DENISE VOIGT CRAWFORD
SECURITIES COMMISSIONER

JOHN R MORGAN
DEPUTY SECURITIES COMMISSIONER

DUNCAN E. BOECKMAN
CHAIRMAN

T. DEON WARNER
MEMBER

DAN R. WALLER
MEMBER

State Securities Board

MAIL: P.O. BOX 13167
AUSTIN, TEXAS 78711-3167

221 W. 6th STREET
SUITE 700
AUSTIN, TEXAS 78701
PHONE (512) 474-2233
FAX (512) 478-8971

January 27, 1994

Steven Kantorowitz
Cahill Gordon & Reindel
Eighty Pine Street
New York, New York 10005

RE: Beazer Homes USA, Inc.
Senior Notes due 2004

Dear Mr. Kantorowitz:

This is in response to your letter dated January 20, 1994, and received by this Agency on January 21, 1994.

Your letter and supplemental materials indicate that Beazer Homes USA, Inc. (the "Issuer"), will issue certain Senior Notes due 2004 (the "Notes"). The Notes will be guaranteed unconditionally, jointly and severally, on a senior basis by certain subsidiaries of the Issuer (the "Subsidiary Guarantees").

You have represented that the Issuer's common stock has been approved for listing on notice of issuance on the New York Stock Exchange, an exchange specified in Section 6.F of the Texas Securities Act (the "Act"). You have also stated that the Subsidiary Guarantees may not be offered and sold separately from the Notes and that no additional consideration is required to receive the Subsidiary Guarantees.

Based on the foregoing understanding, issuances of the Notes will be eligible for the exemption provided by Section 6.F of the Act since, under Section 111.2 of the Board's rules, the term "fully listed" includes any security listed or approved for listing upon notice of issuance on an exchange specified in Section 6.F. Further, the staff of the State Securities Board will recommend no action to require registration of the Subsidiary Guarantees as separate securities.

Please note that this Agency has not made an independent investigation of the facts, but has relied solely on the information you have provided. If this information is incorrect or

changes substantially, the staff would reconsider the matter and the opinion stated above would be void.

Further, this Agency does not grant nor confer the exemption. Its availability depends entirely on full compliance with the language of the exemption. If a dispute arises about availability of the exemption, the burden of proof falls on the party claiming the exemption.

Finally, opinions expressed by this Agency are not binding on civil litigants in future proceedings.

I trust this letter answers your inquiry. Please feel free to write us if you need further information.

Very truly yours,

DENISE VOIGT CRAWFORD
Securities Commissioner

Rada Lynn Potts
General Counsel

RLP:bp