

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

**FORM 10-Q**

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the quarterly period ended March 31, 2021  
or  
 **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number 1-35796



**Tri Pointe Homes, Inc.**  
(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or other Jurisdiction of  
Incorporation or Organization)

**61-1763235**  
(I.R.S. Employer  
Identification No.)

940 Southwood Blvd, Suite 200  
Incline Village, Nevada 89451  
(Address of principal executive offices) (Zip Code)  
Registrant's telephone number, including area code (775) 413-1030  
Not Applicable  
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	TPH	New York Stock Exchange

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

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

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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

118,424,242 shares of the registrant's common stock were issued and outstanding as of April 12, 2021.

#### **EXPLANATORY NOTE**

As used in this quarterly report on Form 10-Q, references to “Tri Pointe”, “the Company”, “we”, “us”, or “our” (including in the consolidated financial statements and related notes thereto in this annual report on Form 10-Q) refer to Tri Pointe Homes, Inc., a Delaware corporation, and its consolidated subsidiaries.

Effective January 15, 2021, the Company changed its corporate name from “TRI Pointe Group, Inc.” to “Tri Pointe Homes, Inc.”

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**TRI POINTE HOMES, INC.**  
**QUARTERLY REPORT ON FORM 10-Q**  
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**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**TRI POINTE HOMES, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share amounts)

	<u>March 31, 2021</u>	<u>December 31, 2020</u>
	(unaudited)	
<b>Assets</b>		
Cash and cash equivalents	\$ 584,665	\$ 621,295
Receivables	81,365	63,551
Real estate inventories	3,015,984	2,910,142
Investments in unconsolidated entities	68,212	75,056
Goodwill and other intangible assets, net	157,566	158,529
Deferred tax assets, net	44,389	47,525
Other assets	140,772	145,882
Total assets	<u>\$ 4,092,953</u>	<u>\$ 4,021,980</u>
<b>Liabilities</b>		
Accounts payable	\$ 118,904	\$ 79,690
Accrued expenses and other liabilities	390,493	366,740
Loans payable	258,979	258,979
Senior notes, net	1,084,803	1,084,022
Total liabilities	<u>1,853,179</u>	<u>1,789,431</u>
Commitments and contingencies (Note 13)		
<b>Equity</b>		
Stockholders' equity:		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized; no shares issued and outstanding as of March 31, 2021 and December 31, 2020, respectively	—	—
Common stock, \$0.01 par value, 500,000,000 shares authorized; 118,824,242 and 121,882,778 shares issued and outstanding at March 31, 2021 and December 31, 2020, respectively	1,188	1,219
Additional paid-in capital	281,591	345,137
Retained earnings	1,956,983	1,886,181
Total stockholders' equity	<u>2,239,762</u>	<u>2,232,537</u>
Noncontrolling interests	12	12
Total equity	<u>2,239,774</u>	<u>2,232,549</u>
Total liabilities and equity	<u>\$ 4,092,953</u>	<u>\$ 4,021,980</u>

*See accompanying condensed notes to the unaudited consolidated financial statements.*

**TRI POINTE HOMES, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(unaudited)**  
**(in thousands, except share and per share amounts)**

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Homebuilding:</b>		
Home sales revenue	\$ 716,675	\$ 594,838
Land and lot sales revenue	1,523	—
Other operations revenue	663	618
Total revenues	718,861	595,456
Cost of home sales	545,356	472,882
Cost of land and lot sales	153	202
Other operations expense	624	624
Sales and marketing	40,460	42,637
General and administrative	41,349	39,837
Homebuilding income from operations	90,919	39,274
Equity in loss of unconsolidated entities	(13)	(14)
Other income, net	108	373
Homebuilding income before income taxes	91,014	39,633
<b>Financial Services:</b>		
Revenues	2,105	1,594
Expenses	1,407	1,079
Equity in income of unconsolidated entities	2,691	1,556
Financial services income before income taxes	3,389	2,071
<b>Income before income taxes</b>	<b>94,403</b>	<b>41,704</b>
Provision for income taxes	(23,601)	(9,821)
Net income	<u>\$ 70,802</u>	<u>\$ 31,883</u>
<b>Earnings per share</b>		
Basic	\$ 0.59	\$ 0.24
Diluted	\$ 0.59	\$ 0.24
<b>Weighted average shares outstanding</b>		
Basic	119,355,252	134,361,148
Diluted	120,086,573	135,038,481

*See accompanying condensed notes to the unaudited consolidated financial statements.*

**TRI POINTE HOMES, INC.**  
**CONSOLIDATED STATEMENTS OF EQUITY**  
**(unaudited)**  
**(in thousands, except share amounts)**

	Number of Shares of Common Stock (Note 1)	Common Stock	Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2020	121,882,778	\$ 1,219	\$ 345,137	\$ 1,886,181	\$ 2,232,537	\$ 12	\$ 2,232,549
Net income	—	—	—	70,802	70,802	—	70,802
Shares issued under share-based awards	601,025	6	2,811	—	2,817	—	2,817
Minimum tax withholding paid on behalf of employees for restricted stock units	—	—	(4,622)	—	(4,622)	—	(4,622)
Stock-based compensation expense	—	—	3,656	—	3,656	—	3,656
Share repurchases	(3,659,561)	(37)	(65,391)	—	(65,428)	—	(65,428)
Balance at March 31, 2021	<u>118,824,242</u>	<u>\$ 1,188</u>	<u>\$ 281,591</u>	<u>\$ 1,956,983</u>	<u>\$ 2,239,762</u>	<u>\$ 12</u>	<u>\$ 2,239,774</u>
	Number of Shares of Common Stock (Note 1)	Common Stock	Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2019	136,149,633	\$ 1,361	\$ 581,195	\$ 1,603,974	\$ 2,186,530	\$ 12	\$ 2,186,542
Net income	—	—	—	31,883	31,883	—	31,883
Shares issued under share-based awards	645,671	7	683	—	690	—	690
Minimum tax withholding paid on behalf of employees for restricted stock units	—	—	(5,446)	—	(5,446)	—	(5,446)
Stock-based compensation expense	—	—	3,625	—	3,625	—	3,625
Share repurchases	(6,558,323)	(66)	(101,935)	—	(102,001)	—	(102,001)
Balance at March 31, 2020	<u>130,236,981</u>	<u>\$ 1,302</u>	<u>\$ 478,122</u>	<u>\$ 1,635,857</u>	<u>\$ 2,115,281</u>	<u>\$ 12</u>	<u>\$ 2,115,293</u>

See accompanying condensed notes to the unaudited consolidated financial statements.

**TRI POINTE HOMES, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(unaudited)**  
**(in thousands)**

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 70,802	\$ 31,883
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	7,130	5,456
Equity in income of unconsolidated entities, net	(2,677)	(1,542)
Deferred income taxes, net	3,136	3,638
Amortization of stock-based compensation	3,656	3,625
Charges for impairments and lot option abandonments	213	349
Changes in assets and liabilities:		
Real estate inventories	(104,701)	(127,509)
Receivables	(17,814)	(14,425)
Other assets	5,967	1,154
Accounts payable	39,213	11,155
Accrued expenses and other liabilities	22,096	(5,589)
Returns on investments in unconsolidated entities, net	3,183	2,831
Net cash provided by (used in) operating activities	<u>30,204</u>	<u>(88,974)</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(5,684)	(8,239)
Proceeds from sale of property and equipment	—	17
Returns of (investments in) unconsolidated entities, net	6,083	(929)
Net cash provided by (used in) investing activities	<u>399</u>	<u>(9,151)</u>
<b>Cash flows from financing activities:</b>		
Borrowings from debt	—	500,000
Proceeds from issuance of common stock under share-based awards	2,817	690
Minimum tax withholding paid on behalf of employees for share-based awards	(4,622)	(5,446)
Share repurchases	(65,428)	(102,001)
Net cash (used in) provided by financing activities	<u>(67,233)</u>	<u>393,243</u>
Net (decrease) increase in cash and cash equivalents	(36,630)	295,118
Cash and cash equivalents—beginning of period	621,295	329,011
Cash and cash equivalents—end of period	<u>\$ 584,665</u>	<u>\$ 624,129</u>

*See accompanying condensed notes to the unaudited consolidated financial statements.*

**TRI POINTE HOMES, INC.**  
**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

**1. Organization, Basis of Presentation and Summary of Significant Accounting Policies**

**Organization**

Effective January 15, 2021, the Company changed its corporate name from “TRI Pointe Group, Inc.” to “Tri Pointe Homes, Inc.” As part of this name change, the Company consolidated its six regional homebuilding brands into one unified name—Tri Pointe Homes. For further details on the impact to our reporting segments, see Note 2, Segment Information.

Tri Pointe is engaged in the design, construction and sale of innovative single-family attached and detached homes across ten states, including Arizona, California, Colorado, Maryland, Nevada, North Carolina, South Carolina, Texas, Virginia and Washington, and the District of Columbia.

**Basis of Presentation**

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”), as contained within the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”), for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. They should be read in conjunction with our consolidated financial statements and footnotes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2020. In the opinion of management, all adjustments consisting of normal recurring adjustments, necessary for a fair presentation with respect to interim financial statements, have been included. The results for the three months ended March 31, 2021 are not necessarily indicative of the results to be expected for the full year ending December 31, 2021 due to seasonal variations and other factors, such as the effects of the novel coronavirus (“COVID-19”) and its potential impacts on our future results.

The consolidated financial statements include the accounts of Tri Pointe Homes and its wholly owned subsidiaries, as well as other entities in which Tri Pointe Homes has a controlling interest and variable interest entities (“VIEs”) in which Tri Pointe Homes is the primary beneficiary. The noncontrolling interests as of March 31, 2021 and December 31, 2020 represent the outside owners’ interests in the Company’s consolidated entities. All significant intercompany accounts have been eliminated upon consolidation.

Unless the context otherwise requires, the terms “Tri Pointe”, “the Company”, “we”, “us”, and “our” used herein refer to Tri Pointe Homes, Inc., a Delaware corporation, and its consolidated subsidiaries.

**Use of Estimates**

Our financial statements have been prepared in accordance with GAAP. The preparation of these financial statements requires our management to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from our estimates.

**Revenue Recognition**

We recognize revenue in accordance with Accounting Standards Topic 606 (“ASC 606”), *Revenue from Contracts with Customers*. Under ASC 606, we apply the following steps to determine the timing and amount of revenue to recognize: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the Company satisfies a performance obligation.

***Home sales revenue***

We generate the majority of our total revenues from home sales, which consists of our core business operation of building and delivering completed homes to homebuyers. Home sales revenue and related profit is generally recognized when title to and possession of the home is transferred to the homebuyer at the home closing date. Our performance obligation to deliver the agreed-upon home is generally satisfied in less than one year from the original contract date. Included in home sales

revenue are forfeited deposits, which occur when homebuyers cancel home purchase contracts that include a nonrefundable deposit. Both revenue from forfeited deposits and deferred revenue resulting from uncompleted performance obligations existing at the time we deliver new homes to our homebuyers are immaterial.

#### ***Land and lot sales revenue***

We generate revenue from the sale of land and lots to third-parties in the ordinary course of business and these transactions are considered to meet the definition of contracts with customers. Similar to our home sales, revenue from land and lot sales is typically fully recognized when the land and lot sales transactions are consummated, at which time no further performance obligations are left to be satisfied. Some of our historical land and lot sales have included future profit participation rights. We will recognize future land and lot sales revenue in the periods in which all closing conditions are met, subject to the constraint on variable consideration related to profit participation rights, if such rights exist in the sales contract.

#### ***Other operations revenue***

The majority of our homebuilding other operations revenue relates to a ground lease included in our West segment. We are responsible for making lease payments to the landowner, and we collect sublease payments from the buyers of the buildings. This ground lease is accounted for in accordance with ASC Topic 842, *Leases*. We do not recognize a material profit on this ground lease.

#### ***Financial services revenues***

Tri Pointe Solutions is a reportable segment and is comprised of our Tri Pointe Connect mortgage financing operations, Tri Pointe Assurance title and escrow services operations, and Tri Pointe Advantage property and casualty insurance agency operations.

#### ***Mortgage financing operations***

Tri Pointe Connect was formed as a joint venture with an established mortgage lender and is accounted for under the equity method of accounting. We record a percentage of income earned by Tri Pointe Connect based on our ownership percentage in this joint venture. Tri Pointe Connect activity appears as equity in income of unconsolidated entities under the Financial Services section of our consolidated statements of operations.

#### ***Title and escrow services operations***

Tri Pointe Assurance provides title examinations for our homebuyers in the Carolinas and Colorado and both title examinations and escrow services for our homebuyers in Arizona, Texas, Maryland, Nevada and Virginia. Tri Pointe Assurance is a wholly owned subsidiary of Tri Pointe and acts as a title agency for First American Title Insurance Company. Revenue from our title and escrow services operations is fully recognized at the time of the consummation of the home sales transaction, at which time no further performance obligations are left to be satisfied. Tri Pointe Assurance revenue is included in the Financial Services section of our consolidated statements of operations.

#### ***Property and casualty insurance agency operations***

Tri Pointe Advantage is a wholly owned subsidiary of Tri Pointe and provides property and casualty insurance agency services that help facilitate the closing process in all of the markets in which we operate. The total consideration for these services, including renewal options, is estimated upon the issuance of the initial insurance policy, subject to constraint. Tri Pointe Advantage revenue is included in the Financial Services section of our consolidated statements of operations.

#### **Adoption of New Accounting Standards**

In December 2019, the FASB issued Accounting Standards Update (“ASU”) No. 2019-12, Income Taxes (Topic 740): *Simplifying the Accounting for Income Taxes* (“ASU 2019-12”), which is intended to simplify various aspects related to accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. We adopted ASU 2019-12 on January 1, 2021 and our adoption did not have a material impact on our consolidated financial statements.

## **2. Segment Information**

We operate two principal businesses: homebuilding and financial services.

Effective January 15, 2021, we consolidated our six regional homebuilding brands into one unified name, Tri Pointe Homes, under which we continue to acquire and develop land and construct and sell single-family detached and attached homes. In accordance with ASC Topic 280, *Segment Reporting*, in determining the most appropriate reportable segments, we considered similar economic and other characteristics, including product types, average selling prices, gross profits, production processes, suppliers, subcontractors, regulatory environments, land acquisition results, and underlying demand and supply. Based upon these factors and in consideration of the geographical layout of our homebuilding markets, we have identified three homebuilding operating and reporting segments, and as a result of such change, beginning with this report, we will report our homebuilding segments under the following hierarchy:

West region: Arizona, California, Nevada and Washington

Central region: Colorado and Texas

East region: District of Columbia, Maryland, North Carolina, South Carolina and Virginia

Prior to the consolidation of our six regional homebuilding brands into one unified name, Tri Pointe Homes, our homebuilding operations were comprised of the following six reportable segments: Maracay, consisting of operations in Arizona; Pardee Homes, consisting of operations in California and Nevada; Quadrant Homes, consisting of operations in Washington; Trendmaker Homes, consisting of operations in Texas; Tri Pointe Homes, consisting of operations in California, Colorado and the Carolinas; and Winchester Homes, consisting of operations in Maryland, Virginia and the District of Columbia. The realignment of our reporting segments did not have any impact on our historical consolidated results of operations and we have restated prior period segment information in this report to conform to the new segment reporting structure.

Our Tri Pointe Solutions financial services operation is a reportable segment and is comprised of our Tri Pointe Connect mortgage financing operations, our Tri Pointe Assurance title and escrow services operations, and our Tri Pointe Advantage property and casualty insurance agency operations. For further details, see Note 1, *Organization, Basis of Presentation and Summary of Significant Accounting Policies*.

Corporate is a non-operating segment that develops and implements company-wide strategic initiatives and provides support to our homebuilding reporting segments by centralizing certain administrative functions, such as marketing, legal, accounting, treasury, insurance, internal audit and risk management, information technology and human resources, to benefit from economies of scale. Our Corporate non-operating segment also includes general and administrative expenses related to operating our corporate headquarters. All of the expenses incurred by Corporate are allocated to each of the homebuilding reporting segments based on their respective percentage of revenues.

The reportable segments follow the same accounting policies used for our consolidated financial statements, as described in Note 1, *Organization, Basis of Presentation and Summary of Significant Accounting Policies*. Operational results of each reportable segment are not necessarily indicative of the results that would have been achieved had the reportable segment been an independent, stand-alone entity during the periods presented.

Total revenues and income before income taxes for each of our reportable segments were as follows (in thousands):

	Three Months Ended March 31,	
	2021	2020
<b>Revenues</b>		
West	\$ 540,046	\$ 416,542
Central	121,118	132,476
East	57,697	46,438
Total homebuilding revenues	718,861	595,456
Financial services	2,105	1,594
<b>Total</b>	<b>\$ 720,966</b>	<b>\$ 597,050</b>
<b>Income (loss) before taxes</b>		
West	\$ 79,577	\$ 35,854
Central	9,697	4,565
East	1,740	(786)
Total homebuilding income before income taxes	91,014	39,633
Financial services	3,389	2,071
<b>Total</b>	<b>\$ 94,403</b>	<b>\$ 41,704</b>

Total real estate inventories and total assets for each of our reportable segments, as of the date indicated, were as follows (in thousands):

	March 31, 2021	December 31, 2020
	<b>Real estate inventories</b>	
West	\$ 2,340,906	\$ 2,296,013
Central	414,815	386,204
East	260,263	227,925
<b>Total</b>	<b>\$ 3,015,984</b>	<b>\$ 2,910,142</b>
<b>Total assets<sup>(1)</sup></b>		
West	\$ 2,610,261	\$ 2,556,961
Central	493,630	468,699
East	316,629	284,437
Corporate	633,176	672,536
Total homebuilding assets	4,053,696	3,982,633
Financial services	39,257	39,347
<b>Total</b>	<b>\$ 4,092,953</b>	<b>\$ 4,021,980</b>

(1) Total assets as of March 31, 2021 and December 31, 2020 includes \$139.3 million of goodwill, with \$125.4 million included in the West segment, \$8.3 million included in the Central segment and \$5.6 million included in the East segment. Total Corporate assets as of March 31, 2021 and December 31, 2020 includes our Tri Pointe Homes trade name, which was historically included in our Tri Pointe Homes reportable segment. For further details on goodwill and our intangible assets, see Note 8, *Goodwill and Other Intangible Assets*.

### 3. Earnings Per Share

The following table sets forth the components used in the computation of basic and diluted earnings per share (in thousands, except share and per share amounts):

	Three Months Ended March 31,	
	2021	2020
Numerator:		
Net income	\$ 70,802	\$ 31,883
Denominator:		
Basic weighted-average shares outstanding	119,355,252	134,361,148
Effect of dilutive shares:		
Stock options and unvested restricted stock units	731,321	677,333
Diluted weighted-average shares outstanding	120,086,573	135,038,481
Earnings per share		
Basic	\$ 0.59	\$ 0.24
Diluted	\$ 0.59	\$ 0.24
Antidilutive stock options and unvested restricted stock units not included in diluted earnings per share	2,397,962	2,687,357

#### 4. Receivables

Receivables consisted of the following (in thousands):

	March 31, 2021	December 31, 2020
Escrow proceeds and other accounts receivable, net	\$ 34,846	\$ 16,642
Warranty insurance receivable (Note 13)	46,519	46,909
Total receivables	\$ 81,365	\$ 63,551

Receivables are evaluated for collectability and allowances for potential losses are established or maintained on applicable receivables based on an expected credit loss approach. Receivables were net of allowances for doubtful accounts of \$476,000 and \$39,000 as of March 31, 2021 and December 31, 2020, respectively.

#### 5. Real Estate Inventories

Real estate inventories consisted of the following (in thousands):

	March 31, 2021	December 31, 2020
Real estate inventories owned:		
Homes completed or under construction	\$ 1,231,102	\$ 1,006,980
Land under development	1,201,216	1,328,481
Land held for future development	214,241	212,939
Model homes	235,318	241,345
Total real estate inventories owned	2,881,877	2,789,745
Real estate inventories not owned:		
Land purchase and land option deposits	134,107	120,397
Total real estate inventories not owned	134,107	120,397
Total real estate inventories	\$ 3,015,984	\$ 2,910,142

Homes completed or under construction is comprised of costs associated with homes in various stages of construction and includes direct construction and related land acquisition and land development costs. Land under development primarily consists of land acquisition and land development costs, which include capitalized interest and real estate taxes, associated with land undergoing improvement activity. Land held for future development principally reflects land acquisition and land development costs related to land where development activity has not yet begun or has been suspended, but is expected to occur in the future.

Real estate inventories not owned represents deposits related to land purchase and land and lot option agreements, as well as consolidated inventory held by variable interest entities. For further details, see Note 7, *Variable Interest Entities*.

Interest incurred, capitalized and expensed were as follows (in thousands):

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Interest incurred	\$ 21,179	\$ 20,779
Interest capitalized	(21,179)	(20,779)
Interest expensed	\$ —	\$ —
Capitalized interest in beginning inventory	\$ 182,228	\$ 192,356
Interest capitalized as a cost of inventory	21,179	20,779
Interest previously capitalized as a cost of inventory, included in cost of sales	(20,678)	(16,822)
Capitalized interest in ending inventory	<u>\$ 182,729</u>	<u>\$ 196,313</u>

Interest is capitalized to real estate inventory during development and other qualifying activities. During all periods presented, we capitalized all interest incurred to real estate inventory in accordance with ASC Topic 835, *Interest*, as our qualified assets exceeded our debt. Interest that is capitalized to real estate inventory is included in cost of home sales or cost of land and lot sales as related units or lots are delivered. Interest that is expensed as incurred is included in other (expense) income, net.

#### **Real Estate Inventory Impairments and Land Option Abandonments**

Real estate inventory impairments and land and lot option abandonments and pre-acquisition charges consisted of the following (in thousands):

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Real estate inventory impairments	\$ —	\$ —
Land and lot option abandonments and pre-acquisition charges	213	349
Total	<u>\$ 213</u>	<u>\$ 349</u>

Impairments of real estate inventory relate primarily to projects or communities that include homes completed or under construction. Within a project or community, there may be individual homes or parcels of land that are currently held for sale. Impairment charges recognized as a result of adjusting individual held-for-sale assets within a community to estimated fair value less cost to sell are also included in the total impairment charges.

In addition to owning land and residential lots, we also have option agreements to purchase land and lots at a future date. We have option deposits and capitalized pre-acquisition costs associated with the optioned land and lots. When the economics of a project no longer support acquisition of the land or lots under option, we may elect not to move forward with the acquisition. Option deposits and capitalized pre-acquisition costs associated with the assets under option may be forfeited at that time.

Real estate inventory impairments and land option abandonments are recorded in cost of home sales and cost of land and lot sales on the consolidated statements of operations.

#### **6. Investments in Unconsolidated Entities**

As of March 31, 2021, we held equity investments in nine active homebuilding partnerships or limited liability companies and one financial services limited liability company. Our participation in these entities may be as a developer, a builder, or an investment partner. Our ownership percentage varies from 7% to 65%, depending on the investment, with no controlling interest held in any of these investments.

#### **Unconsolidated Financial Information**

Aggregated assets, liabilities and operating results of the entities we account for as equity-method investments are provided below. Because our ownership interest in these entities varies, a direct relationship does not exist between the information presented below and the amounts that are reflected on our consolidated balance sheets as our investments in unconsolidated entities or on our consolidated statements of operations as equity in income of unconsolidated entities.

Assets and liabilities of unconsolidated entities (in thousands):

	March 31, 2021	December 31, 2020
<b>Assets</b>		
Cash	\$ 32,909	\$ 15,430
Receivables	4,397	3,820
Real estate inventories	275,681	235,437
Other assets	539	546
<b>Total assets</b>	<b>\$ 313,526</b>	<b>\$ 255,233</b>
<b>Liabilities and equity</b>		
Accounts payable and other liabilities	\$ 60,871	\$ 43,534
Company's equity	68,212	75,056
Outside interests' equity	184,443	136,643
<b>Total liabilities and equity</b>	<b>\$ 313,526</b>	<b>\$ 255,233</b>

Results of operations from unconsolidated entities (in thousands):

	Three Months Ended March 31,	
	2021	2020
Net sales	\$ 7,809	\$ 5,970
Other operating expense	(3,848)	(3,756)
Other income, net	—	(3)
Net income	\$ 3,961	\$ 2,211
Company's equity in income of unconsolidated entities	\$ 2,678	\$ 1,542

## 7. Variable Interest Entities

In the ordinary course of business, we enter into land and lot option agreements in order to procure land and residential lots for future development and the construction of homes. The use of such land and lot option agreements generally allows us to reduce the risks associated with direct land ownership and development, and reduces our capital and financial commitments. Pursuant to these land and lot option agreements, we generally provide a deposit to the seller as consideration for the right to purchase land at different times in the future, usually at predetermined prices. These deposits are recorded as land purchase and land option deposits under real estate inventories not owned on the accompanying consolidated balance sheets.

We analyze each of our land and lot option agreements and other similar contracts under the provisions of ASC 810, *Consolidation* to determine whether the land seller is a VIE and, if so, whether we are the primary beneficiary. Although we do not have legal title to the underlying land, if we are determined to be the primary beneficiary of the VIE, we will consolidate the VIE in our financial statements and reflect its assets as real estate inventory not owned included in our real estate inventories, its liabilities as debt (nonrecourse) held by VIEs in accrued expenses and other liabilities and the net equity of the VIE owners as noncontrolling interests on our consolidated balance sheets. In determining whether we are the primary beneficiary, we consider, among other things, whether we have the power to direct the activities of the VIE that most significantly impact the VIE's economic performance. Such activities would include, among other things, determining or limiting the scope or purpose of the VIE, selling or transferring property owned or controlled by the VIE, or arranging financing for the VIE.

Creditors of the entities with which we have land and lot option agreements have no recourse against us. The maximum exposure to loss under our land and lot option agreements is generally limited to non-refundable option deposits and any capitalized pre-acquisition costs. In some cases, we have also contracted to complete development work at a fixed cost on behalf of the landowner and budget shortfalls and savings will be borne by us. Additionally, we have entered into land banking arrangements which require us to complete development work even if we terminate the option to procure land or lots.

The following provides a summary of our interests in land and lot option agreements (in thousands):

	March 31, 2021			December 31, 2020		
	Deposits	Remaining Purchase Price	Consolidated Inventory Held by VIEs	Deposits	Remaining Purchase Price	Consolidated Inventory Held by VIEs
Consolidated VIEs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Unconsolidated VIEs	96,206	646,958	N/A	81,723	599,025	N/A
Other land option agreements	37,901	318,254	N/A	38,674	336,326	N/A
Total	\$ 134,107	\$ 965,212	\$ —	\$ 120,397	\$ 935,351	\$ —

Unconsolidated VIEs represent land option agreements that were not consolidated because we were not the primary beneficiary. Other land option agreements were not with VIEs.

In addition to the deposits presented in the table above, our exposure to loss related to our land and lot option contracts consisted of capitalized pre-acquisition costs of \$9.9 million and \$9.5 million as of March 31, 2021 and December 31, 2020, respectively. These pre-acquisition costs are included in real estate inventories as land under development on our consolidated balance sheets.

## 8. Goodwill and Other Intangible Assets

As of March 31, 2021 and December 31, 2020, \$139.3 million of goodwill is included in goodwill and other intangible assets, net on each of the consolidated balance sheets.

We have two intangible assets as of March 31, 2021, comprised of an existing trade name from the acquisition of Maracay in 2006, which originally had a 20 year useful life, and a Tri Pointe Homes trade name resulting from the acquisition of WRECO in 2014, which has an indefinite useful life. In October 2020, in conjunction with the announcement of our move to a single brand, Tri Pointe Homes, we modified the useful life of the Maracay trade name to expire in June 2021.

Goodwill and other intangible assets consisted of the following (in thousands):

	March 31, 2021			December 31, 2020		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Goodwill	\$ 139,304	\$ —	\$ 139,304	\$ 139,304	\$ —	\$ 139,304
Trade names	27,979	(9,717)	18,262	27,979	(8,754)	19,225
Total	\$ 167,283	\$ (9,717)	\$ 157,566	\$ 167,283	\$ (8,754)	\$ 158,529

The net carrying amount of our amortizing intangible asset related to the Maracay trade name was \$963,000 and \$1.9 million as of March 31, 2021 and December 31, 2020, respectively. Amortization expense related to this intangible asset was \$963,000 and \$134,000 for the three-month periods ended March 31, 2021 and 2020, respectively. Amortization of this intangible was charged to sales and marketing expense. The remaining useful life of the Maracay trade name was 0.5 year as of December 31, 2020 and will become fully amortized in the second quarter of 2021. Our \$17.3 million indefinite life intangible asset related to the Tri Pointe Homes trade name is not amortizing. All trade names and goodwill are evaluated for impairment on an annual basis or more frequently if indicators of impairment exist.

## 9. Other Assets

Other assets consisted of the following (in thousands):

	March 31, 2021	December 31, 2020
Prepaid expenses	\$ 11,676	\$ 14,984
Refundable fees and other deposits	20,955	22,029
Development rights, held for future use or sale	1,206	1,528
Deferred loan costs—loans payable	2,755	3,073
Operating properties and equipment, net	50,672	52,494
Lease right-of-use assets	50,455	48,798
Other	3,053	2,976
<b>Total</b>	<b>\$ 140,772</b>	<b>\$ 145,882</b>

## 10. Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities consisted of the following (in thousands):

	March 31, 2021	December 31, 2020
Accrued payroll and related costs	\$ 18,525	\$ 48,893
Warranty reserves (Note 13)	94,793	94,475
Estimated cost for completion of real estate inventories	90,406	93,292
Customer deposits	55,741	43,602
Income tax liability to Weyerhaeuser	307	240
Accrued income taxes payable	33,689	13,329
Accrued interest	20,454	4,655
Other tax liability	2,934	2,180
Lease liabilities	54,674	53,239
Other	18,970	12,835
<b>Total</b>	<b>\$ 390,493</b>	<b>\$ 366,740</b>

## 11. Senior Notes and Loans Payable

### Senior Notes

The Company's outstanding senior notes (together, the "Senior Notes") consisted of the following (in thousands):

	March 31, 2021	December 31, 2020
5.875% Senior Notes due June 15, 2024	\$ 450,000	\$ 450,000
5.250% Senior Notes due July 1, 2027	300,000	300,000
5.700% Senior Notes due June 15, 2028	350,000	350,000
Discount and deferred loan costs	(15,197)	(15,978)
<b>Total</b>	<b>\$ 1,084,803</b>	<b>\$ 1,084,022</b>

In June 2020, Tri Pointe issued \$350 million aggregate principal amount of 5.700% Senior Notes due 2028 (the "2028 Notes") at 100.00% of their aggregate principal amount. Net proceeds of this issuance were \$345.2 million, after debt issuance costs and discounts. The 2028 Notes mature on June 15, 2028 and interest is paid semiannually in arrears on June 15 and December 15 of each year until maturity.

In June 2017, Tri Pointe issued \$300 million aggregate principal amount of 5.250% Senior Notes due 2027 (the "2027 Notes") at 100.00% of their aggregate principal amount. Net proceeds of this issuance were \$296.3 million, after debt issuance costs and discounts. The 2027 Notes mature on June 1, 2027 and interest is paid semiannually in arrears on June 1 and December 1 of each year until maturity.

Tri Pointe and its wholly owned subsidiary Tri Pointe Homes Holdings, Inc. are co-issuers of the \$450 million aggregate principal amount 5.875% Senior Notes due 2024 (the "2024 Notes"). The 2024 Notes were issued at 98.15% of their aggregate

principal amount. The net proceeds from the offering of the 2024 Notes was \$429.0 million, after debt issuance costs and discounts. The 2024 Notes mature on June 15, 2024, with interest payable semiannually in arrears on June 15 and December 15 of each year until maturity.

As of March 31, 2021, there were \$11.9 million of capitalized debt financing costs, included in senior notes, net on our consolidated balance sheet, related to the Senior Notes that will amortize over the lives of the Senior Notes. Accrued interest related to the Senior Notes was \$18.8 million and \$3.2 million as of March 31, 2021 and December 31, 2020, respectively.

### Loans Payable

The Company's outstanding loans payable consisted of the following (in thousands):

	March 31, 2021	December 31, 2020
Term loan facility	\$ 250,000	\$ 250,000
Seller financed loans	8,979	8,979
<b>Total</b>	<b>\$ 258,979</b>	<b>\$ 258,979</b>

On March 29, 2019, the Company entered into a Second Amended and Restated Credit Agreement, which amended and restated the Company's Amended and Restated Credit Agreement, dated as of July 7, 2015. The Credit Facility (as defined below), which matures on March 29, 2023, consists of a \$600 million revolving credit facility (the "Revolving Facility") and a \$250 million term loan facility (the "Term Facility" and together with the Revolving Facility, the "Credit Facility"). The Term Facility includes a 90-day delayed draw provision that allowed the Company to draw the full \$250 million from the Term Facility in June 2019 in connection with the maturity of the 4.375% Senior Notes that matured on June 15, 2019. The Company may increase the Credit Facility to not more than \$1 billion in the aggregate, at its request, upon satisfaction of specified conditions. The Revolving Facility contains a sublimit of \$100 million for letters of credit. The Company may borrow under the Revolving Facility in the ordinary course of business to repay senior notes and fund its operations, including its land acquisition, land development and homebuilding activities. Borrowings under the Revolving Facility will be governed by, among other things, a borrowing base. Interest rates on borrowings under the Revolving Facility will be based on either a daily Eurocurrency base rate or a Eurocurrency rate, in either case, plus a spread ranging from 1.25% to 2.00%, depending on the Company's leverage ratio. Interest rates on borrowings under the Term Facility will be based on either a daily Eurocurrency base rate or a Eurocurrency rate, in either case, plus a spread ranging from 1.10% to 1.85%, depending on the Company's leverage ratio.

As of March 31, 2021, we had no outstanding debt under the Revolving Facility and there was \$543.1 million of availability after considering the borrowing base provisions and outstanding letters of credit. As of March 31, 2021, we had \$250 million outstanding debt under the Term Facility with an interest rate of 1.22%. As of March 31, 2021, there were \$2.8 million of capitalized debt financing costs, included in other assets on our consolidated balance sheet, related to the Credit Facility that will amortize over the remaining term of the Credit Facility. Accrued interest, including loan commitment fees, related to the Credit Facility was \$536,000 and \$617,000 as of March 31, 2021 and December 31, 2020, respectively.

At March 31, 2021 and December 31, 2020, we had outstanding letters of credit of \$56.9 million and \$64.1 million, respectively. These letters of credit were issued to secure various financial obligations. We believe it is not probable that any outstanding letters of credit will be drawn upon.

### Interest Incurred

During the three months ended March 31, 2021 and 2020, the Company incurred interest of \$21.2 million and \$20.8 million, respectively, related to all debt during the period. Included in interest incurred are amortization of deferred financing and Senior Note discount costs of \$1.1 million and \$1.3 million for the three months ended March 31, 2021 and 2020, respectively. Accrued interest related to all outstanding debt at March 31, 2021 and December 31, 2020 was \$20.5 million and \$4.7 million, respectively.

### Covenant Requirements

The Senior Notes contain covenants that restrict our ability to, among other things, create liens or other encumbrances, enter into sale and leaseback transactions, or merge or sell all or substantially all of our assets. These limitations are subject to a number of qualifications and exceptions.

Under the Credit Facility, the Company is required to comply with certain financial covenants, including those relating to consolidated tangible net worth, leverage, liquidity or interest coverage, and a spec unit inventory test. The Credit Facility also requires that at least 97.0% of consolidated tangible net worth must be attributable to the Company and its guarantor subsidiaries, subject to certain grace periods.

The Company was in compliance with all applicable financial covenants as of March 31, 2021 and December 31, 2020.

## 12. Fair Value Disclosures

### Fair Value Measurements

ASC Topic 820, *Fair Value Measurements and Disclosures*, defines “fair value” as the price that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date and requires assets and liabilities carried at fair value to be classified and disclosed in the following three categories:

- Level 1—Quoted prices for identical instruments in active markets
- Level 2—Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are inactive; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets at measurement date
- Level 3—Valuations derived from techniques where one or more significant inputs or significant value drivers are unobservable in active markets at measurement date

### Fair Value of Financial Instruments

A summary of assets and liabilities at March 31, 2021 and December 31, 2020, related to our financial instruments, measured at fair value on a recurring basis, is set forth below (in thousands):

	Hierarchy	March 31, 2021		December 31, 2020	
		Book Value	Fair Value	Book Value	Fair Value
Senior Notes <sup>(1)</sup>	Level 2	\$ 1,096,722	\$ 1,201,875	\$ 1,096,494	\$ 1,207,665
Term loan <sup>(2)</sup>	Level 2	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Seller financed loans <sup>(3)</sup>	Level 2	\$ 8,979	\$ 8,979	\$ 8,979	\$ 8,979

(1) The book value of the Senior Notes is net of discounts, excluding deferred loan costs of \$11.9 million and \$12.5 million as of March 31, 2021 and December 31, 2020, respectively. The estimated fair value of the Senior Notes at March 31, 2021 and December 31, 2020 is based on quoted market prices.

(2) The estimated fair value of the Term Loan Facility as of March 31, 2021 and December 31, 2020 approximated book value due to the variable interest rate terms of this loan.

(3) The estimated fair value of our seller financed loans as of March 31, 2021 and December 31, 2020 approximated book value due to the short term nature of these loans, both of which are scheduled to mature in 2021.

At March 31, 2021 and December 31, 2020, the carrying value of cash and cash equivalents and receivables approximated fair value due to their short-term nature and variable interest rate terms.

## Fair Value of Nonfinancial Assets

Nonfinancial assets include items such as real estate inventories and long-lived assets that are measured at fair value on a nonrecurring basis when events and circumstances indicating the carrying value is not recoverable. The following table presents impairment charges and the remaining net fair value for nonfinancial assets that were measured during the periods presented (in thousands):

	Hierarchy	Three Months Ended March 31, 2021			Year Ended December 31, 2020	
		Impairment Charge	Fair Value Net of Impairment		Impairment Charge	Fair Value Net of Impairment
Real estate inventories <sup>(1)</sup>	Level 3	\$ —	\$ —	\$ —	\$ 1,460	\$ 2,243

(1) Fair value of real estate inventories, net of impairment charges represents only those assets whose carrying values were adjusted to fair value in the respective periods presented.

## 13. Commitments and Contingencies

### Legal Matters

Lawsuits, claims and proceedings have been and may be instituted or asserted against us in the normal course of business, including actions brought on behalf of various classes of claimants. We are also subject to local, state and federal laws and regulations related to land development activities, house construction standards, sales practices, employment practices, environmental protection and financial services. As a result, we are subject to periodic examinations or inquiry by agencies administering these laws and regulations.

We record a reserve for potential legal claims and regulatory matters when they are probable of occurring and a potential loss is reasonably estimable. We accrue for these matters based on facts and circumstances specific to each matter and revise these estimates when necessary. In view of the inherent difficulty of predicting outcomes of legal claims and related contingencies, we generally cannot predict their ultimate resolution, related timing or eventual loss. Accordingly, it is possible that the ultimate outcome of any matter, if in excess of a related accrual or if no accrual was made, could be material to our financial statements. For matters as to which the Company believes a loss is probable and reasonably estimable, we had zero and \$1.3 million of legal reserves as of March 31, 2021 and December 31, 2020, respectively.

### Warranty

Warranty reserves are accrued as home deliveries occur. Our warranty reserves on homes delivered will vary based on product type and geographic area and also depending on state and local laws. The warranty reserve is included in accrued expenses and other liabilities on our consolidated balance sheets and represents expected future costs based on our historical experience over previous years. Estimated warranty costs are charged to cost of home sales in the period in which the related home sales revenue is recognized.

We maintain general liability insurance designed to protect us against a portion of our risk of loss from warranty and construction defect-related claims. We also generally require our subcontractors and design professionals to indemnify us for liabilities arising from their work, subject to various limitations. However, such indemnity is significantly limited with respect to certain subcontractors that are added to our general liability insurance policy.

Our warranty reserve and related estimated insurance recoveries are based on actuarial analysis that uses our historical claim and expense data, as well as industry data to estimate these overall costs and related recoveries. Key assumptions used in developing these estimates include claim frequencies, severities and resolution patterns, which can occur over an extended period of time. Our warranty reserve may also include an estimate of future fit and finish warranty claims to the extent not contemplated in the actuarial analysis. These estimates are subject to variability due to the length of time between the delivery of a home to a homebuyer and when a warranty or construction defect claim is made, and the ultimate resolution of such claim; uncertainties regarding such claims relative to our markets and the types of product we build; and legal or regulatory actions and/or interpretations, among other factors. Due to the degree of judgment involved and the potential for variability in these underlying assumptions, our actual future costs could differ from those estimated. There can be no assurance that the terms and limitations of the limited warranty will be effective against claims made by homebuyers, that we will be able to renew our insurance coverage or renew it at reasonable rates, that we will not be liable for damages, cost of repairs, and/or the expense of litigation surrounding possible construction defects, soil subsidence or building related claims or that claims will not arise out

of uninsurable events or circumstances not covered by insurance and not subject to effective indemnification agreements with certain subcontractors.

We also record expected recoveries from insurance carriers based on actual insurance claims made and actuarially determined amounts that depend on various factors, including the above-described reserve estimates, our insurance policy coverage limits for the applicable policy years and historical recovery rates. Because of the inherent uncertainty and variability in these assumptions, our actual insurance recoveries could differ significantly from amounts currently estimated. Outstanding warranty insurance receivables were \$46.5 million and \$46.9 million as of March 31, 2021 and December 31, 2020, respectively. Warranty insurance receivables are recorded in receivables on the accompanying consolidated balance sheets.

Warranty reserve activity consisted of the following (in thousands):

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Warranty reserves, beginning of period	\$ 94,475	\$ 76,607
Warranty reserves accrued	6,514	5,156
Warranty expenditures	(6,196)	(5,276)
Warranty reserves, end of period	<u>\$ 94,793</u>	<u>\$ 76,487</u>

### ***Performance Bonds***

We obtain surety bonds in the normal course of business to ensure completion of certain infrastructure improvements of our projects. The beneficiaries of the bonds are various municipalities. As of March 31, 2021 and December 31, 2020, the Company had outstanding surety bonds totaling \$608.9 million and \$615.4 million, respectively. As of March 31, 2021 and December 31, 2020, our estimated cost to complete obligations related to these surety bonds was \$356.9 million and \$323.2 million, respectively.

### **Lease Obligations**

Under ASC 842 we recognize a right-of-use lease asset and a lease liability for contracts deemed to contain a lease at the inception of the contract. Our lease population is fully comprised of operating leases, which are now recorded at the net present value of future lease obligations existing at each balance sheet date. At the inception of a lease, or if a lease is subsequently modified, we determine whether the lease is an operating or financing lease. Key estimates involved with ASC 842 include the discount rate used to measure our future lease obligations and the lease term, where considerations include renewal options and intent to renew. Lease right-of-use assets are included in other assets and lease liabilities are included in accrued expenses and other liabilities on our consolidated balance sheet.

### ***Operating Leases***

We lease certain property and equipment under non-cancelable operating leases. Office leases are for terms of up to ten years and generally provide renewal options. In most cases, we expect that, in the normal course of business, leases that expire will be renewed or replaced by other leases. Equipment leases are typically for terms of three to four years.

### ***Ground Leases***

In 1987, we obtained two 55-year ground leases of commercial property that provided for three renewal options of ten years each and one 45-year renewal option. We exercised the three ten-year extensions on one of these ground leases to extend the lease through 2071. The commercial buildings on these properties have been sold and the ground leases have been sublet to the buyers.

For one of these leases, we are responsible for making lease payments to the landowner, and we collect sublease payments from the buyers of the buildings. This ground lease has been subleased through 2041 to the buyers of the commercial buildings. For the second lease, the buyers of the buildings are responsible for making lease payments directly to the landowner, however, we have guaranteed the performance of the buyers/lessees. See below for additional information on leases (dollars in thousands):

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
<b>Lease Cost</b>		
Operating lease cost (included in SG&A expense)	\$ 2,481	\$ 2,338
Ground lease cost (included in other operations expense)	624	624
Sublease income, operating leases	—	—
Sublease income, ground leases (included in other operations revenue)	(633)	(618)
Net lease cost	<u>\$ 2,472</u>	<u>\$ 2,344</u>

#### **Other information**

Cash paid for amounts included in the measurement of lease liabilities:

Operating lease cash flows (included in operating cash flows)	\$ 2,788	\$ 2,014
Ground lease cash flows (included in operating cash flows)	\$ 635	\$ 624
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 3,006	\$ 20

	March 31, 2021	December 31, 2020
Weighted-average discount rate:		
Operating leases	5.4 %	5.7 %
Ground leases	10.2 %	10.2 %
Weighted-average remaining lease term (in years):		
Operating leases	6.0	5.5
Ground leases	46.8	47.0

The future minimum lease payments under our operating leases are as follows (in thousands):

	Property, Equipment and Other Leases	Ground Leases <sup>(1)</sup>
Remaining in 2021	\$ 7,092	\$ 2,334
2022	6,235	3,112
2023	5,256	3,112
2024	3,520	3,112
2025	2,377	3,112
Thereafter	7,576	81,656
Total lease payments	<u>\$ 32,056</u>	<u>\$ 96,438</u>
Less: Interest	5,120	68,700
Present value of operating lease liabilities	<u>\$ 26,936</u>	<u>\$ 27,738</u>

(1) Ground leases are fully subleased through 2041, representing \$64.1 million of the \$96.4 million future ground lease obligations.

## **14. Stock-Based Compensation**

### **2013 Long-Term Incentive Plan**

The Company's stock compensation plan, the 2013 Long-Term Incentive Plan (the "2013 Incentive Plan"), was adopted by Tri Pointe in January 2013 and amended, with the approval of our stockholders, in 2014 and 2015. In addition, our board of directors amended the 2013 Incentive Plan in 2014 to prohibit repricing (other than in connection with any equity restructuring or any change in capitalization) of outstanding options or stock appreciation rights without stockholder approval. The 2013 Incentive Plan provides for the grant of equity-based awards, including options to purchase shares of common stock, stock appreciation rights, bonus stock, restricted stock, restricted stock units ("RSUs") and performance awards. The 2013 Incentive Plan will automatically expire on the tenth anniversary of its effective date. Our board of directors may terminate or amend the

2013 Incentive Plan at any time, subject to any requirement of stockholder approval required by applicable law, rule or regulation.

As amended, the number of shares of our common stock that may be issued under the 2013 Incentive Plan is 11,727,833 shares. To the extent that shares of our common stock subject to an outstanding option, stock appreciation right, stock award or performance award granted under the 2013 Incentive Plan are not issued or delivered by reason of the expiration, termination, cancellation or forfeiture of such award or the settlement of such award in cash, then such shares of our common stock generally shall again be available under the 2013 Incentive Plan. As of March 31, 2021, there were 4,742,709 shares available for future grant under the 2013 Incentive Plan.

The following table presents compensation expense recognized related to all stock-based awards (in thousands):

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Total stock-based compensation	\$ 3,656	\$ 3,625

Stock-based compensation is charged to general and administrative expense on the accompanying consolidated statements of operations. As of March 31, 2021, total unrecognized stock-based compensation related to all stock-based awards was \$33.6 million and the weighted average term over which the expense was expected to be recognized was 2.2 years.

### Summary of Stock Option Activity

The following table presents a summary of stock option awards for the three months ended March 31, 2021:

	<b>Options</b>	<b>Weighted Average Exercise Price Per Share</b>	<b>Weighted Average Remaining Contractual Life</b>	<b>Aggregate Intrinsic Value (in thousands)</b>
Options outstanding at December 31, 2020	650,770	\$ 15.78	2.5	\$ 1,155
Granted	—	—	—	—
Exercised	(186,602)	\$ 16.07	—	—
Forfeited	—	\$ —	—	—
Options outstanding at March 31, 2021	<u>464,168</u>	\$ 15.66	2.3	\$ 2,254
Options exercisable at March 31, 2021	464,168	\$ 15.66	2.3	\$ 2,254

The intrinsic value of each stock option award outstanding or exercisable is the difference between the fair market value of the Company's common stock at the end of the period and the exercise price of each stock option award to the extent it is considered "in-the-money". A stock option award is considered to be "in-the-money" if the fair market value of the Company's stock is greater than the exercise price of the stock option award. The aggregate intrinsic value of options outstanding and options exercisable represents the value that would have been received by the holders of stock option awards had they exercised their stock option award on the last trading day of the period and sold the underlying shares at the closing price on that day.

### Summary of Restricted Stock Unit Activity

The following table presents a summary of RSUs for the three months ended March 31, 2021:

	<b>Restricted Stock Units</b>	<b>Weighted Average Grant Date Fair Value Per Share</b>	<b>Aggregate Intrinsic Value (in thousands)</b>
Nonvested RSUs at December 31, 2020	2,873,655	\$ 15.35	\$ 50,404
Granted	1,523,438	\$ 18.68	—
Vested	(668,014)	\$ 15.58	—
Forfeited	(319,838)	\$ 12.81	—
Nonvested RSUs at March 31, 2021	<u>3,409,241</u>	\$ 17.03	\$ 69,958

RSUs that vested, as reflected in the table above, during the three months ended March 31, 2021 include previously granted time-based RSUs. RSUs that were forfeited, as reflected in the table above, during the three months ended March 31, 2021 include performance-based RSUs and time-based RSUs that were forfeited for no consideration.

On February 22, 2021, the Company granted an aggregate of 625,000 time-based RSUs to certain employees and officers. The RSUs granted vest in equal installment annually on the anniversary of the grant date over a three-year period. The fair value of each RSU granted on February 22, 2021 was measured using a price of \$18.26 per share per share, which was the closing stock price on the date of grant. Each award will be expensed on a straight-line basis over the vesting period.

On February 22, 2021, the Company granted an aggregate of 669,141 performance-based RSUs to the Company's Chief Executive Officer, Chief Operating Officer and President, Chief Financial Officer, General Counsel, Chief Marketing Officer and Chief Human Resources Officer. These performance-based RSUs are allocated to two separate performance metrics, as follows: (i) 50% to homebuilding revenue, and (ii) 50% to pre-tax earnings. The vesting, if at all, of these performance-based RSUs may range from 0% to 100% and will be based on the Company's percentage attainment of specified threshold, target and maximum performance goals. Any award earned based on performance achieved may be increased or decreased by 25% based on the Company's total stockholder return ("TSR") relative to its peer-group homebuilders. The performance period for these performance-based RSUs is January 1, 2021 to December 31, 2023. The fair value of these performance-based RSUs was determined to be \$18.96 per share based on a Monte Carlo simulation. Each award will be expensed over the requisite service period.

On February 22, 2021, the Company granted an aggregate of 229,297 performance-based RSUs to the Company's division presidents. These performance-based RSUs are allocated to two separate performance metrics, as follows: (i) 50% to homebuilding revenue of the applicable Company division, and (ii) 50% to pre-tax earnings of the applicable Company division. The vesting, if at all, of these performance-based RSUs may range from 0% to 100% and will be based on the applicable Company division's percentage attainment of specified threshold, target and maximum performance goals. The performance period for these performance-based RSUs is January 1, 2021 to December 31, 2023. The fair value of these performance-based RSUs was measured using a price of \$18.26, which was the closing stock price on the date of grant. Each award will be expensed over the requisite service period.

On July 28, 2020, the Company granted an aggregate of 5,632 time-based RSUs to certain employees. The RSUs granted vest in equal installment annually beginning on February 20, 2021 over a three-year period. The fair value of each RSU granted on July 28, 2020 was measured using a price of \$16.79 per share, which was the closing stock price on the date of grant. Each award will be expensed on a straight-line basis over the vesting period.

On April 27, 2020, the Company granted an aggregate of 47,080 time-based RSUs to the non-employee members of its board of directors. The RSUs granted to non-employee directors vest in their entirety on the day immediately prior to the Company's 2021 annual meeting of stockholders. The fair value of each RSU granted on April 27, 2020 was measured using a price of \$10.62 per share, which was the closing stock price on the date of grant. Each award will be expensed on a straight-line basis over the vesting period.

On March 9, 2020 and February 20, 2020, the Company granted an aggregate of 17,692 and 639,395, respectively, time-based RSUs to certain employees and officers. The RSUs granted vest in equal installment annually on the anniversary of the grant date over a three-year period. The fair value of each RSU granted on March 9, 2020 and February 20, 2020 was measured using a price of \$14.13 and \$18.39 per share, respectively, which were the closing stock prices on the dates of grant. Each award will be expensed on a straight-line basis over the vesting period.

On February 20, 2020, the Company granted an aggregate of 547,166 performance-based RSUs to the Company's Chief Executive Officer, Chief Operating Officer and President, Chief Financial Officer, General Counsel, Chief Marketing Officer and Chief Human Resources Officer. These performance-based RSUs are allocated to two separate performance metrics, as follows: (i) 50% to homebuilding revenue, and (ii) 50% to pre-tax earnings. The vesting, if at all, of these performance-based RSUs may range from 0% to 100% and will be based on the Company's percentage attainment of specified threshold, target and maximum performance goals. Any award earned based on performance achieved may be increased or decreased by 25% based on the Company's TSR relative to its peer-group homebuilders. The performance period for these performance-based RSUs is January 1, 2020 to December 31, 2022. The fair value of these performance-based RSUs was determined to be \$19.36 per share based on a Monte Carlo simulation. Each award will be expensed over the requisite service period.

On February 20, 2020, the Company granted an aggregate of 207,300 performance-based RSUs to the Company's division presidents. These performance-based RSUs are allocated to two separate performance metrics, as follows: (i) 50% to homebuilding revenue of the applicable Company division, and (ii) 50% to pre-tax earnings of the applicable Company

division. The vesting, if at all, of these performance-based RSUs may range from 0% to 100% and will be based on the applicable Company division's percentage attainment of specified threshold, target and maximum performance goals. The performance period for these performance-based RSUs is January 1, 2020 to December 31, 2022. The fair value of these performance-based RSUs was measured using a price of \$18.39, which was the closing stock price on the date of grant. Each award will be expensed over the requisite service period.

As RSUs vest for employees, a portion of the shares awarded is generally withheld to cover employee tax withholdings. As a result, the number of RSUs vested and the number of shares of Tri Pointe common stock issued will differ.

## 15. Income Taxes

We account for income taxes in accordance with ASC Topic 740, *Income Taxes* ("ASC 740"), which requires an asset and liability approach for measuring deferred taxes based on temporary differences between the financial statements and tax bases of assets and liabilities using enacted tax rates for the years in which taxes are expected to be paid or recovered. Each quarter we assess our deferred tax asset to determine whether all or any portion of the asset is more likely than not unrealizable under ASC 740. We are required to establish a valuation allowance for any portion of the asset we conclude is more likely than not to be unrealizable. Our assessment considers, among other things, the nature, frequency and severity of our current and cumulative losses, forecasts of our future taxable income, the duration of statutory carryforward periods and tax planning alternatives.

We had net deferred tax assets of \$44.4 million and \$47.5 million as of March 31, 2021 and December 31, 2020. We had a valuation allowance related to those net deferred tax assets of \$3.4 million as of both March 31, 2021 and December 31, 2020. The Company will continue to evaluate both positive and negative evidence in determining the need for a valuation allowance against its deferred tax assets. Changes in positive and negative evidence, including differences between the Company's future operating results and the estimates utilized in the determination of the valuation allowance, could result in changes in the Company's estimate of the valuation allowance against its deferred tax assets. The accounting for deferred taxes is based upon estimates of future results. Differences between the anticipated and actual outcomes of these future results could have a material impact on the Company's consolidated results of operations or financial position. Also, changes in existing federal and state tax laws and tax rates could affect future tax results and the valuation allowance against the Company's deferred tax assets.

Tri Pointe has certain liabilities to Weyerhaeuser Company ("Weyerhaeuser") related to a tax sharing agreement. As of both March 31, 2021 and December 31, 2020, we had an income tax liability to Weyerhaeuser of \$307,000 and \$240,000, respectively. The income tax liability to Weyerhaeuser is recorded in accrued expenses and other liabilities on the accompanying consolidated balance sheets.

Our provision for income taxes totaled \$23.6 million and \$9.8 million for the three months ended March 31, 2021 and 2020. The Company classifies any interest and penalties related to income taxes assessed by jurisdiction as part of income tax expense. The Company did not have any uncertain tax positions recorded as of March 31, 2021 and December 31, 2020. The Company has not been assessed interest or penalties by any major tax jurisdictions related to prior years.

## 16. Related Party Transactions

We had no related party transactions for the three months ended March 31, 2021 and 2020.

## 17. Supplemental Disclosure to Consolidated Statements of Cash Flows

The following are supplemental disclosures to the consolidated statements of cash flows (in thousands):

	Three Months Ended March 31,	
	2021	2020
Supplemental disclosure of cash flow information:		
Interest paid (capitalized), net	\$ (16,898)	\$ (8,220)
Income taxes paid (refunded), net	\$ —	\$ 9
Supplemental disclosures of noncash activities:		
Amortization of senior note discount capitalized to real estate inventory	\$ 228	\$ 302
Amortization of deferred loan costs capitalized to real estate inventory	\$ 871	\$ 957



## Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

### CAUTIONARY NOTE CONCERNING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These forward-looking statements are based on our current intentions, beliefs, expectations and predictions for the future, and you should not place undue reliance on these statements. These statements use forward-looking terminology, are based on various assumptions made by us, and may not be accurate because of risks and uncertainties surrounding the assumptions that are made.

Factors listed in this section—as well as other factors not included—may cause actual results to differ significantly from the forward-looking statements included in this Quarterly Report on Form 10-Q. There is no guarantee that any of the events anticipated by the forward-looking statements in this Quarterly Report on Form 10-Q will occur, or if any of the events occurs, there is no guarantee what effect it will have on our operations, financial condition, or share price.

We undertake no, and hereby disclaim any, obligation to update or revise any forward-looking statements, unless required by law. However, we reserve the right to make such updates or revisions from time to time by press release, periodic report, or other method of public disclosure without the need for specific reference to this Quarterly Report on Form 10-Q. No such update or revision shall be deemed to indicate that other statements not addressed by such update or revision remain correct or create an obligation to provide any other updates or revisions.

#### Forward-Looking Statements

Forward-looking statements that are included in this Quarterly Report on Form 10-Q are generally accompanied by words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “future,” “goal,” “intend,” “likely,” “may,” “might,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” “would,” or other words that convey the uncertainty of future events or outcomes. 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, the outcome of legal proceedings, the anticipated impact of natural disasters or contagious diseases on our operations, operational and financial results, including our estimates for growth, financial condition, sales prices, prospects and capital spending.

#### Risks, Uncertainties and Assumptions

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

- the effects of the ongoing novel coronavirus (“COVID-19”) pandemic, which are highly uncertain and subject to rapid change, cannot be predicted and will depend upon future developments, including the severity and duration of the outbreak, the duration of existing and future social distancing and shelter-in-place orders, further mitigation strategies taken by applicable government authorities, the availability and efficacy of vaccines, adequate testing and treatments and the prevalence of widespread immunity to COVID-19;
- the effects 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;
- the availability of desirable and reasonably priced land and our ability to control, purchase, hold and develop such parcels;
- access to adequate capital on acceptable terms;
- geographic concentration of our operations, particularly within California;
- levels of competition;
- the successful execution of our internal performance plans, including restructuring and cost reduction initiatives;
- raw material and labor prices and availability;
- oil and other energy prices;
- the effects of U.S. trade policies, including the imposition of tariffs and duties on homebuilding products and retaliatory measures taken by other countries;
- the effects 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;
- the risk of loss from acts of war, terrorism, civil unrest or outbreaks of contagious diseases, such as COVID-19;
- transportation costs;
- federal and state tax policies;
- the effects of land use, environment and other governmental laws and 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 homebuyers' confidential information or other forms of cyber-attack; and
- other factors described in "Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2020 and in other filings we make with the Securities and Exchange Commission ("SEC").

The following discussion and analysis should be read in conjunction with our consolidated financial statements and related condensed notes thereto contained elsewhere in this Quarterly Report on Form 10-Q. The information contained in this Quarterly Report on Form 10-Q is not a complete description of our business or the risks associated with an investment in our securities. We urge investors to review and consider carefully the various disclosures made by us in this report and in our other reports filed with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2020 and subsequent reports on Form 8-K, which discuss our business in greater detail. The section entitled "Risk Factors" set forth in Item 1A of our Annual Report on Form 10-K, and similar disclosures in our other SEC filings, discuss some of the important risk factors that may affect our business, results of operations and financial condition. Investors should carefully consider those risks, in addition to the information in this report and in our other filings with the SEC, before deciding to invest in, or maintain an investment in, our common stock.

## Overview and Outlook

We remain encouraged by both the fundamental backdrop of the homebuilding industry as well as the broader macroeconomic conditions attendant to the ongoing transition back to a fully opened economy. While we continue to monitor the COVID-19 vaccination response and economic initiatives undertaken by the new administration, we are hopeful that a continued reopening of the economy in 2021 will result in both job growth and an increase in gross domestic product as compared to 2020, both of which we believe are essential for a sustainably healthy economy. Currently, the limited housing supply is hovering near record low levels, which has both contributed to the unprecedented demand environment that we are experiencing and allowed us to offset much of the inflationary cost pressures we are experiencing by raising prices. Although we do not believe that affordability has reached a ceiling at this stage in the housing cycle, current levels of pricing power may exceed sustainable longer-term levels. Further, we continue to contend with rising costs due to, among other things, supply chain disruptions and overall high demand for materials that include our primary input costs, such as lumber. Moreover, such supply chain disruptions, along with labor availability issues and municipality delays, have resulted in longer cycle times in all of our markets.

While interest rates remain historically low, rising U.S. Treasury yields during the first quarter of 2021 have contributed to increases in mortgage interest rates from the lows experienced in the first half of the quarter. We believe that expectations regarding inflation are contributing to this upward trend, and it remains unclear whether or not inflation numbers will rise significantly and/or whether or not such an inflationary environment would be temporary. While the Federal Reserve has reaffirmed its expectation to maintain its low benchmark interest rate and remains committed to meaningful levels of mortgage-backed securities purchases, a reversal of either monetary support mechanism could lead to higher interest rates and adverse effects on the homebuilding industry. Notwithstanding, we believe that the current housing cycle will maintain momentum in light of the limited housing supply, historically low mortgage rates and demographic trends relating to homebuyers.

Highlights of the quarter include an increase in homebuilding gross margin percentage to 23.9% and a reduction in selling, general and administrative expense as a percentage of home sales revenue to 11.4%. Our monthly absorption rate for the first quarter was 5.8, a record high for any quarter since our inception. These factors, along with an increase in average sales price of homes delivered to \$636,000, allowed us to achieve net income of \$70.8 million. While housing demand remains strong and our homebuilding gross margin percentage increased in the first quarter compared to the prior-year period, rising material costs, particularly with respect to lumber, could negatively impact our future homebuilding gross margins going forward. As of March 31, 2021, our backlog units and dollar value of backlog have grown to 3,825 and \$2.5 billion, respectively, up 56% and 51%, respectively, compared to the prior-year period, both of which are record highs for any quarter.

end since our inception. In addition, we ended the first quarter with total liquidity of \$1.1 billion, including cash and cash equivalents of \$584.7 million and \$543.1 million of availability under our Credit Facility.

Our results for the three months ended March 31, 2021 may not be indicative of trends that will persist, as uncertainty caused by COVID-19 and government responses to the pandemic have impacted, and will continue to impact, our business and operations.

**Consolidated Financial Data (in thousands, except per share amounts):**

	Three Months Ended March 31,	
	2021	2020
<b>Homebuilding:</b>		
Home sales revenue	\$ 716,675	\$ 594,838
Land and lot sales revenue	1,523	—
Other operations revenue	663	618
Total revenues	718,861	595,456
Cost of home sales	545,356	472,882
Cost of land and lot sales	153	202
Other operations expense	624	624
Sales and marketing	40,460	42,637
General and administrative	41,349	39,837
Homebuilding income from operations	90,919	39,274
Equity in loss of unconsolidated entities	(13)	(14)
Other income, net	108	373
Homebuilding income before income taxes	91,014	39,633
<b>Financial Services:</b>		
Revenues	2,105	1,594
Expenses	1,407	1,079
Equity in income of unconsolidated entities	2,691	1,556
Financial services income before income taxes	3,389	2,071
<b>Income before income taxes</b>	<b>94,403</b>	<b>41,704</b>
Provision for income taxes	(23,601)	(9,821)
Net income	\$ 70,802	\$ 31,883
<b>Earnings per share</b>		
Basic	\$ 0.59	\$ 0.24
Diluted	\$ 0.59	\$ 0.24

**Three Months Ended March 31, 2021 Compared to Three Months Ended March 31, 2020**

*Net New Home Orders, Average Selling Communities and Monthly Absorption Rates by Segment*

	Three Months Ended March 31, 2021			Three Months Ended March 31, 2020			Percentage Change		
	Net New Home Orders	Average Selling Communities	Monthly Absorption Rates	Net New Home Orders	Average Selling Communities	Monthly Absorption Rates	Net New Home Orders	Average Selling Communities	Monthly Absorption Rates
West	1,277	70.5	6.0	1,196	92.0	4.3	7 %	(23) %	39 %
Central	534	29.0	6.1	293	34.8	2.8	82 %	(17) %	119 %
East	176	13.8	4.3	172	14.0	4.1	2 %	(1) %	4 %
Total	1,987	113.3	5.8	1,661	140.8	3.9	20 %	(20) %	49 %

Net new home orders for the three months ended March 31, 2021 increased by 326, or 20%, to 1,987, compared to 1,661 during the prior-year period. The increase in net new home orders was due to a 49% increase in monthly absorption rates, offset by a 20% decrease in average selling communities. New home order demand was exceptionally strong throughout the quarter as mortgage interest rates fell again to historically low levels and available housing inventory remained low. The strong demand environment, which has persisted since June 2020, has remained well above historical averages and has contributed to an overall decrease in our active selling communities due to the accelerated rate of sales activity and community close outs. We expect our community count to grow throughout 2021 as new communities in our pipeline begin to open in the forthcoming quarters.

Our West segment reported a 7% increase in net new home orders driven by a 39% increase in monthly absorption rate offset by a 23% decrease in average selling communities. As mentioned above, the demand environment during the first quarter was exceptionally strong, which we experienced in all of our markets in our West segment. The sustained high absorption rates we experienced in the current-year period contributed to a decline in average selling communities, as our rate of community close outs accelerated beyond our current capacity to open new ones. As we enter the second half of 2021, however, we anticipate that the number of new community openings will begin to offset and ultimately eclipse our rate of close outs, which would result in an increase in average selling communities. Our Central segment reported an 82% increase in net new home orders due to a 119% increase in monthly absorption rates, offset by a 17% decrease in average selling communities. We experienced an increase in absorption rates in each of our markets in our Central segment, as both Texas and Colorado appear to be increasingly desirable locations due, in part, to in-migration trends as to such states. Our East segment reported a 2% increase in net new home orders due to a 4% increase in monthly absorption rates. While the order growth and absorption rate increases in the markets in our East segment were less significant as compared to our consolidated results, demand levels in the markets in our East segment remain substantially above historical averages, as evidenced by our 4.3 monthly absorption rate during the quarter. All activity in the East region during the prior-year period occurred in our DC Metro market, as we had not yet begun to actively sell homes in either the Charlotte or Raleigh markets during such prior-year period.

**Backlog Units, Dollar Value and Average Sales Price by Segment (dollars in thousands)**

	As of March 31, 2021			As of March 31, 2020			Percentage Change		
	Backlog Units	Backlog Dollar Value	Average Sales Price	Backlog Units	Backlog Dollar Value	Average Sales Price	Backlog Units	Backlog Dollar Value	Average Sales Price
West	2,520	\$ 1,753,033	\$ 696	1,693	\$ 1,186,024	\$ 701	49 %	48 %	(1) %
Central	904	453,369	502	465	239,290	515	94 %	89 %	(3) %
East	401	245,403	612	297	193,167	650	35 %	27 %	(6) %
Total	3,825	\$ 2,451,805	\$ 641	2,455	\$ 1,618,481	\$ 659	56 %	51 %	(3) %

Backlog units reflect the number of homes, net of actual cancellations experienced during the period, for which we have entered into a sales contract with a homebuyer but for which we have not yet delivered the home. Homes in backlog are generally delivered within three to nine months, although we may experience cancellations of sales contracts prior to delivery. Our cancellation rate of homebuyers who contracted to buy a home but cancelled prior to delivery of the home (as a percentage of overall orders) was 6% and 13% during the three-month periods ended March 31, 2021 and 2020, respectively. The dollar value of backlog was \$2.5 billion as of March 31, 2021, an increase of \$833.3 million, or 51%, compared to \$1.6 billion as of March 31, 2020. This increase was due to an increase in backlog units of 1,370, or 56%, to 3,825 as of March 31, 2021, compared to 2,455 as of March 31, 2020. The average sales price of backlog units was \$641,000 as of March 31, 2021, a decrease of \$18,000, or 3%, compared to \$659,000 at March 31, 2020. This decrease was due primarily to a combination of product mix as well as the geographic composition of backlog units, which included a greater percentage of units from certain of our markets that generally have lower average sales prices.

Backlog dollar value in our West segment increased 48% due to a 49% increase in backlog units. The higher backlog levels were due primarily to the increased order activity we experienced in the second half of 2020, as we ended the year with an 82% increase in backlog units compared to 2019. As such, we began 2021 with a substantial level of units in backlog, which increased as a result of the strong demand environment during the quarter, notwithstanding an offsetting increase in deliveries during the current-year period. Our Central segment expanded its backlog dollar value by 89% on a 94% increase in backlog units. This strong growth was due primarily to the 82% increase in net new home orders we experienced in the current-year period, which was the result of strong demand environments in both Texas and Colorado. Backlog dollar value in our East segment increased by 27% due to a 35% increase in backlog units. As in the West, order activity in the second half of 2020 contributed to elevated levels of backlog to begin the current year as well as the year-over-year increases in backlog units to end the first quarter.

***New Homes Delivered, Homes Sales Revenue and Average Sales Price by Segment (dollars in thousands)***

	Three Months Ended March 31, 2021			Three Months Ended March 31, 2020			Percentage Change		
	New Homes Delivered	Home Sales Revenue	Average Sales Price	New Homes Delivered	Home Sales Revenue	Average Sales Price	New Homes Delivered	Home Sales Revenue	Average Sales Price
West	769	\$ 537,887	\$ 699	611	\$ 415,925	\$ 681	26 %	29 %	3 %
Central	254	121,118	477	273	132,476	485	(7) %	(9) %	(2) %
East	103	57,670	560	74	46,437	628	39 %	24 %	(11) %
Total	1,126	\$ 716,675	\$ 636	958	\$ 594,838	\$ 621	18 %	20 %	2 %

Home sales revenue increased \$121.8 million, or 20%, to \$716.7 million for the three months ended March 31, 2021. The increase was comprised of (i) \$104.3 million related to an increase of 168 new homes delivered in the three months ended March 31, 2021 compared to the prior-year period and (ii) \$17.5 million related to an increase of \$15,000 in average sales price of homes delivered in the three months ended March 31, 2021 compared to the prior-year period.

Home sales revenue in our West segment increased 29% due to a 26% increase in new homes delivered and a 3% increase in average sales price during the current-year period. The increase in new homes delivered is due to higher backlog units to start the current-year period compared to the prior-year period. Home sales revenue in our Central segment decreased 9% due to a 7% decrease in new homes delivered and a 2% decrease in average sales price. The decrease in new homes delivered was due to some generally longer cycle times associated with the weather-induced electricity issues experienced in Texas during the quarter, as well as delays resulting from broader supply chain constraints. Home sales revenue increased in our East segment by 24% due to a 39% increase in new homes delivered, offset by an 11% decrease in average sales price. The increase in new homes delivered was due to a higher number of backlog units to start the current-year period compared to the prior-year period, whereas the decrease in average sales price is due to product mix.

***Homebuilding Gross Margins (dollars in thousands)***

	Three Months Ended March 31,			
	2021	%	2020	%
Home sales revenue	\$ 716,675	100.0 %	\$ 594,838	100.0 %
Cost of home sales	545,356	76.1 %	472,882	79.5 %
Homebuilding gross margin	171,319	23.9 %	121,956	20.5 %
Add: interest in cost of home sales	20,678	2.9 %	16,822	2.8 %
Add: impairments and lot option abandonments	213	0.0 %	349	0.1 %
Adjusted homebuilding gross margin <sup>(1)</sup>	\$ 192,210	26.8 %	\$ 139,127	23.4 %
Homebuilding gross margin percentage	23.9 %		20.5 %	
Adjusted homebuilding gross margin percentage <sup>(1)</sup>	26.8 %		23.4 %	

(1) Non-GAAP financial measure (as discussed below).

Our homebuilding gross margin percentage increased to 23.9% for the three months ended March 31, 2021 as compared to 20.5% for the prior-year period. The increase in gross margin percentage was due to a combination of product mix and the realization of price increases to units that we began selling into backlog beginning in mid-2020, at which time new home demand had begun to materially rebound from the COVID-19-induced slowdown. The strong demand environment has resulted in lower incentives and has allowed us to raise prices in all of our markets. Excluding interest and impairment and lot option abandonments in cost of home sales, adjusted homebuilding gross margin percentage was 26.8% for the three months ended March 31, 2021, compared to 23.4% for the prior-year period.

Adjusted homebuilding gross margin is a non-GAAP financial measure. We believe this information is meaningful as it isolates the impact that leverage and noncash charges have on homebuilding gross margin and permits investors to make better comparisons with our competitors, who adjust gross margins in a similar fashion. Because adjusted homebuilding gross margin is not calculated in accordance with GAAP, it 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. See the table above reconciling this non-GAAP financial measure to homebuilding gross margin, the most directly comparable GAAP measure.

***Sales and Marketing, General and Administrative Expense (dollars in thousands)***

	Three Months Ended March 31,		As a Percentage of Home Sales Revenue	
	2021	2020	2021	2020
Sales and marketing	\$ 40,460	\$ 42,637	5.6 %	7.2 %
General and administrative (G&A)	41,349	39,837	5.8 %	6.7 %
Total sales and marketing and G&A	\$ 81,809	\$ 82,474	11.4 %	13.9 %

Total sales and marketing and general and administrative (“SG&A”) as a percentage of home sales revenue decreased to 11.4% for the three months ended March 31, 2021, compared to 13.9% in the prior-year period. Total SG&A expense decreased \$0.7 million to \$81.8 million for the three months ended March 31, 2021 from \$82.5 million in the prior-year period.

Sales and marketing expense as a percentage of home sales revenue decreased to 5.6% for the three months ended March 31, 2021, compared to 7.2% for the prior-year period. The decrease was due primarily to lower advertising expense and higher leverage on the fixed components of sales and marketing expense as a result of the 20% increase in homebuilding revenue compared to the prior-year period. In addition, we realized cost savings related to the workforce reduction plan implemented in May 2020. Sales and marketing expense decreased to \$40.5 million for the three months ended March 31, 2021 compared to \$42.6 million for the prior-year period.

General and administrative (“G&A”) expense as a percentage of home sales revenue decreased to 5.8% of home sales revenue for the three months ended March 31, 2021 compared to 6.7% for the prior-year period largely due to higher leverage on our G&A expense as a result of the 20% increase in homebuilding revenue compared to the prior-year period. G&A expense increased to \$41.3 million for the three months ended March 31, 2021 compared to \$39.8 million for the prior-year period.

***Interest***

Interest, which we incurred principally to finance land acquisitions, land development and home construction, totaled \$21.2 million and \$20.8 million for the three months ended March 31, 2021 and 2020, respectively. All interest incurred in both periods was capitalized.

***Income Tax***

For the three months ended March 31, 2021, we recorded a tax provision of \$23.6 million based on an effective tax rate of 25.0%. For the three months ended March 31, 2020, we recorded a tax provision of \$9.8 million based on an effective tax rate of 23.5%. The increase in provision for income taxes is due to a \$52.7 million increase in income before income taxes to \$94.4 million for the three months ended March 31, 2021, compared to \$41.7 million for the prior-year period.

***Financial Services Segment***

Income before income taxes from our financial services operations increased to \$3.4 million for the three months ended March 31, 2021 compared to \$2.1 million for the prior-year period. This increase is due to higher home sales volume in the three months ended March 31, 2021 compared to the prior-year period, resulting in a corresponding increase in financial services captured in the current-year period. We experienced higher financial services profit in all three areas of our financial services segment, represented by mortgage financing, title and escrow services, and property and casualty insurance operations.

### ***Lots Owned or Controlled by Segment***

Excluded from owned and controlled lots are those related to Note 6, *Investments in Unconsolidated Entities*, to the accompanying condensed notes to unaudited consolidated financial statements included in this Quarterly Report on Form 10-Q. The table below summarizes our lots owned or controlled by segment as of the dates presented:

	March 31,		Increase (Decrease)	
	2021	2020	Amount	%
<b>Lots Owned</b>				
West	16,531	18,050	(1,519)	(8)%
Central	4,757	3,642	1,115	31 %
East	1,443	1,168	275	24 %
Total	22,731	22,860	(129)	(1)%
<b>Lots Controlled<sup>(1)</sup></b>				
West	5,471	3,663	1,808	49 %
Central	5,200	2,889	2,311	80 %
East	3,441	2,595	846	33 %
Total	14,112	9,147	4,965	54 %
<b>Total Lots Owned or Controlled<sup>(1)</sup></b>	<b>36,843</b>	<b>32,007</b>	<b>4,836</b>	<b>15 %</b>

(1) As of March 31, 2021 and 2020, lots controlled represented lots that were under land or lot option contracts or purchase contracts.

### **Liquidity and Capital Resources**

#### ***Overview***

Our principal uses of capital for the three months ended March 31, 2021 were operating expenses, land purchases, land development, home construction and repurchases of our common stock. We used funds generated by our operations to meet our short-term working capital requirements. We monitor financing requirements to evaluate potential financing sources, including bank credit facilities and note offerings. While the ultimate effects of the COVID-19 pandemic on the U.S. economic environment remain unknown, we continue to monitor the credit markets as we remain focused on generating positive margins in our homebuilding operations and acquiring desirable land positions in order to maintain a strong balance sheet and keep us poised for growth. As of March 31, 2021, we had total liquidity of \$1.1 billion, including cash and cash equivalents of \$584.7 million and \$543.1 million of availability under our Credit Facility, as described below, after considering the borrowing base provisions and outstanding letters of credit.

Our board of directors will consider a number of factors when evaluating our level of indebtedness and when making decisions regarding the incurrence of new indebtedness, including the purchase price of assets to be acquired with debt financing, the estimated market value of our assets and the availability of particular assets, and our Company as a whole, to generate cash flow to cover the expected debt service.

#### ***Senior Notes***

In June 2020, Tri Pointe issued \$350 million aggregate principal amount of 5.700% Senior Notes due 2028 (the “2028 Notes”) at 100.00% of their aggregate principal amount. Net proceeds of this issuance were \$345.2 million, after debt issuance costs and discounts. The 2028 Notes mature on June 15, 2028 and interest is paid semiannually in arrears on June 15 and December 15.

In June 2017, Tri Pointe issued \$300 million aggregate principal amount of 5.250% Senior Notes due 2027 (the “2027 Notes”) at 100.00% of their aggregate principal amount. Net proceeds of this issuance were \$296.3 million, after debt issuance costs and discounts. The 2027 Notes mature on June 1, 2027 and interest is paid semiannually in arrears on June 1 and December 1.

Tri Pointe and its wholly owned subsidiary Tri Pointe Homes Holdings, Inc. are co-issuers of the \$450 million aggregate principal amount 5.875% Senior Notes due 2024 (the “2024 Notes”). The 2024 Notes were issued at 98.15% of their aggregate principal amount. The net proceeds from the offering of the 2024 Notes was \$429.0 million, after debt issuance costs and discounts. The 2024 Notes mature on June 15, 2024, with interest payable semiannually in arrears on June 15 and December 15 of each year until maturity.

Our outstanding senior notes (the “Senior Notes”) contain covenants that restrict our ability to, among other things, create liens or other encumbrances, enter into sale and leaseback transactions, or merge or sell all or substantially all of our assets. These limitations are subject to a number of qualifications and exceptions. As of March 31, 2021, we were in compliance with the covenants required by our Senior Notes.

### Loans Payable

On March 29, 2019, we entered into a Second Amended and Restated Credit Agreement (the “Credit Agreement”), which amended and restated our Amended and Restated Credit Agreement, dated as of July 7, 2015. The Credit Facility (as defined below), which matures on March 29, 2023, consists of a \$600 million revolving credit facility (the “Revolving Facility”) and a \$250 million term loan facility (the “Term Facility”) and together with the Revolving Facility, the “Credit Facility”). The Term Facility includes a 90-day delayed draw provision, which allowed us to draw the full \$250 million from the Term Facility in June 2019 in connection with the maturity of the 4.375% Senior Notes that matured on June 15, 2019. We may increase the Credit Facility to not more than \$1 billion in the aggregate, at our request, upon satisfaction of specified conditions. The Revolving Facility contains a sublimit of \$100 million for letters of credit. We may borrow under the Revolving Facility in the ordinary course of business to repay senior notes and fund our operations, including our land acquisition, land development and homebuilding activities. Borrowings under the Revolving Facility will be governed by, among other things, a borrowing base. Interest rates on borrowings under the Revolving Facility will be based on either a daily Eurocurrency base rate or a Eurocurrency rate, in either case, plus a spread ranging from 1.25% to 2.00%, depending on our leverage ratio. Interest rates on borrowings under the Term Facility will be based on either a daily Eurocurrency base rate or a Eurocurrency rate, in either case, plus a spread ranging from 1.10% to 1.85%, depending on the Company’s leverage ratio.

As of March 31, 2021, we had no outstanding debt under the Revolving Facility and there was \$543.1 million of availability after considering the borrowing base provisions and outstanding letters of credit. As of March 31, 2021, we had \$250 million outstanding debt under the Term Facility with an interest rate of 1.22%. As of March 31, 2021, there were \$2.8 million of capitalized debt financing costs, included in other assets on our consolidated balance sheet, related to the Credit Agreement that will amortize over the remaining term of the Credit Agreement. Accrued interest, including loan commitment fees, related to the Credit Agreement was \$536,000 and \$617,000 as of March 31, 2021 and December 31, 2020, respectively.

At March 31, 2021 and December 31, 2020, we had outstanding letters of credit of \$56.9 million and \$64.1 million, respectively. These letters of credit were issued to secure various financial obligations. We believe it is not probable that any outstanding letters of credit will be drawn upon.

Under the Credit Facility, we are required to comply with certain financial covenants, including, but not limited to, those set forth in the table below (dollars in thousands):

Financial Covenants	Actual at March 31, 2021	Covenant Requirement at March 31, 2021
Consolidated Tangible Net Worth (Not less than \$1.35 billion plus 50% of net income and 50% of the net proceeds from equity offerings after December 31, 2018)	\$ 2,082,196	\$ 1,630,098
Leverage Test (Not to exceed 55%)	27.4 %	≤55%
Interest Coverage Test (Not less than 1.5:1.0)	7.1	≥1.5

In addition, the Credit Facility limits the aggregate number of single family dwellings (where construction has commenced) owned by the Company or any guarantor that are not presold or model units to no more than the greater of (i) 50% of the number of housing unit closings (as defined) during the preceding 12 months; or (ii) 100% of the number of housing unit closings during the preceding 6 months. However, a failure to comply with this “Spec Unit Inventory Test” will not be an event

of default or default, but will be excluded from the borrowing base as of the last day of the quarter in which the non-compliance occurs. The Credit Facility further requires that at least 97.0% of consolidated tangible net worth must be attributable to the Company and its guarantor subsidiaries, subject to certain grace periods.

As of March 31, 2021, we were in compliance with all of these financial covenants.

### **Stock Repurchase Program**

On November 11, 2020, we announced the approval of a new stock repurchase program authorizing the repurchase of up to \$250 million of common stock through December 31, 2021 (the “Repurchase Program”). Under the Repurchase Program, we may repurchase shares of our outstanding common stock with an aggregate value of up to \$250 million through December 31, 2021. 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 amount of shares of common stock, and we may modify, suspend or discontinue the program at any time. Company 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. During the three months ended March 31, 2021, we repurchased and retired an aggregate of 3,659,561 shares of our common stock under the Repurchase Program for \$65.4 million.

### **Leverage Ratios**

We believe that our leverage ratios provide useful information to the users of our financial statements regarding our financial position and cash and debt management. The ratio of debt-to-capital and the ratio of net debt-to-net capital are calculated as follows (dollars in thousands):

	March 31, 2021	December 31, 2020
Loans Payable	\$ 258,979	\$ 258,979
Senior Notes	1,084,803	1,084,022
Total debt	1,343,782	1,343,001
Stockholders' equity	2,239,762	2,232,537
Total capital	\$ 3,583,544	\$ 3,575,538
Ratio of debt-to-capital <sup>(1)</sup>	37.5 %	37.6 %
Total debt	\$ 1,343,782	\$ 1,343,001
Less: Cash and cash equivalents	(584,665)	(621,295)
Net debt	759,117	721,706
Stockholders' equity	2,239,762	2,232,537
Net capital	\$ 2,998,879	\$ 2,954,243
Ratio of net debt-to-net capital <sup>(2)</sup>	25.3 %	24.4 %

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

(2) The ratio of net debt-to-net capital is a non-GAAP financial measure and is computed as the quotient obtained by dividing net debt (which is total debt less cash and cash equivalents) by the sum of net debt plus stockholders' equity. The most directly comparable GAAP financial measure is the ratio of debt-to-capital. We believe the ratio of net debt-to-net capital is a relevant financial measure for investors to understand the leverage employed in our operations and as an indicator of our ability to obtain financing. See the table above reconciling this non-GAAP financial measure to the ratio of debt-to-capital. Because the ratio of net debt-to-net capital is not calculated in accordance with GAAP, it 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.

### **Cash Flows—Three Months Ended March 31, 2021 Compared to Three Months Ended March 31, 2020**

For the three months ended March 31, 2021 as compared to the three months ended March 31, 2020:

- Net cash provided by operating activities increased by \$119.2 million to \$30.2 million for the three months ended March 31, 2021 compared to net cash used of \$89.0 million for the prior-year period. The change was comprised of offsetting activity, including (i) an increase in net income to \$70.8 million for the three months ended March 31, 2021 compared to \$31.9 million in the prior-year period, (ii) a decrease in cash used for real estate inventory purchases of \$22.8 million and (iii) a decrease in cash used for accrued expenses and other liabilities of \$27.7 million to cash provided of \$22.1 million for the three months ended March 31, 2021 compared to cash used of \$5.6 million in the prior-year period, offset by changes in other assets, receivables, accounts payable, deferred income taxes and returns on investments in unconsolidated entities.
- Net cash provided by investing activities was \$399,000 for the three months ended March 31, 2021, compared to net cash used of \$9.2 million for the prior-year period. The change in net cash provided by (used in) investing activities was due mainly to the net change in cash flows related to investments in unconsolidated entities and a decrease in purchases of property and equipment.
- Net cash used in financing activities was \$67.2 million for the three months ended March 31, 2021, compared to net cash provided by financing of \$393.2 million for the prior-year period. Net cash used in financing activities in the current-year period was primarily comprised of \$65.4 million of cash used for share repurchases. The prior-year period cash provided by financing activities was due primarily to borrowing \$500 million under our Revolving Facility offset by \$102.0 million of cash used for share repurchases for the three months ended March 31, 2020. The borrowing under our Revolving Facility in the prior-year period was due primarily to the uncertainty surrounding the onset of the COVID-19 pandemic.

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

In the ordinary course of business, we enter into purchase contracts in order to procure lots for the construction of our homes. We are subject to customary obligations associated with entering into contracts for the purchase of land and improved lots. These purchase contracts typically require a cash deposit and the purchase of properties under these contracts is generally contingent upon satisfaction of certain requirements by the sellers, including obtaining applicable property and development entitlements. We also utilize option contracts with land sellers and land banking arrangements as a method of acquiring land in staged takedowns, to help us manage the financial and market risk associated with land holdings, and to reduce the use of funds from our corporate financing sources. These option contracts and land banking arrangements generally require a non-refundable deposit for the right to acquire land and lots over a specified period of time at pre-determined prices. We generally have the right, at our discretion, to terminate our obligations under both purchase contracts and option contracts by forfeiting our cash deposit with no further financial responsibility to the land seller. In some cases, however, we may be contractually obligated to complete development work even if we terminate the option to procure land or lots. As of March 31, 2021, we had \$134.1 million of cash deposits, the majority of which are non-refundable, pertaining to land and lot option contracts and purchase contracts with an aggregate remaining purchase price of \$965.2 million (net of deposits). See Note 7, *Variable Interest Entities*, to the accompanying condensed notes to unaudited consolidated financial statements included in this Quarterly Report on Form 10-Q.

Our utilization of land and lot option contracts and land banking arrangements is dependent on, among other things, the availability of land sellers or land banking firms willing to enter into such arrangements, the availability of capital to finance the development of optioned land and lots, general housing market conditions, and local market dynamics. Options may be more difficult to procure from land sellers in strong housing markets and are more prevalent in certain geographic regions.

As of March 31, 2021, we held equity investments in nine active homebuilding partnerships or limited liability companies and one financial services limited liability company. Our participation in these entities may be as a developer, a builder, or an investment partner. See Note 6, *Investments in Unconsolidated Entities*, to the accompanying condensed notes to unaudited consolidated financial statements included in this Quarterly Report on Form 10-Q.

## **Supplemental Guarantor Financial Information**

### **2027 Notes and 2028 Notes**

On June 5, 2017, Tri Pointe issued the 2027 Notes and on June 10, 2020, Tri Pointe issued the 2028 Notes. All of Tri Pointe's 100% owned subsidiaries that are guarantors (each a "Guarantor" and, collectively, the "Guarantors") of the Credit Facility, including Tri Pointe Homes Holdings, are party to supplemental indentures pursuant to which they jointly and severally guarantee Tri Pointe's obligations with respect to these Notes. Each Guarantor of the 2027 Notes and the 2028 Notes is 100% owned by Tri Pointe, and all guarantees are full and unconditional, subject to customary exceptions pursuant to the indentures governing the 2027 Notes and the 2028 Notes, as described in the following paragraph. All of our non-Guarantor subsidiaries have nominal assets and operations and are considered minor, as defined in Rule 3-10(h) of Regulation S-X. In addition, Tri Pointe has no independent assets or operations, as defined in Rule 3-10(h) of Regulation S-X. There are no significant restrictions upon the ability of Tri Pointe or any Guarantor to obtain funds from any of their respective wholly owned subsidiaries by dividend or loan. None of the assets of our subsidiaries represent restricted net assets pursuant to Rule 4-08(e)(3) of Regulation S-X.

A Guarantor of the 2027 Notes and the 2028 Notes shall be released from all of its obligations under its guarantee if (i) all of the assets of the Guarantor have been sold; (ii) all of the equity interests of the Guarantor held by Tri Pointe or a subsidiary thereof have been sold; (iii) the Guarantor merges with and into Tri Pointe or another Guarantor, with Tri Pointe or such other Guarantor surviving the merger; (iv) the Guarantor is designated "unrestricted" for covenant purposes; (v) the Guarantor ceases to guarantee any indebtedness of Tri Pointe or any other Guarantor which gave rise to such Guarantor guaranteeing the the 2027 Notes or the 2028 Notes; (vi) Tri Pointe exercises its legal defeasance or covenant defeasance options; or (vii) all obligations under the applicable supplemental indenture are discharged.

### **2024 Notes**

Tri Pointe and Tri Pointe Homes Holdings are co-issuers of the 2024 Notes. All of the Guarantors (other than Tri Pointe Homes Holdings) have entered into supplemental indentures pursuant to which they jointly and severally guarantee the obligations of Tri Pointe and Tri Pointe Homes Holdings with respect to the 2024 Notes. Each Guarantor of the 2024 Notes is 100% owned by Tri Pointe and Tri Pointe Homes Holdings, and all guarantees are full and unconditional, subject to customary exceptions pursuant to the indentures governing the 2024 Notes, as described below.

A Guarantor of the 2024 Notes shall be released from all of its obligations under its guarantee if (i) all of the assets of the Guarantor have been sold; (ii) all of the equity interests of the Guarantor held by Tri Pointe or a subsidiary thereof have been sold; (iii) the Guarantor merges with and into Tri Pointe or another Guarantor, with Tri Pointe or such other Guarantor surviving the merger; (iv) the Guarantor is designated "unrestricted" for covenant purposes; (v) the Guarantor ceases to guarantee any indebtedness of Tri Pointe or any other Guarantor which gave rise to such Guarantor guaranteeing the 2024 Notes; (vi) Tri Pointe exercises its legal defeasance or covenant defeasance options; or (vii) all obligations under the applicable indenture are discharged.

Tri Pointe's non-Guarantor subsidiaries are considered minor, as defined in Rule 3-10(h) of Regulation S-X, therefore the consolidated financial statements represent the full issuer and guarantor subsidiary results.

### **Inflation**

Our operations can be adversely impacted by inflation, primarily from higher land, financing, labor, material and construction costs. In addition, inflation can lead to higher mortgage rates, which can significantly affect the affordability of mortgage financing to homebuyers. While we attempt to pass on cost increases to customers through increased prices, when weak housing market conditions exist, we are often unable to offset cost increases with higher selling prices.

## Seasonality

We have experienced seasonal variations in our quarterly operating results and capital requirements. We typically take orders for more homes in the first half of the fiscal year than in the second half, which creates additional working capital requirements in the second and third quarters to build our inventories to satisfy the deliveries in the second half of the year. We expect this seasonal pattern to continue over the long-term, although it may be affected by volatility in the homebuilding industry (including developments and volatility resulting from COVID-19). In addition to the overall volume of orders and deliveries, our operating results in a given quarter are significantly affected by the number and characteristics of our active selling communities; timing of new community openings; the timing of land and lot sales; and the mix of product types, geographic locations and average selling prices of the homes delivered during the quarter. Therefore, our operating results in any given quarter will fluctuate compared to prior periods based on these factors..

## Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations is based on our unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q, which have been prepared in accordance with GAAP. Our condensed notes to the unaudited consolidated financial statements included in this Quarterly Report on Form 10-Q and the audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2020 describe the significant accounting policies essential to our unaudited condensed consolidated financial statements. The preparation of our financial statements requires our management to make estimates, judgments and assumptions. We believe that the estimates, judgments and assumptions that we have used are appropriate and correct based on information available at the time they were made. These estimates, judgments and assumptions can affect our reported assets and liabilities as of the date of the financial statements, as well as the reported revenues and expenses during the period presented. If there is a material difference between these estimates, judgments and assumptions and actual facts, our financial statements may be affected.

In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP and does not require our judgment in its application. There are areas in which our judgment in selecting among available alternatives would not produce a materially different result, but there are some areas in which our judgment in selecting among available alternatives would produce a materially different result. See the condensed notes to the unaudited consolidated financial statements that contain additional information regarding our accounting policies and other disclosures.

There have been no material changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

## Recently Issued Accounting Standards

See Note 1, *Organization, Basis of Presentation and Summary of Significant Accounting Policies*, to the accompanying condensed notes to unaudited consolidated financial statements included in this Quarterly Report on Form 10-Q.

## Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks related to fluctuations in interest rates on our outstanding debt. We did not utilize swaps, forward or option contracts on interest rates or commodities, or other types of derivative financial instruments as of or during the three months ended March 31, 2021. We did not enter into during the three months ended March 31, 2021, and currently do not hold, derivatives for trading or speculative purposes.

## Item 4. Controls and Procedures

We have established disclosure controls and procedures to ensure that information we are required to disclose in the reports we file or submit under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and accumulated and communicated to management, including the Chief Executive Officer (the "Principal Executive Officer") and Chief Financial Officer (the "Principal Financial Officer"), as appropriate, to allow timely decisions regarding required disclosure. Under the supervision and with the participation of senior management, including our Principal Executive Officer and Principal Financial Officer, we evaluated our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Exchange Act. Based on this evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2021.

Our management, including our Principal Executive Officer and Principal Financial Officer, has evaluated our internal control over financial reporting to determine whether any change occurred during the three months ended March 31, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. Based on that evaluation, there has been no such change during the three months ended March 31, 2021.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

The information required with respect to this item can be found under Note 13, *Commitments and Contingencies—Legal Matters*, to the accompanying condensed notes to unaudited consolidated financial statements included in this Quarterly Report on Form 10-Q and is incorporated by reference into this Item 1.

### Item 1A. Risk Factors

*There have been no material changes to the risk factors in Part I, Item 1A “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020. If any of the risks discussed in our Annual Report on Form 10-K occur, our business, prospects, liquidity, financial condition and results of operations could be materially and adversely affected, in which case the trading price of our common stock could decline significantly and you could lose all or a part of your investment. Some statements in this Quarterly Report on Form 10-Q constitute forward-looking statements. Please refer to Part I, Item 2 of this Quarterly Report on Form 10-Q entitled “Cautionary Note Concerning Forward-Looking Statements.”*

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On November 11, 2020, we announced the approval of a new stock repurchase program authorizing the repurchase of up to \$250 million of common stock through December 31, 2021 (the “Repurchase Program”). Under the Repurchase Program, we may repurchase shares of our outstanding common stock with an aggregate value of up to \$250 million through December 31, 2021. 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 amount of shares of common stock, and we may modify, suspend or discontinue the program at any time. Company 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. During the three months ended March 31, 2021, we repurchased and retired an aggregate of 3,659,561 shares of our common stock under the Repurchase Program for \$65.4 million.

During the three months ended March 31, 2021, we repurchased and retired the following shares pursuant to our repurchase programs:

	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced program	Approximate dollar value of shares that may yet be purchased under the program
January 1, 2021 to January 31, 2021	2,815,061	\$ 17.60	2,815,061	\$ 151,422,895
February 1, 2021 to February 28, 2021	297,200	\$ 18.63	297,200	\$ 145,885,349
March 1, 2021 to March 31, 2021	547,300	\$ 18.89	547,300	\$ 135,548,677
Total	<u>3,659,561</u>	\$ 17.88	<u>3,659,561</u>	

**Item 6. Exhibits**

<i>Exhibit Number</i>	<i>Exhibit Description</i>
<a href="#"><u>3.1</u></a>	Amended and Restated Certificate of Incorporation of Tri Pointe Homes, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (filed July 7, 2015))
<a href="#"><u>3.2</u></a>	Certificate of Amendment to Amended and Restated Certificate of Incorporation of Tri Pointe Homes, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (filed January 21, 2021))
<a href="#"><u>3.3</u></a>	Amended and Restated Bylaws of Tri Pointe Homes, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (filed October 27, 2016))
<a href="#"><u>10.1</u></a>	Form of Performance-Based Restricted Stock Unit Award Agreement (Pre-Tax Earnings) (Executive Form)
<a href="#"><u>10.2</u></a>	Form of Performance-Based Restricted Stock Unit Award Agreement (Revenue) (Executive Form)
<a href="#"><u>10.3</u></a>	Form of Performance-Based Cash Award Agreement
<a href="#"><u>10.4</u></a>	Form of Performance-Based Restricted Stock Unit Award Agreement (Pre-Tax Earnings) (Company/Division President Form)
<a href="#"><u>10.5</u></a>	Form of Performance-Based Restricted Stock Unit Award Agreement (Revenue) (Company/Division President Form)
<a href="#"><u>10.6</u></a>	Form of Time-Vested Restricted Stock Unit Award Agreement (Executive Form)
<a href="#"><u>10.7</u></a>	Form of Non-Employee Director Restricted Stock Unit Award Agreement
<a href="#"><u>10.8</u></a>	Form of Time-Vested Restricted Stock Unit Award Agreement
<a href="#"><u>22.1</u></a>	List of guarantor subsidiaries of Tri Pointe Homes, Inc. (incorporated by reference to Exhibit 22.1 to the Company's Annual Report on Form 10-K (filed February 19, 2021))
<a href="#"><u>31.1</u></a>	Chief Executive Officer Section 302 Certification of the Sarbanes-Oxley Act of 2002
<a href="#"><u>31.2</u></a>	Chief Financial Officer Section 302 Certification of the Sarbanes-Oxley Act of 2002
<a href="#"><u>32.1</u></a>	Chief Executive Officer Section 906 Certification of the Sarbanes-Oxley Act of 2002
<a href="#"><u>32.2</u></a>	Chief Financial Officer Section 906 Certification of the Sarbanes-Oxley Act of 2002
101	The following materials from Tri Pointe Homes, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, formatted in Inline eXtensible Business Reporting Language (iXBRL): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statement of Cash Flows, and (iv) Condensed Notes to Consolidated Financial Statement.
104	Cover page from Tri Pointe Homes, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, formatted in Inline XBRL (and contained in Exhibit 101).

**SIGNATURES**

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

Tri Pointe Homes, Inc.

Date: April 22, 2021

By: /s/ Douglas F. Bauer  
Douglas F. Bauer  
Chief Executive Officer  
*(Principal Executive Officer)*

Date: April 22, 2021

By: /s/ Glenn J. Keeler  
Glenn J. Keeler  
Chief Financial Officer  
*(Principal Financial Officer)*

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

**PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT  
PRE-TAX EARNINGS PERFORMANCE MEASUREMENT  
(EXECUTIVE FORM)**

Tri Pointe Homes, 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 Homes, Inc. Amended and Restated 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 a maximum of [###] shares (with [###] shares referred to as the “Target Award”) 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 Award Units and 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 and the following provisions shall apply:

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3.2.1. If (a) the closing of the Change in Control 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, 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, the Target Award 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 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, the Target Award 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, the Target Award shall become fully vested effective as of the Vesting Date or (ii) if the Holder suffers a Qualifying Termination before the Vesting Date, the Target Award 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 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, 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, the Award shall vest as of the date of the closing of the Change in Control, 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 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 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 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. 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; Failure to Satisfy Performance Measures.

3.3.1. Except as otherwise provided in the Plan and this Agreement, 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, any Award Units in which the Holder does not become vested pursuant to the Performance Measures set forth in 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 Homes, Inc., Attn: General Counsel, 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.

*[Signature page follows.]*

TRI POINTE HOMES, INC.,  
a Delaware corporation

By: \_\_\_\_\_  
Name:  
Its:

Accepted on: \_\_\_\_\_

\_\_\_\_\_  
[NAME]

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## Attachment A

### DEFINITIONS

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

“Adjusted Pre-Tax Earnings” means the income from continuing operations before taxes of the Company, as reported in the Company’s consolidated financial statements for the relevant periods, adjusted to exclude the impact of consolidated annual bonus expense, land-related charges and impairments, debt refinancing or extinguishment, changes in applicable accounting standards, net income attributed to non-controlling interests, and any unusual or nonrecurring events affecting the Company or its financial statements that the Committee deems appropriate in its sole discretion.

“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 that would have vested and become payable, determined as set forth in Attachment B, based on the Company’s actual performance relative to such metrics set forth on Attachment B (i) for Cumulative Pre-Tax Earnings, 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 and (ii) for TSR Percentile, 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. For purposes of this paragraph, the Cumulative Pre-Tax Earnings 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 closing date of the Change in Control.

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

“Cumulative Pre-Tax Earnings Plan” means \$[\_\_\_\_\_].

“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

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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.

"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 [###] 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.

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**Attachment B**

**PERFORMANCE MEASURES**

**Cumulative Pre-Tax Earnings Performance Table**

<b>Performance Level</b>	<b>Cumulative Pre-Tax Earnings</b>	<b>Pre-Tax Earnings Performance Rating</b>
Maximum	[ ]% of Cumulative Pre-Tax Earnings Plan and above	[ ]%
Target	[ ]% of Cumulative Pre-Tax Earnings Plan	[ ]%
Threshold	[ ]% of Cumulative Pre-Tax Earnings Plan	[ ]%
Below Threshold	Below [ ]% of Cumulative Pre-Tax Earnings Plan	[ ]%

**Relative TSR Performance Table**

<b>TSR Percentile on Vesting Date</b>	<b>TSR Adjustment Factor</b>
Top Quartile	x [ ]%
Second Quartile and Third Quartile	No modification
Bottom Quartile	x [ ]%

The percentage of the Award that is eligible to vest if the Cumulative Pre-Tax Earnings 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 number of Award Units that shall vest by the following formula: (A) the Target Award x Pre-Tax Earnings Performance Rating, multiplied by (B) the TSR Adjustment Factor (if any), rounded down to the nearest whole share.

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Attachment C

PEER GROUP

Company Name

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

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

Tri Pointe Homes, 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 Homes, Inc. Amended and Restated 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 a maximum of [###] shares (with [###] shares referred to as the “Target Award”) 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 Award Units and 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 and the following provisions shall apply:

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3.2.1. If (a) the closing of the Change in Control 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, 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, the Target Award 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 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, the Target Award 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, the Target Award shall become fully vested effective as of the Vesting Date or (ii) if the Holder suffers a Qualifying Termination before the Vesting Date, the Target Award 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 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, 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, the Award shall vest as of the date of the closing of the Change in Control, 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 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 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 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. 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; Failure to Satisfy Performance Measures.

3.3.1. Except as otherwise provided in the Plan and this Agreement, 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, any Award Units in which the Holder does not become vested pursuant to the Performance Measures set forth in 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 Homes, Inc., Attn: General Counsel, 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.

*[Signature page follows.]*

TRI POINTE HOMES,  
INC.,  
a Delaware corporation

By: \_\_\_\_\_  
Name:  
Its:

Accepted on: \_\_\_\_\_

\_\_\_\_\_  
[NAME]

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## Attachment A

### DEFINITIONS

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

“Adjusted Revenue” means the home sales revenue 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 revenues attributable to non-controlling interests not originally forecast in the Cumulative Revenue Plan, and changes in applicable accounting standards and (ii) to reflect such other factors as the Committee deems appropriate to fairly reflect revenue.

“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 that would have vested and become payable, determined as set forth in Attachment B, based on the Company’s actual performance relative to such metrics set forth on Attachment B (i) for Cumulative Revenue, 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 and (ii) for TSR Percentile, 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. For purposes of this paragraph, the Cumulative Revenue 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 closing date of the Change in Control.

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

“Cumulative Revenue Plan” means \$[\_\_\_\_\_].

“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

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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.

"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 [###] 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.

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**Attachment B**

**PERFORMANCE MEASURES**

**Cumulative Revenue Performance Table**

<b>Performance Level</b>	<b>Cumulative Revenue</b>	<b>Revenue Performance Rating</b>
Maximum	[ ]% of Cumulative Revenue Plan and above	[ ]%
Target	[ ]% of Cumulative Revenue Plan	[ ]%
Threshold	[ ]% of Cumulative Revenue Plan	[ ]%
Below Threshold	Below [ ]% of Cumulative Revenue Plan	[ ]%

**Relative TSR Performance Table**

<b>TSR Percentile on Vesting Date</b>	<b>TSR Adjustment Factor</b>
Top Quartile	x [ ]%
Second Quartile and Third Quartile	No modification
Bottom Quartile	x [ ]%

The percentage of the Award that is eligible to vest if the Cumulative Revenue 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 number of Award Units that shall vest by the following formula: (A) the Target Award x Revenue Performance Rating, multiplied by (B) the TSR Adjustment Factor (if any), rounded down to the nearest whole share.

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Attachment C

PEER GROUP

Company Name

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

**PERFORMANCE-BASED CASH AWARD AGREEMENT**

Tri Pointe Homes, 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 Homes, 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

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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 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 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. 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 Homes, Inc., Attn: General Counsel, 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.]*

ES, INC.,  
on

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Accepted on: \_\_\_\_\_

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[NAME]

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**Attachment A**

**DEFINITIONS**

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

“Adjusted Pre-Tax Earnings” means the income from continuing operations before taxes of the Company, as reported in the Company’s consolidated financial statements for the relevant periods, adjusted to exclude the impact of consolidated annual bonus expense, land-related charges and impairments, debt refinancing or extinguishment, changes in applicable accounting standards, net income attributed to non-controlling interests, and any unusual or nonrecurring events affecting the Company or its financial statements that the Committee deems appropriate in its sole discretion.

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

“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.

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**Attachment B**

**PERFORMANCE MEASURES**

<b>Performance Level</b>	<b>[PERFORMANCE MEASURE]</b>	<b>Percentage of Cash Target Amount That Vests</b>
Maximum	\$[ ] or above	[ ]%
Target	\$[ ]	[ ]%
Threshold	\$[ ]	[ ]%
Below Threshold	Below \$[ ]	[ ]%

The percentage of the Award that vests if the [PERFORMANCE MEASURE] 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 by multiplying the “Percentage of Award That Vests,” set forth above, by the Cash Target Amount.

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

**PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT**  
**PRE-TAX EARNINGS PERFORMANCE MEASUREMENT**  
**(COMPANY/DIVISION PRESIDENTS FORM)**

Tri Pointe Homes, 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 Homes, Inc. Amended and Restated 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 a maximum of [###] shares (with [###] shares referred to as the “Target Award”) 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 Award Units and 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 Organizational Unit 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].

3.2. Reserved

3.3. Separation from Service; Change in Position; Failure to Satisfy Performance Measures.

3.3.1. Except as otherwise provided in the Plan and this Agreement, 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. Notwithstanding anything in the Plan to the contrary, in the event that the Holder ceases to serve in the position the Holder has with the Organizational Unit on the Grant Date due to the Holder assuming or being appointed to another position with the Organizational Unit, the Company, any Subsidiary or any affiliate of the Company at any time before the Vesting Date, the Holder shall cease to earn any additional portion of the Award from and after the date of such cessation and, subject to the Holder not incurring a Separation from Service prior to the Vesting Date, shall, on the Vesting Date, only be eligible to earn a pro-rated portion of the Award Units that would have otherwise vested based upon actual performance through the last day of the Performance Period. Such pro-rated portion of the Award Units will be determined by multiplying the number of Award Units that would have otherwise vested by a fraction the numerator of which is the number of days in the Performance Period that elapsed prior to the date the Holder ceases to serve in the position the Holder has with the Organizational Unit on the Grant Date and the denominator of which is the total number of days in the Performance Period. In calculating the pro-rated portion of the Award Units earned pursuant to the foregoing sentence, if the number of shares earned includes a fractional number, the number of shares earned shall be rounded down to the nearest whole number.

3.3.3. If the Holder does not incur a Separation from Service before the Vesting Date, then any Award Units in which the Holder does not become vested pursuant to the Performance Measures set forth in 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 Homes, Inc., Attn: General Counsel, 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.

*[Signature page follows.]*

TRI POINTE HOMES, INC.,  
a Delaware corporation

By: \_\_\_\_\_  
Name:  
Its:

Accepted on: \_\_\_\_\_

\_\_\_\_\_  
[NAME]

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**Attachment A**

**DEFINITIONS**

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

“Adjusted Pre-Tax Earnings” means the income from continuing operations before taxes of the Organizational Unit, as determined by the Company’s Accounting Department for the relevant periods, adjusted to exclude the impact of consolidated annual bonus expense, land-related charges and impairments, debt refinancing or extinguishment, changes in applicable accounting standards, net income attributed to non-controlling interests, and any unusual or nonrecurring events affecting the Company or its financial statements that the Committee deems appropriate in its sole discretion.

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

“Cumulative Pre-Tax Earnings Plan” means \$[\_\_\_\_\_].

“Organizational Unit” means [\_\_\_\_\_].

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

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**Attachment B**

**PERFORMANCE MEASURES**

**Cumulative Pre-Tax Earnings Performance Table**

<b>Performance Level</b>	<b>Cumulative Pre-Tax Earnings</b>	<b>Pre-Tax Earnings Performance Rating</b>
Maximum	[ ]% of Cumulative Pre-Tax Earnings Plan and above	[ ]%
Target	[ ]% of Cumulative Pre-Tax Earnings Plan	[ ]%
Threshold	[ ]% of Cumulative Pre-Tax Earnings Plan	[ ]%
Below Threshold	Below [ ]% of Cumulative Pre-Tax Earnings Plan	[ ]%

The percentage of the Award that is eligible to vest if the Cumulative Pre-Tax Earnings 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 number of Award Units that shall vest by the following formula: the Target Award x Pre-Tax Earnings Performance Rating, rounded down to the nearest whole share.

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

**PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT**  
**REVENUES PERFORMANCE MEASUREMENT**  
**(COMPANY/DIVISION PRESIDENTS FORM)**

Tri Pointe Homes, 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 Homes, Inc. Amended and Restated 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 a maximum of [###] shares (with [###] shares referred to as the “Target Award”) 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 Award Units and 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 Organizational Unit 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].

3.2. Reserved

3.3. Separation from Service; Change in Position; Failure to Satisfy Performance Measures.

3.3.1. Except as otherwise provided in the Plan and this Agreement, 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. Notwithstanding anything in the Plan to the contrary, in the event that the Holder ceases to serve in the position the Holder has with the Organizational Unit on the Grant Date due to the Holder assuming or being appointed to another position with the Organizational Unit, the Company, any Subsidiary or any affiliate of the Company at any time before the Vesting Date, the Holder shall cease to earn any additional portion of the Award from and after the date of such cessation and, subject to the Holder not incurring a Separation from Service prior to the Vesting Date, shall, on the Vesting Date, only be eligible to earn a pro-rated portion of the Award Units that would have otherwise vested based upon actual performance through the last day of the Performance Period. Such pro-rated portion of the Award Units will be determined by multiplying the number of Award Units that would have otherwise vested by a fraction the numerator of which is the number of days in the Performance Period that elapsed prior to the date the Holder ceases to serve in the position the Holder has with the Organizational Unit on the Grant Date and the denominator of which is the total number of days in the Performance Period. In calculating the pro-rated portion of the Award Units earned pursuant to the foregoing sentence, if the number of shares earned includes a fractional number, the number of shares earned shall be rounded down to the nearest whole number.

3.3.3. If the Holder does not incur a Separation from Service before the Vesting Date, then any Award Units in which the Holder does not become vested pursuant to the Performance Measures set forth in 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 Homes, Inc., Attn: General Counsel, 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.

*[Signature page follows.]*

TRI POINTE HOMES, INC.,  
a Delaware corporation

By: \_\_\_\_\_  
Name:  
Its:

Accepted on: \_\_\_\_\_

\_\_\_\_\_  
[NAME]

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**Attachment A**

**DEFINITIONS**

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

“Adjusted Revenue” means the home sales revenue of the Organizational Unit, as determined by the Company’s Accounting Department for the relevant periods, after such adjustments thereto as the Committee deems appropriate in the Committee’s sole discretion (i) to exclude the effect of extraordinary, unusual, and/or nonrecurring items, including revenues attributable to non-controlling interests not originally forecast in the Cumulative Revenue Plan, and changes in applicable accounting standards and (ii) to reflect such other factors as the Committee deems appropriate to fairly reflect revenue.

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

“Cumulative Revenue Plan” means \$[\_\_\_\_\_].

“Organizational Unit” means [\_\_\_\_\_].

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

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**Attachment B**

**PERFORMANCE MEASURES**

**Cumulative Revenue Performance Table**

<b>Performance Level</b>	<b>Cumulative Revenue</b>	<b>Revenue Performance Rating</b>
Maximum	[ ]% of Cumulative Revenue Plan and above	[ ]%
Target	[ ]% of Cumulative Revenue Plan	[ ]%
Threshold	[ ]% of Cumulative Revenue Plan	[ ]%
Below Threshold	Below [ ]% of Cumulative Revenue Plan	[ ]%

The percentage of the Award that is eligible to vest if the Cumulative Revenue 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 number of Award Units that shall vest by the following formula: the Target Award x Revenue Performance Rating, rounded down to the nearest whole share.

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

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

Tri Pointe Homes, 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 Homes, 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 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 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 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. 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. 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 Homes, Inc., Attn: General Counsel, 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.

*[Signature page follows.]*

TRI POINTE HOMES, INC.,  
a Delaware corporation

By: \_\_\_\_\_  
Name:  
Its:

Accepted on: \_\_\_\_\_

\_\_\_\_\_  
[NAME]

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

**NON-EMPLOYEE DIRECTOR RESTRICTED STOCK UNIT AWARD AGREEMENT**

Tri Pointe Homes, 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 Homes, Inc. Amended and Restated 2013 Long-Term Incentive Plan, as amended (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 Stockholder. 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 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 [DATE] 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.
  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
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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 Homes, Inc., Attn: General Counsel, 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 HOMES,  
INC.,  
a Delaware corporation

By: \_\_\_\_\_  
Name:  
Its:

Accepted on: \_\_\_\_\_

\_\_\_\_\_  
[NAME]

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

**RESTRICTED STOCK UNIT AWARD AGREEMENT—TIME VESTED**

Tri Pointe Homes, 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 Homes, 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. 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 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 Homes, Inc., Attn: General Counsel, 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.

## SECTION 302 CERTIFICATION

I, Douglas F. Bauer, certify that:

1. I have reviewed this report on Form 10-Q of Tri Pointe Homes, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 22, 2021

/s/ Douglas F. Bauer

Douglas F. Bauer

Chief Executive Officer (Principal Executive Officer)

## SECTION 302 CERTIFICATION

I, Glenn J. Keeler, certify that:

1. I have reviewed this report on Form 10-Q of Tri Pointe Homes, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 22, 2021

/s/ Glenn J. Keeler

Glenn J. Keeler

Chief Financial Officer (Principal Financial Officer)

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Tri Pointe Homes, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Douglas F. Bauer, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 22, 2021

/s/ Douglas F. Bauer

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Douglas F. Bauer

Chief Executive Officer (Principal Executive Officer)

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Tri Pointe Homes, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Glenn J. Keeler, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 22, 2021

/s/ Glenn J. Keeler

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Glenn J. Keeler

Chief Financial Officer (Principal Financial Officer)