

TRI Pointe Group, Inc.  
Form 10-K  
February 26, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2015

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 Group, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware 61-1763235  
(State or other Jurisdiction of Incorporation) (I.R.S. Employer Identification No.)  
19540 Jamboree Road, Suite 300

Irvine, California 92612

(Address of principal executive offices) (Zip Code)

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

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

Title of each class	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	New York Stock Exchange

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

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

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant on June 30, 2015, based on the closing price of \$15.30 as reported by the New York Stock Exchange, was \$2,238,080,435.

161,910,115 shares of common stock were issued and outstanding as of February 19, 2016.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions from the registrant's Proxy Statement relating to its 2016 Annual Meeting of Stockholders are incorporated by reference into Part III, Items 10, 11, 12, 13 and 14.



TRI Pointe Group, Inc.

ANNUAL REPORT ON FORM 10-K

FOR THE YEAR ENDED DECEMBER 31, 2015

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### Cautionary Note Concerning Forward-Looking Statements

This annual report on Form 10-K contains certain statements relating to future events of our intentions, beliefs, expectations, predictions for the future and other matters that are “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.

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 annual report on Form 10-K. There is no guarantee that any of the events anticipated by the forward-looking statements in this annual report on Form 10-K 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 will not update the forward-looking statement contained in this annual report on Form 10-K, unless otherwise required by law.

### Forward-Looking Statements

These forward-looking statements are generally accompanied by words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “goal,” “intend,” “may,” “might,” “plan,” “potential,” “predict,” “project,” “will,” “would,” or other words that convey uncertainty of future events or outcomes, including, without limitation, our transaction with Weyerhaeuser Real Estate Company (WRECO). These forward-looking statements include, but are not limited to, statements regarding expected benefits of the WRECO transaction, integration plans and expected synergies therefrom, and our anticipated future financial and operating performance and results, including our estimates for growth.

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

- the economy;
- laws and regulations;
- adverse litigation outcome and the adequacy of reserves;
- changes in accounting principles;
- projected benefit payments; and
- projected tax rates and credits.

### Risks, Uncertainties and Assumptions

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

- the effect of general economic conditions, including employment rates, housing starts, interest rate levels, availability of financing for home mortgages and strength of the U.S. dollar;
- market demand for our products, which is related to the strength of the various U.S. business segments and U.S. and international economic conditions;
- levels of competition;
- the successful execution of our internal performance plans, including restructuring and cost reduction initiatives;
- global economic conditions;

- raw material prices;
- oil and other energy prices;

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- the effect of weather, including the continuing drought in California;
- the risk of loss from earthquakes, volcanoes, fires, floods, droughts, windstorms, hurricanes, pest infestations and other natural disasters;
- transportation costs;
- federal and state tax policies;
- the effect of land use, environment and other governmental regulations;
- legal proceedings;
  - risks relating to any unforeseen changes to or effects on liabilities, future capital expenditures, revenues, expenses, earnings, synergies, indebtedness, financial condition, losses and future prospects;
- change in accounting principles;
- risks related to unauthorized access to our computer systems, theft of our homebuyers' confidential information or other forms of cyber-attack; and
- other factors described in "Risk Factors."

## EXPLANATORY NOTE

As used in this annual report on Form 10-K, unless the context otherwise requires:

- “Closing Date” refers to July 7, 2014;
- “Exchange Act” refers to the Securities Exchange Act of 1934, as amended;
- “GAAP” refers to U.S. generally accepted accounting principles;
- “legacy TRI Pointe” refers to the operations of TRI Pointe before the Closing Date;
  - “Merger” refers to the merger of a wholly-owned subsidiary of TRI Pointe with and into WRECO, with WRECO surviving the merger and becoming a wholly-owned subsidiary of TRI Pointe;
- “SEC” refers to the United States Securities and Exchange Commission;
- “Transaction Agreement” refers to the agreement dated as of November 3, 2013 by and among Weyerhaeuser, TRI Pointe, WRECO, and a wholly-owned subsidiary of TRI Pointe;
- “TRI Pointe Homes” refers to TRI Pointe Homes, Inc., a Delaware corporation;
- “TRI Pointe Group” refers to TRI Pointe Group, Inc., a Delaware corporation;
- “Weyerhaeuser” refers to Weyerhaeuser Company, a Washington corporation and the former parent of WRECO; and
  - “WRECO” refers to Weyerhaeuser Real Estate Company, a Washington corporation, which following the Closing Date was renamed “TRI Pointe Holdings, Inc.”

Additionally, references to “TRI Pointe”, “the Company”, “we”, “us”, or “our” in this annual report on Form 10-K (including the consolidated financial statements and condensed notes thereto in this report) have the following meanings, unless the context otherwise requires:

- For periods prior to July 7, 2015: TRI Pointe Homes and its subsidiaries; and
- For periods from and after July 7, 2015: TRI Pointe Group and its subsidiaries.

### Formation of TRI Pointe Group

On July 7, 2015, TRI Pointe Homes reorganized its corporate structure (the “Reorganization”) whereby TRI Pointe Homes became a direct, wholly-owned subsidiary of TRI Pointe Group. As a result of the reorganization, each share of common stock, par value \$0.01 per share, of TRI Pointe Homes (“Homes Common Stock”) was cancelled and converted automatically into the right to receive one validly issued, fully paid and non-assessable share of common stock, par value \$0.01 per share, of TRI Pointe Group (“Group Common Stock”), each share having the same designations, rights, powers and preferences, and the qualifications, limitations and restrictions thereof as the shares of Homes Common Stock being so converted. TRI Pointe Group, as the successor issuer to TRI Pointe Homes (pursuant to Rule 12g-3(a) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), began making filings under the Securities Act of 1933, as amended, and the Exchange Act on July 7, 2015.

In connection with the Reorganization, TRI Pointe Group (i) became a co-issuer of TRI Pointe Homes’ 4.375% Senior Notes due 2019 and TRI Pointe Homes’ 5.875% Senior Notes due 2024; and (ii) replaced TRI Pointe Homes as the borrower under TRI Pointe Homes’ existing unsecured revolving credit facility.

The business, executive officers and directors of TRI Pointe Group, and the rights and limitations of the holders of Group Common Stock immediately following the Reorganization were identical to the business, executive officers and directors of TRI Pointe Homes, and the rights and limitations of holders of Homes Common Stock immediately prior to the Reorganization.

### Merger with WRECO

On the Closing Date, TRI Pointe consummated the previously announced Merger with WRECO. In the Merger, TRI Pointe issued 129,700,000 shares of TRI Pointe common stock to the former holders of WRECO common shares,

together with cash in lieu of any fractional shares. On the Closing Date, WRECO became a wholly-owned subsidiary of TRI Pointe. Immediately following the consummation of the Merger, the ownership of TRI Pointe common stock on a fully diluted basis was as follows: (i) the WRECO common shares held by former Weyerhaeuser shareholders were converted into the right to receive, in the aggregate, approximately 79.6% of the

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then outstanding TRI Pointe common stock, (ii) the TRI Pointe common stock outstanding immediately prior to the consummation of the Merger represented approximately 19.4% of the then outstanding TRI Pointe common stock, and (iii) the outstanding equity awards of WRECO and TRI Pointe employees represented the remaining 1.0% of the then outstanding TRI Pointe common stock.

The following discussion and analysis should be read in conjunction with our audited consolidated financial statements and related notes thereto contained elsewhere in this annual report on Form 10-K. The section entitled “Risk Factors” set forth in Part I, Item 1A of this annual report on Form 10-K 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 annual report on Form 10-K, before deciding to invest in, or maintain an investment in, our common stock.

part i

## Item 1. Business

### Our Company

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

- Maracay Homes in Arizona;
  - Pardee Homes in California and Nevada;
- Quadrant Homes in Washington;
- Trendmaker Homes in Texas;
  - TRI Pointe Homes in California and Colorado; and
- Winchester Homes in Maryland and Virginia.

Our growth strategy is to capitalize on high demand in selected "core" markets with favorable population and employment growth as a result of proximity to job centers or primary transportation corridors. As of December 31, 2015, our operations consisted of 104 active selling communities and 27,602 lots owned or controlled. See "Lots Owned or Controlled" below. Our construction expertise across an extensive product offering allows us flexibility to pursue a wide array of land acquisition opportunities and appeal to a broad range of potential homebuyers, including entry-level, first time move-up and second-time move-up homes. As a result, we build across a variety of base sales price points, ranging from approximately \$167,000 to \$2.3 million, and home sizes, ranging from approximately 1,000 to 6,200 square feet. See "Description of Projects and Communities under Development" below. For the years ended December 31, 2015 and 2014, we delivered 4,057 and 3,100 homes and the average sales price of our new homes delivered was approximately \$565,000 and \$531,000, respectively.

Our founders firmly established our core values of quality, integrity and excellence. These are the driving forces behind our innovative designs and strong commitment to our homebuyers.

### Our Competitive Strengths

We believe the following strengths provide us with a significant competitive advantage in implementing our business strategy:

#### Experienced and Proven Leadership

Douglas Bauer, our Chief Executive Officer, Thomas Mitchell, our President and Chief Operating Officer, and Michael Grubbs, our Chief Financial Officer, have worked together for over 25 years and have a successful track record of managing and growing a public homebuilding company. Spanning over a century, their combined real estate industry experience includes land acquisition, financing, entitlement, development, construction, marketing and sales of single-family detached and attached homes in communities in a variety of markets. In addition, each of the presidents of our homebuilding subsidiaries has substantial industry knowledge and local market expertise. The average homebuilding experience of these presidents exceeds 20 years. We believe that our management team's prior experience, extensive relationships and strong local reputation provide us with a competitive advantage in securing

projects, obtaining entitlements, building quality homes and completing projects within budget and on schedule.

#### Focus on High Growth Core Markets

Our business is well-positioned to capitalize on the broader national housing market recovery. We are focused on the design, construction and sale of innovative single-family detached and attached homes in major metropolitan areas in California, Colorado, Houston and Austin, Phoenix and Tucson, Las Vegas, the Washington, D.C. metro area and the Puget Sound region of Washington State. These markets are generally characterized by high job growth and increasing populations, creating strong demand for new housing. We believe they represent attractive homebuilding markets with opportunities for long-term growth and that we have strong land positions strategically located within these markets. Moreover, our management team has deep local market knowledge of the homebuilding and development industries. We believe this experience and strong relationships with local market participants enable us to source, acquire, and entitle land efficiently.

### Strong Operational Discipline and Controls

Our management team pursues a hands-on approach. Our strict operating discipline, including financial accountability at the project management level, is a key part of our strategy to maximize returns while minimizing risk.

### Acquire Attractive Land Positions While Reducing Risk

We believe that our reputation and extensive relationships with land sellers, master plan developers, financial institutions, brokers and other builders enable us to continue to acquire well-positioned land parcels in our target markets and provide us access to a greater number of acquisition opportunities. We believe our expertise in land development and planning enables us to create desirable communities that meet or exceed our target homebuyers' expectations, while operating at competitive costs.

### Increase Market Position in Growth Markets

We believe that there are significant opportunities to expand profitably in our existing and target markets, and we continually review our selection of markets based on both aggregate demographic information and our own operating results. We use the results of these reviews to re-allocate our investments to those markets where we believe we can maximize our profitability and return on capital over the next several years. While our primary growth strategy has focused on increasing our market position in our existing markets, we may, on an opportunistic basis, explore expansion into other markets through organic growth or acquisition.

### Provide Superior Design and Homeowner Experience and Service

We consider ourselves a "progressive" homebuilder driven by an exemplary homeowner experience, cutting-edge product development and exceptional execution. Our core operating philosophy is to provide a positive, memorable experience to our homeowners through active engagement in the building process, tailoring our product to the homeowners' lifestyle needs and enhancing communication, knowledge and satisfaction. We believe that the new generation of home buying families has different ideas about the kind of home buying experience it wants. As a result, our selling process focuses on the home's features, benefits, quality and design in addition to the traditional metrics of price and square footage. In addition, we devote significant resources to the research and design of our homes to better meet the needs of our homebuyers. Through our "LivingSmart" platform, we provide homes that we believe are earth-friendly, enhance homeowners' comfort, promote a healthier lifestyle and deliver tangible operating cost savings versus less efficient resale homes. Collectively, we believe these steps enhance the selling process, lead to a more satisfied homeowner and increase the number of homebuyers referred to our communities.

### Offer a Diverse Range of Products

We are a builder with a wide variety of product lines that enable us to meet the specific needs of each of our core markets, which we believe provides us with a balanced portfolio and an opportunity to increase market share. We have demonstrated expertise in effectively building homes across product offerings from entry-level through first-time and second-time move-up housing. We spend extensive time studying and designing our products through the use of architects, consultants and homebuyer focus groups for all levels and price points in our target markets. We believe our diversified product strategy enables us to best serve a wide range of homebuyers, adapt quickly to changing market conditions and optimize performance and returns while strategically reducing portfolio risk. Within each of our core markets we determine the profile of homebuyers we hope to address and design neighborhoods and homes with the specific needs of those homebuyers in mind.

Focus on Efficient Cost Structure and Target Attractive Returns

Our experienced management team is vigilant in maintaining its focus on controlling costs. We competitively bid new projects and phases while maintaining strong relationships with our trade partners by managing production schedules closely and paying our vendors on time.

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

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## Utilize Prudent Leverage

Our ongoing financial strategy includes redeployment of cash flows from continuing operations and debt to provide us with the financial flexibility to access capital on the best terms available. In that regard, we expect to employ prudent levels of leverage to finance the acquisition and development of our lots and construction of our homes. See "Our Financing Strategy" below.

## Lots Owned or Controlled

As of December 31, 2015, we owned or controlled, pursuant to land option contracts or purchase contracts, an aggregate of 27,602 lots. We refer to lots that are under land option contracts as "controlled," see "Acquisition Process" below. Excluded from lots owned or controlled are those related to Note 8, Investments in Unconsolidated Entities, of the notes to our consolidated financial statements included elsewhere in this annual report on Form 10-K. The following table presents certain information with respect to our lots owned or controlled as of December 31, 2015.

	Lots Owned	Lots Controlled	Lots Owned or Controlled
Maracay Homes	1,566	245	1,811
Pardee Homes	16,314	365	16,679
Quadrant Homes	1,027	247	1,274
Trendmaker Homes	1,367	491	1,858
TRI Pointe Homes	2,504	1,124	3,628
Winchester Homes	1,955	397	2,352
Total	24,733	2,869	27,602

## Description of Projects and Communities under Development

Our lot inventory includes land that we are holding for future development. The development of these lots will be subject to a variety of marketing, regulatory and other factors and in some cases we may decide to sell the land prior to development. The following table presents project information relating to each of our markets as of December 31, 2015 and includes information on current projects under development where we are building and selling homes as of December 31, 2015.

## Maracay Homes

County, Project, City	Year of First Delivery <sup>(1)</sup>	Total Number of Lots <sup>(2)</sup>	Cumulative		Backlog as of December 31, 2015 <sup>(4)(5)</sup>	Homes Delivered for the Twelve Months Ended December 31, 2015	Sales Price Range (in thousands) <sup>(6)</sup>
			Delivered as of December 31, 2015	Owned as of December 31, 2015 <sup>(3)</sup>			
Phoenix, Arizona							
Town of Buckeye:							
Verrado Tilden	2012	102	94	8	2	21	\$239 - \$304
Verrado Palisades	2015	63	16	47	—	16	\$305 - \$378
Verrado Victory	2015	98	17	81	4	17	\$368 - \$381
City of Chandler:							
Artesian Ranch	2013	90	57	33	25	27	\$342 - \$398
Vaquero Ranch	2013	74	67	7	7	29	\$298 - \$373
Maracay at Layton Lakes	2015	47	11	36	21	11	\$475 - \$515
Sendra Place	2015	39	12	27	11	12	\$260 - \$307
Chandler Heights	2017	84	—	84	—	—	\$467 - \$500
Town of Gilbert:							
Arch Crossing at Bridges of Gilbert	2014	67	60	7	4	39	\$283 - \$341
Trestle Place at Bridges of Gilbert	2014	73	63	10	10	35	\$344 - \$424
Artisan at Morrison Ranch	2016	105	—	105	—	—	\$285 - \$333
Marquis at Morrison Ranch	2016	66	—	66	—	—	\$355 - \$439
City of Goodyear:							
Calderra at Palm Valley	2013	81	80	1	1	24	\$275 - \$352
Los Vientos at Palm Valley	2013	57	57	—	—	5	Closed
City of Mesa:							
Kinetic Point at Eastmark	2013	80	60	20	13	31	\$270 - \$350
Lumiere Garden at Eastmark	2013	85	60	25	10	25	\$318 - \$398
Aileron Square at Eastmark	2016	58	—	58	9	—	\$318 - \$398
Curie Court at Eastmark	2016	106	—	106	9	—	\$270 - \$350
Palladium Point	2016	53	—	53	—	—	\$308 - \$377

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Town of Peoria:

The Reserve at Plaza del Rio	2013	162	87	75	15	37	\$205 - \$254
Maracay at Northlands	2014	58	35	23	19	27	\$318 - \$399
Meadows - 5500's	2016	80	—	80	—	—	\$355 - \$437
Meadows - 6500's	2016	56	—	56	—	—	\$417 - \$535
Meadows - Oversized	2016	37	—	37	—	—	\$417 - \$535

Town of Queen Creek:

Montelena	2012	59	59	—	—	7	Closed
The Preserve at Hastings Farms	2014	89	43	46	17	28	\$285 - \$369
Villagio	2013	135	89	46	15	29	\$282 - \$341
Phoenix, Arizona Total		2,104	967	1,137	192	420	

Tucson, Arizona

Marana:

Tortolita Vistas	2014	49	24	25	5	15	\$449 - \$506
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Oro Valley:

Rancho del Cobre	2014	68	43	25	4	30	\$407 - \$475
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Desert Crest - Center

Pointe Vistoso	2016	103	—	103	—	—	\$239 - \$289
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The Cove - Center Pointe

Vistoso	2016	83	—	83	—	—	\$305 - \$364
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Summit (South) - Center

Pointe Vistoso	2016	87	—	87	—	—	\$352 - \$389
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The Pinnacle - Center

Pointe Vistoso	2016	70	—	70	—	—	\$398 - \$439
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Tucson:

Deseo at Sabino Canyon	2014	39	37	2	2	15	\$419 - \$505
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Ranches at Santa Catalina	2016	34	—	34	—	—	\$395 - \$415
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Tucson, Arizona Total		533	104	429	11	60	
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Maracay Homes Total		2,637	1,071	1,566	203	480	
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## Pardee Homes

County, Project	Year of First Delivery <sup>(1)</sup>	Total Number of Lots <sup>(2)</sup>	Cumulative		Backlog as of December 31, 2015 <sup>(4)(5)</sup>	Homes Delivered for the Twelve Months Ended December 31, 2015	Sales Price Range (in thousands) <sup>(6)</sup>
			Delivered as of December 31, 2015	Owned as of December 31, 2015 <sup>(3)</sup>			
<b>California</b>							
<b>San Diego County:</b>							
Alta Del Mar Homes	2013	117	80	37	26	42	\$1,800 - \$2,300
Sorrento Heights Prestige Collection	2014	20	20	—	—	2	\$890 - \$950
Watermark	2013	160	131	29	25	68	\$1,200 - \$1,310
Canterra	2015	89	25	64	8	25	\$758 - \$912
Casabella	2015	122	22	100	16	22	\$920 - \$1,000
Verana	2015	78	38	40	20	38	\$996 - \$1,094
<b>Pacific Highlands Ranch</b>							
Future	TBD	963	—	963	—	—	TBD
Olive Hill Estate	2015	37	—	37	3	—	\$650 - \$771
Castlerock	TBD	415	—	415	—	—	\$473 - \$708
Meadowood	TBD	844	—	844	—	—	\$290 - \$590
Sea View Terrace	2014	40	40	—	—	39	\$308 - \$370
Parkview Condos	2016	73	—	73	—	—	\$400 - \$460
Ocean View Hills Future	2017	1,020	—	913	—	—	TBD
South Otay Mesa	TBD	893	—	893	—	—	\$185 - \$530
<b>Los Angeles County:</b>							
<b>LivingSmart at Fair Oaks Ranch</b>							
Ranch	2011	124	124	—	—	1	\$483 - \$509
Golden Valley	2017	498	—	498	—	—	\$499 - \$807
Skyline Ranch	TBD	1,260	—	1,260	—	—	\$510 - \$640
<b>Ventura County:</b>							
<b>LivingSmart at Moorpark Highlands,</b>							
Moorpark	2013	133	133	—	—	49	\$600 - \$650
<b>Riverside County:</b>							
Hillside	2012	182	182	—	—	2	\$284 - \$301
Meadow Ridge	2013	132	108	24	14	52	\$367 - \$464
Amberleaf	2014	131	86	45	19	65	\$312 - \$362
Meadow Glen	2014	142	89	53	13	47	\$345 - \$408
Summerfield	2015	85	52	33	15	52	\$303 - \$320
Canyon Hills Future	TBD	581	—	581	—	—	TBD
Senterra	2016	82	—	82	—	—	\$360 - \$460
<b>LivingSmart Tournament Hills</b>							
Hills	2010	235	235	—	—	2	\$261 - \$334

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Lakeside	2012	167	167	—	—	19	\$260 - \$282
Tournament Hills Future	TBD	268	—	268	—	—	TBD
LivingSmart Sundance	2013	152	152	—	—	42	\$280 - \$332
LivingSmart Estrella	2013	127	127	—	—	6	\$214 - \$237
Woodmont	2014	84	68	16	7	57	\$320 - \$390
Cielo	2015	92	78	14	10	78	\$249 - \$275
Northstar	2015	123	18	105	8	18	\$353 - \$375
Skycrest	2015	125	30	95	11	30	\$311 - \$350
Sundance Future	TBD	1,603	—	1,603	—	—	TBD
Banning	TBD	4,318	—	4,318	—	—	\$167 - \$250
Sacramento County:							
Natomas	TBD	120	—	120	—	—	TBD
San Joaquin County:							
Bear Creek	TBD	1,252	—	1,252	—	—	TBD
California Total		16,887	2,005	14,775	195	756	

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County, Project	Year of First Delivery <sup>(1)</sup>	Total Number of Lots <sup>(2)</sup>	Cumulative		Backlog as of December 31, 2015 <sup>(4)(5)</sup>	Homes Delivered for the Twelve Months Ended December 31, 2015	Sales Price Range (in thousands) <sup>(6)</sup>
			Delivered as of December 31, 2015	Owned as of December 31, 2015 <sup>(3)</sup>			
Nevada							
Clark County:							
LivingSmart at Eldorado Ridge	2012	169	160	9	6	37	\$260 - \$310
LivingSmart at Eldorado Heights	2013	135	122	13	6	36	\$310 - \$395
LivingSmart Sandstone Ridgeview	2013	145	90	55	14	47	\$220 - \$250
North Peak	2015	4	4	—	—	4	\$185 - \$210
Castle Rock	2015	150	6	144	5	6	\$280 - \$330
Eldorado Future	2015	150	4	146	14	4	\$350 - \$410
Horizon Terrace	2016	145	—	145	—	—	TBD
Solano	2014	165	60	105	6	32	\$400 - \$455
Alterra	2014	132	61	71	4	56	\$294 - \$326
Bella Verdi	2014	106	25	81	4	25	\$424 - \$506
Milennial	2015	106	19	87	3	19	\$372 - \$440
Escala	2016	2	—	2	—	—	TBD
POD 5-1 Future	2016	78	—	78	—	—	\$545 - \$591
Durango Ranch	2017	215	—	215	—	—	TBD
Durango Trail	2012	153	147	6	2	38	\$467 - \$560
Meridian	2014	77	74	3	3	33	\$380 - \$410
LivingSmart at Providence	2016	78	—	74	7	—	\$566 - \$666
Encanto	2012	106	106	—	—	1	\$260 - \$323
Summerglen	2015	129	—	129	—	—	\$406 - \$468
The Canyons at MacDonald Ranch	2014	140	68	72	5	36	\$293 - \$299
Nevada Total		2,511	946	1,539	79	374	
Pardee Homes Total		19,398	2,951	16,314	274	1,130	

## Quadrant Homes

County, Project, City	Year of First Delivery <sup>(1)</sup>	Total Number of Lots <sup>(2)</sup>	Cumulative			Homes Delivered for the Twelve Months Ended	Sales Price Range (in thousands) <sup>(6)</sup>
			Delivered as of December 31, 2015	Owned as of December 31, 2015 <sup>(3)</sup>	Backlog as of December 31, 2015 <sup>(4)(5)</sup>	December 31, 2015	
Washington							
Skagit County:							
Skagit Highlands, Mt Vernon	2005	423	409	14	12	49	\$227 - \$292
Skagit Clearwater Court, Mt Vernon	2016	11	—	11	8	—	\$299 - \$319
Skagit Surplus Pod E, Mt Vernon	TBD	4	—	4	—	—	TBD
Snohomish County:							
Kings Corner 1&2, Mill Creek	2014	116	99	17	10	55	\$440 - \$540
King's Corner 3, Mill Creek	2016	29	—	29	11	—	\$456 - \$492
Evergreen Heights, Monroe	2016	71	—	71	—	—	\$359 - \$407
The Grove at Canyon Park, Bothell	2017	60	—	32	—	—	\$558 - \$658
Palm Creek, Bothell	2017	41	—	41	—	—	\$845 - \$905
King County:							
Sonata Hill, Auburn	2014	71	37	34	10	30	\$351 - \$379
The Gardens at Eastlake, Sammamish	2015	8	3	5	1	3	\$902 - \$963
Heathers Ridge, Kirkland	2015	41	12	29	19	12	\$715 - \$935
Hedgewood, Redmond	2015	11	3	8	3	3	\$800 - \$920
Grasslawn Estates, Redmond	2016	4	—	4	1	—	\$1350
Vintner's Place, Kirkland	2016	35	—	35	—	—	\$610 - \$780
Hedgewood East, Redmond	2016	15	—	15	6	—	\$825 - \$975
Copperwood, Renton	2016	46	—	46	—	—	\$520 - \$626
Viscaia, Bellevue	2016	18	—	18	—	—	\$617 - \$672
Trailside, Redmond	2017	9	—	9	—	—	\$686 - \$735
Parkwood Terrace, Woodinville	2017	15	—	15	—	—	\$680 - \$750
Hazelwood Ridge, Newcastle	2017	30	—	30	—	—	\$605 - \$790
Inglewood Landing, Sammamish	2017	21	—	21	—	—	\$880 - \$962
Jacobs Landing, Issaquah	2017	20	—	20	—	—	\$834 - \$929
Kirkwood Terrace, Sammamish	2017	12	—	12	—	—	\$1,200 - \$1,500

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English Landing P2, Redmond	2017	25	—	25	—	—	\$910 - \$1,029
English Landing P1, Redmond	2017	50	—	50	—	—	\$910 - \$1,029
Heathers Ridge South, Redmond	2017	8	—	8	—	—	\$590 - \$890
Cedar Landing, North Bend	2017	138	—	13	—	—	\$500 - \$650
Monarch Ridge, Sammamish	2017	59	—	59	—	—	\$761 - \$961
42nd Avenue Townhomes, Seattle	TBD	40	—	40	—	—	TBD
Wynstone, Federal Way	TBD	4	—				