling Communities	Net New Home Orders	Average Selling Communities
Net New Home Orders:								
California	356	50.0	472	42.8	2,007	46.5	2,357	43.0
Colorado	44	6.5	69	7.5	295	6.8	213	6.7
Maryland	62	9.0	92	10.5	316	9.2	357	9.4
Virginia	20	5.0	25	4.0	150	4.9	138	3.5
Arizona	90	10.0	93	12.7	472	12.0	597	14.8
Nevada	59	14.0	105	13.7	584	14.7	502	12.2
Texas	146	29.5	123	28.5	601	29.1	516	30.4
Washington	35	7.5	84	7.8	261	6.9	395	7.5
Total	812	131.5	1,063	127.5	4,686	130.1	5,075	127.5



MARKET DATA BY REPORTING SEGMENT & STATE, continued
(dollars in thousands)
(unaudited)

	As of December 31, 2018			As of December 31, 2017		
	Backlog Units	Backlog Dollar Value	Average Sales Price	Backlog Units	Backlog Dollar Value	Average Sales Price
Backlog:						
Maracay	151	\$ 91,532	\$ 606	217	\$ 106,061	\$ 489
Pardee Homes	402	309,453	770	409	299,083	731
Quadrant Homes	46	47,777	1,039	144	107,714	748
Trendmaker Homes	313	159,483	510	173	93,974	543
TRI Pointe Homes	318	217,767	685	477	331,562	695
Winchester Homes	105	71,331	679	151	94,381	625
Total	1,335	\$ 897,343	\$ 672	1,571	\$ 1,032,775	\$ 657

	As of December 31, 2018			As of December 31, 2017		
	Backlog Units	Backlog Dollar Value	Average Sales Price	Backlog Units	Backlog Dollar Value	Average Sales Price
Backlog:						
California	456	\$ 367,823	\$ 807	666	\$ 496,626	\$ 746
Colorado	144	81,685	567	100	60,253	603
Maryland	61	32,399	531	113	64,942	575
Virginia	44	38,934	885	38	29,439	775
Arizona	151	91,532	606	217	106,061	489
Nevada	120	77,710	648	120	73,766	615
Texas	313	159,483	510	173	93,974	543
Washington	46	47,777	1,039	144	107,714	748
Total	1,335	\$ 897,343	\$ 672	1,571	\$ 1,032,775	\$ 657



MARKET DATA BY REPORTING SEGMENT & STATE, continued
(unaudited)

	December 31, 2018	December 31, 2017
Lots Owned or Controlled ⁽¹⁾:		
Maracay	3,308	2,519
Pardee Homes	14,376	15,144
Quadrant Homes	1,744	1,726
Trendmaker Homes	2,492	1,855
TRI Pointe Homes	4,095	3,964
Winchester Homes	1,725	2,104
Total	<u>27,740</u>	<u>27,312</u>

	December 31, 2018	December 31, 2017
Lots Owned or Controlled ⁽¹⁾:		
California	15,218	16,292
Colorado	866	742
Maryland	1,142	1,507
Virginia	583	597
Arizona	3,308	2,519
Nevada	2,387	2,074
Texas	2,492	1,855
Washington	1,744	1,726
Total	<u>27,740</u>	<u>27,312</u>

	December 31, 2018	December 31, 2017
Lots by Ownership Type:		
Lots owned	23,057	23,940
Lots controlled ⁽¹⁾	4,683	3,372
Total	<u>27,740</u>	<u>27,312</u>

⁽¹⁾ As of December 31, 2018 and December 31, 2017, lots controlled included lots that were under land option contracts or purchase contracts.



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(unaudited)

In this press release, we utilize certain financial measures that are non-GAAP financial measures as defined by the Securities and Exchange Commission. We present these measures because we believe they and similar measures are useful to management and investors in evaluating the Company's operating performance and financing structure. We also believe these measures facilitate the comparison of our operating performance and financing structure with other companies in our industry. Because these measures are not calculated in accordance with Generally Accepted Accounting Principles ("GAAP"), they may not be comparable to other similarly titled measures of other companies and should not be considered in isolation or as a substitute for, or superior to, financial measures prepared in accordance with GAAP.

The following tables reconcile homebuilding gross margin percentage, as reported and prepared in accordance with GAAP, to the non-GAAP financial measure adjusted homebuilding gross margin percentage. We believe this information is meaningful as it isolates the impact that leverage and non-cash impairments and lot option abandonments have on homebuilding gross margin and permits investors to make better comparisons with our competitors, who may adjust gross margins in a similar fashion.

	Three Months Ended December 31,			
	2018	%	2017	%
	(dollars in thousands)			
Home sales revenue	\$ 1,120,952	100.0%	\$ 1,122,841	100.0%
Cost of home sales	875,248	78.1%	878,688	78.3%
Homebuilding gross margin	245,704	21.9%	244,153	21.7%
Add: interest in cost of home sales	29,235	2.6%	26,387	2.4%
Add: impairments and lot option abandonments	3,585	0.3%	851	0.1%
Adjusted homebuilding gross margin	\$ 278,524	24.8%	\$ 271,391	24.2%
Homebuilding gross margin percentage	21.9%		21.7%	
Adjusted homebuilding gross margin percentage	24.8%		24.2%	

	Year Ended December 31,			
	2018	%	2017	%
	(dollars in thousands)			
Home sales revenue	\$ 3,244,087	100.0%	\$ 2,732,299	100.0%
Cost of home sales	2,536,899	78.2%	2,173,251	79.5%
Homebuilding gross margin	707,188	21.8%	559,048	20.5%
Add: interest in cost of home sales	83,161	2.6%	64,835	2.4%
Add: impairments and lot option abandonments	5,010	0.2%	2,020	0.1%
Adjusted homebuilding gross margin	\$ 795,359	24.5%	\$ 625,903	22.9%
Homebuilding gross margin percentage	21.8%		20.5%	
Adjusted homebuilding gross margin percentage	24.5%		22.9%	



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (continued)
(unaudited)

The following table reconciles the Company's ratio of debt-to-capital to the non-GAAP ratio of net debt-to-net capital. We believe that the ratio of net debt-to-net capital is a relevant financial measure for management and investors to understand the leverage employed in our operations and as an indicator of the Company's ability to obtain financing.

	December 31, 2018	December 31, 2017
Senior notes	1,410,804	1,471,302
Total debt	1,410,804	1,471,302
Stockholders' equity	2,056,924	1,929,722
Total capital	\$ 3,467,728	\$ 3,401,024
Ratio of debt-to-capital ⁽¹⁾	40.7%	43.3%
Total debt	\$ 1,410,804	\$ 1,471,302
Less: Cash and cash equivalents	(277,696)	(282,914)
Net debt	1,133,108	1,188,388
Stockholders' equity	2,056,924	1,929,722
Net capital	\$ 3,190,032	\$ 3,118,110
Ratio of net debt-to-net capital ⁽²⁾	35.5%	38.1%

⁽¹⁾ The ratio of debt-to-capital is computed as the quotient obtained by dividing debt by the sum of debt plus equity.

⁽²⁾ The ratio of net debt-to-net capital is computed as the quotient obtained by dividing net debt (which is debt less cash and cash equivalents) by the sum of net debt plus equity.



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (continued)
(unaudited)

The following tables contain information about our operating results reflecting certain adjustments to income before income taxes, (provision) benefit for income taxes, net income, net income available to common stockholders and earnings per share (diluted). We believe reflecting these adjustments is useful to investors in understanding our recurring operations by eliminating the varying effects of certain non-routine events, and may be helpful in comparing the Company to other homebuilders to the extent they provide similar information.

	Three Months Ended December 31, 2018			Year Ended December 31, 2018		
	As Reported	Adjustments	Adjusted	As Reported	Adjustments	Adjusted
	(in thousands, except per share amounts)					
Income before income taxes	136,079	18,186 ⁽¹⁾	154,265	362,065	18,186 ⁽¹⁾	380,251
Provision for income taxes	(35,095)	(4,692) ⁽²⁾	(39,787)	(90,552)	(4,547) ⁽²⁾	(95,099)
Net income	100,984	13,494	114,478	271,513	13,639	285,152
Net income attributable to noncontrolling interests	(1,602)	—	(1,602)	(1,602)	—	(1,602)
Net income available to common stockholders	<u>\$ 99,382</u>	<u>\$ 13,494</u>	<u>\$ 112,876</u>	<u>\$ 269,911</u>	<u>\$ 13,639</u>	<u>\$ 283,550</u>
Earnings per share						
Diluted	\$ 0.70		\$ 0.79	\$ 1.81		\$ 1.90
Weighted average shares outstanding						
Diluted	142,674		142,674	149,005		149,005
Effective tax rate	25.8%		25.8%	25.0%		25.0%

⁽¹⁾ Includes a \$17.5 million charge related to a legal settlement and \$686,000 of transaction expenses incurred in conjunction with our acquisition of a Dallas, Texas based homebuilder.

⁽²⁾ Includes tax provision impact related to adjusted income before income taxes.

	Three Months Ended December 31, 2017			Year Ended December 31, 2017		
	As Reported	Adjustments	Adjusted	As Reported	Adjustments	Adjusted
	(in thousands, except per share amounts)					
Income before income taxes	156,685	13,182 ⁽¹⁾	169,867	339,818	13,182 ⁽¹⁾	353,000
(Provision) benefit for income taxes	(82,443)	20,201 ⁽²⁾	(62,242)	(152,267)	20,201 ⁽²⁾	(132,066)
Net income	74,242	33,383	107,625	187,551	33,383	220,934
Net income attributable to noncontrolling interests	(222)	—	(222)	(360)	—	(360)
Net income available to common stockholders	<u>\$ 74,020</u>	<u>\$ 33,383</u>	<u>\$ 107,403</u>	<u>\$ 187,191</u>	<u>\$ 33,383</u>	<u>\$ 220,574</u>
Earnings per share						
Diluted	\$ 0.49		\$ 0.70	\$ 1.21		\$ 1.42
Weighted average shares outstanding						
Diluted	152,568		152,568	155,085		155,085
Effective tax rate	52.6%		36.6%	44.8%		37.4%

⁽¹⁾ Includes a charge related to the impairment of an investment in an unconsolidated entity.

⁽²⁾ Includes a tax charge related to the re-measurement of the Company's net deferred tax assets as a result of the Tax Cuts and Jobs Act enacted in the fourth quarter of 2017, net of the impact of the charge related to the impairment of an investment in an unconsolidated entity.



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (continued)
(unaudited)

The following table calculates the non-GAAP financial measures of EBITDA and Adjusted EBITDA and reconciles those amounts to net income, as reported and prepared in accordance with GAAP. EBITDA means net income before (a) interest expense, (b) expensing of previously capitalized interest included in costs of home sales, (c) income taxes and (d) depreciation and amortization. Adjusted EBITDA means EBITDA before (e) amortization of stock-based compensation, (f) real estate inventory impairments and lot option abandonments, (g) legal settlements, (h) impairments of investments in unconsolidated entities, (i) transaction expenses and (j) restructuring charges. Other companies may calculate EBITDA and Adjusted EBITDA (or similarly titled measures) differently. We believe EBITDA and Adjusted EBITDA are useful measures of the Company's ability to service debt and obtain financing.

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
	(in thousands)			
Net income available to common stockholders	\$ 99,382	\$ 74,020	\$ 269,911	\$ 187,191
Interest expense:				
Interest incurred	24,542	22,595	91,631	84,264
Interest capitalized	(24,542)	(22,595)	(91,631)	(84,264)
Amortization of interest in cost of sales	29,380	26,474	83,579	65,245
Provision for income taxes	35,095	82,443	90,552	152,267
Depreciation and amortization	9,517	934	29,097	3,500
EBITDA	173,374	183,871	473,139	408,203
Amortization of stock-based compensation	3,859	4,275	14,814	15,906
Real estate inventory impairments and land option abandonments	3,585	850	5,085	2,053
Legal settlement	17,500	—	17,500	—
Impairments of investments in unconsolidated entities	—	13,182	—	13,182
Transaction expenses	686	—	686	—
Restructuring charges	310	—	310	588
Adjusted EBITDA	\$ 199,314	\$ 202,178	\$ 511,534	\$ 439,932