ENGLOBAL CORP
Form SC 13G/A
January 06, 2005

U.S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 13G

UNDER THE SECURITIES EXCHANGE ACT OF 1934

(AMENDMENT NO. 4)*

ENGLOBAL CORPORATION

(Name of Issuer)

Common Stock, $.001 par value

(Title of Class of Securities)

299306106

(CUSIP Number)

Philip Walters

2727 Allen Parkway, 13th Floor

Houston, Texas 77019

(713) 529-0900

(Name, Address and Telephone Number of Person

Authorized to Receive Notices and Communication)

December 31, 2004

(Date of Event which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

¨ Rule 13d-1(b)

¨ Rule 13d-1(c)

x Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person s initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(1) Name of Reporting Person

S.S. or IRS Identification No. of above person

Equus II Incorporated Intentionally omitted

(2) Check the appropriate box if a member of a group*

(a) ¨

(b) ¨

(3) SEC use only

(4) Citizenship or place or organization

Delaware

(5) Sole voting power

Number of shares beneficially owned by each reporting person with:

1,033,456*

(6) Shared voting power

0

(7) Sole dispositive power

1,033,456**

(8) Shared dispositive power

0

(9) Aggregate amount beneficially owned by each reporting person

1,033,456

(10) ¨ Check if the aggregate amount in row (9) excludes certain shares*

(11) Percent of class represented by amount in Row (9)

4.4%

(12) Type of reporting person *

CO

ITEM 1.	(a)	Name of Issue	ENGlobal Corporation
	(b)	Address of Issuer s Principal Executive Offices:	600 Century Plaza Drive, Suite 140 Houston, Texas 77073 6033
ITEM 2.	(a)	Name of Persons Filing:	Equus II Incorporated
	(b)	Address of Principal Business Office or, if none, Residence:	2727 Allen Parkway, 13th Floor Houston, Texas 77019-2120
	(c)	Citizenship:	Delaware corporation
	(d)	Title of Class of Securities:	Common Stock
	(e)	CUSIP Number:	299306106

ITEM 3. If this statement is filed pursuant to rules 13d-1(b), or 13d-2(b), check whether the person filing is a:

(a) ¨ Broker or Dealer registered under Section 15 of the Act

(b) ¨ Bank as defined in Section 3(a) (6) of the Act

(c) ¨ Insurance Company as defined in Section 3(a) (19) of the Act

(d) ¨ Investment Company registered under Section 8 of the Investment Company Act

(e) ¨ Investment Adviser registered under Section 203 of the Investment Advisers Act of 1940

(f) ¨ Employee Benefit Plan, Pension Fund which is subject to the provision of the Employee Retirement Income Security Act of 1974 or Endowment Fund

(g) ¨ Parent Holding company, in accordance with Rule 13d-1 (b) (ii) (G)

(h) ¨ Group

ITEM 4. OWNERSHIP

(a) Amount Beneficially Owned: 1,033,456 shares

(b) Percent of Class: 4.4%

(c) Number of shares as to which such person has:

(i) sole power to vote or to direct the vote 1,033,456*

(ii) shared power to vote or to direct the vote 0

(iii) sole power to dispose or to direct the disposition of 1,033,456**

(iv) shared power to dispose or to direct the disposition of 0

* 1,033,456 shares are subject to obligations in Voting Agreement relating solely to election of directors

** 1,033,456 shares are subject to provisions in various agreements entered into in connection with the merger of Petrocon Engineering, Inc. into a subsidiary of Issuer.

ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS:

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following box. x

ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON: Not applicable.

ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY OR CONTROL PERSON: Not applicable

ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP: Not applicable

ITEM 9. NOTICE OF DISSOLUTION OF GROUP: Not applicable

ITEM 10. CERTIFICATIONS: Not applicable

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct:

December 31, 2004

Date

Equus II Incorporated

By /s/ Nolan Lehmann

Nolan Lehmann, President

investigations and litigation; disclosure documents; tax matters; employment and labor matters; intellectual property; real property; in the case of Centex, the required vote of Centex stockholders to approve the proposal to approve the Merger Agreement, and, in the case of Pulte, the required votes of Pulte shareholders to approve the proposal to approve the charter amendment and proposal to approve the issuance of shares in the merger; opinion of such party s financial advisor; material contracts; brokerage and finders fees and expenses; insurance; tax treatment of the merger; and the taking of all actions necessary to render such party s rights agreement inapplicable to the merger and the voting agreements, and, in the case of Centex, to cause its rights agreement to terminate as of the time the merger is completed.

Each of Pulte and Pi Nevada Building Company has also made representations and warranties relating to the lack of ownership of shares of Centex.

Centex has also made representations and warranties relating to the inapplicability of state anti-takeover laws to the Merger Agreement.

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Expenses

Each party is required to pay its own costs and expenses incurred in connection with the merger, the Merger Agreement and the transactions contemplated thereby, except that Pulte will pay all fees in respect of the filing under the HSR Act, and Pulte and Centex will share equally all costs and expenses incurred in connection with the printing, filing and mailing of this joint proxy statement/prospectus (including applicable SEC filing fees).

Governing Law; Jurisdiction; Specific Enforcement

The Merger Agreement is governed by, and is to be construed in accordance with, the laws of Delaware, except that issues involving the completion and effects of the merger are governed by the laws of Nevada to the extent the application of Nevada law is mandatory. All legal actions or proceedings with respect to the Merger Agreement are to be brought and determined in the Delaware Court of Chancery or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware. The parties to the Merger Agreement are entitled to injunctions to prevent breaches of the Merger Agreement and to specifically enforce the terms of the Merger Agreement.

Amendments and Waivers

Pulte, Centex and Pi Nevada Building Company may amend or waive any provision of the Merger Agreement at any time prior to the completion of the merger. However, any amendment or waiver that is made following the Centex special meeting will be subject to approval by Centex stockholders if further approval is required by applicable law or the rules and regulations of the NYSE.

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AMENDMENT TO THE PULTE HOMES, INC.
RESTATED ARTICLES OF INCORPORATION

The Pulte board of directors has proposed, subject to Pulte shareholder approval, an amendment to Pulte s Restated Articles of Incorporation to increase the number of shares of Pulte common stock authorized for issuance from 400 million to 500 million. A copy of the current Pulte Restated Articles of Incorporation is attached to this joint proxy statement/prospectus as Annex D. A copy of the form of amendment to Pulte s Restated Articles of Incorporation is attached to this joint proxy statement/prospectus as Annex E. If the proposal to approve the charter amendment is approved by Pulte s shareholders, Pulte would only file the certificate of amendment to Pulte s Restated Articles of Incorporation with the Michigan Department of Energy, Labor and Economic Growth immediately prior to the completion of the merger, but if the Merger Agreement is terminated (and the merger is not completed), Pulte will not file the certificate of amendment to Pulte s Restated Articles of Incorporation with the Michigan Department of Energy, Labor and Economic Growth and the amendment will not become effective. If Pulte files the certificate of amendment with the Michigan Department of Energy, Labor and Economic Growth and the merger is not completed, Pulte reserves the right to abandon the amendment in accordance with the provisions of the MBCA.

As of the Pulte record date, Pulte had shares of Pulte common stock issued and outstanding. As of such date, there were shares of Pulte common stock reserved for issuance in respect of Pulte stock options. Based on the number of shares of Centex common stock outstanding as of the Centex record date, if the merger is completed, Pulte will issue approximately additional shares of Pulte common stock to the Centex stockholders. Based on the options, other equity-based awards and arrangements to purchase or issue Centex common stock as of the Centex record date, if the merger is completed, Pulte will reserve for issuance approximately million additional shares of Pulte common stock. The approval of the proposal to approve the charter amendment is required to complete the merger because the existing number of authorized but unissued shares of Pulte common stock is not sufficient to support the number of shares of Pulte common stock required to be issued to the holders of Centex common stock and Centex equity-based awards pursuant to the terms of the Merger Agreement. Although Pulte s management currently has no definitive plans for the issuance of any additional authorized shares, the authorization of additional shares would permit the issuance of shares for future stock dividends, stock splits, possible acquisitions, stock option plans, and other appropriate corporate purposes. The additional shares of Pulte common stock will not be entitled to preemptive rights nor will existing shareholders have any preemptive right to acquire any of those shares when issued. Approval of the proposal to approve the charter amendment requires the affirmative vote of a majority of the outstanding shares of Pulte common stock entitled to vote on the proposal. Pulte shareholders are entitled to one vote for each share of Pulte common stock held as of the record date. Abstentions and broker non-votes will have the same effect as a vote against the amendment.

Under the Merger Agreement, approval of the proposal to approve the charter amendment is a condition to the completion of the merger. If the proposal to approve the charter amendment is not approved, the merger will not be completed even if the proposal to approve the issuance of shares in the merger is approved by Pulte shareholders and the proposal to approve the Merger Agreement is approved by Centex stockholders.

The Pulte board of directors unanimously recommends a vote **FOR** the proposal to approve the charter amendment.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements, which we refer to as the pro forma financial statements, have been derived from the historical consolidated financial statements of Pulte and Centex, both of which are incorporated by reference into this joint proxy statement/prospectus. The transaction is accounted for by applying the acquisition method under Statement of Financial Accounting Standards No. 141(R), *Business Combinations,* which we refer to as SFAS 141(R), as outlined in the accompanying notes to the unaudited pro forma condensed combined financial statements, which we refer to as the pro forma notes. In accordance with SFAS 141(R), Pulte has been treated as the accounting acquirer in the proposed transaction. See The Merger Accounting Treatment beginning on page 58.

The transactions reflected in the pro forma financial statements include (1) the exchange of all outstanding shares of Centex common stock at the exchange ratio; (2) the exchange of all of Centex s vested and unvested restricted stock for Pulte common stock; (3) the exchange of unvested and vested Centex stock options for vested Pulte stock options with adjustments to reflect the exchange ratio; and (4) the conversion of vested and unvested Centex restricted stock units.

The following unaudited pro forma condensed combined balance sheet at December 31, 2008, which we refer to as the pro forma balance sheet, is presented on a basis to reflect the merger and related transactions as if they had occurred on December 31, 2008. The unaudited pro forma condensed combined balance sheet data at December 31, 2008, is prepared by combining the balance sheet at December 31, 2008 for both Pulte and Centex. The following unaudited pro forma condensed combined statement of operations, which we refer to as the pro forma statement of operations, for the year ended December 31, 2008 is presented on a basis to reflect the merger and related transactions as if they had occurred on January 1, 2008. The unaudited pro forma statement of operations is prepared by combining the statement of operations of Pulte for the year ended December 31, 2008 with the statement of operations for Centex for the 12 months ended December 31, 2008 and then making pro forma adjustments. See Note (a) to the pro forma financial statements for additional information.

The process of valuing Centex s tangible and intangible assets and liabilities, as well as evaluating accounting policies for conformity, is still in the preliminary stages. Accordingly, the purchase price allocation adjustments included in the pro forma financial statements are preliminary and have been made solely for the purpose of providing these pro forma financial statements. For purposes of the pro forma financial statements, Pulte and Centex have made preliminary allocations, where sufficient information is available to make a fair value estimate, to those tangible and intangible assets to be acquired and liabilities to be assumed based on preliminary estimates of their fair value as of December 31, 2008. For those assets and liabilities where sufficient information is unavailable to make a reasonable estimate of fair value, the pro forma financial statements reflect the carrying value of these assets and liabilities at December 31, 2008. Any remaining unallocated purchase consideration has been reflected as excess purchase price (goodwill) in the pro forma balance sheet at December 31, 2008. A final determination of the acquired fair values, which cannot be made prior to completion of the merger, will be based on the actual fair value of Pulte common stock and the net assets of Centex that exist on the date of the completion of the merger. Pulte currently expects that the process of determining fair value of the tangible and intangible assets acquired and liabilities assumed will be completed within one year of completion of the transaction. Material revisions to Pulte s preliminary estimates could be necessary as more information becomes available through the completion of this final determination. The actual amounts recorded following the completion of the merger may be materially different from the information presented in these pro forma financial statements due to a number of factors, including:

- timing of completion of the merger;

changes in Pulte s share price;

changes in the fair value of Centex s senior notes;

changes in Centex s share price as it relates to the settlement of Centex performance units;

changes in the net assets of Centex;

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changes in the market conditions and financial results impacting cash flow projections in the valuation; and

other changes in market conditions which impact the fair value of Centex s net assets.

The pro forma financial statements should be read in conjunction with the pro forma notes. The pro forma financial statements and pro forma notes were based on, and should be read in conjunction with:

Pulte s historical audited consolidated financial statements for the fiscal year ended December 31, 2008 and the related notes included in Pulte s Annual Report on Form 10-K for the year ended December 31, 2008;

Centex s historical audited financial statements for the year ended March 31, 2008 and the related notes included in Centex s Annual Report on Form 10-K for the year ended March 31, 2008; and

Centex s unaudited consolidated financial statements as of December 31, 2008 and for the nine months ended December 31, 2008 and the related notes in Centex s Quarterly Report on Form 10-Q for the nine months ended December 31, 2008.

These reports are incorporated by reference into this joint proxy statement/prospectus.

Pulte s and Centex s historical consolidated financial information has been adjusted in the pro forma financial statements to give effect to pro forma events that are (1) directly attributable to the merger; (2) factually supportable; and (3) with respect to the pro forma statement of operations, expected to have a continuing impact on the combined results. The pro forma financial statements do not reflect any revenue enhancements or any cost savings from operating efficiencies, synergies or other restructurings that could result from the merger. The pro forma financial statements also do not reflect any restructuring charges to be incurred in connection with the merger, with the exception of estimated severance costs related to certain members of Centex s senior management that will be incurred concurrently with or shortly after completion of the merger. The remaining restructuring charges are expected to be determined after the completion of the merger and primarily are expected to relate to cost saving measures in corporate and field overhead. Therefore, these charges are excluded from the pro forma financial statements as they are not factually supportable at this time. In accordance with SFAS 141(R), these costs will be expensed as incurred.

In addition, the pro forma financial statements do not reflect any adjustments related to expected interest savings from retirements of debt subsequent to completion of the merger. Certain of these interest savings from retirements of debt are expected to occur prior to December 31, 2009. The specific amount and series of debt obligations to be retired for each company will be determined in the future and will be significantly influenced by future market conditions. Accordingly, the potential impact of any retirement of debt has been excluded from the pro forma financial statements as the amount of such potential impact is not factually supportable at this time.

The pro forma adjustments are based upon available information and assumptions that the managements of Pulte and Centex believe reasonably reflect the merger. We present the unaudited pro forma financial statements for informational purposes only. The pro forma financial statements are provided for illustrative purposes only and do not purport to represent what the actual consolidated results of operations or the consolidated financial position of Pulte would have been had the merger occurred on the dates assumed, nor are they necessarily indicative of future consolidated results of operations or financial position.

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Pulte and Centex Unaudited
Pro Forma Condensed Combined Balance Sheet
December 31, 2008

	Historical Pulte	Condensed As Adjusted Centex (b)(c)	Pro Forma Adjustments	Pro Forma Combined
		(amounts in thousands)		
ASSETS				
Cash and equivalents	$ 1,655,264	$ 1,518,619	$ (25,000)(d) (17,987)(d) (20,000)(e) (9,257)(f) 5,177(g)	$ 3,106,816
Unfunded settlements	11,988	5,108		17,096
House and land inventory	4,201,289	3,796,380	(900,000)(d) 205,466(g)	7,303,135
Land held for sale	164,954			164,954
Land, not owned, under option agreements	171,101	88,713		259,814
Residential mortgage loans available-for-sale	297,755	233,714		531,469
Investments in unconsolidated entities	134,886	142,193	(181,101)(g)	95,978
Other assets	595,098	355,003	(16,000)(d) 41,276(g)	975,377
Goodwill		9,933	(9,933)(d) 171,171(d)	171,171
Intangibles	102,554		110,000(d) 8,000(d)	220,554
Income taxes receivable	373,569	169,122	(h)	542,691
Total assets	$ 7,708,458	$ 6,318,785	$ (638,188)	$ 13,389,055
LIABILITIES AND SHAREHOLDERS EQUITY				
Liabilities:				
Accounts payable	$ 218,135	$ 88,424	$ 2,349(g)	$ 308,908
Customer deposits	40,950	36,151		77,101
Accrued and other liabilities	1,079,195	1,102,204	(4,321)(d) 68,469(g)	2,245,547
Collateralized short-term debt, recourse solely applicable to non-guarantor subsidiary assets	237,560	157,965		395,525
Income tax liabilities	130,615	515,844	(h)	646,459
Senior notes	3,166,305	3,103,594	(815,000)(d)	5,454,899

Total liabilities	4,872,760	5,004,182	(748,503)(g)	9,128,439
Shareholders equity(j)(k)	2,835,698	1,314,603	1,443,383(d) 10,792(d) (1,314,603)(d) (20,000)(e) (9,257)(f)	4,260,616
Total liabilities and shareholders equity	$ 7,708,458	$ 6,318,785	$ (638,188)	$ 13,389,055

See accompanying notes to unaudited pro forma condensed combined financial statements, which are an integral part of these statements.

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Pulte and Centex Unaudited Pro Forma
Condensed Combined Statement Of Operations
For the Year Ended December 31, 2008

	Historical Pulte	Condensed As Adjusted Centex (a)(b)(c)	Pro Forma Adjustments	Pro Forma Combined
	(amounts in thousands, except per share data)			
Revenues:				
Homebuilding	$ 6,112,038	$ 5,090,677	$	$ 11,202,715
Financial services	151,016	226,943		377,959
Other non-operating	26,404	16,093		42,497
Total revenues	6,289,458	5,333,713		11,623,171
Expenses:				
Homebuilding, principally cost of sales	7,793,825	6,809,123		14,602,948
Financial services	123,082	317,919		441,001
Other non-operating, net	42,337	84,108	293,000(d) 5,500(d)	424,945
Total expenses	7,959,244	7,211,150	298,500	15,468,894
Other income:				
Equity loss	(12,813)	(111,164)		(123,977)
Loss from continuing operations before income taxes	(1,682,599)	(1,988,601)	(298,500)	(3,969,700)
Income taxes (benefit)	(209,486)	(45,888)	(h)	(255,374)
Loss from continuing operations	$ (1,473,113)	$ (1,942,713)	$ (298,500)	$ (3,714,326)
Loss per share (from continuing operations):				
Basic(i)	$ (5.81)	$ (15.64)		$ (9.90)
Diluted(i)	$ (5.81)	$ (15.64)		$ (9.90)
Weighted average shares outstanding				
Basic(i)	253,512	124,155		375,214
Diluted(i)	253,512	124,155		375,214

See accompanying notes to unaudited pro forma condensed combined financial statements, which are an integral part of these statements.

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Notes to Unaudited Pro Forma
Condensed Combined Financial Statements

(a) Conforming Year Ends

Pulte s fiscal year ends on December 31 while Centex s fiscal year ends on March 31. Therefore Centex financial information has been recast to conform with Pulte s year end. Centex s historical statement of operations for the twelve months ended December 31, 2008 was derived from the nine months ended December 31, 2008 and 2007 and the year ended March 31, 2008, as follows:

Centex
Pro Forma Statement of Operations
For the Twelve Months Ended December 31, 2008

	Year Ended March 31, 2008 A	Nine Months Ended December 31, 2007 B	Three Months Ended March 31, 2008 C = A - B	Nine Months Ended December 31, 2008 D	Twelve Months Ended December 31, 2008 E = C + D
	(amounts in thousands)				
Revenues:					
Homebuilding	$ 7,965,614	$ 5,720,388	$ 2,245,226	$ 2,845,451	$ 5,090,677
Financial services	309,948	240,869	69,079	157,864	226,943
Other non-operating					
Total revenues	8,275,562	5,961,257	2,314,305	3,003,315	5,317,620
Expenses:					
Homebuilding, principally cost of sales	10,454,182	7,357,765	3,096,417	3,590,414	6,686,831
Financial services	448,101	340,466	107,635	210,284	317,919
Other non-operating, net	(3,542)	(348)	(3,194)	(1,170)	(4,364)
Interest expense	8,642		8,642	28,911	37,553
Corporate general and administrative	154,308	117,371	36,937	152,757	189,694
Total expenses	11,061,691	7,815,254	3,246,437	3,981,196	7,227,633
Other income:					
Equity loss	(128,902)	(125,333)	(3,569)	(107,595)	(111,164)
Other income	39,873	37,118	2,755	29,821	32,576
Loss from continuing operations before income taxes	(2,875,158)	(1,942,212)	(932,946)	(1,055,655)	(1,988,601)
Income taxes (benefit)	(214,190)	(189,319)	(24,871)	(21,017)	(45,888)
	$ (2,660,968)	$ (1,752,893)	$ (908,075)	$ (1,034,638)	$ (1,942,713)

Loss from continuing
operations

The pro forma statement of operations for Centex excludes amounts reported as discontinued operations in Centex s historical financial statements.

(b) Reclassifications on the Pro Forma Balance Sheet and Pro Forma Statement of Operations

Certain financial statement line items included in Centex s historical presentation have been reclassified to corresponding line items as included in Pulte s historical presentation as follows:

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Notes to Unaudited Pro Forma
Condensed Combined Financial Statements (Continued)

Centex Reclassifications
(amounts in thousands)

	Condensed Historical Presentation	Reclassification Adjustments	Condensed As Adjusted Centex
	(As of December 31, 2008)		
BALANCE SHEET			
ASSETS			
Cash and equivalents	$ 1,518,619	$	$ 1,518,619
Receivables	493,996	(493,996)	
Unfunded settlements		5,108	5,108
House and land inventory	3,338,958	457,422	3,796,380
Land held for development and sale	489,850	(489,850)	
Land, not owned, under option agreements	114,782	(26,069)	88,713
Residential mortgage loans available-for-sale		233,714	233,714
Investments in unconsolidated entities	139,789	2,404	142,193
Other assets	162,583	192,420	355,003
Goodwill	9,933		9,933
Income taxes receivable		169,122	169,122
Deferred income taxes	50,275	(50,275)	
Total assets	$ 6,318,785	$	$ 6,318,785
LIABILITIES AND SHAREHOLDERS EQUITY			
Liabilities:			
Accounts payable	$ 88,424	$	$ 88,424
Customer deposits		36,151	36,151
Accrued and other liabilities	1,654,199	(551,995)	1,102,204
Collateralized short-term debt, recourse solely applicable to subsidiary assets	157,965		157,965
Income tax liabilities		515,844	515,844
Senior notes	3,103,594		3,103,594
Total liabilities	5,004,182		5,004,182
Shareholders equity	1,314,603		1,314,603
	$ 6,318,785	$	$ 6,318,785

	Condensed Historical	Reclassification	Condensed As Adjusted

	Presentation	Adjustments	Centex
	(For the Twelve Months Ended December 31, 2008)		
STATEMENT OF OPERATIONS			
Revenues:			
Homebuilding	$ 5,090,677	$	$ 5,090,677
Financial Services	226,943		226,943
Other non-operating		16,093	16,093
Total revenues	5,317,620	16,093	5,333,713
Expenses:			
Homebuilding, principally cost of sales	6,686,831	122,292	6,809,123
Financial Services	317,919		317,919
Other non-operating, net	(4,364)		(4,364)
Interest expense	37,553		37,553
Corporate general and administrative	189,694	(138,775)	50,919
Total expenses	7,227,633	(16,483)	7,211,150
Other income:			
Equity loss	(111,164)		(111,164)
Other income	32,576	(32,576)	
Loss from continuing operations before income taxes	(1,988,601)		(1,988,601)
Income taxes (benefit)	(45,888)		(45,888)
Loss from continuing operations	$ (1,942,713)	$	$ (1,942,713)

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Notes to Unaudited Pro Forma
Condensed Combined Financial Statements (Continued)

These adjustments had no impact on the historical loss from continuing operations reported by Centex. These reclassifications are preliminary and do not reflect the final identification of all differences in presentation which may be identified by the time Pulte completes its acquisition accounting, which Pulte currently expects will be completed within one year of completion of the transaction. Material revisions to Pulte s preliminary estimates may be necessary as more information becomes available through the completion of this final determination. The actual amounts recorded following the completion of the merger may be materially different from the information presented in the pro forma financial statements.

(c) Accounting Policies

Differences in the accounting practices or policies applied by Pulte and Centex may exist that would materially impact the pro forma financial statements. Based on preliminary reviews of Centex s accounting policies and discussions with Centex management, certain differences in historical accounting practices and policies are known to exist, including those related to the capitalization and allocation of certain construction and land development costs. Upon completion of the merger, Pulte will review Centex accounting policies. As a result of that review, it may become necessary to harmonize the combined entity s financial statements to conform those accounting policies that are determined to be more appropriate for the combined entity. The pro forma financial statements do not reflect any potential differences in accounting policies.

(d) Preliminary Purchase Price

Pulte is subject to the terms and conditions of the Merger Agreement unanimously approved by the boards of directors of both Pulte and Centex. Pursuant to the terms and conditions of the Merger Agreement, Pulte will acquire all of the outstanding shares of Centex common stock at the fixed exchange ratio of 0.975 shares of Pulte common stock for each share of Centex common stock. In addition, each restricted share of Centex common stock and restricted stock unit with respect to Centex common stock granted under Centex s employee and director stock plans will vest and be converted per the exchange ratio into Pulte common stock or units with respect to Pulte common stock. Each outstanding vested and unvested Centex stock option granted under Centex s employee and director stock plans will be converted into a vested option to purchase shares of Pulte common stock, with adjustments to reflect the exchange ratio. The Merger Agreement requires that, with respect to Centex stock options that were granted with an exercise price less than $40.00 per share, the terms of the converted, vested options to purchase shares of Pulte common stock provide that, if the holder of the option experiences a severance-qualifying termination of employment during the two-year period following the completion of the merger, the stock option will remain exercisable until the later of (1) the third anniversary of the date of the termination of employment and (2) the date on which the option would cease to be exercisable in accordance with its terms (or, in either case, if earlier, the expiration of the scheduled term of the option). This provision will result in incremental expense in the post-merger period. The valuation of the incremental fair value attributable to this change in exercise period has not been performed and thus has not been reflected in the pro forma financial statements. The Merger Agreement also provides that each outstanding Centex performance unit award granted under Centex s employee and director stock plans will vest and be converted into the right to receive an amount in cash equal to the fair market value of a share of Centex common stock on the day immediately prior to the completion of the merger, multiplied by the number of shares of Centex common stock subject to such award (assuming the achievement of all applicable performance goals at target levels). For purposes of the pro forma financial statements, the purchase price was computed using Centex s publicly available information and reflects the market value of Pulte common stock to be issued in connection with the merger based on Pulte s common stock closing price of $11.86 per share on April 29, 2009, the most recent full trading day for which inclusion in the

pro forma financial statements was practical. Based on these assumptions, the purchase price is estimated to be $1.5 billion, which includes the issuance of Pulte common stock for the immediate vesting and conversion of unvested restricted stock and restricted stock units and the conversion of vested and unvested Centex stock

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options into options to purchase Pulte common stock described below. The purchase price as of December 31, 2008 is calculated as follows:

		December 31, 2008 (amounts in thousands, except ratio and per share data)
Centex shares of common stock outstanding (including restricted stock) as of December 31, 2008		124,317
Centex restricted stock units outstanding as of December 31, 2008		505
Total Centex shares to be acquired		124,822
Exchange ratio		0.975
Number of shares of Pulte common stock to be issued in exchange		121,702
Assumed closing price per share of Pulte common stock, as of April 29, 2009	$	11.86
Consideration attributable to common stock		1,443,383
Consideration attributable to Pulte stock options in exchange for Centex stock options		10,792
Total purchase price	$	1,454,175

Purchase Price Sensitivity The pro forma financial statements reflect the closing share price of Pulte s common stock on April 29, 2009; however, the actual purchase price will fluctuate with the market price of Pulte s common stock until the merger is completed, and as a result, the final purchase price could differ significantly from the current estimate, which could materially impact these pro forma financial statements. The resulting sensitivity of the purchase price due to changes in the price of Pulte common stock are illustrated below:

Sensitivity of the Purchase Price to Changes in Pulte s Share Price
(amounts in thousands, except ratio and per share data)

Pulte Common Stock	Per Share Price of Pulte Common Stock at Closing	Exchange Ratio	Calculated Per Share Value of Centex Common Stock	Total Centex Shares to be Acquired	Fair Value of Stock Options	Calculated Purchase Price
As of April 29, 2009	$ 11.86	0.975	$ 11.56	124,822	$ 10,792	$ 1,454,175
Down 10%	$ 10.67	0.975	$ 10.40	124,822	$ 8,595	$ 1,307,640

Up 10%	$ 13.05	0.975	$ 12.72	124,822	$ 13,210	$ 1,600,932

Centex Pre-Merger Transactions

Centex transaction costs Centex estimates that its expenses for this transaction will be approximately $25.0 million, which will be reflected as an expense in Centex s pre-merger historical consolidated financial statements in the period the expense is incurred. These costs include fees for investment banking services, legal, accounting, due diligence, tax, valuation, printing and other various services necessary to complete the transaction. These estimated expenses of Centex are reflected in the pro forma balance sheet as of December 31, 2008 as a reduction to cash of $25.0 million and a charge to shareholders equity of $25.0 million. This adjustment has also been reflected as a decrease in the net assets of Centex in the application of acquisition accounting.

Centex change in control payments Certain members of Centex s management have entered into incentive plan agreements with Centex that require a cash payment upon a change in control. In addition, under the terms of the performance unit plan, upon a change in control, all of the outstanding performance

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units will vest and be converted into the right to receive an amount of cash equal to the product of (1) the total number of shares subject to such performance units and (2) the fair value of Centex common stock just prior to the date of completion of the merger. The change in control cash payments have been reflected as a one-time adjustment to the pro forma balance sheet as of December 31, 2008 as a reduction to cash of $18.0 million, a reduction of accrued expenses of $4.3 million and a charge to shareholders equity of $13.7 million. This adjustment has also been reflected as a decrease in the net assets of Centex in the application of acquisition accounting.

Centex restricted stock, restricted stock units and stock options For purposes of estimating the purchase price, Pulte has assumed that at the date on which the merger is completed, 100% of the unvested restricted stock, unvested restricted stock units and unvested stock options granted by Centex will vest and be exchanged for Pulte common stock and Pulte common stock options, respectively, with adjustments reflecting the exchange ratio. The vesting of the restricted stock, restricted stock units and stock options upon the change in control will result in accelerated compensation expense for Centex of approximately $32.0 million. This estimated expense is not reflected in the pro forma financial statements at December 31, 2008 as it has no impact on Centex s net assets.

Estimate of Assets to be Acquired and Liabilities to be Assumed

The following is a preliminary estimate of the assets to be acquired and the liabilities to be assumed by Pulte in the merger, reconciled to the estimate of consideration expected to be transferred:

		December 31, 2008 (amounts in thousands)
Book value of net assets acquired at December 31, 2008	**$**	**1,314,603**
Adjusted for:		
Centex transaction costs		(25,000)
Centex change in control payments (cash of $17,987 net of accrued liabilities of $4,321)		(13,666)
Elimination of pre-existing debt issue costs		(16,000)
Elimination of existing goodwill		(9,933)
Adjusted book value of net assets acquired		**1,250,004**
Adjustments to:		
House and land inventory		(900,000)
Tradenames		110,000
Backlog		8,000
Debt		815,000
Excess purchase price (goodwill)		171,171
Total purchase price	**$**	**1,454,175**

Pulte has not yet finalized its detailed valuation analyses necessary to determine the fair value of the Centex assets to be acquired and liabilities to be assumed and the related allocations of purchase price. For the purposes of the pro forma financial statements, Pulte has made a preliminary estimate of the fair value for certain of the assets and

liabilities for which sufficient information was available. These items include inventory, tradenames, backlog, and senior notes, and their estimated fair values have been based on the following methodology:

House and Land Inventory: Pulte determined the fair value of inventory primarily using a discounted cash flow model. These estimated cash flows are significantly impacted by estimates related to expected

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average selling prices and sales incentives, expected sales paces and cancellation rates, expected land development and construction timelines, and anticipated land development, construction, and overhead costs. Such estimates must be made for each individual community and may vary significantly between communities. Due to uncertainties in the estimation process, the significant volatility in demand for new housing, and the long life cycles of many communities, actual results could differ significantly from such estimates. Pulte s determination of fair value also requires discounting the estimated cash flows at a rate commensurate with the inherent risks associated with each of the assets and related estimated cash flow streams. The discount rate used in determining each community s fair value depends on the stage of development of the community and other specific factors that increase or decrease the inherent risks associated with the community s cash flow streams. For example, communities that are entitled and near completion will generally require a lower discount rate than communities that are not entitled and consist of multiple phases spanning several years of development and construction activity.

The decrease in fair value of Centex inventory at December 31, 2008 relates to land, which was not impaired in the historical reporting of Centex as of December 31, 2008 primarily because the undiscounted cash flows were sufficient to recover the asset value and therefore, under Statement of Financial Accounting Standards No. 144, *Accounting for the Impairment or Disposal of Long Lived Assets*, which we refer to as SFAS 144, did not require the assets to be measured at fair value. Applying a discount rate to these cash flows results in a decrease in value due to the holding period of the asset.

Due to the significant volatility in demand for new housing that has existed in recent years and the significant uncertainty that currently exists in the U.S. economy and financial markets, the fair value of inventory to be acquired in the merger may fluctuate significantly between December 31, 2008 and the final completion of the merger.

No adjustments have been made to the pro forma statement of operations to remove inventory impairments taken by Centex over the period. As discussed above, determining the fair value of inventory in the homebuilding industry is complicated and relies significantly on management judgments and estimates regarding future market conditions and the operating performance of individual communities over extended periods, which can range to over ten years. While Pulte has estimated the fair value of inventory at December 31, 2008, insufficient information is available to perform a similar valuation as of January 1, 2008. Additionally, any pro forma presentation of cost of sales would require removing the inventory impairments taken by Centex over the period, which were significant, performing pro forma inventory impairment analyses at different points in time during 2008, and then determining the impact of each of the above on the average per lost cost attributable to units sold during 2008. Because Centex s inventory impairment analyses involve both undiscounted and fair value analyses as required by SFAS 144, any such pro forma impairment analyses would be complex and influenced by market conditions and management s judgments and estimates. Given the significant volatility in the demand for new housing and in both Pulte s and Centex s historical and expected future operating results, such a presentation in the pro forma statement of operations may not be indicative of future operating results.

Tradenames: The fair value of tradenames was estimated using a relief-from-royalty approach. The underlying premise of this method is that the economic value of the asset is directly related to the amount and timing of the future net cash flows resulting from the asset. A hypothetical construct is used to represent what a firm would be willing to pay, in the form of a royalty fee, for example, to continue to use the asset in business operations if the firm no longer had legal ownership of the asset. Since ownership of the asset relieves the business from being required to make these payments, financial results are improved to the extent the royalty payments are

avoided. The hypothetical royalties are discounted to present value and are adjusted for the present value of the hypothetical tax

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amortization benefit to arrive at the indication of the asset s fair value. The hypothetical royalties are estimated based on market participant assumptions and the discount rate utilized for calculating present value represents a risk-adjusted discount rate.

Backlog: The fair value of the backlog was estimated using an excess earnings method. The principle behind this method is that the value of an intangible asset is equal to the present value of the incremental after-tax cash flows attributable only to the subject intangible asset. The incremental after-tax cash flows attributable to the subject intangible asset are then discounted to their present value (after accounting for charges on contributory assets) and are adjusted for the present value of the tax amortization benefit to arrive at the indication of the asset s fair value. The discount rate utilized for calculating present value represents a risk-adjusted discount rate, and the charges for contributory assets are based on either the after-tax royalty rate for the asset or the fair values of the assets and their risk-adjusted discount rates. No adjustments have been made to the pro forma statement of operations for the fair value adjustments made to backlog as these adjustments are not expected to have an on-going impact on the results of operations beyond twelve months.

Senior Notes: The fair value of Centex s senior notes was estimated using a market approach. The market approach is used to estimate fair value through the analysis of recent sales of comparable liabilities with matching terms. Certain types of liabilities, such as the senior notes, trade in active secondary markets. As such, sale price information is readily available for a comparative analysis with the subject liabilities.

Fair Value Sensitivity Analysis for Senior Notes: The following analysis presents the sensitivity of the market value of Centex s senior notes to hypothetical changes in interest rates as if these changes occurred at December 31, 2008. The ranges of changes chosen for this analysis reflect Pulte s view of changes which are reasonably possible through the expected date of completion of the merger. The table below captures the potential change in the fair value of debt to isolated hypothetical movements in market values.

	As of December 31, 2008 (amounts in thousands)
Estimated fair value of senior notes at December 31, 2008	$ 2,288,594
Impact of a 10% change in fair value	228,859
Impact of a 15% change in fair value	343,289

As of March 31, 2009, the fair value of the senior notes approximated $2.6 billion as compared with the fair value of approximately $2.3 billion at December 31, 2008 reflected in the above table and in the pro forma financial statements. The fair value of the senior notes may continue to fluctuate significantly through the date of completion of the merger based on changes in interest rates and the market s expectations regarding Pulte s intentions to retire certain series of Centex s senior notes.

The carrying values of current assets and liabilities, such as cash, trade receivables, accounts payable and certain accrued liabilities, approximate fair value.

For certain other acquired assets and assumed liabilities, including land option agreements, lease contracts, non-compete agreements, investments in joint ventures, property and equipment, mortgage loans, and contingent liabilities, Pulte has assumed that the carrying value approximates fair value, with the remaining unallocated purchase price being characterized as excess purchase price (goodwill). Once Pulte finalizes its purchase price allocation, these assumptions may change and estimates of fair values may change. Additionally, Pulte may identify adjustments to the pro forma statements of operations, for example, due to additional depreciation of property and equipment or amortization of identified intangibles assets, or may identify additional tangible or intangible assets or liabilities that have not been included on the pro forma balance sheet, all of which could have a material impact on the pro forma financial statements.

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The merger is reflected in the pro forma balance sheet as follows:

the reduction of Centex s pre-merger net assets for transaction costs resulting in a $25.0 million reduction in cash, change in control payments resulting in a $18.0 million reduction in cash and a $4.3 million reduction in accrued and other liabilities;

the allocation of fair value for assets and liabilities resulting in a decrease of $900.0 million of house and land inventory, an increase of $110.0 million of tradenames, an increase of $8.0 million of backlog, a decrease of $16.0 million of capitalized debt issuance costs, a decrease of $815.0 million of senior notes and a decrease of $9.9 million for the elimination of Centex existing goodwill;

the excess purchase price over the book value of the assets acquired and liabilities assumed, which has not been allocated of $171.2 million is reflected as an asset (goodwill);

the issuance of 121.7 million shares of Pulte common stock, which increases shareholders equity by $1,443.4 million;

the issuance of Pulte stock options, which increases shareholders equity by $10.8 million; and

the acquisition and cancellation of Centex s common stock and elimination of Centex equity, which reduces shareholders equity by $1,314.6 million.

The merger is reflected in the pro forma statement of operations as follows:

an increase of $5.5 million in amortization expense related to the amortization of acquired tradenames over the estimated useful life of 20 years; and

an increase of $293.0 million in interest expense related to the accretion of the fair value adjustment of senior notes to their value at maturity.

(e) Pulte Transaction Costs

Pulte estimates that its expenses for this transaction will be approximately $20.0 million, which will be reflected as an expense of Pulte in the period the expense is incurred. These costs include fees for investment banking services, legal, accounting, due diligence, tax, valuation, printing and other various services necessary to complete the transaction. These estimated expenses of Pulte are reflected in the pro forma balance sheet as of December 31, 2008 as a reduction to cash of $20.0 million and a charge to retained earnings of $20.0 million.

The Merger Agreement also provides for certain termination rights that may result in either Pulte or Centex paying a termination fee. The pro forma financial statements have been prepared under the assumption that the merger will be completed and reflect an estimate of those costs to be incurred by each company in connection with the merger. The pro forma financial statements do not reflect any potential termination fees that could be required if the merger was not completed.

(f) Severance Payments

Certain of Centex s executive officers have entered into agreements with Centex that require cash payments upon termination of employment under certain circumstances. The combined company expects to incur a severance cost relating to certain senior executive positions at Centex. These severance cash payments have been reflected as a one-time adjustment to the pro forma balance sheet as of December 31, 2008 as a reduction to cash of $9.3 million and a charge to retained earnings of $9.3 million.

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(g) Entities of Common Ownership Between Pulte and Centex

Pulte and Centex have common ownership in two land development joint ventures which historically have been reflected in each company s respective historical consolidated financial statements under the equity method. Upon completion of the merger, the combined entity will hold greater than 50% ownership in both of these joint ventures. The pro forma financial statements have been adjusted to present the two joint ventures historically accounted for as equity method investments as consolidated subsidiaries, resulting in the following adjustments to the pro forma balance sheet:

		Adjustments (amounts in thousands)
BALANCE SHEET (As of December 31, 2008)		
Investments in unconsolidated entities	$	(181,101)
Cash		5,177
House and land inventory		205,466
Other assets		41,276
Total adjustments to assets		70,818
Accounts payable		2,349
Accrued and other liabilities		68,469
Total adjustments to liabilities and shareholders equity	$	70,818

Both of these joint ventures represent land development agreements between Pulte and Centex that had only minimal expenses. Accordingly, the pro forma statement of operations does not reflect the impact of consolidating these entities. There were no other material transactions between Pulte and Centex during the periods presented in the pro forma financial statements that would need to be eliminated or otherwise adjusted.

(h) Income Taxes

During 2008, Pulte and Centex recognized tax benefits related to NOL carryback claims. As of December 31, 2008, both Pulte and Centex reported a valuation allowance in their historical consolidated financial statements in regards to future tax benefits. No pro forma tax adjustments have been reflected in the pro forma financial statements as the adjustments would require an immediate reassessment of the valuation allowance, which would result in an offsetting change in the valuation allowance eliminating any tax impact on the pro forma balance sheet and pro forma statement of operations. In addition, Centex has recorded provisions for uncertain tax positions. In accordance with SFAS 141(R), income taxes are an exception to both the recognition and fair value measurement principles; they continue to be accounted for under the guidance of Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes.*

(i) Net Loss Per Share Attributable to Pulte

The unaudited pro forma net loss per share attributable to Pulte is calculated based on the assumed exchange of all outstanding Centex common stock for Pulte common stock. This exchange includes the conversion of Centex unvested restricted stock and restricted stock units. The outstanding share information for Centex utilizes the number of common shares outstanding and information related to unvested restricted stock at December 31, 2008. The incremental number of common shares that are assumed to be issued by

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Pulte in the merger are 121.7 million as of January 1, 2008. The weighted average shares outstanding used in the pro forma net loss per share attributable to Pulte calculations for the period are summarized below:

		Year Ended December 31, 2008 (amounts in thousands, except per share data)
Net pro forma loss attributable to Pulte	$	(3,714,326)
Basic and Diluted:		
Pulte weighted average common shares		253,512
Equivalent Centex common shares after exchange		121,702
Pro forma weighted average basic and diluted common shares		375,214
Basic and diluted net loss per common share attributable to Pulte	$	(9.90)

The loss per share for the Centex equivalent period has been calculated by dividing the equivalent loss from continuing operations by the sum of the weighted average stock outstanding for the three months ended March 31, 2008 multiplied by 25% (period outstanding), with the weighted average stock outstanding for the nine months ending December 31, 2008 by 75% (period outstanding).

(j) Common Stock and Preferred Stock

For a summary of the authorized and the issued and outstanding common stock of Centex and Pulte as well as the preferred stock of Pulte, see Description of Pulte Capital Stock beginning on page 98 and Comparison of Stockholder Rights and Corporate Governance Matters beginning on page 103.

(k) Stock Options

Pursuant to the terms and conditions of the Merger Agreement, upon the completion of the merger, vested and unvested Centex stock options will be converted into vested options to purchase shares of Pulte common stock with the same terms and conditions as the applicable Centex stock options, except that (i) the exercise period following certain terminations of employment will be extended for stock options granted with an exercise price less than $40.00 per share and (ii) the number of shares of stock subject to the option and the exercise price will each be adjusted to reflect the exchange ratio. To determine the amount to be included in the purchase consideration, Pulte will value the options to purchase shares of its common stock using the same terms as the Centex stock options being converted. As noted above, certain stock options to purchase shares of Pulte common stock will have a longer exercise period following certain terminations of employment than the original Centex option, which will impact the fair value of the option on the date of completion of the merger. The incremental value by which the fair value of the options to purchase Pulte common stock exceeds the fair value of Centex stock options will be treated as post-merger compensation expense and will be recognized over the implied service period. The valuation of the incremental fair value attributable to this change in exercise period has not been performed and thus has not been reflected in the pro forma financial statements.

At the merger announcement date, the Centex stock options were deep out of the money, which implies that there may be a derived service period because the employee may be required to provide service for some period to obtain value from the award. Therefore, a portion of the fair value of Centex stock options, along with the incremental value by which the fair value of the options to purchase Pulte common stock exceeds the fair value of the Centex stock options, may need to be recognized in the post-merger period over the derived service period. These amounts have not been finalized and thus have not been reflected in the pro forma financial statements. For the purposes of the pro forma financial statements, the entire fair value of Centex stock options has been included in the purchase consideration.

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FINANCIAL FORECASTS

Pulte and Centex are including in this joint proxy statement/prospectus certain financial forecasts that Pulte and Centex shared with one another in the course of their mutual due diligence. The financial forecasts were not prepared with a view toward public disclosure or compliance with published guidelines of the SEC or the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information or GAAP.

The financial forecasts of Pulte and Centex included in this joint proxy statement/prospectus were prepared by, and are the responsibility of, Pulte management and Centex management, respectively. Neither Pulte s nor Centex s independent auditors, nor any other independent auditors, have compiled, examined or performed any procedures with respect to the prospective financial information contained in the financial forecasts, nor have they expressed any opinion or given any form of assurance on the financial forecasts or their achievability. The auditors reports incorporated by reference into this joint proxy statement/prospectus relate to Pulte s and Centex s historical financial information. The auditors reports do not extend to prospective financial information and should not be read to do so. In addition, Pulte s and Centex s financial advisors did not prepare, and assume no responsibility for, the financial forecasts. Furthermore, the financial forecasts:

- necessarily make numerous assumptions, many of which are beyond the control of Pulte and Centex and may not prove to be accurate;
- do not necessarily reflect revised prospects for Pulte s and Centex s businesses, changes in general business or economic conditions, or any other transaction or event that has occurred or that may occur and that was not anticipated at the time the forecasts were prepared;
- are not necessarily indicative of current values or future performance, which may be significantly more favorable or less favorable than as set forth below; and
- should not be regarded as a representation that the financial forecasts will be achieved.

These financial forecasts were prepared by the respective managements of Pulte and Centex based on information they had at the time of preparation and are not a guarantee of future performance. Financial forecasts involve risks, uncertainties and assumptions. The future financial results of Pulte, Centex and, if the merger is completed, the combined company, may materially differ from those expressed in the financial forecasts due to factors that are beyond Pulte s and/or Centex s ability to control or predict. Neither Pulte nor Centex can assure you that their respective financial forecasts will be realized or that their respective future financial results will not materially vary from the financial forecasts. The financial forecasts cover multiple years and such information by its nature becomes subject to greater uncertainty with each successive year. The financial forecasts do not take into account any circumstances or events occurring after the date they were prepared. Pulte and Centex do not intend to update or revise the financial forecasts.

The financial forecasts are forward-looking statements. For more information on factors which may cause Pulte s and Centex s future financial results to materially vary from those projected in the financial forecasts, see Cautionary Statement Concerning Forward-Looking Statements beginning on page 23 and Risk Factors beginning on page 17. Pulte s and Centex s management have prepared their respective financial forecasts using accounting policies consistent with their respective annual and interim financial statements, as well as any changes to those policies known to be effective in future periods. The financial forecasts do not reflect the effect of any proposed or other changes in GAAP that may be made in the future. Any such changes could have a material impact to the information shown below.

Pulte Financial Forecasts

Pulte provided two sets of financial forecasts to Centex in the course of their mutual due diligence, which we refer to as the Pulte strategic-case forecast and the Pulte liquidity-case forecast. The Pulte strategic-case forecast was prepared to assist the Pulte board of directors in its evaluation of the strategic rationale for the merger, and the Pulte liquidity-case forecast was prepared to assist the Pulte board of directors in its evaluation

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of the combined company s ability to service its debt obligations in the event of a more sustained downturn in the homebuilding industry. The Pulte liquidity-case forecast primarily reflected more conservative assumptions by Pulte regarding homebuilding revenue growth rates, average home selling prices, inventory turn rates and selling, general and administrative expenses.

Pulte Strategic-Case Forecast

	Projected Fiscal Year Ending December 31,					
	2009	2010	2011	2012	2013	2014
	(In millions)					
Homebuilding Net Sales	$ 3,551	$ 3,477	$ 4,948	$ 5,443	$ 6,094	$ 6,798
Homebuilding EBIT(1)	$ (475)	$ 48	$ 239	$ 395	$ 593	$ 745

Pulte Liquidity-Case Forecast

	Projected Fiscal Year Ending December 31,					
	2009	2010	2011	2012	2013	2014
	(In millions)					
Homebuilding Net Sales	$ 3,551	$ 3,477	$ 4,948	$ 5,443	$ 5,988	$ 6,586
Homebuilding EBIT(1)	$ (473)	$ 48	$ 214	$ 258	$ 310	$ 352
Total Assets	$ 7,031	$ 6,861	$ 6,090	$ 7,466	$ 7,291	$ 6,951
Total Liabilities	$ 4,787	$ 4,745	$ 3,898	$ 3,899	$ 3,600	$ 3,099

(1) Homebuilding EBIT refers to earnings of the homebuilding segment before interest and income taxes. Homebuilding EBIT is not a measure of performance under GAAP and should not be considered as an alternative to operating income or net income as a measure of operating performance or cash flows or as a measure of liquidity.

Centex Financial Forecasts

Centex provided two sets of financial forecasts to Pulte in the course of their mutual due diligence, a base case and a high case. The base case reflected Centex management s assumptions regarding future housing industry conditions, and the high case reflected more optimistic assumptions including with respect to home selling prices and inventory turn rates.

Base Case

	Projected Fiscal Year Ending March 31,					
	2009	2010	2011	2012	2013	2014
	(In millions)					
Homebuilding Revenues	$ 3,639	$ 2,282	$ 2,137	$ 4,053	$ 7,376	$ 8,157
Net Income (Loss)	$ (1,391)	$ 17	$ (142)	$ 169	$ 606	$ 743

Total Assets	$ 5,631	$ 5,349	$ 4,354	$ 4,246	$ 4,734	$ 5,202
Total Liabilities	$ 4,652	$ 4,354	$ 3,500	$ 3,224	$ 3,106	$ 2,831

High Case

	Projected Fiscal Year Ending March 31,					
	2009	**2010**	**2011**	**2012**	**2013**	**2014**
	(In millions)					
Homebuilding Revenues	$ 3,639	$ 2,282	$ 3,434	$ 5,259	$ 7,376	$ 9,516
Net Income (Loss)	$ (1,391)	$ 18.6	$ (171)	$ 320	$ 685	$ 1,183
Total Assets	$ 5,631	$ 5,351	$ 5,116	$ 4,771	$ 4,937	$ 6,103
Total Liabilities	$ 4,652	$ 4,354	$ 4,289	$ 3,625	$ 3,106	$ 3,089

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Adjustments

The Pulte and Centex forecasts were created utilizing different assumptions regarding future housing industry conditions, including homebuilding revenue growth rates, average home selling prices, inventory turn rates, selling, general and administrative expenses and costs of goods sold. Both Pulte s and Centex s managements therefore made adjustments to the financial forecasts provided by the other to reconcile such forecasts with their own assumptions. These adjusted forecasts were presented by Pulte s and Centex s managements to their respective boards of directors, together with the actual forecasts of Pulte and Centex provided by each other during due diligence. The adjustments made by Pulte s and Centex s respective managements are discussed below.

Pulte s Adjustments to the Centex Financial Forecasts

Pulte s management adjusted the Centex base case forecasts provided by Centex s management to create two sets of adjusted Centex financial forecasts, which we refer to as the Centex strategic-case forecasts and the Centex liquidity-case forecasts. The Centex strategic-case forecasts were prepared to assist the Pulte board of directors in its evaluation of the strategic rationale for the merger, and the Centex liquidity-case forecasts were prepared to assist the Pulte board of directors in its evaluation of the combined company s ability to service its debt obligations in the event of a more sustained downturn in the homebuilding industry.

For 2009, Pulte s management estimated Centex s homebuilding revenue and earnings before interest and income taxes on an annualized basis based upon the six-month base case forecasts for 2009 provided by Centex s management. Pulte s management also extended the base case forecasts provided by Centex s management to cover fiscal years 2015 through 2017 to take into account, when combined with internal forecasts for Pulte s business, debt maturities for the combined company through fiscal year 2017. In addition, Pulte s management attributed to Centex s business the cost synergies that it anticipated would result from the merger (not including the projected interest expense savings).

These adjustments resulted in estimated homebuilding revenue and earnings before interest and income taxes in each set of forecasts of $2.5 billion and $66 million, respectively, in 2009, growing in the Centex strategic-case forecasts to $5.5 billion and $773 million, respectively, in 2017 and in the Centex liquidity-case forecasts to $5.3 billion and $305 million, respectively, in 2017.

Centex s Adjustments to the Pulte Financial Forecasts

Centex s management adjusted the Pulte strategic-case forecasts provided by Pulte s management to create one set of adjusted Pulte financial forecasts, which we refer to as the Pulte adjusted-case forecast. The Pulte adjusted-case forecasts were prepared to assist the Centex board of directors in its evaluation of the strategic rationale for the merger, in order to reconcile Pulte s forecasts with Centex s management s assumptions regarding homebuilding revenue growth rates, average home selling prices, inventory turn rates and costs of goods sold. These adjustments resulted in estimated homebuilding revenue and earnings before interest and income taxes of $3.6 billion and $(459) million, respectively, for the fiscal year ending December 31, 2009, growing to $12.7 billion and $1.3 billion, respectively, for the fiscal year ending December 31, 2013.

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DESCRIPTION OF PULTE CAPITAL STOCK

The authorized capital stock of Pulte consists of (1) 400,000,000 shares of common stock, par value $0.01 per share, and (2) 25,000,000 shares of preferred stock, par value $0.01 per share, of which 400,000 have been designated Series A Junior Participating Preferred Shares. If the proposal to approve the charter amendment is approved at the Pulte special meeting, immediately prior to the completion of the merger, Pulte s authorized shares of common stock will increase to 500,000,000. In addition, immediately prior to the completion of the merger, Pulte will increase the total number of authorized shares of its Series A Junior Participating Preferred Stock from 400,000 to 500,000. As of , 2009, shares of common stock and no shares of preferred stock were issued and outstanding.

The following summary description of Pulte s capital stock does not purport to be complete and is qualified in its entirety by reference to Pulte s Restated Articles of Incorporation and by-laws, the Section 382 Rights Agreement, dated as of March 5, 2009, between Pulte and Computershare Trust Company, N.A., as rights agent, and the First Amendment to Section 382 Rights Agreement, dated as of April 7, 2009, between Pulte and Computershare Trust Company, N.A., as rights agent, which we refer to collectively as the Pulte shareholder rights agreement, and the MBCA. If you would like more information on the common stock, preferred stock purchase rights and preferred stock of Pulte, you should review those documents, each of which Pulte has filed or incorporated by reference as an exhibit to filings incorporated by reference into this joint proxy statement/prospectus. See Additional Information Where You Can Find More Information beginning on page 113.

Common Stock

Subject to the prior dividend rights as may be fixed by the Pulte board of directors in creating a new series of preferred stock, holders of Pulte common stock are entitled to receive, from funds legally available therefor, dividends when and as declared by the Pulte board of directors. Holders of Pulte common stock are entitled to one vote for each share on all matters voted on by shareholders, including the election of directors, and do not have any cumulative voting rights. Holders of Pulte common stock do not have any conversion, sinking fund, redemption or preemptive rights. In the event of a dissolution, liquidation or winding up of Pulte, holders of Pulte common stock will be entitled to share ratably in any assets remaining after the satisfaction in full of the prior rights of creditors, including holders of indebtedness, and the aggregate liquidation preference of any preferred stock then outstanding. The outstanding shares of Pulte common stock are, and the shares of Pulte common stock to be issued in the merger will be, fully paid and nonassessable.

Pulte common stock is listed on the NYSE and is traded under the symbol PHM . Pursuant to the Merger Agreement, Pulte will apply to have the shares of Pulte common stock to be issued in the merger approved for listing on the NYSE. Computershare Trust Company, N.A. is the transfer agent and registrar for Pulte s common stock.

Preferred Share Purchase Rights

Each outstanding share of Pulte common stock has, and each share of Pulte common stock that will be issued in the merger will have, attached to it one right, which we refer to in this section as a right, to purchase from Pulte one one-thousandth of a share of Series A Junior Participating Preferred Stock at a purchase price of $50 per right, subject to adjustment, which we refer to in this section as the purchase price.

Until a distribution date, as described below, occurs, the rights are not exercisable and remain attached to, and trade with, the underlying shares of Pulte common stock. Subject to certain exceptions, the rights become exercisable and trade separately from the shares of Pulte common stock only upon the distribution date, which occurs upon the earlier

of:

10 days following a public announcement that a person or group of persons has become an acquiring person (as described below) or such earlier date as a majority of the Pulte board of directors becomes aware of the existence of an acquiring person (the share acquisition date) (unless, prior to the expiration of Pulte s right to redeem the rights, such person or group is determined by the Pulte board

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of directors to be an exempted person (as described below), in which case the share acquisition date will be deemed not to have occurred); or

10 business days (or later date if determined by the Pulte board of directors prior to such time as any person or group becomes an acquiring person) following the commencement of a tender offer or exchange offer which, if completed, would result in a person or group becoming an acquiring person.

As soon as practicable after the distribution date, separate certificates or book-entry statements will be mailed to record holders of Pulte common stock as of the close of business on the distribution date. From and after the distribution date, the separate rights certificates or book-entry statements alone will represent the rights. Except as otherwise provided in the Pulte shareholder rights agreement, only Pulte common stock issued prior to the distribution date will be issued with rights.

An acquiring person is any person, entity or group who, together with its affiliates and associates, is the beneficial owner of 4.9% or more of Pulte securities, but does not include:

Pulte, any subsidiary of Pulte or any employee benefit plan or other compensation arrangement of Pulte or of any subsidiary of Pulte or any entity organized, appointed or established by Pulte or any subsidiary of Pulte for or pursuant to the terms of any such plan or compensation arrangement;

any grandfathered person (as described below);

any exempted person;

William J. Pulte, any spouse of William J. Pulte, any descendant of William J. Pulte and any spouse of such descendant, any estate of any of the foregoing or any trust or other arrangement for the benefit of any of the foregoing or any charitable organization established by any of the foregoing, which we refer to as the Pulte Family;

any group which includes any member or members of the Pulte Family if a majority of the securities of such group are beneficially owned by a member of the Pulte Family;

any person or group who becomes the beneficial owner of 4.9% or more of Pulte securities as a result of an exempted transaction (as described below); or

any person whom or which the Pulte board of directors in good faith determines has inadvertently acquired beneficial ownership of 4.9% or more of Pulte securities, so long as such person promptly enters into, and delivers to Pulte, an irrevocable commitment to divest as promptly as practicable, and thereafter divests as promptly as practicable, a sufficient number of Pulte securities so that such person would no longer be a beneficial owner of 4.9% or more of Pulte securities.

In addition, the Pulte shareholder rights agreement was amended immediately prior to the execution and delivery of the Merger Agreement to provide that an acquiring person does not include Centex or any of its affiliates, associates or stockholders, or the general partners, limited partners or members of such stockholders, which we refer to as the Centex Holders, solely by virtue of or as a result of the transactions contemplated by the Merger Agreement and the voting agreements between Centex and certain of Pulte s directors and officers, unless and until such time with respect to any Centex Holder that such Centex Holder (together with its affiliates and associates) acquires the beneficial ownership of any additional Pulte securities.

A Pulte shareholder who together with its affiliates and associates beneficially owned 4.9% or more of Pulte securities as of March 5, 2009 is deemed not to be an acquiring person, so long as such shareholder does not acquire any additional Pulte securities without the prior written approval of Pulte, other than pursuant to or as a result of (1) a reduction in the amount of Pulte securities outstanding; (2) the exercise of any options, warrants, rights or similar interests to purchase Pulte securities granted by Pulte to its directors, officers and employees; (3) any unilateral grant of any Pulte securities by Pulte or (4) any issuance of Pulte securities by Pulte or any share dividend, share split or similar transaction effected by Pulte in which all holders of Pulte securities are treated equally. Such a shareholder is a grandfathered person for purposes of the Pulte shareholder rights agreement.

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An exempted person is any person, as determined by the Pulte board of directors at any time prior to the time at which the rights are no longer redeemable, whose beneficial ownership would not jeopardize, endanger or limit (in timing or amount) the availability of Pulte s NOL carryforwards and other tax benefits. The Pulte board of directors, in its sole discretion, may subsequently make a contrary determination and such person would then become an acquiring person.

An exempted transaction is a transaction that the Pulte board of directors determines is an exempted transaction and, unlike the determination of an exempted person, such determination is irrevocable.

The rights are not exercisable until the distribution date and, unless earlier redeemed or exchanged by Pulte as described below, will expire upon the earliest of:

the close of business on March 16, 2019;

the close of business on the effective date of the repeal of Section 382 of the Internal Revenue Code or any successor statute if the Pulte board of directors determines that the shareholder rights agreement is no longer necessary or desirable for the preservation of certain tax benefits;

the close of business on the first day of a taxable year to which the Pulte board of directors determines that certain tax benefits may not be carried forward; and

the close of business on the date on which the Pulte board of directors determines that the shareholder rights agreement is no longer in the best interests of Pulte and its shareholders.

If a person or group becomes an acquiring person, which we refer to as a flip-in event, each holder of a right (other than any acquiring person and certain transferees of an acquiring person, whose rights automatically become null and void) will have the right to receive, upon exercise, shares of Pulte common stock having a value equal to two times the exercise price of the right. If an insufficient number of shares of Pulte common stock are available for issuance, then the Pulte board of directors is required to substitute cash, property or other securities of Pulte for the shares of Pulte common stock. The rights may not be exercised following a flip-in event while Pulte has the ability to cause the rights to be redeemed, as described below.

At any time after there is an acquiring person and prior to the acquisition by the acquiring person of 50% or more of the outstanding shares of Pulte common stock, Pulte may exchange the rights (other than rights owned by the acquiring person and certain transferees thereof which will have become void), in whole or in part, at an exchange ratio of one share of Pulte common stock, or one one-thousandth of a share of Pulte preferred stock (or of a share of a class or series of Pulte preferred stock having equivalent rights, preferences and privileges), per right (subject to adjustment).

The exercise price payable, and the number of shares of preferred stock or other securities or property issuable, upon exercise of the rights are subject to adjustment from time to time to prevent dilution. With certain exceptions, no adjustment in the exercise price will be required until cumulative adjustments amount to at least 1% of the exercise price. No fractional shares of preferred stock will be issued, and, in lieu thereof, an adjustment in cash will be made based on the market price of the preferred stock on the last trading day prior to the date of exercise.

In general, Pulte may redeem the rights in whole, but not in part, at a price of $0.001 per right (subject to adjustment and payable in cash, Pulte common stock or other consideration deemed appropriate by the Pulte board of directors) at any time until ten days following the share acquisition date. Immediately upon the action of the Pulte board of directors authorizing any redemption, the rights will terminate, and the only right of the holders of rights will be to receive the redemption price.

Until a right is exercised, its holder will have no rights as a shareholder of Pulte, including, without limitation, the right to vote or to receive dividends.

The terms of the rights may be amended by the Pulte board of directors without the consent of the holders of the rights, including, without limitation, to extend the expiration date of the Pulte shareholder rights agreement and to increase or decrease the purchase price. Once there is an acquiring person, however, no amendment can adversely affect the interests of the holders of the rights.

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Pursuant to the amendment to the Pulte shareholder rights agreement entered into immediately prior to the execution and delivery of the Merger Agreement, neither the Merger Agreement, the voting agreements between Centex and certain of Pulte s directors and officers, nor any of the transactions contemplated thereby will cause the rights to be distributed or to become exercisable, or result in any rights becoming void or require an adjustment to the number or types of securities issuable upon exercise of the rights.

Preferred Shares

The Pulte board of directors is authorized to provide for the issuance from time to time of shares of preferred stock in one or more series and to fix the rights and preferences of any series so established, including the number of shares, dividend rights, redemption, liquidation preferences, voting rights, conversion rights, purchase, retirement or sinking fund provisions, and any other preferences, rights, qualifications, limitations or restrictions.

Transfer Restrictions

Pulte s by-laws impose certain restrictions on the transfer of Pulte securities. In particular, a holder of Pulte securities may not transfer any Pulte securities if such transfer would result in any person or group owning 4.9% or more of Pulte s then-outstanding common stock, which we refer to as a 4.9-percent Shareholder, or if such transfer would increase the percentage ownership interest of a 4.9-percent Shareholder, and any such transfer will void. These transfer restrictions are subject to certain exceptions, including an exception for transfers approved by the Pulte board of directors or a committee thereof, and are applicable to transfers made, or pursuant to agreements entered into, between April 7, 2009 and such date as may be determined by Pulte s board of directors in accordance with Article IX of Pulte s by-laws.

The Pulte board of directors has also approved an amendment to Pulte s Restated Articles of Incorporation, subject to the approval by Pulte shareholders at the 2009 annual meeting scheduled to be held on May 14, 2009, which would impose transfer restrictions similar to those provided in Pulte s by-laws.

Pulte has taken actions necessary to render the transfer restrictions contained in Pulte s by-laws and the proposed amendment to Pulte s Restated Articles of Incorporation described in the previous paragraphs inapplicable to the merger, the Merger Agreement and the transactions contemplated thereby.

Voting Rights

Pulte s Restated Articles of Incorporation provide that the board of directors will be divided into three classes, with each class consisting, as nearly as may be possible, of one-third of the total number of directors. Currently, the Pulte board of directors consists of 11 persons who were elected to three-year terms. Pulte s Restated Articles of Incorporation provide that to the extent holders of preferred stock are given the right, voting separately or by class or series, to elect directors, such directors shall not be divided into the foregoing classes.

Pursuant to the terms of the Merger Agreement, Pulte has agreed to take all actions necessary to cause its board of directors upon completion of the merger to be comprised of eight current Pulte directors and four current Centex directors designated by Centex. Pulte has also agreed to nominate each of these Centex directors at its next annual meeting of shareholders, such that one will be reelected to a term expiring at the second annual meeting following the date of completion of the merger, one will be reelected to a term expiring at the third annual meeting following the date of completion of the merger and two will be reelected to terms expiring at the fourth annual meeting following the date of completion of the merger.

Pulte s Restated Articles of Incorporation require, in addition to any vote required by law, the affirmative vote of the holders of at least 69.3% of the shares voting at a meeting of shareholders in connection with (1) any merger or consolidation of Pulte or any subsidiary with any Interested Shareholder, as defined therein, or any corporation which is, or after the merger or consolidation would be, an Affiliate, as defined therein, of an Interested Shareholder that was an Interested Shareholder prior to the transaction; (2) certain transfers to any Interested Shareholder or Affiliate of an Interested Shareholder, other than Pulte or any of its

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subsidiaries, of any assets of Pulte or any subsidiary having an aggregate book value of 10% or more of Pulte s consolidated net worth; (3) certain transfers by Pulte or any subsidiary of Equity Securities, as defined therein, of Pulte or any subsidiary which have an aggregate market value of 5% or more of the total market value of Pulte s outstanding shares to any Interested Shareholder or Affiliate of an Interested Shareholder, other than Pulte or its subsidiaries (subject to certain exceptions); (4) the adoption of any plan or proposal for Pulte s liquidation or dissolution proposed by or on behalf of an Interested Shareholder or any Affiliate of an Interested Shareholder, (5) any reclassification of securities or recapitalization of Pulte, or any merger, consolidation or share exchange by Pulte with any of its subsidiaries which has the effect of increasing the proportionate amount of the outstanding shares of any class of Equity Securities of Pulte or any subsidiary which is owned by an Interested Shareholder or any Affiliate of an Interested Shareholder (each of the Transactions referred to in clauses (1) through (5), a Business Combination); or (6) any agreement, contract or arrangement providing for one or more of the foregoing. An Interested Shareholder generally includes any beneficial owner of 10% or more of the voting power of Pulte or any of its Affiliates that at any time within the two year period prior to the date in question was the beneficial owner of 10% or more of the voting power of Pulte.

The foregoing supermajority vote is not required if (1) the Pulte board of directors approves such Business Combination and either the Interested Shareholder has been an Interested Shareholder for at least two years prior to the date of such approval or such proposed transaction was approved by the Pulte board of directors prior to the time the Interested Shareholder became an Interested Shareholder or (2) a majority of the outstanding stock of such other corporation is owned by Pulte or its subsidiaries.

The foregoing supermajority provisions may only be amended by the affirmative vote of 69.3% of the shares voting on the proposed amendment at a meeting of shareholders, in addition to any vote otherwise required by law.

Certain Provisions of the Michigan Business Corporation Act

Chapter 7A of the MBCA may affect attempts to acquire control of Pulte. Pursuant to Pulte s Restated Articles of Incorporation, Pulte has expressly elected not to be subject to the provisions of Chapter 7A of the MBCA; however, the Pulte board of directors may terminate this election in whole or in part by action of the majority of directors then in office. Chapter 7A applies to business combinations, defined to include, among other transactions, certain mergers, substantial sales of assets or securities and recapitalizations between covered Michigan business corporations or their subsidiaries and an interested shareholder (generally a beneficial owner of 10% or more of the voting power of the corporation s outstanding voting stock). In general, Chapter 7A requires, for any business combination, an advisory statement from the board of directors, the approval of holders of at least 90% of each class of the shares entitled to vote and the approval of holders of at least two-thirds of such voting shares not held by the interested shareholder, its affiliates and associates. These requirements do not apply, however, where the interested shareholder satisfies certain fair price, form of consideration and other requirements and at least five years have elapsed after the person involved became an interested shareholder. Pulte s board of directors has the power to elect to be subject to Chapter 7A as to specifically identified or unidentified interested shareholders.

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COMPARISON OF STOCKHOLDER RIGHTS AND CORPORATE GOVERNANCE MATTERS

Pulte is incorporated in the State of Michigan and the rights of Pulte shareholders are governed by Michigan law and by Pulte s Restated Articles of Incorporation and by-laws. Centex is incorporated in the State of Nevada and the rights of Centex stockholders are governed by Nevada law and by Centex s Amended and Restated Articles of Incorporation and by-laws. After the merger, stockholders of Centex will become shareholders of Pulte, and their rights will be governed by Michigan law and Pulte s Restated Articles of Incorporation and by-laws.

The following is a summary of the material differences between the rights of Pulte shareholders and the rights of Centex stockholders. Although Pulte and Centex believe that this summary covers the material differences between the two, this summary may not contain all of the information that is important to you. This summary is not intended to be a complete discussion of the respective rights of Pulte shareholders and Centex stockholders, and it is qualified in its entirety by reference to Michigan law, Nevada law, and the various documents of Pulte and Centex referenced in this summary. You should carefully read this entire joint proxy statement/prospectus and the other documents referenced in this joint proxy statement/prospectus for a more complete understanding of the differences between being a shareholder of Pulte and being a stockholder of Centex. Copies of the respective companies constituent documents have been filed with the SEC. To find out where copies of these documents can be obtained, see the section entitled Additional Information Where You Can Find More Information beginning on page 113.

Pulte	Centex
Authorized Capital Stock	
The authorized capital stock of Pulte currently is (1) 400,000,000 shares of common stock, par value $0.01 per share, and (2) 25,000,000 shares of preferred stock, par value $0.01 per share. Because it is a condition to the merger that the proposal to approve the charter amendment is approved by Pulte shareholders, the authorized shares of Pulte common stock upon completion of the merger will be 500,000,000. Pulte s Restated Articles of Incorporation provide that the relative rights, preferences and limitations of preferred stock may be determined by the board of directors without further shareholder approval. In connection with the Pulte shareholder rights agreement, Pulte established a series of preferred stock designated as Series A Junior Participating Preferred Shares, of which 400,000 shares have been authorized. Immediately prior to the completion of the merger Pulte will increase the total number of authorized shares of its Series A Junior Participating Preferred Stock from 400,000 to 500,000. Currently, no Pulte preferred stock is issued or outstanding.	The authorized capital stock of Centex is (1) 300,000,000 shares of common stock, par value $0.25 per share, and (2) 5,000,000 shares of preferred stock, par value to be determined from time to time by the board of directors. Centex s articles of incorporation provide that the relative rights, preferences and limitations of preferred stock may be determined by the board of directors without further stockholder approval. In connection with the Centex stockholder rights agreement, Centex established a series of preferred stock designated as Junior Participating Preferred Stock, Series D, of which 250,000 shares have been authorized. Currently, no Centex preferred stock is issued or outstanding.
Number of Directors; Classified Board; Removal; Vacancies	

Number of Directors. Pulte s Restated Articles of Incorporation provide that the board of directors shall consist of not fewer than three nor more than fifteen directors, the exact number of directors to be determined from time to time by the board of directors. There are currently eleven positions

Number of Directors. Centex s by-laws provide that the board of directors shall consist of not fewer than three nor more than thirteen directors, the exact number of directors to be determined from time to time by the board of directors. There are currently ten

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Pulte	Centex
authorized, and eleven directors serving, on the Pulte board of directors. Immediately following the completion of the merger, there will be twelve positions authorized, and twelve directors serving, on the Pulte board of directors.	positions authorized, and ten directors serving, on the Centex board of directors.
Classified Board. Pulte s Restated Articles of Incorporation provide that the board of directors is to be divided into three classes of directors, with the classes having an equal or near equal number of directors. The directors of each class are entitled to serve for three-year terms.	*Classified Board.* Centex s by-laws provide that the board of directors is to be divided into three classes of directors, with the classes having an equal or near equal number of directors. The directors of each class are entitled to serve for three-year terms.
Removal. Pulte s by-laws provide that a director may be removed with or without cause by the affirmative vote of a majority of the shares entitled to vote at an election of directors.	*Removal.* Centex s by-laws provide that, subject to the rights of any preferred holder, a director may be removed with or without cause by the affirmative vote of the holders of 66- 2/3% or more of the outstanding voting power.
Vacancies. Pulte s Restated Articles of Incorporation provide that vacancies and newly created directorships are filled by a majority of the directors then in office. If the number of directors then in office is less than a quorum, vacancies are filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director.	*Vacancies.* Centex s by-laws provide that, subject to the rights of any preferred holder, vacancies and newly created directorships are filled by a majority of the remaining directors then in office, although less than a quorum, or by a sole remaining director. Any director so appointed must stand for election at the next annual meeting following the director s election.
Shareholder Action by Written Consent	
Pulte s Restated Articles of Incorporation and by-laws permit shareholder action by written consent if signed by holders having not less than the minimum number of votes required to authorize the action at a meeting at which all shares entitled to vote were present and voted.	Centex s articles of incorporation and by- laws prohibit stockholder action by written consent, subject to the rights of any preferred holder that may have a preference over the common stock as to dividends or upon liquidation.
Special Meetings of Shareholders	
Pulte s by-laws provide that special meetings may be called only by the board of directors, the president or the secretary or upon a request in writing by a majority of the board of directors or by the holders of not less than 20% of the outstanding capital stock entitled to vote thereat.	Centex s by-laws provide that special meetings may be called only by the chairman of the board of directors or by a majority of the board of directors.
Amendments to Articles of Incorporation	

Under the MBCA, an amendment to Pulte s Restated Articles of Incorporation must be proposed by the board of directors and approved by (unless the articles provide for a higher voting requirement) the holders of a majority of the outstanding stock entitled to vote upon the proposed amendment and, if any class or series of shares is entitled to vote on the

Under the NRS, an amendment to Centex s articles of incorporation must be proposed by the board of directors and approved by (unless the articles provide for a higher voting requirement) the holders of a majority of the voting power.

Centex s articles of incorporation provide that the provisions of the articles of incorporation related to

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Pulte	Centex
amendment as a class, the approval of a majority of the outstanding shares of that class or series. Pulte s Restated Articles of Incorporation provide that the provisions of the Restated Articles of Incorporation relating to certain business combinations with interested shareholders may only be altered, amended, changed or repealed by the affirmative vote of 69.3% of the shares voting at a meeting of shareholders.	by-law amendments and special meetings may only be amended, altered or repealed by the affirmative vote of the holders of 66-2/3% of the outstanding voting power, and that the provisions of the articles of incorporation related to transactions with interested stockholders may only be amended by the affirmative vote of the holders of 66-2/3% of the outstanding voting power and the affirmative vote of a majority of the outstanding voting power held by disinterested stockholders.
Amendments to By-Laws	
Pulte s by-laws provide that the by-laws may be altered, amended or repealed by the shareholders or by the board of directors. Pulte s shareholders may, from time to time, specify particular provisions of the by- laws that may not be altered, amended or repealed by the board of directors.	Centex s articles of incorporation and by- laws provide that the by-laws may be altered, amended, repealed or rescinded, or new by-laws may be adopted, by the affirmative vote of stockholders holding 66-2/3% or more of the voting power or, except with respect to amendments to the provisions of the by-laws relating to amendments to the by-laws, by the vote of a majority of the entire board of directors.
Notice of Shareholder Nominations and Proposals	
Pulte s by-laws provide that any shareholder entitled to vote in the election of directors generally may nominate one or more persons for election as directors at a meeting if the shareholder provides timely notice of the shareholder s intent to make such nomination. To be timely, the notice must be given to the Secretary not later than 60 days in advance of such meeting. However, if public disclosure of the meeting is made less than 70 days prior to the meeting, the notice need only be received within 10 days following such public disclosure. The notice must contain specific information concerning the person to be nominated as well as specific information concerning the shareholder making the nomination. Pulte s by-laws do not require advance notice of business other than nominations.	Centex s by-laws provide that nominations of persons for election to the board of directors may be made at any annual meeting of stockholders or at a special meeting of stockholders at which directors are to be elected as provided in the notice of meeting (1) by or at the direction of the board of directors or (2) by any stockholder who is entitled to vote and complies with the advance notice procedures set forth in the by-laws. The advance notice procedures of the by-laws require that a stockholder intending to nominate a person for election to the board of directors give timely notice. For an annual meeting, the notice must be delivered to or mailed to and received at the principal executive offices of Centex at least 90 days prior to the first anniversary of the preceding year s annual meeting of stockholders. However, if neither notice of the date of the annual meeting is given nor public disclosure of the date of the meeting is made at least 100 days prior to such anniversary, the stockholder s notice must be received by the later of 90 days prior to such anniversary or the 10th day following the day on which notice was given or public disclosure was made, or, if the annual meeting is

to be held as of a date that is more than 30 days prior to such anniversary, notice must be received by the 10th day following the day on which the date of the annual meeting is disclosed. For a special meeting, the notice

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Pulte	Centex
	must be delivered or mailed and received at the principal executive offices of Centex by the later of 60 days prior to such special meeting or the 10th day following the day on which notice was given or disclosure was made. The notice must contain specific information concerning the person to be nominated and the stockholder making the nomination. Centex s by-laws provide that no business may be transacted at an annual meeting of stockholders, other than business that is (1) specified in the notice of meeting given by or at the direction of the board of directors, (2) otherwise properly brought before the annual meeting by or at the direction of the board of directors or (3) otherwise properly brought before the annual meeting by any stockholder who is entitled to vote and complies with the advance notice procedures set forth in the by-laws. The advance notice procedures of the by-laws require that a stockholder intending to bring business before an annual meeting give timely notice. The notice must be delivered to or mailed to and received at the principal executive offices of Centex at least 90 days prior to the first anniversary of the preceding year s annual meeting of stockholders. However, if neither notice of the date of the annual meeting is given nor public disclosure of the date of the meeting is made at least 100 days prior to such anniversary, the stockholder s notice must be received by the later of 90 days prior to such anniversary or the 10th day following the day on which notice was given or public disclosure was made, or, if the annual meeting is to be held as of a date that is more than 30 days prior to such anniversary, notice must be received by the 10th day following the day on which the date of the annual meeting is disclosed. The notice must contain specific information concerning the matter to be brought before the meeting and the stockholder submitting the proposal.

Limitation of Personal Liability of Directors and Officers

Pulte s Restated Articles of Incorporation provide that a director of Pulte shall not be liable to Pulte or its shareholders for breach of the directors fiduciary duty, with specified exceptions. Any repeal or modification of this provision will be prospective only and will not adversely affect any limitation on personal liability existing at the time of such repeal or modification.

Centex s by-laws provide that a director or officer of Centex shall not be individually liable to Centex or its stockholders or creditors for any damages as a result of any act or failure to act in his or her capacity as a director or officer, with specified exceptions.

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Pulte	Centex
Indemnification of Directors and Officers	
Pulte s by-laws provide that Pulte shall, to the fullest extent permissible under the MBCA, (1) indemnify any person who was, is or is threatened to be made, a party to any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative or investigative) by reason of the fact that such person is or was a director or officer of Pulte, or is or was serving at the request of Pulte as a director, officer, employee or agent of another entity and (2) pay or reimburse the reasonable expenses incurred by such person. Under the MBCA, a corporation may only indemnify an indemnitee if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Indemnification may not be made for a claim, issue, or matter in which the person has been found liable to the corporation, unless a court determines that the person is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, in which case indemnification is limited to reasonable expenses incurred. Pulte s by-laws also provide for the reimbursement of fees and expenses in specified circumstances.	(1) Centex s by-laws provide that Centex must indemnify any current or former officer, director, or designated employee who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, arbitration, alternative dispute resolution, investigation, inquiry, administrative hearing, appeal or any other actual, threatened or completed proceedings with or brought in the right of Centex or otherwise and whether civil, criminal, administrative or investigative in nature, except an action by or in the right of Centex, by reason of the fact that he or she is or was serving or acting as a director, officer, employee or agent of Centex or as a director, manager, officer, trustee, general partner, member, fiduciary, employee or agent of another enterprise. Such indemnification covers expenses (including attorney s fees), judgments, fines and amounts paid in settlement actually and reasonably incurred if the director, officer or designated employee is not liable pursuant to NRS 78.138 or acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of Centex and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. (2) Centex s by-laws provide that Centex must indemnify any current or former officer, director, or designated employee who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of Centex by reason of the fact that he or she is or was serving or acting as a director, officer, employee or agent of Centex or as a director, manager, officer, trustee, general partner, member, fiduciary, employee or agent of another enterprise. Such indemnification covers expenses (including attorney s fees) and amounts paid in settlement thereof, if the director, officer or designated employee is not liable pursuant to NRS 78.138 or acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of Centex. However, no indemnification will be made for any claim, issue or matter as to which the person has been adjudged liable to Centex, unless the court in which such action or suit was brought determines that in view of all the circumstances the person is fairly and reasonably entitled to indemnity for such expenses as

the court deems proper.

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Pulte	Centex
	Centex s by-laws also provide for the reimbursement of fees and expenses in specified circumstances.
	Centex s by-laws provide that indemnification provided in Article VI is not exclusive of any rights to which such indemnitee may be entitled under the law, the articles of incorporation or any agreement, and such indemnification will continue as to a person who has ceased to be a director, officer, employee or agent.
Non-Shareholder Constituency Statute	
The MBCA does not expressly authorize directors, in exercising their duties, to consider the interests of constituencies other than shareholders.	Under Nevada law, directors and officers, in exercising their respective powers to further the interests of the corporation, may consider the interests of the corporation s employees, suppliers, creditors and customers, as well as the economy of the state and the nation; the interests of the community and of society; and the long- and short-term interests of the corporation and its stockholders, including the possibility that these interests may be best served by the continued independence of the corporation.
Transfer Restrictions	
To preserve Pulte s NOL carryforwards and other tax benefits, Pulte s by-laws provide that any attempted transfer of Pulte securities shall be prohibited and void ab initio to the extent that, as a result of such transfer, either (1) any person or persons would own 4.9% or more of Pulte s then-outstanding common shares or (2) the ownership of any person or persons owning 4.9% or more of Pulte s then-outstanding common shares would be increased. In addition, at its 2009 annual meeting, Pulte will seek approval of a proposal to amend its Restated Articles of Incorporation to prohibit any such transfers.	Centex s by-laws and articles of incorporation do not impose any transfer restrictions to preserve Centex s NOL carryforwards and other tax benefits.

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Pulte	Centex
Shareholder Rights Plans	
Pulte is party to a Rights Agreement, by and between Pulte and Computershare Trust Company, N.A., as rights agent, dated as of March 5, 2009, as amended, which we refer to as the Pulte shareholder rights agreement. In connection therewith, the Pulte board of directors declared a dividend distribution of one right for each outstanding common share to shareholders of record at the close of business on March 16, 2009. As long as the rights are attached to Pulte common stock, Pulte will issue one right (subject to adjustment) with each new share of Pulte common stock so that all shares of Pulte common stock will have attached rights.	Centex is party to a Rights Agreement, by and between Centex and Mellon Investor Services LLC, as rights agent, dated as of February 24, 2009, which we refer to as the Centex stockholder rights agreement. In connection therewith, the Centex board of directors declared a dividend of one preferred share purchase right for each outstanding common share to stockholders of record at the close of business on March 6, 2009. As long as the rights are attached to Centex common stock, Centex will issue one right (subject to adjustment) with each new share of Centex common stock so that all shares of Centex common stock will have attached rights.
If a person or group, together with its affiliates and associates, become an acquiring person, defined as the beneficial owner of 4.9% or more of Pulte securities, each holder of a right (other than the person or group who has become the beneficial owner of 4.9% or more of Pulte securities) will have the right to receive, upon exercise, shares of Pulte common stock having a value equal to two times the exercise price of the right. Until a right is exercised, the holder of the right has no right to vote or receive dividends or any other rights as a shareholder as a result of holding the right. The rights trade automatically with shares of Pulte common stock until a distribution date occurs, as described under Description of Pulte Capital Stock Preferred Share Purchase Rights beginning on page 98. Certain persons and transactions are exempted from the definition of acquiring person.	If a person or group, together with its affiliates and associates, become an acquiring person, defined as the beneficial owner of 4.9% or more of Centex securities, each holder of a right (other than the person or group who has become the beneficial owner of 4.9% or more of Centex securities) will have the right to receive, upon exercise, Centex common shares having a value equal to two times the exercise price of the right. Until a right is exercised, the holder of the right has no right to vote or receive dividends or any other rights as a stockholder as a result of holding the right. The rights trade automatically with shares of Centex common stock. Certain persons and transactions are exempted from the definition of acquiring person.
The rights are intended to protect shareholder value by attempting to protect against a possible limitation on Pulte s ability to use its NOL carryforwards and certain other tax benefits to reduce potential future U.S. federal tax obligations.	The rights are intended to protect stockholder value by attempting to protect against a possible limitation on Centex s ability to use its NOL carryforwards and certain other tax benefits to reduce potential future U.S. federal tax obligations.
The description and terms of the rights set forth above is not complete and is qualified in its entirety by reference to the Pulte shareholder rights agreement. Unless redeemed or exchanged, the rights expire on the earliest of (1) March 16, 2019, (2) the repeal of Section 382 of the Internal Revenue Code or a successor statute if the Pulte board of directors determines that the Pulte shareholder rights agreement is no longer necessary for the preservation of	The description and terms of the rights set forth above is not complete and is qualified in its entirety by reference to the Centex stockholder rights agreement. Unless redeemed or exchanged, the rights expire on the earliest of (1) February 24, 2019, (2) the repeal of Section 382 of the Internal Revenue Code or a successor statute if the Centex board of directors determines that the Centex stockholder rights agreement is no longer necessary for the preservation of tax benefits, (3) the beginning of the

tax benefits, (3) the beginning of the taxable year of Pulte to which the Pulte board of directors determines that no tax benefits may be carried forward, and (4) when the Pulte board of directors determines that the Pulte

taxable year of Centex to which the board of directors determines that no tax benefits may be carried forward, and (4) February 24, 2010, if stockholder approval has not been obtained for the Centex stockholder rights agreement.

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Pulte	Centex
shareholder rights agreement is no longer in the best interest in Pulte and its shareholders.	
The Pulte shareholder rights agreement was amended immediately prior to the execution and delivery of the Merger Agreement to render the Pulte rights agreement inapplicable to the Merger Agreement and the voting agreements between Centex and certain directors and officers of Pulte.	
Anti-Takeover Provisions	
Restrictions on Business Combinations. Pulte s Restated Articles of Incorporation require the affirmative vote of not less than 69.3% of the shares voting to approve the following transactions:	*Restrictions on Business Combinations.* Centex s articles of incorporation require the affirmative vote of not less than 66-2/3% of the outstanding voting power to approve the following transactions:
a merger or consolidation with a shareholder owning 10% or more of the voting power, which we refer to as a Pulte 10% interested shareholder;	a merger or consolidation with a stockholder owning 20% or more of the voting power, which we refer to as a Centex 20% interested stockholder;
any sale, lease, transfer or other distributions, except in the usual course of business, to any Pulte 10% interested shareholder;	any sale, lease, transfer, dividend or distribution, except for pro rata distributions, to, with or from a Centex 20% interested stockholder;
the issuance or transfer to any Pulte 10% interested shareholder of Pulte securities having an aggregate market value of 5% or more of the total market value of the outstanding shares of Pulte;	the issuance or transfer to any Centex 20% interested stockholder of Centex securities having an aggregate fair market value of $40 million or more;
the adoption of any plan or proposal for the liquidation or dissolution of Pulte proposed by or on behalf of a Pulte 10% interested shareholder;	the adoption of any plan or proposal for the liquidation or dissolution of Centex proposed by or on behalf of a Centex 20% interested stockholder;
any reclassification, recapitalization or reorganization which increases the Pulte 10% interested shareholder s proportionate share of Pulte s outstanding securities; or	any reclassification, recapitalization or reorganization which increases the Centex 20% interested stockholder s proportionate share of Centex s outstanding securities; or
any agreement providing for one or more of the foregoing.	any agreement providing for one or more of the foregoing.
The 69.3% requirement will not apply if (1) the transaction is approved by the board of directors and the Pulte 10% interested shareholder shall have been a Pulte 10% interested shareholder for at least two years; (2) the	The 66-2/3% requirement will not apply if the transaction is approved by a majority of the disinterested directors or the transaction satisfies certain fair price requirements.

transaction is approved by the board of directors prior to the time the Pulte 10% interested shareholder became a Pulte 10% interested shareholder; or (3) the transaction is approved by a majority of the outstanding shares.

In addition, Chapter 7A of the MBCA generally prohibits any business combination with a Pulte 10% interested shareholder, unless approved by (1) 90% of the votes of each class of stock entitled to vote and (2) two-thirds of the votes of each class of stock

In addition, Sections 78.411 to 78.444 of the NRS restrict certain business combinations with a shareholder owning 10% or more of the voting power, which we refer to as a Centex 10% interested stockholder, for three years unless the transaction resulting in a person becoming a Centex 10% interested stockholder, or the business combination, is approved by the board of directors prior to that person becoming a Centex 10% interested stockholder. After the three-year restricted period, the

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Pulte	Centex
entitled to be cast by the shareholders other than the Pulte 10% interested shareholder. Pulte has elected not to be subject to Chapter 7A of the MBCA.	Centex 10% interested stockholder may effect a business combination if the combination is approved by a majority of the outstanding voting stock not beneficially owned by the Centex 10% interested stockholder or if certain fair price requirements are met. *Control Share Acquisitions.* Sections 78.378 through 78.3793 of the NRS limit the voting rights of certain acquired shares in a corporation. The provisions apply to any acquisition of outstanding voting securities of a Nevada corporation that has 200 or more stockholders, at least 100 of which are Nevada residents and that conducts business in Nevada, resulting in ownership of one of the following categories of such corporation s voting securities: (1) twenty percent or more but less than thirty-three percent; (2) thirty-three percent or more but less than fifty percent; or (3) fifty percent or more. The securities acquired in such acquisition are denied voting rights unless the holders of a majority of the voting power of the corporation approve the granting of such voting rights. In addition, if the control shares are accorded voting power representing a majority or more of all the voting power, all stockholders other than the owner of the control shares may have their shares repurchased by the corporation at fair value.

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ADDITIONAL INFORMATION

Stockholder Proposals

Pulte

Pulte held its 2008 annual meeting of shareholders on May 15, 2008. Pulte plans to hold its 2009 annual meeting of shareholders on May 14, 2009. The deadline for submitting a shareholder proposal to Pulte for inclusion in the Pulte proxy statement and form of proxy pursuant to Rule 14a-8 under the Exchange Act for the Pulte 2009 annual meeting of shareholders was December 8, 2008. Shareholder proposals that are intended to be presented at Pulte s 2009 annual meeting, but that are not intended to be considered for inclusion in Pulte s proxy statement and proxy related to that meeting, must have been received by February 21, 2009. Any nominations must have provided the information required by Pulte s by-laws and comply with any applicable laws and regulations.

Pulte s by-laws limit the business that may be transacted at a special meeting of shareholders to matters germane to the purpose or purposes for which the special meeting was called. Accordingly, Pulte s shareholders may not submit other proposals for consideration at the special meeting.

All submissions should be made to the corporate secretary at Pulte s principal offices at 100 Bloomfield Hills Parkway, Suite 300, Bloomfield Hills, Michigan 48304.

Centex

Centex held its 2008 annual meeting on July 10, 2008. Centex plans to hold an annual meeting in 2009 only if the merger is not completed. The deadline for submitting a stockholder proposal to Centex for inclusion in the Centex proxy statement and form of proxy pursuant to Rule 14a-8 under the Exchange Act for the Centex 2009 annual meeting of stockholders was February 6, 2009. Stockholder proposals that are intended to presented at Centex s 2009 annual meeting, but that are not intended to be considered for inclusion in Centex s proxy statement and proxy related to that meeting, must have been received by April 11, 2009. Any nominations must have provided the information required by Centex s by-laws and comply with any applicable laws and regulations.

Centex s by-laws limit the business that may be transacted at a special meeting of stockholders to matters specified in the notice of meeting. Accordingly, Centex s stockholders may not submit other proposals for consideration at the special meeting.

All submissions should be made to the corporate secretary at Centex s principal offices at 2728 N. Harwood Street, Dallas, Texas 75201.

Legal Matters

The validity of Pulte common stock offered by this joint proxy statement/prospectus is being passed upon for Pulte by Sidley Austin LLP, Chicago, Illinois.

Experts

The consolidated financial statements of Pulte Homes, Inc. appearing in Pulte Homes, Inc. s Annual Report (Form 10-K) for the year ended December 31, 2008 and the effectiveness of Pulte Homes, Inc. s internal control over

financial reporting as of December 31, 2008 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated by reference into this joint proxy statement/prospectus. Such consolidated financial statements are incorporated by reference into this joint proxy statement/prospectus in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of Centex Corporation appearing in Centex Corporation s Annual Report (Form 10-K) for the year ended March 31, 2008 and the effectiveness of Centex Corporation s internal control over financial reporting as of March 31, 2008 have been audited by Ernst & Young LLP, independent

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registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated by reference into this joint proxy statement/prospectus. Such consolidated financial statements are incorporated by reference into this joint proxy statement/prospectus in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

Where You Can Find More Information

Pulte and Centex file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy these reports, statements or other information filed by either Pulte or Centex at the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. The SEC filings of Pulte and Centex are also available to the public from commercial document retrieval services and at the website maintained by the SEC at http://*www.sec.gov*.

Pulte has filed a registration statement on Form S-4 to register with the SEC the Pulte common stock to be issued to Centex stockholders in the merger. This joint proxy statement/prospectus is a part of that registration statement and constitutes a prospectus of Pulte, in addition to being a proxy statement of Pulte and Centex for their respective special meetings. The registration statement, including the attached annexes, exhibits and schedules, contains additional relevant information about Pulte, Pulte common stock and Centex. As allowed by SEC rules, this joint proxy statement/prospectus does not contain all the information you can find in the registration statement or the exhibits to the registration statement.

The SEC allows Pulte and Centex to incorporate by reference information into this joint proxy statement/prospectus. This means that Pulte and Centex can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be a part of this joint proxy statement/prospectus, except for any information that is superseded by information that is included directly in this joint proxy statement/prospectus or incorporated by reference subsequent to the date of this joint proxy statement/prospectus. Neither Pulte nor Centex is incorporating the contents of the websites of the SEC, Pulte, Centex or any other entity into this joint proxy statement/prospectus. Pulte and Centex are providing information about how you can obtain documents that are incorporated by reference into this joint proxy statement/prospectus at these websites only for your convenience.

This joint proxy statement/prospectus incorporates by reference the documents listed below that Pulte and Centex have previously filed with the SEC. They contain important information about Pulte and Centex and their financial conditions. The following documents, which were filed by Pulte with the SEC, are incorporated by reference into this joint proxy statement/prospectus:

annual report of Pulte on Form 10-K for the fiscal year ended December 31, 2008, filed with the SEC on February 26, 2009;

proxy statement of Pulte on Schedule 14A, dated April 7, 2009, filed with the SEC on April 7, 2009, as supplemented by the definitive additional materials of Pulte filed with the SEC on April 14, 2009;

current reports of Pulte on Form 8-K, dated February 4, 2009, February 9, 2009, March 5, 2009, April 7, 2009 and April 7, 2009 (other than with respect to information furnished under Items 2.02 and 7.01 of any Current Report on Form 8-K, including the related exhibits under Item 9.01); and

description of Pulte Series A Junior Participating Preferred Share Purchase Rights contained in its registration statement on Form 8-A filed with the SEC on March 6, 2009, as amended and supplemented by Amendment No. 1 to such registration statement filed with the SEC on April 20, 2009.

The following documents, which were filed by Centex with the SEC, are incorporated by reference into this joint proxy statement/prospectus:

- annual report of Centex on Form 10-K for the fiscal year ended March 31, 2008, filed with the SEC on May 23, 2008;

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proxy statement of Centex on Schedule 14A, dated June 6, 2008, filed with the SEC on June 6, 2008;

quarterly report of Centex on Form 10-Q for the quarterly period ended December 31, 2008, filed with the SEC on February 4, 2009;

quarterly report of Centex on Form 10-Q for the quarterly period ended September 30, 2008, filed with the SEC on November 5, 2008;

quarterly report of Centex on Form 10-Q for the quarterly period ended June 30, 2008, filed with the SEC on August 5, 2008;

current report of Centex on Form 8-K, dated April 30, 2008, May 7, 2008, May 19, 2008, July 9, 2008, July 29, 2008, September 30, 2008, October 8, 2008, October 28, 2008, January 23, 2009, February 3, 2009, February 13, 2009, February 24, 2009, March 13, 2009, March 31, 2009, April 7, 2009 and April 10, 2009 (other than with respect to information furnished under Items 2.02 and 7.01 of any Current Report on Form 8-K, including the related exhibits under Item 9.01);

description of the Centex common stock contained in its registration statement on Form S-3, dated November 6, 2008, including any amendments and reports filed for the purpose of updating such description; and

description of Centex Preferred Stock Purchase Rights contained in its registration statement on Form 8-A filed with the SEC on February 25, 2009.

In addition, Pulte and Centex incorporate by reference additional documents that either may file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act between the date of this joint proxy statement/prospectus and the date of the Pulte and Centex special meetings, respectively. These documents include periodic reports, such as annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, excluding any information furnished pursuant to Items 2.02 and 7.01 of any current report on Form 8-K solely for purposes of satisfying the requirements of Regulation FD or Regulation G under the Exchange Act, as well as proxy statements.

Pulte and Centex also incorporate by reference the Merger Agreement attached to this joint proxy statement/prospectus as Annex A.

Pulte has supplied all information contained in or incorporated by reference into this joint proxy statement/prospectus relating to Pulte, and Centex has supplied all information contained in or incorporated by reference into this joint proxy statement/prospectus relating to Centex.

You can obtain any of the documents incorporated by reference into this joint proxy statement/prospectus from Pulte or Centex, as applicable, or from the SEC, through the SEC s website at *www.sec.gov*. Documents incorporated by reference are available from Pulte and Centex without charge, excluding any exhibits to those documents, unless the exhibit is specifically incorporated by reference as an exhibit in this joint proxy statement/prospectus. Pulte shareholders and Centex stockholders may request a copy of such documents in writing or by telephone by contacting the applicable department at:

Pulte Homes, Inc.
100 Bloomfield Hills Parkway, Suite 300
Bloomfield Hills, Michigan 48304
Attn.: Investor Relations
(248) 647-2750

Centex Corporation
P.O. Box 199000
Dallas, Texas 75219-9000
Attn.: Investor Relations
(214) 981-5000

In addition, you may obtain copies of some of this information by accessing Pulte s website at *www.pulte.com* under the heading Investor Relations, under the link Financials, and then under the link SEC Filings.

You may also obtain copies of some of this information by accessing Centex s website at *www.centex.com* under the heading Investors and then under the link SEC Filings.

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In order for you to receive timely delivery of the documents in advance of the Pulte and Centex special meetings, Pulte or Centex, as applicable, should receive your request no later than five business days before your company s special meeting.

We have not authorized anyone to give any information or make any representation about the merger or our companies that is different from, or in addition to, that contained in this joint proxy statement/prospectus or in any of the materials that we have incorporated into this joint proxy statement/prospectus. Therefore, if anyone does give you information of this kind, you should not rely on it. If you are in a jurisdiction where offers to exchange or sell, or solicitations of offers to exchange or purchase, the securities offered by this joint proxy statement/prospectus or the solicitation of proxies is unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this joint proxy statement/prospectus does not extend to you. The information contained in this joint proxy statement/prospectus is accurate only as of the date of this joint proxy statement/prospectus unless the information specifically indicates that another date applies.

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ANNEX A

EXECUTION COPY

AGREEMENT AND PLAN OF MERGER
by and among
PULTE HOMES, INC.,
PI NEVADA BUILDING COMPANY
and
CENTEX CORPORATION
Dated as of April 7, 2009

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AGREEMENT AND PLAN OF MERGER, dated as of April 7, 2009 (the Agreement), among Pulte Homes, Inc., a Michigan corporation (Parent), Pi Nevada Building Company, a Nevada corporation and a direct wholly owned subsidiary of Parent (Merger Sub) and Centex Corporation, a Nevada corporation (the Company).

WHEREAS, the parties intend that Merger Sub be merged with and into the Company (the Merger), with the Company surviving the Merger as a wholly owned subsidiary of Parent;

WHEREAS, the Board of Directors of the Company (the Company Board) has (a) determined that it is in the best interests of the Company and its stockholders, and declared it advisable, to enter into this Agreement, (b) adopted this Agreement and approved the consummation of the transactions contemplated hereby, including the Merger, upon the terms and subject to the conditions set forth herein and (c) resolved to recommend approval of this Agreement and the transactions contemplated hereby by the stockholders of the Company;

WHEREAS, the Board of Directors of Parent (the Parent Board) has (a) determined that it is in the best interests of Parent and its stockholders, and declared it advisable, to enter into this Agreement, (b) approved the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the Merger, and (c) resolved to recommend to its stockholders approval of the Charter Amendment and the Stock Issuance;

WHEREAS, Parent, as the sole stockholder of Merger Sub, has approved this Agreement and the transactions contemplated hereby, including the Merger;

WHEREAS, as an inducement to the parties entering into this Agreement and incurring the obligations set forth herein, concurrently with the execution and delivery of this Agreement certain of the directors and officers of the Company and Parent are entering into separate Voting Agreements pursuant to which they have agreed to support the Merger upon the terms and conditions set forth therein (collectively, the Voting Agreements);

WHEREAS, for Federal income tax purposes, it is intended that the Merger shall qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code), and that this Agreement will be, and hereby is, adopted as a plan of reorganization; and

WHEREAS, Parent, Merger Sub and the Company desire to make certain representations, warranties, covenants and agreements specified herein in connection with this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and agreements contained herein, and intending to be legally bound hereby, Parent, Merger Sub and the Company agree as follows:

ARTICLE I

THE MERGER

Section 1.1 *The Merger*. At the Effective Time, upon the terms and subject to the conditions set forth in this Agreement and in accordance with the applicable provisions of the Nevada Revised Statutes (the NRS), Merger Sub shall be merged with and into the Company, whereupon the separate corporate existence of Merger Sub shall cease, and the Company shall continue its corporate existence under Nevada law as the surviving corporation in the Merger (the Surviving Corporation) and a direct wholly owned subsidiary of Parent.

Section 1.2 *Closing*. The closing of the Merger (the Closing) shall take place at the offices of Sidley Austin LLP, One South Dearborn, Chicago, Illinois at 10:00 a.m., local time, on a date to be specified by the parties (the Closing

Date) which shall be no later than the second business day after the satisfaction or waiver (to the extent permitted by applicable Law) of the conditions set forth in Article VI (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions), or at such other place, date and time as the Company and Parent may agree in writing.

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Section 1.3 *Effective Time*. On the Closing Date, the Company and Merger Sub shall file the articles of merger (the "Articles of Merger"), executed in accordance with, and containing such information as is required by, the relevant provisions of the NRS with the Secretary of State of the State of Nevada. The Merger shall become effective at such time as the Articles of Merger is duly filed with the Secretary of State of the State of Nevada, or at such later time as is agreed between the parties and specified in the Articles of Merger in accordance with the applicable provisions of the NRS (such date and time is hereinafter referred to as the "Effective Time").

Section 1.4 *Effects of the Merger*. The effects of the Merger shall be as provided in this Agreement and in the applicable provisions of the NRS. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all of the property, rights, privileges, powers and franchises of the Company and Merger Sub shall vest in the Surviving Corporation, and all debts, liabilities and duties of the Company and Merger Sub shall become the debts, liabilities and duties of the Surviving Corporation, all as provided under the NRS.

Section 1.5 *Articles of Incorporation and By-laws of the Surviving Corporation*.

(a) At the Effective Time, the articles of incorporation of Merger Sub as in effect immediately prior to the Effective Time, in the form attached hereto as Exhibit A, shall be the articles of incorporation of the Surviving Corporation until thereafter amended in accordance with the provisions thereof and hereof and applicable Law, in each case consistent with the obligations set forth in Section 5.10; provided, however, that Section 1 of the articles of incorporation of the Surviving Corporation shall be amended in its entirety to read as follows: Name of Corporation: Centex Corporation.

(b) At the Effective Time, the by-laws of Merger Sub as in effect immediately prior to the Effective Time, in the form attached hereto as Exhibit B, shall be the by-laws of the Surviving Corporation until thereafter amended in accordance with the provisions thereof and hereof and applicable Law, in each case consistent with the obligations set forth in Section 5.10.

Section 1.6 *Directors*. Subject to applicable Law, the directors of Merger Sub immediately prior to the Effective Time shall be the initial directors of the Surviving Corporation and shall hold office until their respective successors are duly elected and qualified, or their earlier death, resignation or removal.

Section 1.7 *Officers*. The officers of the Company immediately prior to the Effective Time shall be the initial officers of the Surviving Corporation and shall hold office until their respective successors are duly elected and qualified, or their earlier death, resignation or removal.

ARTICLE II

CONVERSION OF SHARES; EXCHANGE OF CERTIFICATES

Section 2.1 *Effect on Capital Stock*. At the Effective Time, by virtue of the Merger and without any action on the part of the Company, Merger Sub or the holders of any securities of the Company or Merger Sub:

(a) *Conversion of Company Common Stock*. Subject to Sections 2.1(b) and 2.1(d), each issued and outstanding share of common stock, par value $.25 per share, of the Company (together with the preferred share purchase rights granted pursuant to the Company Rights Agreement (the "Company Rights")) outstanding immediately prior to the Effective Time (such shares, collectively, "Company Common Stock," and each, a "Share"), other than any Cancelled Shares shall thereupon be converted automatically into and shall thereafter represent the right to receive 0.975 (the "Exchange Ratio") fully paid and nonassessable shares of common stock, par value $0.01 per share ("Parent Common Stock"), including the preferred share purchase rights granted pursuant to the Parent Rights Agreement (the "Parent Rights"), of Parent (the "Merger Consideration"). All references in this Agreement to Parent Common Stock shall be deemed to

include the associated Parent Rights unless the context requires otherwise. As a result of the Merger, at the Effective Time, each holder of Shares shall cease to have any rights with respect thereto, except the right to receive the Merger Consideration payable in respect of such Shares which are

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issued and outstanding immediately prior to the Effective Time, any cash in lieu of fractional shares of Parent Common Stock payable pursuant to Section 2.1(d) and any dividends or other distributions payable pursuant to Section 2.2(c), all to be issued or paid, without interest, in consideration therefor upon the surrender of such Shares in accordance with Section 2.2(b).

(b) *Cancellation of Shares*. Each Share that is owned by Parent or Merger Sub immediately prior to the Effective Time or held by the Company immediately prior to the Effective Time (in each case, other than any other Shares held on behalf of third parties) (the Cancelled Shares) shall, by virtue of the Merger and without any action on the part of the holder thereof, be cancelled and retired and shall cease to exist, and no consideration shall be delivered in exchange for such cancellation and retirement.

(c) *Conversion of Merger Sub Common Stock*. At the Effective Time, by virtue of the Merger and without any action on the part of the holder thereof, each share of common stock, par value $0.01 per share, of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into and become one validly issued, fully paid and nonassessable share of common stock, par value $0.01 per share, of the Surviving Corporation and shall constitute the only outstanding shares of capital stock of the Surviving Corporation. From and after the Effective Time, all certificates representing the common stock of Merger Sub shall be deemed for all purposes to represent the number of shares of common stock of the Surviving Corporation into which they were converted in accordance with the immediately preceding sentence.

(d) *Fractional Shares*. No fractional shares of Parent Common Stock shall be issued in the Merger, but in lieu thereof each holder of Shares otherwise entitled to a fractional share of Parent Common Stock will be entitled to receive, from the Exchange Agent in accordance with the provisions of this Section 2.1(d), a cash payment in lieu of such fractional share of Parent Common Stock equal to the product obtained by multiplying (A) such fractional share interest to which such holder (after taking into account all fractional share interests then held by such holder, and rounding such fractional share interest to four decimal places) would otherwise be entitled by (B) the per share value calculated as the average of the closing sale prices of one share of Parent Common Stock for the five most recent days that the Parent Common Stock has traded ending on the last full trading day immediately prior to the Effective Time. The parties acknowledge that payment of cash in lieu of fractional shares of Parent Common Stock is solely for the purpose of avoiding the expense and inconvenience to Parent of issuing fractional shares and does not represent separately bargained-for consideration. As promptly as practicable after the determination of the aggregate amount of cash, if any, to be paid to holders of Shares that would otherwise receive fractional shares of Parent Common Stock, the Exchange Agent shall so notify Parent, and Parent shall reasonably promptly thereafter deposit such amount with the Exchange Agent and shall cause the Exchange Agent to forward payments to such holders without interest, subject to and in accordance with the terms of Section 2.2.

(e) *Adjustments to the Exchange Ratio*. If at any time during the period between the date of this Agreement and the Effective Time, any change in the outstanding shares of capital stock of the Company or Parent shall occur as a result of any reclassification, stock split (including a reverse stock split) or combination, exchange or readjustment of shares, or any stock dividend or stock distribution with a record date during such period, the Exchange Ratio, the Merger Consideration and any other similarly dependent items shall be equitably adjusted to reflect such change.

Section 2.2 *Exchange of Shares*.

(a) *Exchange Agent*. Prior to the Effective Time, Parent shall appoint Computershare Trust Company, N.A. or such other exchange agent reasonably acceptable to the Company (the Exchange Agent) for the purpose of exchanging Shares for the Merger Consideration. Prior to the Effective Time, Parent shall deposit, or shall cause to be deposited, with the Exchange Agent, in trust for the benefit of holders of the Shares, the Restricted Shares and Restricted Stock Units, certificates representing the shares of Parent Common Stock issuable pursuant to Sections 2.1(a) and 5.6(a)(ii)

(or appropriate alternative arrangements shall be made by Parent if uncertificated shares of Parent Common Stock will be issued). Following the Effective Time, Parent agrees to make available to the Exchange Agent, from time to time as needed, cash sufficient to pay any

dividends and other distributions pursuant to Section 2.2(c). All certificates representing shares of Parent Common Stock (including the amount of any dividends or other distributions payable with respect thereto pursuant to Section 2.2(c) and cash in lieu of fractional shares of Parent Common Stock to be paid pursuant to Section 2.1(d)) are hereinafter referred to as the Exchange Fund.

(b) *Exchange Procedures*. As soon as reasonably practicable after the Effective Time and in any event not later than the third business day following the Effective Time, Parent shall cause the Exchange Agent to mail to each holder of Shares, which at the Effective Time were converted into the right to receive the Merger Consideration pursuant to Section 2.1, (i) a letter of transmittal (which shall specify that delivery shall be effected, and that risk of loss and title to the Shares shall pass, only upon delivery of the Shares to the Exchange Agent and which shall be in form and substance reasonably satisfactory to Parent and the Company) and (ii) instructions for use in effecting the surrender of the Shares in exchange for certificates representing whole shares of Parent Common Stock (or appropriate alternative arrangements shall be made by Parent if uncertificated shares of Parent Common Stock will be issued), cash in lieu of any fractional shares of Parent Common Stock pursuant to Section 2.1(d) and any dividends or other distributions payable pursuant to Section 2.2(c). Upon surrender of Shares for cancellation to the Exchange Agent, together with such letter of transmittal, duly completed and validly executed in accordance with the instructions thereto, and such other documents as may reasonably be required by the Exchange Agent, the holder of such Shares shall be entitled to receive in exchange therefor that number of whole shares of Parent Common Stock (after taking into account all Shares surrendered by such holder) to which such holder is entitled pursuant to Section 2.1 (which shall be in uncertificated book entry form unless a physical certificate is requested), payment by cash or check in lieu of fractional shares of Parent Common Stock which such holder is entitled to receive pursuant to Section 2.1(d) and any dividends or distributions payable pursuant to Section 2.2(c), and the Shares so surrendered shall forthwith be cancelled. If any portion of the Merger Consideration is to be registered in the name of a person other than the person in whose name the applicable surrendered Share is registered, it shall be a condition to the registration thereof that the surrendered Share be in proper form for transfer and that the person requesting such delivery of the Merger Consideration pay any transfer or other similar Taxes required as a result of such registration in the name of a person other than the registered holder of such Share or establish to the satisfaction of the Exchange Agent that such Tax has been paid or is not payable. Until surrendered as contemplated by this Section 2.2(b), each Share shall be deemed at any time after the Effective Time to represent only the right to receive the Merger Consideration (and any amounts to be paid pursuant to Section 2.1(d) or Section 2.2(c)) upon such surrender. No interest shall be paid or shall accrue on any amount payable pursuant to Section 2.1(d) or Section 2.2(c). If any certificate representing any Share(s) shall have been lost, stolen or destroyed, Parent may, in its discretion and as a condition precedent to the issuance of any certificate or evidence of shares in book-entry form representing Parent Common Stock, require the owner of such lost, stolen or destroyed certificate representing any Share(s) to provide a customary affidavit and to deliver a bond in a reasonable amount as Parent may reasonably direct as indemnity against any claim that may be made against the Exchange Agent, Parent or the Surviving Corporation with respect to such certificate representing such Share(s).

(c) *Distributions with Respect to Unexchanged Shares*. No dividends or other distributions with respect to shares of Parent Common Stock with a record date after the Effective Time shall be paid to the holder of any unsurrendered Share with respect to the shares of Parent Common Stock represented thereby, and no cash payment in lieu of fractional shares of Parent Common Stock shall be paid to any such holder pursuant to Section 2.1(d), until in either case, such Share has been surrendered in accordance with this Article II. Following surrender of any such Share, there shall be paid to the recordholder thereof, without interest, (i) promptly after such surrender, the number of whole shares of Parent Common Stock issuable in exchange therefor pursuant to this Article II, together with any cash payable in lieu of a fractional share of Parent Common Stock to which such holder is entitled pursuant to Section 2.1(d) and the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such whole shares of Parent Common Stock and (ii) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time and a payment date subsequent to such surrender payable with respect to such whole shares of Parent Common Stock. The Exchange

Agent, Parent or the Surviving Corporation, as applicable, shall be entitled to deduct and withhold from the consideration otherwise

payable under this Agreement to any holder of Shares or holder of Restricted Shares or Restricted Stock Units, such amounts as are required to be withheld or deducted under the Code or any provision of U.S. state or local Tax Law with respect to the making of such payment. To the extent that amounts are so withheld or deducted and paid over to the applicable Governmental Entity, such withheld or deducted amounts shall be treated for all purposes of this Agreement as having been paid to the person in respect of which such deduction and withholding were made.

(d) *No Further Ownership Rights in Company Common Stock; Closing of Transfer Books*. All shares of Parent Common Stock issued upon the surrender for exchange of Shares in accordance with the terms of this Article II and any cash paid pursuant to Section 2.1(d) or Section 2.2(c) shall be deemed to have been issued (or paid) in full satisfaction of all rights pertaining to the Shares previously represented by such Shares. After the Effective Time, the stock transfer books of the Company shall be closed, and there shall be no further registration of transfers on the stock transfer books of the Surviving Corporation of the Shares which were outstanding immediately prior to the Effective Time. If, after the Effective Time, Shares are presented to the Surviving Corporation or the Exchange Agent for any reason, they shall be cancelled and exchanged as provided in this Article II.

(e) *Termination of Exchange Fund*. Any portion of the Exchange Fund (including the proceeds of any investments thereof) that remains undistributed to the former holders of Shares for one year after the Effective Time shall be delivered to the Surviving Corporation upon demand, and any holders of Shares who have not theretofore complied with this Article II shall thereafter look only to Parent for payment of their claim for the Merger Consideration, any cash in lieu of fractional shares of Parent Common Stock pursuant to Section 2.1(d) and any dividends or distributions pursuant to Section 2.2(c), subject to applicable abandoned property, escheat or similar Law. If any certificate representing any Share shall not have been surrendered prior to five years after the Effective Time (or immediately prior to such earlier date on which any shares of Parent Common Stock or any dividends or other distributions payable to the holder of such certificate representing any Share would otherwise escheat to or become the property of any Governmental Entity), any such shares of Parent Common Stock, dividends or other distributions in respect of such certificate representing any Share shall, to the extent permitted by applicable Law, become the property of Parent, free and clear of all claims or interest of any person previously entitled thereto.

(f) *No Liability*. Notwithstanding anything in this Agreement to the contrary, none of the Company, Parent, Merger Sub, the Surviving Corporation, the Exchange Agent or any other person shall be liable to any former holder of Shares for any amount properly delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as disclosed in the Company SEC Documents filed or furnished with the SEC since January 1, 2007 but prior to the date hereof (but excluding any risk factor disclosures contained under the heading Risk Factors, any disclosure of risks included in any forward-looking statements disclaimer or any other statements that are similarly predictive or forward-looking in nature, other than, in the case of any such disclosures or other statements, any factual or historical information contained therein) or in the disclosure schedule delivered by the Company to Parent immediately prior to the execution of this Agreement (the Company Disclosure Schedule), the Company represents and warrants to Parent and Merger Sub as follows:

Section 3.1 *Qualification; Organization, Subsidiaries, etc*.

(a) Each of the Company and its Subsidiaries is a legal entity duly organized, validly existing and in good standing under the Laws of its respective jurisdiction of organization and has all requisite corporate or similar power and

authority to own, lease and operate its properties and assets and to carry on its business as presently conducted and is qualified to do business and is in good standing as a foreign legal entity in each jurisdiction where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except where the failure to be so organized, validly existing, qualified or in good

standing, or to have such power or authority, is not having or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. As used in this Agreement, a Company Material Adverse Effect means an event, change, effect, development, state of facts, condition, circumstance or occurrence that is materially adverse to the business, financial condition or continuing results of operations of the Company and its Subsidiaries, taken as a whole, but shall not be deemed to include any event, change, effect, development, state of facts, condition, circumstance or occurrence: (i) in or affecting economic conditions generally (including changes in interest rates) or the financial, mortgage or securities markets in the United States or elsewhere in the world, (ii) in or affecting the industries in which the Company or its Subsidiaries operate generally or in any specific jurisdiction or geographical area or (iii) resulting from or arising out of (A) the announcement or the existence of, or compliance with, or taking any action required or permitted by this Agreement or the transactions contemplated hereby, (B) any taking of any action at the written request of Parent or Merger Sub, (C) any litigation arising from allegations of a breach of fiduciary duty or other violation of applicable Law relating to this Agreement or the transactions contemplated hereby, (D) any adoption, implementation, promulgation, repeal, modification, reinterpretation or proposal of any rule, regulation, ordinance, order, protocol or any other Law of or by any national, regional, state or local Governmental Entity, (E) any changes in GAAP or accounting standards or interpretations thereof, (F) any weather-related or other force majeure event or outbreak or escalation of hostilities or acts of war or terrorism, except to the extent that the Company and its Subsidiaries are adversely affected in a disproportionate manner relative to other participants in the industries in which the Company or its Subsidiaries operate, or (G) any changes in the share price or trading volume of the Shares, in the Company s credit rating or in any analyst s recommendations, or the failure of the Company to meet projections or forecasts (including any analyst s projections) (provided that the event, change, effect, development, condition or occurrence underlying such change shall not be excluded to the extent such event, change, effect, development, condition or occurrence would otherwise constitute a Company Material Adverse Effect).

(b) The Company has made available to Parent prior to the date of this Agreement a true and complete copy of the Company s amended and restated articles of incorporation and by-laws, each as amended through the date hereof (collectively, the Company Organizational Documents).

Section 3.2 *Capital Stock*.

(a) The authorized capital stock of the Company consists of 300,000,000 shares of Company Common Stock and 5,000,000 shares of preferred stock (Company Preferred Stock). As of the close of business on April 2, 2009 (the Company Capitalization Date), (i) 127,760,487 shares of Company Common Stock were issued and outstanding (including 831,146 Restricted Shares), (ii) 3,323,454 shares of Company Common Stock were held in treasury, (iii) 5,949,993 shares of Company Common Stock were issuable pursuant to the Company Stock Plans in respect of Company Stock Options, (iv) 355,163 shares of Company Common Stock were issuable pursuant to the Company Stock Plans in respect of Restricted Stock Units, (v) no shares of Company Preferred Stock were issued or outstanding and (vi) 250,000 shares of Company Preferred Stock were reserved and available for issuance pursuant to the Company Rights Agreement. All outstanding shares of Company Common Stock are, and all shares of Company Common Stock reserved for issuance as noted in clauses (iii) and (iv), when issued in accordance with the respective terms thereof, will be duly authorized, validly issued, fully paid and nonassessable and free of pre-emptive rights.

(b) From the close of business on the Company Capitalization Date through the date of this Agreement, there have been no issuances of shares of the capital stock or equity securities of the Company or any other securities of the Company other than issuances of shares of Company Common Stock pursuant to the exercise of Company Stock Options or the settlement of Restricted Stock Units outstanding as of the Company Capitalization Date under the Company Stock Plans. Except as set forth in Section 3.2(a), as of the date hereof, there are no outstanding subscriptions, options, warrants, calls, convertible securities or other similar rights, agreements or commitments relating to the issuance of capital stock to which the Company or any of its Subsidiaries is a party obligating the

Company or any of its Subsidiaries to (i) issue, transfer or sell any shares of capital stock or other equity interests of the Company or any Subsidiary of the Company or securities convertible into or exchangeable or exercisable for such shares or equity interests, (ii) grant, extend or enter into any such subscription, option, warrant, call, convertible securities or other similar right, agreement or

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commitment, (iii) redeem or otherwise acquire any such shares of capital stock or other equity interests or (iv) provide a material amount of funds to, or make any material investment (in the form of a loan, capital contribution or otherwise) in, any Subsidiary.

(c) Except for awards to acquire shares of Company Common Stock under the Company Stock Plans, neither the Company nor any of its Subsidiaries has outstanding bonds, debentures, notes or other obligations, the holders of which have the right to vote (or which are convertible into or exchangeable or exercisable for securities having the right to vote) with the stockholders of the Company on any matter.

(d) There are no outstanding obligations of the Company or any of its Subsidiaries restricting the transfer of, containing any right of first refusal or granting any antidilution rights with respect to, any shares of capital stock or other ownership interests of the Company or any of its Subsidiaries. There are no voting trusts or other agreements or understandings to which the Company or any of its Subsidiaries is a party with respect to the voting of the capital stock or other equity interest of the Company or any of its Subsidiaries. No Subsidiary of the Company owns any shares of capital stock of the Company.

Section 3.3 *Corporate Authority Relative to This Agreement; No Violation.*

(a) The Company has the requisite corporate power and authority to enter into this Agreement and, subject to receipt of the Company Stockholder Approval, to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by the Company Board, and the Company Board has (i) determined that it is in the best interests of the Company and its stockholders, and declared it advisable, to enter into this Agreement and (ii) adopted this Agreement and approved the consummation of the transactions contemplated hereby, including the Merger, upon the terms and subject to the conditions set forth herein. Except for the Company Stockholder Approval, no other corporate proceedings on the part of the Company are necessary to authorize the consummation of the transactions contemplated hereby. As of the date hereof, the Company Board has resolved to recommend that the Company s stockholders approve this Agreement and the transactions contemplated hereby (the Company Recommendation) and directed that this Agreement be submitted to the holders of Company Common Stock for approval. This Agreement has been duly and validly executed and delivered by the Company and, assuming this Agreement constitutes the legal, valid and binding agreement of Parent and Merger Sub, constitutes the legal, valid and binding agreement of the Company, enforceable against the Company in accordance with its terms.

(b) Other than in connection with or in compliance with (i) the NRS, (ii) the Securities Exchange Act of 1934 (the Exchange Act), (iii) the Securities Act of 1933 (the Securities Act), (iv) the rules and regulations of the New York Stock Exchange (the NYSE) and (v) the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the HSR Act) and, subject to the accuracy of the representations and warranties of Parent and Merger Sub in Section 4.21, no authorization, consent or approval of, or filing with, any United States, state of the United States or foreign governmental or regulatory agency, commission, court, body, entity or authority (each, a Governmental Entity) is necessary, under applicable Law, for the consummation by the Company of the transactions contemplated by this Agreement, except for such authorizations, consents, approvals or filings that, if not obtained or made, would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(c) The execution and delivery by the Company of this Agreement do not, and, except as described in Section 3.3(b), the consummation of the transactions contemplated hereby and compliance with the provisions hereof will not (i) result in any violation of, or result in a default (with or without notice or lapse of time, or both) under, or require any consent or approval under, or give rise to a right of termination, cancellation, acceleration or amendment of any material obligation under, or give rise to (except with respect to any Company Benefit Plans or other compensatory programs or arrangements) any vesting, guaranteed payment or loss of a material benefit under, any loan, guarantee of

indebtedness or credit agreement, note, bond, mortgage, indenture, lease, agreement, contract, instrument, permit, concession, franchise, right or license (each, a "Contract") binding upon or inuring to the benefit of the Company or any of its Subsidiaries or result in the creation of any liens, claims, mortgages, encumbrances, pledges, security interests, equities or charges of any kind (each, a "Lien"), other than any such Lien (A) for Taxes or governmental assessments, charges or claims

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of payment not yet due, being contested in good faith or for which adequate accruals or reserves have been established, (B) which is a carriers , warehousemen s, mechanics , materialmen s, repairmen s or other similar lien arising in the ordinary course of business or (C) which would not reasonably be expected to materially impair the continued use of a Company Owned Real Property or a Company Leased Real Property as currently operated, upon any of the properties or assets of the Company or any of its Subsidiaries, (ii) conflict with or result in any violation of any provision of the articles of incorporation or by-laws or other equivalent organizational document, in each case as amended, of the Company or any of its Subsidiaries or (iii) conflict with or violate any applicable Laws, other than, in the case of clauses (i) and (iii), any such consent, approval, violation, conflict, default, termination, cancellation, acceleration, amendment, right, loss or Lien that would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

Section 3.4 *Reports and Financial Statements*.

(a) From December 31, 2007 through the date of this Agreement, the Company has filed or furnished all forms, documents and reports required to be filed or furnished by it with the Securities and Exchange Commission (the SEC) (the Company SEC Documents). None of the Company s Subsidiaries is required to make any filings with the SEC. As of their respective dates or, if amended prior to the date hereof, as of the date of the last such amendment, the Company SEC Documents complied in all material respects with the requirements of the Securities Act and the Exchange Act, as the case may be, and the applicable rules and regulations promulgated thereunder, and none of the Company SEC Documents contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) The consolidated financial statements (including all related notes and schedules) of the Company included in the Company SEC Documents (i) have been prepared from, and are based upon the books and records of the Company and its consolidated subsidiaries and (ii) fairly present in all material respects the consolidated financial position of the Company and its consolidated subsidiaries, as at the respective dates thereof, and the consolidated results of their operations and their consolidated cash flows for the respective periods then ended (subject, in the case of the unaudited statements, to normal year-end audit adjustments and to any other adjustments described therein, including the notes thereto) in conformity with United States generally accepted accounting principles (GAAP) (except, in the case of the unaudited statements, as permitted by the SEC) applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto).

(c) To the knowledge of the Company, as of the date of this Agreement, there are no SEC inquiries or investigations, other governmental inquiries or investigations or internal investigations pending or threatened, in each case regarding any accounting practices of the Company.

Section 3.5 *Internal Controls and Procedures*. The Company has established and maintains disclosure controls and procedures and internal control over financial reporting (as such terms are defined in paragraphs (e) and (f), respectively, of Rule 13a-15 under the Exchange Act) as required by Rule 13a-15 under the Exchange Act. The Company s disclosure controls and procedures are reasonably designed to ensure that all material information required to be disclosed by the Company in the reports that it files or furnishes under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that all such material information is accumulated and communicated to the Company s management as appropriate to allow timely decisions regarding required disclosure and to make the certifications required pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 (the Sarbanes-Oxley Act). The Company s management has completed an assessment of the effectiveness of the Company s disclosure controls and procedures in accordance with Rule 13a-15 and, to the extent required by applicable Law, presented in any applicable Company SEC Document that is a report on Form 10-K or Form 10-Q its conclusions about the effectiveness of the disclosure controls and procedures as of the

end of the period covered by such report based on such evaluation. Based on the Company s management s most recently completed evaluation of the Company s internal control over financial reporting prior to the date of this Agreement, (i) to the knowledge of the Company, the Company had no significant deficiencies or material weaknesses in the design or operation of its internal control over financial reporting that would reasonably be

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expected to adversely affect the Company s ability to record, process, summarize and report financial information and (ii) the Company does not have knowledge of any fraud, whether or not material, that involves management or other employees who have a significant role in the Company s internal control over financial reporting.

Section 3.6 *No Undisclosed Liabilities*. Except (a) as reflected or reserved against in the Company s consolidated balance sheets (or the notes thereto) included in the Company SEC Documents filed with the SEC prior to the date hereof, (b) as permitted or contemplated by this Agreement, (c) for liabilities and obligations incurred in the ordinary course of business since December 31, 2008 and (d) for liabilities or obligations which have been discharged or paid in full in the ordinary course of business, as of the date hereof, neither the Company nor any Subsidiary of the Company has any liabilities or obligations of any nature, whether or not accrued, contingent or otherwise, that would be required by GAAP to be reflected on a consolidated balance sheet of the Company and its consolidated Subsidiaries (or in the notes thereto), other than those which are not having or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

Section 3.7 *Compliance with Law; Permits*.

(a) The Company and each of its Subsidiaries are in compliance with and are not in default under or in violation of any applicable federal, state, local or foreign law, statute, ordinance, rule, regulation, judgment, order, injunction, decree or agency requirement of any Governmental Entity (collectively, Laws and each, a Law), except where such non-compliance, default or violation is not having or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(b) The Company and its Subsidiaries are in possession of all franchises, grants, authorizations, licenses, permits, easements, variances, exceptions, consents, certificates, approvals and orders of any Governmental Entity necessary for the Company and its Subsidiaries to own, lease and operate their properties and assets or to carry on their businesses as they are now being conducted (the Company Permits), except for any of the foregoing franchises, grants, authorizations, licenses, permits, easements, variances, exceptions, consents, certificates, approvals and orders related to the residential construction activities of the Company and its Subsidiaries that the Company or such Subsidiaries have applied for or are endeavoring to obtain in the ordinary course of business and except where the failure to have any of the Company Permits is not having or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. All Company Permits are in full force and effect, except where the failure to be in full force and effect is not having or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(c) Notwithstanding anything contained in this Section 3.7, no representation or warranty shall be deemed to be made in this Section 3.7 in respect of the matters referenced in Section 3.4 or 3.5, or in respect of environmental, Tax, employee benefits or labor Law matters.

Section 3.8 *Environmental Laws and Regulations*.

(a) Except as is not having or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect: (i) since January 1, 2006, no notice, notification, demand, request for information, citation, summons, complaint or order has been received, no penalty has been assessed, no action, claim, suit or proceeding is pending, and, to the knowledge of the Company, no action, claim, suit or proceeding is threatened nor is any investigation or review pending or threatened, in each case, by any Governmental Entity or other person relating to the Company or any of its Subsidiaries and relating to or arising out of any Environmental Law; (ii) the Company and its Subsidiaries are in compliance with all Environmental Laws with respect to their properties and operations, and are in compliance with all permits required under Environmental Laws for the conduct of their respective businesses (Environmental Permits); (iii) neither the Company nor any of its Subsidiaries is obligated to conduct or pay for, and

is not conducting or paying for, any response or corrective action under any Environmental Law at any location; and (iv) neither the Company nor any of its Subsidiaries is party to any order, judgment or decree that imposes any obligations under any Environmental Law.

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(b) For purposes of this Agreement:

(i) *Environment* means any ambient air, surface water, drinking water, groundwater, land surface (whether below or above water), wetlands, subsurface strata, sediment, plant or animal life and natural resources.

(ii) *Environmental Law* means any Law, any common law theory of liability or any binding agreement issued or entered by or with any Governmental Entity relating to: (A) the Environment, including pollution, contamination, cleanup, preservation, protection, mitigation and reclamation of the Environment; (B) any discharge, emission, release or threatened release of any Hazardous Materials, including investigation, assessment, testing, monitoring, mitigation, containment, removal, remediation and cleanup of any such emission, discharge, release or threatened release or the protection of human health from exposure to Hazardous Materials; (C) the management of any Hazardous Materials, including the use, labeling, processing, disposal, storage, treatment, transport or recycling of any Hazardous Materials; or (D) the presence of Hazardous Materials in any building, physical structure, product or fixture.

(iii) *Hazardous Materials* means any pollutant or contaminant (including any constituent, raw material, product or by-product thereof), petroleum, asbestos or asbestos-containing material, polychlorinated biphenyls, lead paint, any hazardous, industrial or solid waste, any toxic, radioactive, infectious or hazardous substance, material or agent, or any other substance or waste regulated under or for which liability or standards of care are imposed by any Environmental Law.

Section 3.9 *Employee Benefit Plans*.

(a) Section 3.9(a) of the Company Disclosure Schedule lists all material Company Benefit Plans. For purposes of this Agreement, Company Benefit Plans means all compensation or employee benefit plans, programs, policies, agreements or other arrangements, whether or not employee benefit plans (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974 (ERISA), whether or not subject to ERISA), providing cash- or equity-based incentives, including bonus, profit-sharing, deferred compensation, incentive compensation, stock ownership, stock purchase, stock options, phantom stock, restricted stock, restricted stock units, performance stock, performance stock units, stock appreciation rights, health, medical, dental, vision, disability, accident or life insurance benefits or vacation, sick leave, holiday pay, fringe benefit, severance, retirement, pension or savings benefits, that are sponsored, maintained or contributed to by the Company or any of its Subsidiaries for the benefit of current or former employees or directors of the Company or its Subsidiaries and all employee agreements providing compensation, vacation, holiday pay, severance or other benefits to any current or former officer or employee of the Company or its Subsidiaries.

(b) Each Company Benefit Plan has been maintained and administered in compliance with its terms and with applicable Law, including ERISA and the Code to the extent applicable thereto, except for such non-compliance which is not having or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. Any Company Benefit Plan intended to be qualified under Section 401(a) or 401(k) of the Code has received a determination letter from the Internal Revenue Service (the IRS) and, to the knowledge of the Company, after consultation with employees of the Company who are responsible for the day-to-day administration of such Company Benefit Plans, (i) there are no circumstances likely to result in the revocation of any such favorable determination letter and (ii) there are no circumstances indicating that any such plan is not so qualified in operation. To the knowledge of the Company, no prohibited transaction described in Section 406 of ERISA or Section 4975 of the Code has occurred, except as is not having or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. Neither the Company nor any of its Subsidiaries maintains or contributes to any plan or arrangement which provides retiree medical or welfare benefits nor has any liability or obligation to provide such benefits, except as required by applicable Law. There is no pending, or to the knowledge of the Company, threatened litigation or claims (other than routine claims for benefits) relating to the Company Benefit

Plans which are having or would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

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(c) None of the Company, any of its Subsidiaries or any other person or entity that together with any other person or entity is treated as a single employer under Section 414 of the Code or Section 4001 of ERISA (each, an ERISA Affiliate) contributes to or maintains an employee benefit plan (within the meaning of Section 3(3) of ERISA) (an ERISA Plan) subject to Title IV or Section 302 of ERISA or Section 412 or 4971 of the Code or have contributed to or maintained any such plan at any time during the past six years and no liability has been or is expected to be incurred by the Company or any of its Subsidiaries with respect to any such plan. None of the Company, any of its Subsidiaries or any ERISA Affiliate of the Company or its Subsidiaries has contributed, or been obligated to contribute, to any multiemployer plan (within the meaning of Section 3(37) of ERISA) at any time during the past six years and no liability has been or is expected to be incurred by the Company or any Subsidiary with respect to any such plan.

(d) The consummation of the transactions contemplated by this Agreement will not, either alone or in combination with another event, (i) entitle any current or former employee, consultant or officer of the Company or any of its Subsidiaries to severance pay, unemployment compensation or any other payment, except as expressly provided in this Agreement or as required by applicable Law or (ii) accelerate the time of payment or vesting, or increase the amount of compensation due any such employee, consultant or officer, except as expressly provided in this Agreement.

Section 3.10 *Absence of Certain Changes or Events*.

(a) From December 31, 2008 through the date of this Agreement, (i) the businesses of the Company and its Subsidiaries have been conducted, in all material respects, in the ordinary course of business, and (ii) there has not been any event, change, effect, development, state of facts, condition, circumstance or occurrence that has had, individually or in the aggregate, a Company Material Adverse Effect.

(b) Since the date of this Agreement, there has not been any event, change, effect, development, state of facts, condition, circumstance or occurrence that is having or would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

Section 3.11 *Investigations; Litigation*. (a) There is no investigation or review pending (or, to the knowledge of the Company, threatened) by any Governmental Entity with respect to the Company or any of its Subsidiaries, and (b) there are no actions, suits, inquiries, investigations or proceedings pending (or, to the knowledge of the Company, threatened) against or affecting the Company or any of its Subsidiaries, or any of their respective properties at law or in equity before, and there are no orders, judgments or decrees of, or before, any Governmental Entity which, in the case of clause (a) or (b), are having or would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

Section 3.12 *Information Supplied*. None of the information provided by the Company for inclusion or incorporation by reference in (a) the registration statement on Form S-4 to be filed with the SEC by Parent in connection with the issuance of Parent Common Stock in the Merger (including any amendments or supplements, the Form S-4) will, at the time the Form S-4 becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading or (b) the proxy statement/prospectus relating to the Company Stockholders Meeting and the proxy statement relating to the Parent Stockholders Meeting (such proxy statements together, in each case as amended or supplemented from time to time, the Joint Proxy Statement) will, at the date it is first mailed to the Company s stockholders and Parent s stockholders or at the time of the Company Stockholders Meeting or the Parent Stockholders Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Joint Proxy Statement (other than the portion thereof relating solely to the Parent Stockholders Meeting) and the Form S-4

(solely with respect to the portion thereof relating to the Company Stockholders Meeting) will comply as to form in all material respects with the requirements of the Securities Act and the Exchange Act. Notwithstanding the foregoing provisions of this Section 3.12, no representation or warranty is made by the Company with respect to information or statements made or incorporated by reference in the Form S-4 or the Joint Proxy Statement which were not supplied by or on behalf of the Company.

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Section 3.13 *Tax Matters*.

(a) Except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, (i) other than with respect to matters contested in good faith or for which adequate reserves have been established in accordance with GAAP (A) the Company and each of its Subsidiaries have prepared and timely filed (taking into account any extension of time within which to file) all Tax Returns required to be filed by any of them and all such filed Tax Returns are complete and accurate, and (B) the Company and each of its Subsidiaries have paid all Taxes that are required to be paid by any of them, (ii) all deficiencies asserted or assessed by a taxing authority against the Company or any of its Subsidiaries have been paid in full or are adequately reserved, in accordance with GAAP, (iii) as of the date of this Agreement, there are not pending or, to the knowledge of the Company, threatened in writing any audits, examinations, investigations or other proceedings in respect of income or franchise Taxes and there are no currently effective waivers (or requests for waivers) of the time to assess any Taxes, (iv) there are no Liens for income or franchise Taxes on any of the assets of the Company or any of its Subsidiaries other than Company Permitted Liens, (v) the Company has not been a controlled corporation or a distributing corporation in any distribution occurring during the three-year period ending on the date hereof (or otherwise as part of a plan (or series of related transactions) within the meaning of Section 355(e) of the Code of which the Merger is also a part) that was purported or intended to be governed by Section 355 of the Code, (vi) neither the Company nor any of its Subsidiaries (A) is a party to or is bound by any Tax sharing, allocation or indemnification agreement with persons other than wholly owned Subsidiaries of the Company or (B) has any liability for Taxes of any other person (other than the Company and its Subsidiaries) pursuant to Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign Law), as a transferee or successor, by contract or otherwise, (vii) as of the date hereof, neither the Company nor any of its Subsidiaries is required to include in income any adjustment pursuant to Section 481(a) of the Code, no such adjustment has been proposed by the IRS and no pending request for permission to change any accounting method has been submitted by the Company or any of its Subsidiaries, (viii) neither the Company nor any of its Subsidiaries has participated in any listed transaction within the meaning of Treasury Regulation Section 1.6011-4(b)(2) and (ix) to the knowledge of the Company, as of the date hereof and without regard to this Agreement, the Company has not undergone an ownership change within the meaning of Section 382 of the Code.

(b) As used in this Agreement, Taxes means any and all domestic or foreign, federal, state, local or other taxes of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any Governmental Entity, including taxes on or with respect to income, franchises, windfall or other profits, gross receipts, property, sales, use, capital stock, payroll, employment, unemployment, social security, workers compensation, margin or net worth, and taxes in the nature of excise, withholding, ad valorem or value added.

(c) As used in this Agreement, Tax Return means any return, report or similar document (including any attached schedules) filed or required to be filed with respect to Taxes, including any information return, claim for refund, amended return or declaration of estimated Taxes.

Section 3.14 *Employment and Labor Matters*. Except for such matters which are not having or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, (a) (i) there are no strikes or lockouts with respect to any employees of the Company or any of its Subsidiaries (Company Employees), (ii) the Company and its Subsidiaries are not parties to any collective bargaining agreement and, to the knowledge of the Company, there is no union organizing effort pending or threatened against the Company or any of its Subsidiaries, (iii) there is no labor dispute (other than routine individual grievances) or labor arbitration proceeding pending or, to the knowledge of the Company, threatened against the Company or any of its Subsidiaries, (iv) there is no slowdown or work stoppage in effect or, to the knowledge of the Company, threatened with respect to Company Employees, and (v) to the knowledge of the Company, there is no charge, complaint, or investigation pending or threatened by any Governmental Entity against the Company or any of its Subsidiaries concerning any alleged violation of any

applicable Law respecting employment or employment practices, workplace health and safety, terms and conditions of employment, wages and hours, or unfair labor practices, and (b) the Company and its Subsidiaries are in

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compliance with all applicable Laws respecting (i) employment and employment practices, (ii) workplace health and safety, (iii) terms and conditions of employment and wages and hours, and (iv) unfair labor practices. Neither the Company nor any of its Subsidiaries has any liabilities or is in breach of any obligations under the Worker Adjustment and Retraining Notification Act of 1988 (the WARN Act) or any similar state or local Law as a result of any action taken by the Company (other than at the written direction of Parent) that would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. It is agreed and understood that no representation or warranty is made by the Company in respect of labor matters in any section of this Agreement other than this Section 3.14.

Section 3.15 *Intellectual Property*. Except as is not having or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, either the Company or a Subsidiary of the Company owns, or is licensed or otherwise possesses legally enforceable rights to use, all material trademarks, trade names, service marks, service names, mark registrations, logos, assumed names, registered and unregistered copyrights, patents or applications and registrations used in their respective businesses as currently conducted (collectively, the Intellectual Property). Except as is not having or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, (a) there are no pending or, to the knowledge of the Company, threatened claims by any person alleging infringement by the Company or any of its Subsidiaries for their use of the Intellectual Property of the Company or any of its Subsidiaries, (b) to the knowledge of the Company, the conduct of the business of the Company and its Subsidiaries does not infringe any intellectual property rights of any person, (c) neither the Company nor any of its Subsidiaries has any claim pending of a violation or infringement by others of its rights to or in connection with the Intellectual Property of the Company or any of its Subsidiaries and (d) to the knowledge of the Company, no person is infringing any Intellectual Property of the Company or any of its Subsidiaries.

Section 3.16 *Real Property*.

(a) With respect to the real property owned by the Company or any Subsidiary (such property collectively, the Company Owned Real Property), except as is not having or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, (i) either the Company or a Subsidiary of the Company has good and valid title to such Company Owned Real Property, free and clear of all Liens other than any such Lien (A) for Taxes or governmental assessments, charges or claims of payment not yet due, being contested in good faith or for which adequate accruals or reserves have been established, (B) which is a carriers , warehousemen s, mechanics , materialmen s, repairmen s, or other similar lien arising in the ordinary course of business, (C) which is disclosed on the most recent consolidated balance sheet of the Company or notes thereto included in the Company SEC Documents filed prior to the date hereof or securing liabilities reflected on such balance sheet, (D) which was incurred in the ordinary course of business since the date of such recent consolidated balance sheet of the Company or (E) which would not reasonably be expected to materially impair the continued use of a Company Owned Real Property or a Company Leased Real Property as currently operated (each of the foregoing, a Company Permitted Lien) (and conditions, covenants, encroachments, easements, restrictions and other encumbrances that do not materially adversely affect the use of the Company Owned Real Property by the Company for residential home building), (ii) there are no reversion rights, outstanding options or rights of first refusal in favor of any other party to purchase, lease, occupy or otherwise utilize such Company Owned Real Property or any portion thereof or interest therein that would reasonably be expected to materially adversely affect the use by the Company for residential home building of the Company Owned Real Property affected thereby and (iii) neither the Company nor its Subsidiaries have collaterally assigned or granted a security interest in the Company Owned Real Property except for Company Permitted Liens. Neither the Company nor any of its Subsidiaries has received notice of any pending, and to the knowledge of the Company there is no pending or threatened condemnation or eminent domain proceeding with respect to any Company Owned Real Property, except proceedings which are not having or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(b) Except as is not having or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, (i) each material lease, sublease, license, easement and other agreement

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under which the Company or any of its Subsidiaries uses or occupies or has the right to use or occupy any material real property at which the material operations of the Company and its Subsidiaries are conducted (the Company Leased Real Property), is valid, binding and in full force and effect and (ii) no uncured default of a material nature on the part of the Company or, if applicable, its Subsidiary or, to the knowledge of the Company, the landlord or other parties to such lease or other agreement thereunder exists with respect to any Company Leased Real Property. Except as is not having or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, the Company and each of its Subsidiaries has a good and valid leasehold interest, subject to the terms of any lease, sublease or other agreement applicable thereto, in each parcel of Company Leased Real Property, free and clear of all Liens, except for Company Permitted Liens (and conditions, covenants, encroachments, easements, restrictions and other encumbrances that do not adversely affect the use of the Company Leased Real Property by the Company for residential home building). Except as is not having or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, neither the Company nor any of its Subsidiaries has (x) received notice of any pending, and, to the knowledge of the Company, there is no threatened, condemnation proceeding with respect to any Company Leased Real Property, (y) collaterally assigned or granted a security interest in the Company Leased Real Property except for Company Permitted Liens, or (z) received any written notice of any default under lease or other agreement for a Company Leased Real Property and, to the knowledge of Company, no event has occurred and no condition exists that, with notice or lapse of time, or both, would constitute a default by Company or any of its Subsidiaries, as applicable, under any such leases and agreements.

(c) Except as is not having or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, no judgment, injunction, order, decree, statute, ordinance, rule, regulation, moratorium, or other action by or before a Governmental Entity exists or is pending or threatened that restricts the development or sale of Company Owned Real Property currently under development or all or a portion of which is being held for sale by the Company or any of its Subsidiaries.

(d) No developer-related charges or assessments imposed by any Governmental Entity (or any other person) for public improvements (or otherwise) against any Company Owned Real Property held for development, are unpaid (other than those reflected on the most recent financial statements of the Company, and those incurred since the date of such financial statements of the Company to the extent in the ordinary course of the Company s business and consistent with past practices), except for such charges and assessments as, in the aggregate, are not having or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

Section 3.17 *Required Vote of the Company Stockholders*. Subject to the accuracy of the representations and warranties of Parent and Merger Sub in Section 4.21, the affirmative vote of a majority of the outstanding Company Common Stock entitled to vote on this Agreement and the Merger is the only vote of holders of securities of the Company which is required to approve this Agreement and the Merger (the Company Stockholder Approval).

Section 3.18 *Opinion of Financial Advisors*. The Company Board has received the opinion of Goldman, Sachs & Co. dated the date of this Agreement, substantially to the effect that, as of such date, the Exchange Ratio is fair to the holders of Company Common Stock from a financial point of view.

Section 3.19 *Material Contracts*.

(a) Section 3.19(a) of the Company Disclosure Schedule contains a complete list as of the date hereof of the following types of Contracts, whether written or oral, that are intended by the Company or any of its Subsidiaries, as applicable, to be legally binding, and to which the Company or any of its Subsidiaries is a party (such Contracts, being the Company Material Contracts):

(i) each material contract (as such term is defined in Item 610(b)(10) of Regulation S-K of the SEC) with respect to the Company and its Subsidiaries (other than compensatory contracts with, or which include as participants, any current or former director or officer of the Company or any of its Subsidiaries);

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(ii) all contracts and agreements evidencing indebtedness for borrowed money in excess of $50 million in principal amount; and

(iii) all non-competition agreements or any other agreements or arrangements (A) that materially limit or otherwise materially restrict the Company and its Subsidiaries from conducting a material portion of the business of the Company and its Subsidiaries, taken as a whole, or (B) that would, after the Effective Time, materially limit or materially restrict Parent or any of its Subsidiaries (other than the Surviving Corporation and its Subsidiaries) from engaging or competing in any material line of business or in any material geographic area, or that would materially limit or materially restrict a material portion of the business of Parent and its Subsidiaries, taken as a whole (including for purposes of such determination, the Surviving Corporation and its Subsidiaries), after giving effect to the Merger.

(b) Neither the Company nor any Subsidiary of the Company is in breach of or default under the terms of any Company Material Contract where such breach or default is having or would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. To the knowledge of the Company, no other party to any Company Material Contract is in breach of or default under the terms of any Company Material Contract where such breach or default is having or would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. Except as is not having or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, each Company Material Contract is a legal, valid and binding obligation of the Company or the Subsidiary of the Company which is party thereto and, to the knowledge of the Company, of each other party thereto, and is in full force and effect, except that (i) such enforcement may be subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws, now or hereafter in effect, relating to creditors rights generally and (ii) equitable remedies of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(c) The Company has made available to Parent correct and complete copies in all material respects of all Company Material Contracts, including any material amendments or material waivers thereto.

Section 3.20 *Finders or Brokers*. Except for Goldman, Sachs & Co., neither the Company nor any of its Subsidiaries has employed any investment banker, broker or finder in connection with the transactions contemplated by this Agreement who might be entitled to any fee or any commission in connection with or upon consummation of the Merger. The Company has made available to Parent for informational purposes only a true and complete copy of all agreements between the Company and Goldman, Sachs & Co. pursuant to which such firm would be entitled to any payment relating to the Merger.

Section 3.21 *Insurance*. Section 3.21 of the Company Disclosure Schedule sets forth (i) a true and complete list of the material insurance policies covering the Company and its Subsidiaries as of the date hereof and (ii) the last annual premium paid by the Company for the Company s directors and officers insurance policy. Except as is not having or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, (a) each insurance policy under which the Company or any of its Subsidiaries is an insured or otherwise the principal beneficiary of coverage (collectively, the Company Insurance Policies) is in full force and effect, all premiums due thereon have been paid in full and the Company and its Subsidiaries are in compliance with the terms and conditions of such Company Insurance Policy, (b) neither the Company nor any of its Subsidiaries is in breach or default under any Company Insurance Policy and (c) no event has occurred which, with notice or lapse of time, would constitute such breach or default, or permit termination or modification, under the policy.

Section 3.22 *Tax Treatment*. Neither the Company nor any of its Subsidiaries has taken or agreed to take any action or knows of any fact that would prevent or impede, or would be reasonably likely to prevent or impede, the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code.

Section 3.23 *Rights Plan*. The Company has taken all action necessary (a) to render the Rights Agreement, dated February 24, 2009 (the Company Rights Agreement), between the Company and Mellon

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Investor Services LLC, as Rights Agent, inapplicable to the Merger, this Agreement, the Voting Agreements executed by stockholders of the Company and the transactions contemplated hereby or thereby, including the Merger, (b) to ensure that (i) neither Parent, Merger Sub nor any of their Affiliates will become an Acquiring Person (as such term is defined in the Company Rights Agreement) by reason of the approval, execution, announcement or consummation of this Agreement or the Voting Agreements executed by stockholders of the Company or the transactions contemplated hereby or thereby, including the Merger, and (ii) neither a Shares Acquisition Date nor a Distribution Date (each as defined in the Company Rights Agreement) shall occur, in each case, by reason of the approval, execution, announcement or consummation of this Agreement or the Voting Agreements executed by stockholders of the Company or the transactions contemplated hereby or thereby, including the Merger, and (c) to cause the Company Rights Agreement to terminate at the Effective Time.

Section 3.24 *Anti-Takeover Laws*. Assuming the accuracy of Parent s representations and warranties in Section 4.21, the Company Board has taken all action necessary to render the provisions of Sections 78.411 to 78.444, inclusive, of the NRS inapplicable to this Agreement and the transactions contemplated hereby. No other moratorium, control share, fair price, business combination, supermajority, affiliate transactions or other anti-takeover Laws or any sim provisions under the Company Organizational Documents are applicable to this Agreement or the transactions contemplated hereby.

Section 3.25 *No Additional Representations*. The Company acknowledges that neither Parent nor Merger Sub makes any representation or warranty as to any matter whatsoever except as expressly set forth in this Agreement or in any certificate delivered by Parent or Merger Sub to the Company in accordance with the terms hereof, and specifically (but without limiting the generality of the foregoing) that neither Parent nor Merger Sub makes any representation or warranty with respect to (a) any projections, estimates or budgets delivered or made available to the Company (or any of their respective affiliates or Representatives) of future revenues, results of operations (or any component thereof), cash flows or financial condition (or any component thereof) of Parent and its Subsidiaries or (b) the future business and operations of Parent and its Subsidiaries.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUB

Except as disclosed in the Parent SEC Documents filed or furnished with the SEC since January 1, 2007 but prior to the date hereof (but excluding any risk factor disclosures contained under the heading Risk Factors, any disclosure of risks included in any forward-looking statements disclaimer or any other statements that are similarly predictive or forward-looking in nature, other than, in the case of any such disclosures or other statements, any factual or historical information contained therein) or in the disclosure schedule delivered by Parent to the Company immediately prior to the execution of this Agreement (the Parent Disclosure Schedule), Parent and Merger Sub represent and warrant to the Company as follows:

Section 4.1 *Qualification; Organization, Subsidiaries, etc*.

(a) Each of Parent and Merger Sub is a legal entity duly organized, validly existing and in good standing under the Laws of its respective jurisdiction of organization and has all requisite corporate or similar power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted and is qualified to do business and is in good standing as a foreign legal entity in each jurisdiction where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except where the failure to be so organized, validly existing, qualified or in good standing, or to have such power or authority, is not having or would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect. As used in this Agreement, a Parent Material Adverse Effect means an event, change, effect, development, state of facts,

condition, circumstance or occurrence that is materially adverse to the business, financial condition or continuing results of operations of Parent and its Subsidiaries, taken as a whole, but shall not be deemed to include any event, change, effect, development, state of facts, condition, circumstance or occurrence: (i) in or affecting economic conditions generally

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(including changes in interest rates) or the financial, mortgage or securities markets in the United States or elsewhere in the world, (ii) in or affecting the industries in which Parent or its Subsidiaries operate generally or in any specific jurisdiction or geographical area or (iii) resulting from or arising out of (A) the announcement or the existence of, or compliance with, or taking any action required or permitted by this Agreement or the transactions contemplated hereby, (B) any taking of any action at the written request of the Company, (C) any litigation arising from allegations of a breach of fiduciary duty or other violation of applicable Law relating to this Agreement or the transactions contemplated hereby, (D) any adoption, implementation, promulgation, repeal, modification, reinterpretation or proposal of any rule, regulation, ordinance, order, protocol or any other Law of or by any national, regional, state or local Governmental Entity, (E) any changes in GAAP or accounting standards or interpretations thereof, (F) any weather-related or other force majeure event or outbreak or escalation of hostilities or acts of war or terrorism, except to the extent that Parent and its Subsidiaries are adversely affected in a disproportionate manner relative to other participants in the industries in which Parent and its Subsidiaries operate or (G) any changes in the share price or trading volume of the Parent Common Stock, in Parent s credit rating or in any analyst s recommendations, or the failure of Parent to meet projections or forecasts (including any analyst s projections) (provided that the event, change, effect, development, condition or occurrence underlying such change shall not be excluded to the extent such event, change, effect, development, condition or occurrence would otherwise constitute a Parent Material Adverse Effect).

(b) Parent has made available to the Company prior to the date of this Agreement a true and complete copy of the articles of incorporation and by-laws of Parent and Merger Sub, each as amended through the date hereof (collectively, the Parent Organizational Documents).

Section 4.2 *Capital Stock*.

(a) The authorized capital stock of Parent consists of 400,000,000 shares of Parent Common Stock and 25,000,000 shares of preferred stock par value $0.01 per share (Parent Preferred Stock). As of the close of business on April 3, 2009 (the Parent Capitalization Date), (i) 258,563,448 shares of Parent Common Stock were issued and outstanding (including 3,819,346 restricted share units (Parent RSUs)), (ii) no shares of Parent Common Stock were held in treasury, (iii) 19,890,366 shares of Parent Common Stock were reserved for issuance in respect of outstanding Parent Stock Options, (iv) no shares of Parent Preferred Stock were issued or outstanding and (v) 400,000 shares of Parent Preferred Stock were reserved and available for issuance pursuant to the Parent Rights Agreement. All outstanding shares of Parent Common Stock are, and all shares of Parent Common Stock reserved for issuance as noted in clause (iii), when issued in accordance with the respective terms thereof, will be duly authorized, validly issued, fully paid and nonassessable and free of pre-emptive rights.

(b) From the close of business on the Parent Capitalization Date through the date of this Agreement, there have been no issuances of shares of the capital stock or equity securities of Parent or any other securities of Parent other than issuances of shares of Parent Common Stock pursuant to the exercise of Parent Stock Options under the employee and director stock plans of Parent. Except as set forth in Section 4.2(a), as of the date hereof, there are no outstanding subscriptions, options, warrants, calls, convertible securities or other similar rights, agreements or commitments relating to the issuance of capital stock to which Parent or any of its Subsidiaries is a party obligating Parent or any of its Subsidiaries to (i) issue, transfer or sell any shares of capital stock or other equity interests of Parent or any Subsidiary of Parent or securities convertible into or exchangeable or exercisable for such shares or equity interests, (ii) grant, extend or enter into any such subscription, option, warrant, call, convertible securities or other similar right, agreement or commitment, (iii) redeem or otherwise acquire any such shares of capital stock or other equity interests or (iv) provide a material amount of funds to, or make any material investment (in the form of a loan, capital contribution or otherwise) in, any Subsidiary.

(c) Except for awards to acquire shares of Parent Common Stock under the employee and director stock plans of Parent, neither Parent nor any of its Subsidiaries has outstanding bonds, debentures, notes or other obligations, the

holders of which have the right to vote (or which are convertible or exchangeable into or exercisable for securities having the right to vote) with the stockholders of Parent on any matter.

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(d) There are no outstanding obligations of Parent or any of its Subsidiaries restricting the transfer of, containing any right of first refusal or granting any antidilution rights with respect to, any shares of capital stock or other ownership interests of Parent or any of its Subsidiaries. There are no voting trusts or other agreements or understandings to which Parent or any of its Subsidiaries is a party with respect to the voting of the capital stock or other equity interest of Parent or any of its Subsidiaries.

(e) As of the date of this Agreement, the authorized capital stock of Merger Sub consists of 1,000 shares of common stock, par value $0.01 per share, all of which are validly issued and outstanding. All of the issued and outstanding capital stock of Merger Sub is, and at the Effective Time all of the issued and outstanding capital stock of the Surviving Corporation will be, owned by Parent or a direct or indirect wholly owned Subsidiary of Parent. Merger Sub has outstanding no option, warrant, right or any other agreement pursuant to which any person other than Parent may acquire any equity security of Merger Sub. Merger Sub has not conducted any business prior to the date hereof and has, and prior to the Effective Time will have, no assets, liabilities or obligations of any nature other than those incident to its formation and pursuant to this Agreement and the Merger and the other transactions contemplated by this Agreement.

Section 4.3 *Corporate Authority Relative to This Agreement; No Violation.*

(a) Each of Parent and Merger Sub has the requisite corporate power and authority to enter into this Agreement and, subject to receipt of the Parent Stockholder Approvals, to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by the Boards of Directors of Parent and Merger Sub and by Parent, as the sole stockholder of Merger Sub, and, except for the Parent Stockholder Approvals, no other corporate proceedings on the part of Parent or Merger Sub are necessary to authorize the consummation of the transactions contemplated hereby. As of the date hereof, the Parent Board has resolved to recommend that Parent s stockholders (A) approve an amendment to Parent s Articles of Incorporation to increase the total number of shares of authorized Parent Common Stock as set forth on Section 4.3(a) of the Parent Disclosure Schedule (the Charter Amendment) and (B) approve the issuance of shares of Parent Common Stock in connection with the Merger (the Stock Issuance) (collectively, the Parent Recommendation), and has directed that the Charter Amendment and Stock Issuance be submitted to the holders of Parent Common Stock for approval. This Agreement has been duly and validly executed and delivered by Parent and Merger Sub, and, assuming this Agreement constitutes the legal, valid and binding agreement of the Company, this Agreement constitutes the legal, valid and binding agreement of each of Parent and Merger Sub, enforceable against Parent and Merger Sub in accordance with its terms.

(b) Other than in connection with or in compliance with (i) the NRS, (ii) the Exchange Act, (iii) the Securities Act, (iv) the rules and regulations of the NYSE and (v) the HSR Act, no authorization, consent or approval of, or filing with, any Governmental Entity is necessary, under applicable Law, for the consummation by Parent or Merger Sub of the transactions contemplated by this Agreement, except for such authorizations, consents, approvals or filings that, if not obtained or made, would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

(c) The execution and delivery by Parent and Merger Sub of this Agreement do not, and, except as described in Section 4.3(b), the consummation of the transactions contemplated hereby and compliance with the provisions hereof will not (i) result in any violation of, or result in a default (with or without notice or lapse of time, or both) under, or require any consent or approval under, or give rise to a right of termination, cancellation, acceleration or amendment of any material obligation under, or give rise to (except with respect to any Parent Benefit Plans or other compensatory programs or arrangements) any vesting, guaranteed payment or loss of a material benefit under, any Contract binding upon or inuring to the benefit of Parent or any of its Subsidiaries or result in the creation of any Lien, other than any such Lien (A) for Taxes or governmental assessments, charges or claims of payment not yet due, being

contested in good faith or for which adequate accruals or reserves have been established, (B) which is a carriers , warehousemen s, mechanics , materialmen s, repairmen s or other similar lien arising in the ordinary course of business or (C) which would not reasonably be expected to materially impair the continued use of a Parent Owned Real Property or a Parent Leased Real Property as currently operated, upon any of the properties or assets of Parent or any of its

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Subsidiaries, (ii) conflict with or result in any violation of any provision of the articles of incorporation or by-laws or other equivalent organizational document, in each case as amended, of Parent or any of its Subsidiaries or (iii) conflict with or violate any applicable Laws, other than, in the case of clauses (i) and (iii), any such consent, approval, violation, conflict, default, termination, cancellation, acceleration, amendment, right, loss or Lien that would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

Section 4.4 *Reports and Financial Statements*.

(a) From December 31, 2007 through the date of this Agreement, Parent has filed or furnished all forms, documents and reports required to be filed or furnished by it with the SEC (the Parent SEC Documents). None of Parent s Subsidiaries is required to make any filings with the SEC. As of their respective dates, or, if amended prior to the date hereof, as of the date of the last such amendment, the Parent SEC Documents complied in all material respects with the requirements of the Securities Act and the Exchange Act, as the case may be, and the applicable rules and regulations promulgated thereunder, and none of the Parent SEC Documents contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) The consolidated financial statements (including all related notes and schedules) of Parent included in the Parent SEC Documents (i) have been prepared from, and are based upon the books and records of Parent and its consolidated subsidiaries and (ii) fairly present in all material respects the consolidated financial position of Parent and its consolidated subsidiaries, as at the respective dates thereof, and the consolidated results of their operations and their consolidated cash flows for the respective periods then ended (subject, in the case of the unaudited statements, to normal year-end audit adjustments and to any other adjustments described therein, including the notes thereto) in conformity with GAAP (except, in the case of the unaudited statements, as permitted by the SEC) applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto).

(c) To the knowledge of Parent, as of the date of this Agreement, there are no SEC inquiries or investigations, other governmental inquiries or investigations or internal investigations pending or threatened, in each case regarding any accounting practices of Parent.

Section 4.5 *Internal Controls and Procedures*. Parent has established and maintains disclosure controls and procedures and internal control over financial reporting (as such terms are defined in paragraphs (e) and (f), respectively, of Rule 13a-15 under the Exchange Act) as required by Rule 13a-15 under the Exchange Act. Parent s disclosure controls and procedures are reasonably designed to ensure that all material information required to be disclosed by Parent in the reports that it files or furnishes under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that all such material information is accumulated and communicated to Parent s management as appropriate to allow timely decisions regarding required disclosure and to make the certifications required pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act. Parent s management has completed an assessment of the effectiveness of Parent s disclosure controls and procedures in accordance with Rule 13a-15 and, to the extent required by applicable Law, presented in any applicable Parent SEC Document that is a report on Form 10-K or Form 10-Q its conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by such report based on such evaluation. Based on Parent s management s most recently completed evaluation of Parent s internal control over financial reporting prior to the date of this Agreement, (i) to the knowledge of Parent, Parent had no significant deficiencies or material weaknesses in the design or operation of its internal control over financial reporting that would reasonably be expected to adversely affect Parent s ability to record, process, summarize and report financial information and (ii) Parent does not have knowledge of any fraud, whether or not material, that involves management or other employees who have a significant role in Parent s internal control over financial reporting.

Section 4.6 *No Undisclosed Liabilities*. Except (a) as reflected or reserved against in Parent s consolidated balance sheets (or the notes thereto) included in the Parent SEC Documents filed with the SEC prior to the date hereof, (b) as permitted or contemplated by this Agreement, (c) for liabilities and obligations

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incurred in the ordinary course of business since December 31, 2008 and (d) for liabilities or obligations which have been discharged or paid in full in the ordinary course of business, as of the date hereof, neither Parent nor any Subsidiary of Parent has any liabilities or obligations of any nature, whether or not accrued, contingent or otherwise, that would be required by GAAP to be reflected on a consolidated balance sheet of Parent and its consolidated Subsidiaries (or in the notes thereto), other than those which are not having or would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

Section 4.7 *Compliance with Law; Permits*.

(a) Parent and each of its Subsidiaries are in compliance with and are not in default under or in violation of any applicable Law, except where such non-compliance, default or violation is not having or would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

(b) Parent and its Subsidiaries are in possession of all franchises, grants, authorizations, licenses, permits, easements, variances, exceptions, consents, certificates, approvals and orders of any Governmental Entity necessary for Parent and its Subsidiaries to own, lease and operate their properties and assets or to carry on their businesses as they are now being conducted (the Parent Permits), except for any of the foregoing franchises, grants, authorizations, licenses, permits, easements, variances, exceptions, consents, certificates, approvals and orders related to the residential construction activities of Parent and its Subsidiaries that Parent or such Subsidiaries have applied for or are endeavoring to obtain in the ordinary course of business and except where the failure to have any of the Parent Permits is not having or would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect. All Parent Permits are in full force and effect, except where the failure to be in full force and effect is not having or would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

(c) Notwithstanding anything contained in this Section 4.7, no representation or warranty shall be deemed to be made in this Section 4.7 in respect of the matters referenced in Section 4.4 or 4.5, or in respect of environmental, Tax, employee benefits or labor Law matters.

Section 4.8 *Environmental Laws and Regulations*. Except as is not having or would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect: (a) since January 1, 2006, no notice, notification, demand, request for information, citation, summons, complaint or order has been received, no penalty has been assessed, no action, claim, suit or proceeding is pending, and, to the knowledge of Parent, no action, claim, suit or proceeding is threatened nor is any investigation or review pending or threatened, in each case, by any Governmental Entity or other person relating to Parent or any of its Subsidiaries and relating to or arising out of any Environmental Law; (b) Parent and its Subsidiaries are in compliance with all Environmental Laws with respect to their properties and operations, and are in compliance with all Environmental Permits; (c) neither Parent nor any of its Subsidiaries is obligated to conduct or pay for, and is not conducting or paying for, any response or corrective action under any Environmental Law at any location; and (d) neither Parent nor any of its Subsidiaries is party to any order, judgment or decree that imposes any obligations under any Environmental Law.

Section 4.9 *Employee Benefit Plans*.

(a) Section 4.9(a) of the Parent Disclosure Schedule lists all material Parent Benefit Plans. For purposes of this Agreement, Parent Benefit Plans means all compensation or employee benefit plans, programs, policies, agreements or other arrangements, whether or not employee benefit plans (within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA), providing cash- or equity-based incentives, including bonus, profit-sharing, deferred compensation, incentive compensation, stock ownership, stock purchase, stock options, phantom stock, restricted stock, restricted stock units, performance stock, performance stock units, stock appreciation rights, health, medical,

dental, vision, disability, accident or life insurance benefits or vacation, sick leave, holiday pay, fringe benefit, severance, retirement, pension or savings benefits, that are sponsored, maintained or contributed to by Parent or any of its Subsidiaries for the benefit of current or former employees or directors of Parent or its Subsidiaries and all employee agreements providing compensation, vacation, holiday pay, severance or other benefits to any current or former officer or employee of Parent or its Subsidiaries.

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(b) Each Parent Benefit Plan has been maintained and administered in compliance with its terms and with applicable Law, including ERISA and the Code to the extent applicable thereto, except for such non-compliance which is not having or would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect. Any Parent Benefit Plan intended to be qualified under Section 401(a) or 401(k) of the Code has received a determination letter from the IRS and, to the knowledge of Parent, after consultation with employees of Parent who are responsible for the day-to-day administration of such Parent Benefit Plans, (i) there are no circumstances likely to result in the revocation of any such favorable determination letter and (ii) there are no circumstances indicating that any such plan is not so qualified in operation. To the knowledge of Parent, no prohibited transaction described in Section 406 of ERISA or Section 4975 of the Code has occurred, except as is not having or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. Neither Parent nor any of its Subsidiaries maintains or contributes to any plan or arrangement which provides retiree medical or welfare benefits nor has any liability or obligation to provide such benefits, except as required by applicable Law. There is no pending, or to the knowledge of Parent, threatened litigation or claims (other than routine claims for benefits) relating to the Parent Benefit Plans which are having or would reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

(c) None of Parent, any of its Subsidiaries or any of its ERISA Affiliates contributes to or maintains an ERISA Plan subject to Title IV or Section 302 of ERISA or Section 412 or 4971 of the Code or have contributed to or maintained any such plan at any time during the past six years and no liability has been or is expected to be incurred by Parent or any of its Subsidiaries with respect to any such plan. None of Parent, any of its Subsidiaries or any ERISA Affiliate of Parent or its Subsidiaries has contributed, or been obligated to contribute, to any multiemployer plan (within the meaning of Section 3(37) of ERISA) at any time during the past six years and no liability has been or is expected to be incurred by Parent or any Subsidiary with respect to any such plan.

(d) The consummation of the transactions contemplated by this Agreement will not, either alone or in combination with another event, (i) entitle any current or former employee, consultant or officer of Parent or any of its Subsidiaries to severance pay, unemployment compensation or any other payment, except as expressly provided in this Agreement or as required by applicable Law or (ii) accelerate the time of payment or vesting, or increase the amount of compensation due any such employee, consultant or officer, except as expressly provided in this Agreement.

Section 4.10 *Absence of Certain Changes or Events*.

(a) From December 31, 2008 through the date of this Agreement, (i) the businesses of Parent and its Subsidiaries have been conducted, in all material respects, in the ordinary course of business, and (ii) there has not been any event, change, effect, development, state of facts, condition, circumstance or occurrence that has had, individually or in the aggregate, a Parent Material Adverse Effect.

(b) Since the date of this Agreement, there has not been any event, change, effect, development, state of facts, condition, circumstance or occurrence that is having or would reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

Section 4.11 *Investigations; Litigation*. (a) There is no investigation or review pending (or, to the knowledge of Parent, threatened) by any Governmental Entity with respect to Parent or any of its Subsidiaries, and (b) there are no actions, suits, inquiries, investigations or proceedings pending (or, to the knowledge of Parent, threatened) against or affecting Parent or any of its Subsidiaries, or any of their respective properties at law or in equity before, and there are no orders, judgments or decrees of, or before, any Governmental Entity, which in the case of clause (a) or (b), are having or would reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

Section 4.12 *Information Supplied*. None of the information provided by Parent for inclusion or incorporation by reference in (a) the Form S-4 will, at the time the Form S-4 becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading or (b) the Joint Proxy Statement

will, at the date it is first mailed to Parent s stockholders and the Company s stockholders or at the time of the Parent Stockholders Meeting or the Company Stockholder s Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Joint Proxy Statement (other than the portion thereof relating solely to the Company Stockholders Meeting) and the Form S-4 will comply as to form in all material respects with the requirements of the Securities Act and the Exchange Act. Notwithstanding the foregoing provisions of this Section 4.12, no representation or warranty is made by Parent with respect to information or statements made or incorporated by reference in the Form S-4 or the Joint Proxy Statement which were not supplied by or on behalf of Parent.

Section 4.13 *Tax Matters*. Except as would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect, (a) other than with respect to matters contested in good faith or for which adequate reserves have been established in accordance with GAAP (i) Parent and each of its Subsidiaries have prepared and timely filed (taking into account any extension of time within which to file) all Tax Returns required to be filed by any of them and all such filed Tax Returns are complete and accurate, and (ii) Parent and each of its Subsidiaries have paid all Taxes that are required to be paid by any of them, (b) all deficiencies asserted or assessed by a taxing authority against Parent or any of its Subsidiaries have been paid in full or are adequately reserved, in accordance with GAAP, (c) as of the date of this Agreement, there are not pending or, to the knowledge of Parent, threatened in writing, any audits, examinations, investigations or other proceedings in respect of income or franchise Taxes and there are no currently effective waivers (or requests for waivers) of the time to assess any Taxes, (d) there are no Liens for income or franchise Taxes on any of the assets of Parent or any of its Subsidiaries other than Parent Permitted Liens, (e) Parent has not been a controlled corporation or a distributing corporation in any distribution occurring during the three-year period ending on the date hereof (or otherwise as part of a plan (or series of related transactions) within the meaning of Section 355(e) of the Code of which the Merger is also a part) that was purported or intended to be governed by Section 355 of the Code, (f) neither Parent nor any of its Subsidiaries (I) is a party to or is bound by any Tax sharing, allocation or indemnification agreement with persons other than wholly owned Subsidiaries of Parent or (II) has any liability for Taxes of any other person (other than Parent and its Subsidiaries) pursuant to Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign Law), as a transferee or successor, by contract or otherwise, (g) as of the date hereof, neither Parent nor any of its Subsidiaries is required to include in income any adjustment pursuant to Section 481(a) of the Code, no such adjustment has been proposed by the IRS and no pending request for permission to change any accounting method has been submitted by Parent or any of its Subsidiaries, (h) neither Parent nor any of its Subsidiaries has participated in any listed transaction within the meaning of Treasury Regulation Section 1.6011-4(b)(2) and (i) to the knowledge of Parent, as of the date hereof and without regard to this Agreement, Parent has not undergone an ownership change within the meaning of Section 382 of the Code.

Section 4.14 *Employment and Labor Matters*. Except for such matters which are not having or would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect, (a) (i) there are no strikes or lockouts with respect to any employees of Parent or any of its Subsidiaries (Parent Employees), (ii) Parent and its Subsidiaries are not parties to any collective bargaining agreement and, to the knowledge of Parent, there is no union organizing effort pending or threatened against Parent or any of its Subsidiaries, (iii) there is no labor dispute (other than routine individual grievances) or labor arbitration proceeding pending or, to the knowledge of Parent, threatened against Parent or any of its Subsidiaries, (iv) there is no slowdown or work stoppage in effect or, to the knowledge of Parent, threatened with respect to Parent Employees, and (v) to the knowledge of Parent, there is no charge, complaint, or investigation pending or threatened by any Governmental Entity against Parent or any of its Subsidiaries concerning any alleged violation of any applicable Law respecting employment or employment practices, workplace health and safety, terms and conditions of employment, wages and hours, or unfair labor practices, and (b) Parent and its Subsidiaries are in compliance with all applicable Laws respecting (i) employment and employment practices, (ii) workplace health and safety, (iii) terms and conditions of employment and wages and hours, and (iv) unfair labor

practices. Neither Parent nor any of its Subsidiaries has any liabilities or is in breach of any obligations under the WARN Act or any similar state or local Law as a result of any action taken by Parent that would reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect. It is agreed

and understood that no representation or warranty is made by Parent or Merger Sub in respect of labor matters in any section of this Agreement other than this Section 4.14.

Section 4.15 *Intellectual Property*. Except as is not having or would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect, either Parent or a Subsidiary of Parent owns, or is licensed or otherwise possesses legally enforceable rights to use, all material Intellectual Property. Except as is not having or would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect, (a) there are no pending or, to the knowledge of Parent, threatened claims by any person alleging infringement by Parent or any of its Subsidiaries for their use of the Intellectual Property of Parent or any of its Subsidiaries, (b) to the knowledge of Parent, the conduct of the business of Parent and its Subsidiaries does not infringe any intellectual property rights of any person, (c) neither Parent nor any of its Subsidiaries has any claim pending of a violation or infringement by others of its rights to or in connection with the Intellectual Property of Parent or any of its Subsidiaries and (d) to the knowledge of Parent, no person is infringing any Intellectual Property of Parent or any of its Subsidiaries.

Section 4.16 *Real Property*.

(a) With respect to the real property owned by Parent or any Subsidiary (such property collectively, the Parent Owned Real Property), except as is not having or would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect, (i) either Parent or a Subsidiary of Parent has good and valid title to such Parent Owned Real Property, free and clear of all Liens other than any such Lien (A) for Taxes or governmental assessments, charges or claims of payment not yet due, being contested in good faith or for which adequate accruals or reserves have been established, (B) which is a carriers , warehousemens, mechanics , materialmens, repairmens, or other similar lien arising in the ordinary course of business, (C) which is disclosed on the most recent consolidated balance sheet of Parent or notes thereto included in the Parent SEC Documents filed prior to the date hereof or securing liabilities reflected on such balance sheet, (D) which was incurred in the ordinary course of business since the date of such recent consolidated balance sheet of Parent or (E) which would not reasonably be expected to materially impair the continued use of a Parent Owned Real Property or a Parent Leased Real Property as currently operated (each of the foregoing, a Parent Permitted Lien) (and conditions, covenants, encroachments, easements, restrictions and other encumbrances that do not materially adversely affect the use of the Parent Owned Real Property by Parent for residential home building), (ii) there are no reversion rights, outstanding options or rights of first refusal in favor of any other party to purchase, lease, occupy or otherwise utilize such Parent Owned Real Property or any portion thereof or interest therein that would reasonably be expected to materially adversely affect the use by Parent for residential home building of the Parent Owned Real Property affected thereby and (iii) neither Parent nor its Subsidiaries have collaterally assigned or granted a security interest in the Parent Owned Real Property except for Parent Permitted Liens. Neither Parent nor any of its Subsidiaries has received notice of any pending, and to the knowledge of Parent there is no pending or threatened condemnation or eminent domain proceeding with respect to any Parent Owned Real Property, except proceedings which are not having or would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

(b) Except as is not having or would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect, (i) each material lease, sublease, license, easement and other agreement under which Parent or any of its Subsidiaries uses or occupies or has the right to use or occupy any material real property at which the material operations of Parent and its Subsidiaries are conducted (the Parent Leased Real Property), is valid, binding and in full force and effect and (ii) no uncured default of a material nature on the part of Parent or, if applicable, its Subsidiary or, to the knowledge of Parent, the landlord or other parties to such lease or other agreement thereunder exists with respect to any Parent Leased Real Property. Except as is not having or would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect, Parent and each of its Subsidiaries has a good and valid leasehold interest, subject to the terms of any lease, sublease or other agreement applicable thereto, in each parcel of Parent Leased Real Property, free and clear of all Liens, except for Parent Permitted Liens (and conditions,

covenants, encroachments, easements, restrictions and other encumbrances that do not adversely affect the use of the Parent Leased Real Property by Parent for residential home building). Except as is not having or would not

reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect, neither Parent nor any of its Subsidiaries has (x) received notice of any pending, and, to the knowledge of Parent, there is no threatened, condemnation proceeding with respect to any Parent Leased Real Property, (y) collaterally assigned or granted a security interest in the Parent Leased Real Property except for Parent Permitted Liens, or (z) received any written notice of any default under lease or other agreement for a Parent Leased Real Property and, to the knowledge of Parent, no event has occurred and no condition exists that, with notice or lapse of time, or both, would constitute a default by Parent or any of its Subsidiaries, as applicable, under any such leases and agreements.

(c) Except as is not having or would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect, no judgment, injunction, order, decree, statute, ordinance, rule, regulation, moratorium, or other action by or before a Governmental Entity exists or is pending or threatened that restricts the development or sale of Parent Owned Real Property currently under development or all or a portion of which is being held for sale by Parent or any of its Subsidiaries.

(d) No developer-related charges or assessments imposed by any Governmental Entity (or any other person) for public improvements (or otherwise) against any Parent Owned Real Property held for development, are unpaid (other than those reflected on the most recent financial statements of Parent, and those incurred since the date of such financial statements of Parent to the extent in the ordinary course of Parent s business and consistent with past practices), except for such charges and assessments as, in the aggregate, are not having or would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

Section 4.17 *Required Vote of Parent Stockholders; Merger Sub Approval.*

(a) The affirmative vote of (i) holders of a majority of the outstanding shares of Parent Common Stock entitled to vote at the Parent Stockholders Meeting is the only vote of the holders of any class or series of Parent capital stock necessary to approve the Charter Amendment, (ii) holders of a majority of the Parent Common Stock present or represented and entitled to vote on the Stock Issuance at the Parent Stockholders Meeting is the only vote of the holders of any class or series of Parent capital stock necessary to approve the Stock Issuance (collectively, the Parent Stockholder Approvals) and (iii) Parent, as the sole stockholder of Merger Sub, is the only vote of the holders of any class or series of Merger Sub s capital stock necessary to approve the Merger, and no other vote of the holders of any class or series of Parent or Merger Sub capital stock is necessary to approve the Charter Amendment or the Stock Issuance or to approve this Agreement or the transactions contemplated hereby, including the Merger.

(b) The Board of Directors of Merger Sub, by written consent duly adopted prior to the date hereof, (i) determined that this Agreement and the Merger are advisable and in the best interests of Merger Sub and its stockholder, (ii) duly approved this Agreement, the Merger and the other transactions contemplated hereby, which approval has not been rescinded or modified and (iii) submitted this Agreement for approval by Parent, as the sole stockholder of Merger Sub and recommended Parent approve the same. Parent, as the sole stockholder of Merger Sub, has duly approved this Agreement and the Merger.

Section 4.18 *Opinion of Financial Advisor.* The Parent Board has received the opinion of Citigroup Global Markets Inc. dated the date of this Agreement, substantially to the effect that, as of such date, the Exchange Ratio is fair to Parent from a financial point of view.

Section 4.19 *Material Contracts.*

(a) Section 4.19(a) of the Parent Disclosure Schedule contains a complete list as of the date hereof of the following types of Contracts, whether written or oral, that are intended by Parent or any of its Subsidiaries, as applicable, to be legally binding, and to which Parent or any of its Subsidiaries is a party (such Contracts, being the Parent Material

Contracts):

(i) each material contract (as such term is defined in Item 610(b)(10) of Regulation S-K of the SEC) with respect to Parent and its Subsidiaries (other than compensatory contracts with, or which include as participants, any current or former director or officer of Parent or any of its Subsidiaries);

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(ii) all contracts and agreements evidencing indebtedness for borrowed money in excess of $50 million in principal amount; and

(iii) all non-competition agreements or any other agreements or arrangements that materially limit or otherwise materially restrict Parent and its Subsidiaries from conducting a material portion of the business of Parent and its Subsidiaries, taken as a whole.

(b) Neither Parent nor any Subsidiary of Parent is in breach of or default under the terms of any Parent Material Contract where such breach or default is having or would reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect. To the knowledge of Parent, no other party to any Parent Material Contract is in breach of or default under the terms of any Parent Material Contract where such breach or default is having or would reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect. Except as is not having or would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect, each Parent Material Contract is a legal, valid and binding obligation of Parent or the Subsidiary of Parent which is party thereto and, to the knowledge of Parent, of each other party thereto, and is in full force and effect, except that (i) such enforcement may be subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws, now or hereafter in effect, relating to creditors rights generally and (ii) equitable remedies of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(c) Parent has made available to the Company correct and complete copies in all material respects of all Parent Material Contracts, including any material amendments or material waivers thereto.

Section 4.20 *Finders or Brokers*. Except for Citigroup Global Markets Inc., Banc of America Securities LLC and J.P. Morgan Securities Inc. neither Parent nor any of its Subsidiaries has employed any investment banker, broker or finder in connection with the transactions contemplated by this Agreement who might be entitled to any fee or any commission in connection with or upon consummation of the Merger.

Section 4.21 *Lack of Ownership of Company Common Stock*. Neither Parent nor any of its Subsidiaries beneficially owns directly or indirectly, any shares of Company Common Stock or other securities convertible into, exchangeable for or exercisable for shares of Company Common Stock or any Securities of any Subsidiary of the Company, and neither Parent nor any of its Subsidiaries has any rights to acquire any Shares except pursuant to this Agreement. There are no voting trusts or other agreements or understandings to which Parent or any of its Subsidiaries is a party with respect to the voting of the capital stock or other equity interest of the Company or any of its Subsidiaries.

Section 4.22 *Insurance*. Section 4.22 of the Parent Disclosure Schedule sets forth a true and complete list of the material insurance policies covering Parent and its Subsidiaries as of the date hereof. Except as is not having or would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect, (a) each insurance policy under which Parent or any of its Subsidiaries is an insured or otherwise the principal beneficiary of coverage (collectively, the Parent Insurance Policies) is in full force and effect, all premiums due thereon have been paid in full and Parent and its Subsidiaries are in compliance with the terms and conditions of such Parent Insurance Policy, (b) neither Parent nor any of its Subsidiaries is in breach or default under any Parent Insurance Policy and (c) no event has occurred which, with notice or lapse of time, would constitute such breach or default, or permit termination or modification, under the policy.

Section 4.23 *Tax Treatment*. Neither Parent nor any of its Subsidiaries has taken or agreed to take any action or knows of any fact that would prevent or impede, or would be reasonably likely to prevent or impede, the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code.

Section 4.24 *Rights Plan*. Parent has taken all action necessary (a) to render the Section 382 Rights Agreement, dated March 5, 2009 (Parent Rights Agreement), between Parent and Computershare Trust Company, N.A., as Rights Agent, inapplicable to the Merger, this Agreement, the Voting Agreements executed by stockholders of Parent and the transactions contemplated hereby or thereby, including the Merger, and (b) to ensure that (i) neither the Company nor any Company stockholder will become an Acquiring Person (as such term is defined in the Parent Rights Agreement) by reason of the approval, execution, announcement or

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consummation of this Agreement or the Voting Agreements executed by stockholders of Parent or the transactions contemplated hereby or thereby, including the Merger, and (ii) neither a Share Acquisition Date nor a Distribution Date (each as defined in the Parent Rights Agreement) shall occur, in each case, by reason of the approval, execution, announcement or consummation of this Agreement or the Voting Agreements executed by stockholders of Parent or the transactions contemplated hereby or thereby, including the Merger.

Section 4.25 *No Additional Representations*. Parent and Merger Sub acknowledge that the Company makes no representations or warranties as to any matter whatsoever except as expressly set forth in this Agreement or in any certificate delivered by the Company to Parent or Merger Sub in accordance with the terms hereof, and specifically (but without limiting the generality of the foregoing) that the Company makes no representations or warranties with respect to (a) any projections, estimates or budgets delivered or made available to Parent or Merger Sub (or any of their respective affiliates or Representatives) of future revenues, results of operations (or any component thereof), cash flows or financial condition (or any component thereof) of the Company and its Subsidiaries or (b) the future business and operations of the Company and its Subsidiaries.

ARTICLE V

COVENANTS AND AGREEMENTS

Section 5.1 *Conduct of Business by the Company*.

(a) From and after the date hereof and prior to the Effective Time or the date, if any, on which this Agreement is earlier terminated pursuant to Section 7.1 (the Termination Date), and except (i) as may be required by applicable Law, (ii) as may be consented to in writing by Parent (which consent shall not be unreasonably withheld, delayed or conditioned), (iii) as may be contemplated or required by this Agreement or (iv) as set forth in Section 5.1 of the Company Disclosure Schedule, the Company covenants and agrees with Parent that the business of the Company and its Subsidiaries shall be conducted in, and such entities shall not take any action except in, the ordinary course of business, and the Company and its Subsidiaries shall use their reasonable best efforts to (A) keep available the services of current officers, key employees and consultants of the Company and each of its Subsidiaries, (B) preserve the Company s business organization intact and maintain its existing relations and goodwill with customers, suppliers, distributors, creditors and lessors, (C) maintain insurance policies or replacement or revised policies in such amounts and against such risks and losses of the Company and its Subsidiaries as are currently in effect and (D) comply in all material respects with all applicable Laws; provided, however, that no action by the Company or its Subsidiaries with respect to matters specifically addressed by any provision of Section 5.1(b) shall be deemed a breach of this sentence unless such action would constitute a breach of such other provision.

(b) The Company agrees with Parent, on behalf of itself and its Subsidiaries, that between the date hereof and prior to the earlier of the Effective Time and the Termination Date, without the prior written consent of Parent (which consent shall not be unreasonably withheld, delayed or conditioned), the Company:

(i) shall not, and shall not permit any of its Subsidiaries that is not directly or indirectly wholly owned by the Company to, authorize or pay any dividends on or make any distribution with respect to its outstanding shares of capital stock (whether in cash, assets, stock or other securities of the Company or its Subsidiaries), except dividends and distributions paid or made on a pro rata basis by Subsidiaries;

(ii) except for transactions between the Company and its wholly owned Subsidiaries or among the Company s wholly owned Subsidiaries, the Company shall not, and shall not permit any of its Subsidiaries, to redeem, repurchase, defease or otherwise cancel any indebtedness for borrowed money of the Company or any Subsidiary, other than (x) at stated maturity, (y) any required amortization payments and mandatory prepayments (including mandatory

prepayments arising from any change of control put rights to which holders of such indebtedness for borrowed money may be entitled), and (z) indebtedness for borrowed money either (A) not in excess of $1 million or (B) arising under the agreements disclosed

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in Section 5.1(b)(ii) of the Company Disclosure Schedule, in each case in accordance with the terms of the instrument governing such indebtedness as in effect on the date hereof;

(iii) shall not, and shall not permit any of its Subsidiaries to, make any acquisition of any other person or business or make any capital expenditures, loans, advances or capital contributions to, or investments in, any other person with a value in excess of $15 million in the aggregate, except (A) in the ordinary course of business, including entering into option contracts to acquire (and purchasing pursuant to the terms of such contracts) (1) finished lots in an amount not to exceed $8 million individually or $150 million in the aggregate or (2) raw land in an amount not to exceed $20 million in the aggregate, (B) as required by or pursuant to existing contracts, including existing contracts for the acquisition of finished lots or realty, or (C) as made in connection with any transaction solely between the Company and a wholly owned Subsidiary of the Company or between wholly owned Subsidiaries of the Company;

(iv) shall not, and shall not permit any of its Subsidiaries to, (A) split, combine, reclassify, subdivide or amend the terms of any of its capital stock or issue or authorize or propose the issuance or authorization of any other securities in respect of, in lieu of or in substitution for shares of its capital stock, except for any such transaction by a wholly owned Subsidiary of the Company which remains a wholly owned Subsidiary after consummation of such transaction or (B) enter into any agreement with respect to voting of any of its capital stock or any securities convertible or exchangeable for such shares;

(v) except as required by existing written agreements or Company Benefit Plans, as otherwise required by applicable Law, or as permitted under Section 5.6(b)(v) and Section 5.6(b)(vi), shall not, and shall not permit any of its Subsidiaries to, (A) increase the compensation or other benefits payable or provided to the Company s directors, executive officers or other employees, (B) enter into any employment, change of control, severance or retention agreement with any employee of the Company (except (1) for agreements entered into with any newly-hired employees or replacements or as a result of promotions, (2) for employment agreements terminable on less than thirty days notice without penalty, and (3) for severance agreements entered into with employees who are not executive officers, in the ordinary course of business in connection with terminations of employment) or (C) establish, adopt, enter into or amend any plan, policy, program or arrangement for the benefit of any current or former directors, officers or employees or any of their beneficiaries, except (x) as permitted pursuant to clause (B) above, or (y) for entering into or amending collective bargaining agreements in the ordinary course of business;

(vi) shall not, and shall not permit any of its Subsidiaries to, materially change financial accounting policies or procedures or any of its methods of reporting income, deductions or other material items for financial accounting purposes, except as required by GAAP, SEC rule or policy or applicable Law;

(vii) except as required by a change in Law, make, change or revoke any material Tax election, file any material amended Tax Return, or settle or compromise any material Tax liability or refund, in each case, if such action could have an adverse effect that, individually or in the aggregate, is material to the Company and its Subsidiaries;

(viii) shall not, and shall not permit any of its Subsidiaries to, adopt or propose to adopt any material amendments to its articles of incorporation or by-laws or similar applicable charter documents;

(ix) except for transactions among the Company and its wholly owned Subsidiaries or among the Company s wholly owned Subsidiaries, shall not, and shall not permit any of its Subsidiaries to, issue, sell, pledge, dispose of, grant, transfer or encumber, or authorize the issuance, sale, pledge, disposition, grant, transfer or encumbrance of, any shares of its capital stock or other ownership interest in the Company or any Subsidiaries or any securities convertible into or exchangeable for any such shares or ownership interest, or any rights, warrants or options to acquire or with respect to any such shares of capital stock, ownership interest or convertible or exchangeable securities or take any action to cause to be exercisable any otherwise unexercisable option under any existing stock option plan (except as otherwise

provided by the terms of this Agreement or the terms of any unexercisable or unexercised options or warrants outstanding on the date hereof), other than (A) issuances of shares of Company Common Stock in respect of any exercise of Company Stock Options or the vesting or settlement of

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Restricted Stock Units outstanding on the date hereof or as may be granted after the date hereof as permitted under this Section 5.1(b), (B) the sale of shares of Company Common Stock pursuant to the exercise of options to purchase Company Common Stock if necessary to effectuate an optionee direction upon exercise or for withholding of Taxes and (C) the grant of equity compensation awards in the ordinary course of business in accordance with the Company s customary long-term compensation award practices in accordance with Section 5.6(b)(vi);

(x) except for transactions among the Company and its wholly owned Subsidiaries or among the Company s wholly owned Subsidiaries, shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, purchase, redeem or otherwise acquire any shares of the capital stock of any of them, or any securities convertible into or exchangeable for any such shares or ownership interest, or any rights, warrants or options to acquire or with respect to any such shares, ownership interest or convertible or exchangeable securities;

(xi) shall not, and shall not permit any of its Subsidiaries to, incur, assume, guarantee, prepay or otherwise become liable for any indebtedness for borrowed money (directly, contingently or otherwise), except for (A) any indebtedness for borrowed money among the Company and its wholly owned Subsidiaries or among the Company s wholly owned Subsidiaries, (B) indebtedness for borrowed money incurred to replace, renew, extend, refinance or refund any existing indebtedness for borrowed money, (C) guarantees by the Company of indebtedness for borrowed money of Subsidiaries of the Company or guarantees by the Company s Subsidiaries of indebtedness for borrowed money of the Company or any Subsidiary of the Company, which indebtedness is incurred in compliance with this Section 5.1(b) and (D) indebtedness incurred in the ordinary course of business pursuant to funding facilities for the Company s financial services Subsidiaries, provided that nothing contained herein shall prohibit the Company and its Subsidiaries from making guarantees or obtaining letters of credit or surety bonds for the benefit of commercial counterparties in the ordinary course of business;

(xii) shall not, and shall not permit any of its Subsidiaries to, sell, pledge, lease, license, transfer, guarantee, exchange or swap, mortgage (including securitizations), or otherwise dispose of any material portion of its material properties or material assets, including the capital stock of Subsidiaries (it being understood that the foregoing shall not prohibit the sales of land or homes in the ordinary course of business), except (A) for transactions among the Company and its wholly owned Subsidiaries or among the Company s wholly owned Subsidiaries, (B) pursuant to existing agreements in effect prior to the execution of this Agreement and that are set forth in Section 5.1(b)(xii) of the Company Disclosure Schedule or (C) as may be required by applicable Law or any Governmental Entity in order to permit or facilitate the consummation of the transactions contemplated hereby;

(xiii) shall not, and shall not permit any of its Subsidiaries to, (A) adopt a plan of complete or partial liquidation or resolutions providing for a complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of the Company or any of its Subsidiaries (other than the Merger and consolidations, mergers or reorganizations among the Company and its wholly owned Subsidiaries or among the Company s wholly owned Subsidiaries that would not result in material adverse tax consequences or material loss of tax benefits or loss of any material asset (including Intellectual Property)) or (B) vote in support of, consent to or approve a plan of complete or partial liquidation or resolutions providing for a complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of any joint venture or similar entity to which the Company or any of its Subsidiaries is a party that is not a Subsidiary of the Company (other than consolidations, mergers or reorganizations that would not result in material adverse tax consequences or material loss of tax benefits or loss of any material asset (including Intellectual Property));

(xiv) shall not, and shall not permit any of its Subsidiaries to, enter into any Contract that would materially restrict, after the Effective Time, Parent and its Subsidiaries (including the Surviving Corporation and its Subsidiaries) with respect to engaging or competing in any line of business or in any geographic area;

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(xv) shall not, and shall not permit any of its Subsidiaries to, settle or compromise any litigation, or release, dismiss or otherwise dispose of any claim, liability, obligation or arbitration, other than settlements or compromises of litigation or releases, dismissals or dispositions of claims, liabilities, obligations or arbitration that involve the payment of monetary damages not in excess of $15 million individually or $75 million in the aggregate (but excluding from such aggregate total any individual claim involving the payment by the Company of an amount less than $1 million) by the Company and do not involve any material injunctive or other non-monetary relief or impose material restrictions on the business or operations of the Company;

(xvi) shall not, and shall not permit any of its Subsidiaries to, enter into interest rate swaps and other similar hedging arrangements other than for purposes of offsetting a bona fide exposure (including counterparty risk);

(xvii) shall not, and shall not permit any of its Subsidiaries to, issue or forgive any loans to directors, officers, employees, contractors or any of their respective affiliates, except for any such issuances that would not violate the Sarbanes-Oxley Act; and

(xviii) shall not, and shall not permit any of its Subsidiaries to, agree or commit to do any of the foregoing.

Section 5.2 *Conduct of Business by Parent*.

(a) From and after the date hereof and prior to the earlier of the Effective Time and the Termination Date, and except (i) as may be required by applicable Law, (ii) as may be consented to in writing by the Company (which consent shall not be unreasonably withheld, delayed or conditioned), (iii) as may be contemplated or required by this Agreement or (iv) as set forth in Section 5.2 of the Parent Disclosure Schedule, Parent covenants and agrees with the Company that the business of Parent and its Subsidiaries shall be conducted in, and such entities shall not take any action except in, the ordinary course of business, and Parent and its Subsidiaries shall use their reasonable best efforts to (A) keep available the services of current officers, key employees and consultants of Parent and each of its Subsidiaries, (B) preserve Parent s business organization intact and maintain its existing relations and goodwill with customers, suppliers, distributors, creditors and lessors, (C) maintain insurance policies or replacement or revised policies in such amounts and against such risks and losses of Parent and its Subsidiaries as are currently in effect and (D) comply in all material respects with all applicable Laws; provided, however, that no action by Parent or its Subsidiaries with respect to matters specifically addressed by any provision of Section 5.2(b) shall be deemed a breach of this sentence unless such action would constitute a breach of such other provision.

(b) Parent agrees with the Company, on behalf of itself and its Subsidiaries, that between the date hereof and prior to the earlier of the Effective Time and the Termination Date, without the prior written consent of the Company (which consent shall not be unreasonably withheld, delayed or conditioned), Parent:

(i) except in the ordinary course of business, shall not, and shall not permit any of its Subsidiaries that is not directly or indirectly wholly owned by Parent to, authorize or pay any dividends on or make any distribution with respect to its outstanding shares of capital stock (whether in cash, assets, stock or other securities of Parent or its Subsidiaries), except dividends and distributions paid or made on a pro rata basis by Subsidiaries;

(ii) shall not, and shall not permit any of its Subsidiaries to, acquire or agree to acquire by merger or consolidation, or by purchasing a substantial equity interest in or a substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof or otherwise acquire or agree to acquire any assets, other than acquisitions that could not reasonably be expected to make it materially more difficult to obtain any authorization, consent or approval required in connection with the Merger and that could not reasonably be expected to prevent or materially delay or impede the consummation of the transactions contemplated by this Agreement, including the Merger;

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(iii) shall not, and shall not permit any of its Subsidiaries to, (A) split, combine, reclassify, subdivide or amend the terms of any of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock, except for any such transaction by a wholly owned Subsidiary of Parent which remains a wholly owned Subsidiary after consummation of such transaction or (B) enter into any agreement with respect to voting of any of its capital stock or any securities convertible or exchangeable for such shares;

(iv) except for (A) the adoption of an amendment to Parent s Articles of Incorporation as contemplated in Parent s proxy statement for its 2009 Annual Meeting of Shareholders and (B) an amendment to Parent s certificate of designations of Parent s Series A Junior Participating Preferred Shares to increase the number of shares, shall not, and shall not permit any of its Subsidiaries to, adopt or propose to adopt any material amendments to its articles of incorporation or by-laws or similar applicable charter documents;

(v) except for transactions among Parent and its wholly owned Subsidiaries or among Parent s wholly owned Subsidiaries, shall not, and shall not permit any of its Subsidiaries to, issue, sell, pledge, dispose of, grant, transfer or encumber, or authorize the issuance, sale, pledge, disposition, grant, transfer or encumbrance of, any shares of its capital stock or other ownership interest in Parent or any Subsidiaries or any securities convertible into or exchangeable for any such shares or ownership interest, or any rights, warrants or options to acquire or with respect to any such shares of capital stock, ownership interest or convertible or exchangeable securities or take any action to cause to be exercisable any otherwise unexercisable option under any existing stock option plan (except as otherwise provided by the terms of this Agreement or the terms of any unexercisable or unexercised options or warrants outstanding on the date hereof), other than (A) issuances of shares of Parent Common Stock in respect of any exercise of Parent Stock Options or the vesting or settlement of Parent RSUs outstanding on the date hereof or as may be granted after the date hereof as permitted under this Section 5.2(b), (B) the sale of shares of Parent Common Stock pursuant to the exercise of options to purchase Parent Common Stock if necessary to effectuate an optionee direction upon exercise or for withholding of Taxes and (C) the grant of equity compensation awards in the ordinary course of business in accordance with Parent s customary schedule;

(vi) shall not, and shall not permit any of its Subsidiaries to, (A) adopt a plan of complete or partial liquidation or resolutions providing for a complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of Parent or any of its Subsidiaries (other than the Merger and consolidations, mergers or reorganizations among Parent and its wholly owned Subsidiaries or among Parent s wholly owned Subsidiaries that would not result in material adverse tax consequences or material loss of tax benefits or loss of any material asset (including Intellectual Property)) or (B) vote in support of, consent to or approve a plan of complete or partial liquidation or resolutions providing for a complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of any joint venture or similar entity to which Parent or any of its Subsidiaries is a party that is not a Subsidiary of Parent (other than consolidations, mergers or reorganizations that would not result in material adverse tax consequences or material loss of tax benefits or loss of any material asset (including Intellectual Property)); and

(vii) shall not, and shall not permit any of its Subsidiaries to, agree or commit to do any of the foregoing.

Section 5.3 *Investigation*.

(a) Each of the Company and Parent shall afford the other party and to the officers, employees, accountants, consultants, legal counsel, financial advisors and agents and other representatives (collectively, Representatives) of such other party reasonable access during normal business hours, throughout the period prior to the earlier of the Effective Time and the Termination Date, to its and its Subsidiaries personnel, properties, contracts, commitments, books and records and any report, schedule or other document filed or received by it pursuant to the requirements of

applicable Laws for purposes of integration planning. Notwithstanding the foregoing, neither the Company nor Parent shall be required to afford such access if it would (i) unreasonably disrupt the operations of such party or any of its Subsidiaries, (ii) cause a violation of

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any agreement to which such party or any of its Subsidiaries is a party (provided that Parent or the Company, as the case may be, shall use reasonable best efforts to implement procedures to provide the access or information contemplated by this Section 5.3 without violating such agreement), or (iii) cause a risk of a loss of privilege to such party or any of its Subsidiaries or would constitute a violation of any applicable Law.

(b) The parties hereby agree that all information provided to them or their respective Representatives in connection with this Agreement and the consummation of the transactions contemplated hereby shall be deemed to be Evaluation Material, as such term is used in, and shall be treated in accordance with, the Confidentiality Agreement, dated as of February 17, 2009, between the Company and Parent (the Confidentiality Agreement).

Section 5.4 *Non-Solicitation*.

(a) Subject to Sections 5.4(b)-(k), the Company agrees that neither it nor any of its Subsidiaries shall, and that it shall direct its and their respective Representatives not to, and shall not publicly announce any intention to, directly or indirectly, (i) solicit, initiate or knowingly encourage any inquiries with respect to, or the making or submission of, any Alternative Proposal, (ii) participate in any negotiations regarding an Alternative Proposal with, or furnish any nonpublic information regarding an Alternative Proposal to any person that has made or, to the Company s knowledge, is considering making an Alternative Proposal, (iii) engage in discussions regarding an Alternative Proposal with any person, except to notify such person as to the existence of the provisions of this Section 5.4, (iv) submit to a vote of its stockholders, approve, endorse or recommend any Alternative Proposal or (v) enter into any letter of intent or agreement in principle or any agreement providing for any Alternative Proposal (except for confidentiality agreements permitted under Section 5.4(c)).

(b) The Company promptly (and in any event within 24 hours) shall advise Parent orally and in writing of (i) receipt of any Alternative Proposal or indication or inquiry with respect to or that would reasonably be expected to lead to any Alternative Proposal and (ii) any request for non-public information relating to the Company or its Subsidiaries, other than requests for information not reasonably expected to be related to an Alternative Proposal, including in each case the identity of the person making any such Alternative Proposal or indication or inquiry and the material terms of any such Alternative Proposal or indication or inquiry (including copies of any document or correspondence evidencing such Alternative Proposal or inquiry). The Company shall keep Parent reasonably informed on a reasonably current basis of any material change to the financial or other material terms of any such Alternative Proposal or indication or inquiry.

(c) Notwithstanding the limitations set forth in Section 5.4(a), if, after the date hereof and prior to the receipt of the Company Stockholder Approval, the Company receives an unsolicited, written Alternative Proposal that the Company Board determines in good faith either constitutes a Superior Proposal or could reasonably be expected to lead to a Superior Proposal, then the Company may, subject to compliance with this Section 5.4 and if, and only if, prior to taking any such actions the Company receives from the third party making such Alternative Proposal an executed confidentiality agreement on terms with respect to confidentiality no less favorable to the Company than the Confidentiality Agreement: (i) furnish nonpublic information to the third party making such Alternative Proposal and (ii) engage in discussions or negotiations with such third party. The Company agrees that it and its Subsidiaries shall not enter into any confidentiality agreement with any person subsequent to the date hereof that prohibits the Company from providing information to Parent that is required to be provided under this Section 5.4.

(d) Except as otherwise provided in Section 5.4(e) or Section 5.4(g), the Company Board may not withdraw or, in a manner adverse to Parent or Merger Sub, modify or qualify the Company Recommendation (any such actions being a Company Change of Recommendation).

(e) Notwithstanding anything to the contrary in this Agreement, prior to the receipt of the Company Stockholder Approval, in response to the receipt of a Superior Proposal that has not been withdrawn and provided the Company and its Subsidiaries have complied in all material respects with this Section 5.4, the Company Board may make a Company Change of Recommendation; provided, that the Company has complied in all material respects with the following sentence of this Section 5.4(e) and, after so complying,

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such proposal continues to constitute a Superior Proposal and the Company Board determines in good faith, after consultation with the Company s outside legal and financial advisors, that the failure to make a Company Change of Recommendation would be inconsistent with the directors fiduciary obligations to the Company s stockholders under applicable Law. The Company Board shall not make a Company Change of Recommendation unless the Company has, three business days in advance (the Notice Period), provided a written notice to Parent (a Notice of Superior Proposal) advising Parent that the Company Board has received a Superior Proposal, specifying the material terms and conditions of such Superior Proposal, identifying the person making such Superior Proposal and providing copies of any agreements intended to effect such Superior Proposal; provided, however, that if during the Notice Period any revisions are made to the Superior Proposal and such revisions are material (it being understood and agreed that any change to consideration with respect to such proposal is material), the Company shall provide written notice of such revisions to Parent and the Notice Period shall be extended by one business day.

(f) Nothing contained in this Agreement shall prohibit the Company or the Company Board from (i) taking and disclosing to its stockholders a position contemplated by Rules 14d-9 and 14e-2(a) promulgated under the Exchange Act or (ii) making any legally required disclosure to the Company s stockholders or taking any position with respect to the Merger if, in the good faith judgment of the Company Board, after consultation with the Company s outside legal advisors, failure to so take and/or disclose would be inconsistent with the directors fiduciary obligations to the Company s stockholders under applicable Law or obligations under the rules and regulations of the NYSE; provided, however, that any action that would constitute a Company Change of Recommendation may only be made in compliance with either Section 5.4(e) or Section 5.4(g).

(g) Nothing contained in this Agreement shall prohibit the Company or the Company Board from, at any time prior to the receipt of the Company Stockholder Approval, making a Company Change of Recommendation if the Company Board is required to do so under applicable Law; provided, that the Company Board shall not make a Company Change of Recommendation pursuant to this Section 5.4(g) unless the Company has three business days in advance provided a written notice to Parent advising Parent of its intent to make a Company Change of Recommendation as required under applicable Law.

(h) As used in this Agreement, Alternative Proposal shall mean any bona fide inquiry, proposal or offer made by any person or group of persons prior to the receipt of the Company Stockholder Approval (other than a proposal or offer by Parent or any of its Subsidiaries) for (i) a merger, reorganization, share exchange, consolidation, business combination, recapitalization, dissolution, liquidation or similar transaction involving the Company, (ii) a tender offer or exchange offer that, if consummated, would result in any person beneficially owning 20% or more of the outstanding shares of Company Common Stock, (iii) the acquisition by any person or group of persons of 20% or more of the assets of the Company and its Subsidiaries, taken as a whole or (iv) the direct or indirect acquisition by any person or group of persons of 20% or more of the outstanding shares of Company Common Stock.

(i) As used in this Agreement, Superior Proposal shall mean an Alternative Proposal (substituting 50% for the 20% threshold set forth in the definition of Alternative Proposal) made by any person or group of persons on terms that the Company Board determines in good faith, after consultation with the Company s financial and legal advisors, is more favorable to the stockholders of the Company than the transactions contemplated by this Agreement (taking into account such factors as the Company Board in good faith deems relevant).

(j) The Company agrees that, as of the date hereof, it and its Subsidiaries shall, and the Company shall direct its and its Subsidiaries respective Representatives to, immediately cease and cause to be terminated any activities, discussions or negotiations with any persons with respect to any Alternative Proposal which shall have occurred prior to the date hereof. The Company also agrees that it will promptly request each person that has heretofore executed a confidentiality agreement in connection with any Alternative Proposal to return or destroy all confidential information heretofore furnished to such person by or on behalf of it or any of its Subsidiaries.

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(k) During the period from the date of this Agreement through the Effective Time, the Company (i) shall not terminate, amend, modify or waive any standstill provision of any confidentiality, standstill or similar agreement between the Company and any other person which relates to any transaction that could constitute an Alternative Proposal and (ii) agrees to use its reasonable best efforts to enforce the provisions of any such agreements, including using its reasonable best efforts to obtain injunctions to prevent any threatened or actual breach of such agreements and to enforce specifically the terms and provisions thereof in any court of the United States or any state thereof having jurisdiction; provided, that the Company shall not be required to take, or be prohibited from taking, any action otherwise prohibited or required by this Section 5.4(k), if the Company Board determines in good faith, after consultation with the Company s outside legal advisors, such action or inaction would be inconsistent with the directors fiduciary obligations to the Company s stockholders under applicable Law or if such action or failure to act would otherwise be permitted by this Section 5.4.

Section 5.5 *Filings; Other Actions*.

(a) As promptly as practicable following the date of this Agreement, the Company shall prepare and file with the SEC the Joint Proxy Statement, and Parent shall prepare and file with the SEC the Form S-4 in which the Joint Proxy Statement will be included as a prospectus. The Company and Parent shall provide the other with the opportunity to review and comment on such documents prior to their filing with the SEC. Each of Parent and the Company shall use reasonable best efforts to have the Form S-4 declared effective under the Securities Act as promptly as reasonably practicable after such filing and to keep the Form S-4 effective as long as necessary to consummate the Merger. Parent will cause the Joint Proxy Statement to be mailed to Parent s stockholders, and the Company will cause the Joint Proxy Statement to be mailed to the Company s stockholders, in each case as promptly as reasonably practicable after the Form S-4 is declared effective under the Securities Act. Parent shall also take any action required to be taken under any applicable state securities laws in connection with the issuance and reservation of shares of Parent Common Stock in the Merger and the conversion of Company Stock Options into options to acquire Parent Common Stock, the conversion of the Restricted Shares into the right to receive Parent Common Stock as set forth in Section 5.6(a)(ii) and the conversion of the Restricted Stock Units into shares of Parent Common Stock as set forth in Section 5.6(a)(ii), and the Company shall furnish all information concerning the Company and the holders of Company Common Stock as may be reasonably requested in connection with any such action. No filing of, or amendment or supplement to, the Form S-4 or the Joint Proxy Statement will be made by Parent or the Company, as applicable, without the other s prior consent (which shall not be unreasonably withheld, delayed or conditioned) and without providing the other the opportunity to review and comment thereon. Parent or the Company, as applicable, will advise the other promptly after it receives oral or written notice of the time when the Form S-4 has become effective or any supplement or amendment has been filed, the issuance of any stop order, the suspension of the qualification of the Parent Common Stock issuable in connection with the Merger for offering or sale in any jurisdiction, or any oral or written request by the SEC for amendment of the Joint Proxy Statement or the Form S-4 or comments thereon and responses thereto or requests by the SEC for additional information, and will promptly provide the other with copies of any written communication from the SEC or any state securities commission. If at any time prior to the Effective Time any information relating to Parent or the Company, or any of their respective affiliates, officers or directors, is discovered by Parent or the Company which should be set forth in an amendment or supplement to any of the Form S-4 or the Joint Proxy Statement, so that any of such documents would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the party which discovers such information shall promptly notify the other party and an appropriate amendment or supplement describing such information shall be promptly filed with the SEC, after the other party has had a reasonable opportunity to review and comment thereon, and, to the extent required by applicable Law, disseminated to the respective stockholders of Parent and the Company.

(b) Each of the Company and Parent shall, as promptly as practicable after the Form S-4 is declared effective under the Securities Act, take all action necessary in accordance with applicable Laws and the Company Organizational

Documents, in the case of the Company, and the Parent Organizational Documents, in the case of Parent, to duly give notice of, convene and hold a meeting of its stockholders, respectively, to be held as promptly as practicable to consider, in the case of Parent, the Charter Amendment and the Stock

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Issuance (the Parent Stockholders Meeting) and, in the case of the Company, the approval of this Agreement and the approval of the transactions contemplated hereby, including the Merger (the Company Stockholders Meeting). The Company will, except to the extent the Company has made a Company Change of Recommendation in compliance with Section 5.4(e) or Section 5.4(g), through the Company Board, recommend that its stockholders approve this Agreement and will use reasonable best efforts to solicit from its stockholders, proxies in favor of the approval of this Agreement and to take all other action necessary or advisable to secure the vote or consent of its stockholders required by the rules of the NYSE or applicable Laws to obtain such approvals. Parent will, through the Parent Board, recommend that its stockholders approve the Charter Amendment and the Stock Issuance, and will use reasonable best efforts to solicit from its stockholders proxies in favor of the Charter Amendment and the Stock Issuance and to take all other action necessary or advisable to secure the vote or consent of its stockholders required by the rules of the NYSE or applicable Laws to obtain such approval.

(c) The Parent Board may not withdraw or, in a manner adverse to the Company, modify or qualify the Parent Recommendation (any such actions being a Parent Change of Recommendation), except to the extent that the Parent Board is required to do so under applicable Law; provided, that the Parent Board shall not make a Parent Change of Recommendation pursuant to this Section 5.5(c) unless Parent has three business days in advance provided a written notice to the Company advising the Company of its intent to make a Company Change of Recommendation as required under applicable Law.

(d) Each of the Company and Parent will use reasonable best efforts to hold the Company Stockholders Meeting and the Parent Stockholders Meeting, respectively, on the same date as the other party and as soon as reasonably practicable after the date of this Agreement.

Section 5.6 *Stock Options and Other Stock-Based Awards; Employee Matters.*

(a) *Stock Options and Other Stock-Based Awards.*

(i) Each option to purchase shares of Company Common Stock (each, a Company Stock Option) granted under the employee and director stock plans of the Company (the Company Stock Plans), whether vested or unvested, that is outstanding immediately prior to the Effective Time shall, as of the Effective Time, automatically and without any action on the part of the holders thereof, be converted into a vested option to purchase shares of Parent Common Stock (a Parent Stock Option), on the same terms and conditions (except as provided in this Section 5.6(a)(i)) as were applicable under such Company Stock Option immediately prior to the Effective Time, to purchase that number of shares of Parent Common Stock equal to the product of (A) the total number of shares of Company Common Stock subject to such Company Stock Option and (B) the Exchange Ratio, rounded down to the nearest whole number of shares of Parent Common Stock. The per-share exercise price for the shares of Parent Common Stock issuable upon exercise of such Parent Stock Options will be equal to the quotient determined by dividing (x) the exercise price per share of Company Common Stock at which the Company Stock Options were exercisable immediately prior to the Effective Time by (y) the Exchange Ratio, and rounding the resulting per-share exercise price up to the nearest whole cent. Solely with respect to a Company Stock Option granted with an exercise price of less than $40.00 per share of Company Common Stock (which shall have been converted into a Parent Stock Option pursuant to the terms of this Section 5.6(a)(i)), the terms of such Parent Stock Option (as so converted) shall provide that if the employment of the applicable option holder is terminated under circumstances that would entitle such option holder to severance benefits under a severance plan, program or agreement in which such option holder participates (or to which such option holder is a party) as of immediately following the Effective Time (a Severance Event) during the period beginning at the Effective Time and ending on the second anniversary thereof, such Parent Stock Option shall remain exercisable until the earlier of (1) the later of (x) the third anniversary of the date of such termination of employment and (y) the date on which the Company Stock Option (which shall have been converted into a Parent Stock Option pursuant to the terms hereof) would cease to be exercisable in accordance with its terms and (2) the expiration of the scheduled term

of the Company Stock Option (which shall have been converted into a Parent Stock Option pursuant to the terms hereof). No later than the Effective Time, the Company shall pass such resolutions as are necessary to approve the terms of this Section 5.6(a)(i).

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(ii) At the Effective Time, each award of restricted Company Common Stock granted under a Company Stock Plan that is outstanding immediately prior to the Effective Time (the Restricted Shares) and each restricted or deferred stock unit based on shares of Company Common Stock granted under a Company Stock Plan that is outstanding immediately prior to the Effective Time (the Restricted Stock Units) shall, automatically and without any action on the part of the holders thereof, vest and be converted, on the same terms and conditions (except as provided in this Section 5.6(a)(ii)) as were applicable under such Restricted Shares and Restricted Stock Units, as applicable, immediately prior to the Effective Time, into a number of shares of Parent Common Stock or units with respect to Parent Common Stock equal to the product of (A) the total number of shares of Company Common Stock subject to such grant of Restricted Shares or Restricted Stock Units, as applicable, and (B) the Exchange Ratio.

(iii) Immediately prior to the Effective Time, each award of performance units with respect to shares of Company Common Stock under a Company Stock Plan that is outstanding immediately prior to the Effective Time (collectively, the Company Performance Units) shall, automatically and without any action on the part of the holders thereof, vest and be converted, into the right to receive, immediately prior to the Effective Time, an amount in cash equal to the product of (i) the total number of shares of Company Common Stock subject to such Company Performance Unit, assuming the achievement of all performance goals applicable to such Company Performance Unit at target levels and (ii) the Fair Market Value (as defined in the Amended and Restated Centex Corporation 2003 Equity Incentive Plan) of Company Common Stock on the day immediately prior to the Effective Time.

(iv) At the Effective Time, Parent shall assume all the obligations of the Company under the Company Stock Plans, each outstanding Company Stock Option and the agreements evidencing the grants thereof. As soon as practicable after the Effective Time, Parent shall deliver to the holders of Company Stock Options appropriate notices setting forth such holders rights pursuant to the respective Company Stock Plans, and the agreements evidencing the grants of such Company Stock Options shall continue in effect on the same terms and conditions (subject to the adjustments required by this Section 5.6(a)).

(v) Parent shall take all corporate action necessary to reserve for issuance a sufficient number of shares of Parent Common Stock for delivery upon exercise of the Parent Stock Options resulting from the conversion of Company Stock Options assumed by Parent in accordance with this Section 5.6(a). At or prior to the Effective Time, Parent shall file a registration statement on Form S-8 (or any successor or other appropriate form) with respect to the shares of Parent Common Stock subject to such Parent Stock Options resulting from the conversion of Company Stock Options and shall use its reasonable best efforts to maintain the effectiveness of such registration statement or registration statements (and maintain the current status of the prospectus or prospectuses contained therein) for so long as such Parent Stock Options remain outstanding.

(b) *Employee Matters*.

(i) From and after the Effective Time, Parent shall honor all Company Benefit Plans in accordance with their terms as in effect immediately before the Effective Time. During the period beginning at the Effective Time and ending on December 31, 2009, Parent shall provide, or shall cause to be provided, to each current and former Company Employee, other than such employees covered by collective bargaining agreements, compensation and benefits that are no less favorable, in the aggregate, than the compensation and benefits provided to Company Employees immediately before the Effective Time (except that the Company s Salary Continuation Plan shall be disregarded for purposes of this sentence). Thereafter, it is the intention of Parent that over the long term Company Employees and similarly situated employees of Parent, taking into account the job responsibilities, scope of duties, performance and geographic location of such employees, will be treated alike in terms of compensation and benefits. Without limiting the generality of the foregoing, during the period beginning on January 1, 2010 and ending on December 31, 2010, any change made in the salary or annual incentive bonus of any Company Employee, other than any such employee covered by collective bargaining agreements, shall not affect such Company Employee in a manner which is

disproportionate, taking into account the market pay, job responsibilities, scope of duties, performance and geographic location of such employees, to any change in the salary or annual incentive bonus of any similarly situated employee of Parent. From and after December 31, 2009, Parent shall provide, or shall cause to be provided, to each current and

former Company Employee, other than such employees covered by collective bargaining agreements, pension and welfare benefits including medical, dental, pharmaceutical and vision benefits that are no less favorable, in the aggregate, than the pension and welfare benefits provided to similarly situated employees of Parent.

(ii) For all purposes (including purposes of vesting, eligibility to participate, accrual of benefits and level of benefits) under the employee benefit plans (as such term is defined in section 3(3) of ERISA, but without regard to whether the applicable plan is subject to ERISA) and programs of Parent and its Subsidiaries providing benefits to any Company Employees after the Effective Time (the New Plans), each Company Employee shall be credited for his or her years of service with the Company and its Subsidiaries and their respective predecessors before the Effective Time, to the same extent as such Company Employee was entitled, before the Effective Time, to credit for such service under any similar Company employee benefit plan or program in which such Company Employee participated or was eligible to participate immediately prior to the Effective Time, provided, however, that the foregoing shall not apply with respect to benefit accrual under any defined benefit pension plan or to the extent that its application would result in a duplication of benefits and, provided, further, that Company Employees years of service with the Company and its Subsidiaries and their respective predecessors before the Effective Time shall not be included for purposes of determining whether a Company Employee satisfies the requirements of the Seventy Year Rule (within the meaning of Parent s equity incentive plans and option award agreements thereunder), unless the Company Employee terminates employment after December 31, 2011. In addition, and without limiting the generality of the foregoing, (A) each Company Employee shall be immediately eligible to participate, without any waiting time, in any and all New Plans to the extent coverage under such New Plan is comparable to a Company Benefit Plan in which such Company Employee participated immediately before the Effective Time (such plans, collectively, the Old Plans) and (B) for purposes of each New Plan providing medical, dental, pharmaceutical and/or vision benefits to any Company Employee, Parent shall cause all pre-existing condition exclusions and actively-at-work requirements of such New Plan to be waived for such employee and his or her covered dependents, unless such conditions would not have been waived under the comparable plans of the Company or its Subsidiaries in which such employee participated immediately prior to the Effective Time, and Parent shall cause any eligible expenses incurred by such employee and his or her covered dependents during the portion of the plan year of the Old Plan ending on the date such employee s participation in the corresponding New Plan begins to be taken into account under such New Plan for purposes of satisfying all deductible, coinsurance and maximum out-of-pocket requirements applicable to such employee and his or her covered dependents for the applicable plan year as if such amounts had been paid in accordance with such New Plan.

(iii) Parent hereby acknowledges that a change of control (or similar phrase) within the meaning of the Company Stock Plans and the Company Benefit Plans, as applicable, will occur at or prior to the Effective Time, as applicable.

(iv) Notwithstanding anything in this Agreement to the contrary, during the period beginning at the Effective Time and ending on December 31, 2010, Parent shall provide (A) severance benefits on an individual-by-individual basis that are no less favorable to the applicable Company Employee than the severance benefits provided to such Company Employee under the Company s severance plans, programs and agreements as of immediately prior to the Effective Time (except that the Company s Salary Continuation Plan shall be disregarded for purposes of this Section 5.6(b)(iv)(A)) and (B) paid time-off benefits on an individual-by-individual basis that are no less favorable to the applicable Company Employee than the paid time-off programs provided to such Company Employee under the Company s paid time-off programs as of immediately prior to the Effective Time.

(v) Notwithstanding anything in this Agreement to the contrary, the Company may establish a short-term incentive compensation program (the New Bonus Plan) for the Company s fiscal year which commenced April 1, 2009 and may establish with respect to each individual who participates in a short-term incentive plan in the ordinary course of business consistent with past practice (a Bonus Plan Participant) short-term incentive compensation target payout levels (i.e., target, maximum, threshold), provided that the target payout level with respect to each such Bonus Plan

Participant shall be no greater than 100% of such Bonus Plan Participant s target payout opportunity under the short-term incentive compensation program in which such Bonus Plan Participant participated during the Company s fiscal year ended March 31, 2009 (or in the case of

a newly-hired or promoted employee, the opportunity provided to similarly situated Company Employees) (the Full Bonus); provided that, if the Effective Time occurs, (A) Parent shall pay, or cause to be paid, to each Bonus Plan Participant employed by the Company or any of its Subsidiaries or Affiliates on December 31, 2009, as soon as practicable following such date, but in no event later than March 15, 2010, an amount equal to the product of (1) the applicable Bonus Plan Participant s target bonus under the New Bonus Plan and (2) 75% (the Unprorated Bonus) and (B) Parent shall pay to each Bonus Plan Participant who experiences a Severance Event prior to December 31, 2009, as soon as practicable, but in no event more than 30 days, following the applicable Severance Event, an amount equal to the product of (1) the Unprorated Bonus and (2) a fraction, the numerator of which is the number of days between (and including) April 1, 2009 and the applicable Severance Event and the denominator of which is 275. Notwithstanding the foregoing, with respect to each of the five Bonus Plan Participants identified in Section 5.6(b)(v) of the Company Disclosure Schedule, any payment made pursuant to the New Bonus Plan to such a Bonus Plan Participant shall be made at the Effective Time in an amount equal to such Bonus Plan Participant s Full Bonus and shall (in the event of a termination prior to March 31, 2010 of such Bonus Plan Participant s employment entitling such Bonus Plan Participant to severance under the Company s Plan Regarding Severance After a Change in Control (the Change in Control Plan)) reduce the payment to such Bonus Plan Participant under the Change in Control Plan in accordance with the terms of such plan as of the date hereof. For the avoidance of doubt, the amount of any severance pay payable to a Bonus Plan Participant identified in Section 5.6(b)(v) of the Company Disclosure Schedule under the Change in Control Plan shall be reduced in such circumstances pursuant to the terms of the Change in Control Plan by an amount equal to the product of (A) the Full Bonus paid to such Bonus Plan Participant and (B) a fraction, the numerator of which equals the number of days between the date on which the applicable Severance Event occurs and March 31, 2010 and the denominator of which equals 365. The New Bonus Plan shall be the sole short-term incentive compensation plan in effect for the Company s fiscal year which commenced April 1, 2009 (other than any commission or similar sales incentive plans or the retention program established in accordance with this Agreement). The Company shall take, or cause to be taken, any and all actions, including, but not limited to, (x) amending the terms of any short-term incentive compensation, severance or other plans, programs or agreements in which any Bonus Plan Participant participates (or to which any Bonus Plan Participant is a party) and (y) obtaining any consents from any Bonus Plan Participants, in each case as are necessary, to ensure that, effective immediately prior to the Effective Time, the terms of any such plans, programs or agreements in which any Bonus Plan Participant participates (or to which any Bonus Plan Participant is a party) comply with, and are not otherwise inconsistent with, the terms of the New Bonus Plan as set forth in this Section 5.6(b)(v). Parent shall provide, or cause to be provided to, each Company Employee a bonus opportunity for calendar year 2010 consistent with the principles articulated in Section 5.6(b)(i).

(vi) Notwithstanding anything in this Agreement to the contrary, the Company may establish a long-term incentive compensation program (the New LTIP) for the Company s fiscal year which commenced April 1, 2009 and may grant each individual who participates in a long-term incentive plan in the ordinary course of business consistent with past practice (an LTIP Participant) a long-term incentive award under an equity incentive plan of the Company which shall consist of a number of Restricted Shares having a fair market value on the date of grant (the Grant Date) no greater than 100% of the total value on the date of grant of the aggregate long term incentive awards granted to such LTIP Participant with respect to the Company s fiscal year ended March 31, 2009 (or in the case of a newly-hired or promoted employee, the awards granted to similarly situated Company Employees). Each award granted under the New LTIP shall provide that no Restricted Shares subject to the award shall vest immediately upon the Effective Time and such Restricted Shares shall vest (1) on March 31, 2010, with respect to 1/3 of the number of Restricted Shares subject to the award on the Grant Date, (2) on March 31, 2011, with respect to an additional 1/3 of the number of Restricted Shares subject to the award on the Grant Date and (3) on March 31, 2012, with respect to the remaining 1/3 of the number of Restricted Shares subject to the award on the Grant Date. Each award granted under the New LTIP also shall provide that (A) at the Effective Time, 25% of the number of Restricted Shares subject to the award on the Grant Date shall be forfeited by the LTIP Participant to the Company, (B) after the Effective Time, notwithstanding the vesting schedule in effect immediately prior to the Effective Time, the Restricted Shares shall vest (x) on

March 31, 2010, with respect to 25% of the number of Restricted Shares subject to

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the award on the Grant Date, (y) on March 31, 2011, with respect to an additional 25% of the number of Restricted Shares subject to the award on the Grant Date and (z) on March 31, 2012, with respect to the remaining 25% of the number of Restricted Shares subject to the award on the Grant Date and (C) if, after the Effective Time, an LTIP Participant experiences a Severance Event (x) prior to the first anniversary of the Grant Date, the award shall immediately vest with respect to 25% of the number of Restricted Shares subject to the award on the Grant Date, (y) after the first anniversary of the Grant Date, but prior to the second anniversary of the Grant Date, the award shall immediately vest with respect to an additional 25% of the number of Restricted Shares subject to the award on the Grant Date and (z) after the second anniversary of the Grant Date, but prior to the third anniversary of the Grant Date, the award shall immediately vest in full. Without limiting the generality of Section 5.6(b)(i), Parent shall provide, or cause to be provided to, each Company Employee long term incentive awards for calendar year 2010 no less favorable than the long-term incentive awards provided to similarly situated employees of Parent, taking into account the job responsibilities, scope of duties, performance and geographic location of the employees.

Section 5.7 *Reasonable Best Efforts*.

(a) Subject to the terms and conditions set forth in this Agreement, each of the parties shall use its reasonable best efforts (subject to, and in accordance with, applicable Law), including with respect to the matters set forth in Section 5.7 of the Parent Disclosure Schedule, to take promptly, or cause to be taken, all actions, and to do promptly, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable under applicable Laws to consummate and make effective the Merger and the other transactions contemplated by this Agreement, including (i) the obtaining of all necessary actions or nonactions, waivers, consents and approvals from Governmental Entities and the making of all necessary registrations and filings and the taking of all steps as may be necessary to obtain an approval or waiver from, or to avoid an action or proceeding by, any Governmental Entity, (ii) the obtaining of all necessary consents, approvals or waivers from third parties, (iii) the defending of any lawsuits or other legal proceedings, whether judicial or administrative, challenging this Agreement or the consummation of the transactions contemplated by this Agreement and (iv) the execution and delivery of any additional instruments necessary to consummate the transactions contemplated by this Agreement; provided, however, that in no event shall Parent, Merger Sub or the Company or any of their respective Subsidiaries be required to pay, prior to the Effective Time, any fee, penalty or other consideration to any third party for any consent or approval required for the consummation of the transactions contemplated by this Agreement under any contract or agreement.

(b) Subject to the terms and conditions herein provided and without limiting the foregoing, the Company and Parent shall (i) to the extent required, promptly, but in no event later than fifteen days after the date hereof, make their respective filings and thereafter make any other required submissions under the HSR Act, (ii) use reasonable best efforts to cooperate with each other in (A) determining whether any filings are required to be made with, or consents, permits, authorizations, waivers or approvals are required to be obtained from, any third parties or other Governmental Entities in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and (B) timely making all such filings and timely seeking all such consents, permits, authorizations or approvals and (iii) use reasonable best efforts to take, or cause to be taken, all other actions and do, or cause to be done, all other things necessary, proper or advisable to consummate and make effective the transactions contemplated hereby, including taking all such further action as may be necessary to resolve such objections, if any, as the United States Federal Trade Commission, the Antitrust Division of the United States Department of Justice, state antitrust enforcement authorities or competition authorities of any other nation or other jurisdiction or any other Governmental Entity may assert under Regulatory Law with respect to the transactions contemplated hereby. In furtherance of the foregoing, the parties shall take all actions necessary to avoid or eliminate each and every impediment under any Law that may be asserted by any Governmental Entity with respect to the Merger so as to enable the Closing to occur as soon as reasonably possible (and in any event no later than the End Date), including (A) proposing, negotiating, committing to and effecting, by consent decree, hold separate order or otherwise, the sale, divestiture or disposition of such assets or businesses of Parent or its Subsidiaries or affiliates or of the Company or its

Subsidiaries and (B) otherwise taking or committing to take actions that after the Closing Date would limit Parent s or its Subsidiaries (including the Surviving Corporation s) or its

affiliates freedom of action with respect to, or its or their ability to retain, one or more of its or its Subsidiaries (including the Surviving Corporation s) businesses, product lines or assets, in each case as may be required in order to avoid the entry of, or to effect the dissolution of, any injunction, temporary restraining order or other order in any suit or proceeding which would otherwise have the effect of preventing or materially delaying the Closing, provided that any such agreement or action by the Company shall be conditioned on the consummation of the Merger. Notwithstanding anything to the contrary in this Agreement, Parent shall not be obligated to take any action, propose or make any divestiture or other undertaking, or propose or enter into a consent decree, in each case that would have either a Parent Material Adverse Effect or a Company Material Adverse Effect. Subject to applicable legal limitations and the instructions of any Governmental Entity, the Company and Parent shall keep each other apprised of the status of matters relating to the completion of the transactions contemplated hereby, including promptly furnishing the other with copies of notices or other communications received by the Company or Parent, as the case may be, or any of their respective Subsidiaries, from any third party and/or any Governmental Entity with respect to such transactions. The Company and Parent shall permit counsel for the other party reasonable opportunity to review in advance, and consider in good faith the views of the other party in connection with, any proposed written communication to any Governmental Entity. Each of the Company and Parent agrees not to participate in any meeting or discussion (other than relating to the scheduling of any meetings or of any discussions), either in person or by telephone, with any Governmental Entity in connection with the proposed transactions unless it consults with the other party in advance and, to the extent not prohibited by such Governmental Entity, gives the other party the opportunity to attend and participate. The Company and Parent shall furnish the other with such necessary information and reasonable assistance as the other may reasonably request in connection with its preparation of necessary filings or submissions of information to any Governmental Entity. Either Parent or the Company may designate any competitively sensitive information provided to the other under this Agreement as outside counsel only . Such materials and the information contained therein shall be given only to outside legal counsel of the other and will not be disclosed by such outside counsel to employees, officers or directors of their client unless express written permission is obtained in advance from the disclosing party or its legal counsel.

(c) In furtherance and not in limitation of the covenants of the parties contained in this Section 5.7, if any administrative or judicial action or proceeding, including any proceeding by a private party, is instituted (or threatened to be instituted) challenging any transaction contemplated by this Agreement as violative of any Regulatory Law, each of the Company and Parent shall cooperate in all respects with each other and shall use their respective reasonable best efforts to contest and resist any such action or proceeding and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order, whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents or restricts consummation of the transactions contemplated by this Agreement. Notwithstanding the foregoing or any other provision of this Agreement, nothing in this Section 5.7 shall limit a party s right to terminate this Agreement pursuant to Section 7.1(b) or 7.1(c) so long as such party has, prior to such termination, complied with its obligations under this Agreement, including this Section 5.7.

(d) For purposes of this Agreement, Regulatory Law means the Sherman Act of 1890, the Clayton Antitrust Act of 1914, the HSR Act and all other federal, state or foreign statutes, rules, regulations, orders, decrees, administrative and judicial doctrines and other Laws, including any antitrust, competition or trade regulation Laws, that are designed or intended to (i) prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or lessening competition through merger or acquisition or (ii) protect the national security or the national economy of any nation.

Section 5.8 *Takeover Statute*. If any fair price, moratorium, control share acquisition or other form of antitakeover statute or regulation shall become applicable to the transactions contemplated hereby, each of the Company and Parent, to the extent permissible under applicable Law, shall grant such approvals and take such actions, in accordance with the terms of this Agreement, as are reasonably necessary so that the transactions contemplated hereby may be consummated as promptly as practicable, and in any event prior to the End Date, on the terms contemplated hereby

and otherwise, to the extent permissible under applicable

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Law, act to eliminate or minimize the effects of such statute or regulation on the transactions contemplated hereby.

Section 5.9 *Public Announcements*. Except with respect to any Company Change of Recommendation, Parent Change of Recommendation or any action taken by the Company or the Company Board pursuant to, and in accordance with, Section 5.4, so long as this Agreement is in effect, the parties shall use reasonable efforts to consult with each other before issuing any press release or making any public announcement primarily relating to this Agreement or the transactions contemplated hereby and, except for any press release or public announcement as may be required by applicable Law, court process or any listing agreement with any national securities exchange, shall use reasonable efforts not to issue any such press release or make any such public announcement without consulting the other parties. Parent and the Company agree to issue a mutually acceptable joint press release announcing this Agreement.

Section 5.10 *Indemnification and Insurance*.

(a) Parent and Merger Sub agree that all rights to exculpation, indemnification and advancement of expenses now existing in favor of the current or former directors, officers or employees, as the case may be, of the Company or its Subsidiaries as provided in their respective articles of incorporation or by-laws or other organization documents or in any agreement to which the Company or any of its Subsidiaries is a party shall survive the Merger and shall continue in full force and effect. For a period of six years from the Effective Time, Parent and the Surviving Corporation shall maintain in effect the exculpation, indemnification and advancement of expenses provisions of the Company s and any Company Subsidiary s articles of incorporation and by-laws or similar organization documents in effect immediately prior to the Effective Time or in any indemnification agreements of the Company or its Subsidiaries with any of their respective directors, officers or employees in effect immediately prior to the Effective Time, and shall not amend, repeal or otherwise modify any such provisions or the exculpation, indemnification or advancement of expenses provisions of the Surviving Corporation s articles of incorporation and by-laws set forth in Exhibit A and Exhibit B in any manner that would adversely affect the rights thereunder of any individuals who immediately before the Effective Time were current or former directors, officers or employees of the Company or any of its Subsidiaries; provided, however, that all rights to indemnification in respect of any Action pending or asserted or any claim made within such period shall continue until the disposition of such Action or resolution of such claim. From and after the Effective Time, Parent shall assume, be jointly and severally liable for, and honor, guaranty and stand surety for, and shall cause the Surviving Corporation and its Subsidiaries to honor, in accordance with their respective terms, each of the covenants contained in this Section 5.10 without limit as to time.

(b) At and after the Effective Time, each of Parent and the Surviving Corporation shall, to the fullest extent permitted under applicable Law, indemnify and hold harmless each current and former director, officer or employee of the Company or any of its Subsidiaries and each person who served as a director, officer, member, trustee or fiduciary of another corporation, partnership, joint venture, trust, pension or other employee benefit plan or enterprise if such service was at the request or for the benefit of the Company or any of its Subsidiaries (each, together with such person s heirs, executors or administrators, an Indemnified Party) against any costs or expenses (including advancing attorneys fees and expenses in advance of the final disposition of any claim, suit, proceeding or investigation to each Indemnified Party to the fullest extent permitted by law), judgments, fines, losses, claims, damages, liabilities and amounts paid in settlement in connection with any actual or threatened claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative (an Action), arising out of, relating to or in connection with any action or omission occurring or alleged to have occurred whether before or after the Effective Time (including acts or omissions in connection with such persons serving as an officer, director or other fiduciary in any entity if such service was at the request or for the benefit of the Company). In the event of any such Action, Parent and the Surviving Corporation shall cooperate with the Indemnified Party in the defense of any such Action.

(c) For a period of six years from the Effective Time, Parent shall cause to be maintained in effect (i) the coverage provided by the policies of directors and officers liability insurance and fiduciary liability insurance

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in effect as of immediately prior to the Effective Time maintained by the Company and its Subsidiaries with respect to matters arising on or before the Effective Time or (ii) a tail policy (which the Company may purchase at its option prior to the Effective Time, and, in such case, Parent shall cause such policy to be in full force and effect, and shall cause all obligations thereunder to be honored by the Surviving Corporation) under the Company s existing directors and officers insurance policy that covers those persons who are currently covered by the Company s directors and officers insurance policy in effect as of the date hereof for actions and omissions occurring on or prior to the Effective Time, is from a carrier with comparable credit ratings to Company s existing directors and officers insurance policy carrier and contains terms and conditions that are no less favorable to the insured than those of the Company s directors and officers insurance policy in effect as of the date hereof; provided, however, that, after the Effective Time, Parent shall not be required to pay annual premiums in excess of 300% of the last annual premium paid by the Company prior to the date hereof in respect of the coverages required to be obtained pursuant hereto, but in such case shall purchase as much coverage as reasonably practicable for such amount.

(d) Parent shall pay all reasonable expenses, including reasonable attorneys fees, that may be incurred by any Indemnified Party in enforcing the indemnity and other obligations provided in this Section 5.10.

(e) The rights of each Indemnified Party hereunder shall be in addition to, and not in limitation of, any other rights such Indemnified Party may have under the articles of incorporation or by-laws or other organization documents of the Company or any of its Subsidiaries or the Surviving Corporation, any other indemnification arrangement, the NRS (or any other applicable Law) or otherwise. The provisions of this Section 5.10 shall survive the consummation of the Merger and expressly are intended to benefit, and are enforceable by, each of the Indemnified Parties.

Section 5.11 *Control of Operations*. Nothing contained in this Agreement shall give Parent, directly or indirectly, the right to control or direct the Company s operations prior to the Effective Time. Prior to the Effective Time, the Company shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over its operations.

Section 5.12 *Certain Transfer Taxes*. The Company and Parent shall cooperate in the preparation, execution and filing of all returns, questionnaires, applications or other documents regarding any real property transfer or gains, sales, use, transfer, value added, stock transfer and stamp Taxes, any transfer, recording, registration and other fees and any similar Taxes which are payable under applicable Law in connection with the transactions contemplated by this Agreement. Any liability arising out of any real estate transfer Tax with respect to interests in real property owned directly or indirectly by the Company or any of its Subsidiaries immediately prior to the Merger, if applicable and due with respect to the Merger, shall be borne by the Surviving Corporation and expressly shall not be a liability of stockholders of the Company.

Section 5.13 *Section 16 Matters*. Prior to the Effective Time, Parent and the Company shall take all such steps as may be required to cause any dispositions of Company Common Stock (including derivative securities with respect to Company Common Stock) or acquisitions of Parent Common Stock (including derivative securities with respect to Parent Common Stock) resulting from the transactions contemplated by this Agreement by each individual who is subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to the Company or will become subject to such reporting requirements with respect to Parent, to be exempt under Rule 16b-3 promulgated under the Exchange Act.

Section 5.14 *Tax Matters*. Neither Parent nor the Company shall take any action or knowingly fail to take any action, which action or failure to act would prevent or impede, or would be reasonably likely to prevent or impede, the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code.

Section 5.15 *Listing of Shares of Parent Common Stock*. Parent shall cause the shares of Parent Common Stock to be issued in the Merger to be approved for listing on the NYSE, subject to official notice of issuance, prior to the Closing Date.

Section 5.16 *Board of Directors of Parent*. Parent shall take all actions as may be necessary to cause, as of the Effective Time, the Parent Board to be comprised of (a) eight current directors of the Parent Board

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and (b) four current directors of the Company Board designated by the Company (each a Company Designee). At the first annual meeting of Parent following the Closing, Parent shall nominate each of the Company Designees, and use reasonable best efforts to cause each Company Designee, to be reelected to the Parent Board as follows: one Company Designee to be reelected to a term expiring at the second annual meeting following the Closing Date, one director to be reelected to a term expiring at the third annual meeting following the Closing Date and two directors to be reelected to terms expiring at the fourth annual meeting following the Closing Date. If, prior the expiration of the term to which the relevant Company Designee is or was reelected pursuant to the immediately preceding sentence, any Company Designee dies, resigns or is removed from the Company Board, then a successor to such Company Designee shall be chosen by a majority of the other Company Designees (or their successors chosen pursuant to this sentence) then serving on the Parent Board. Subject to compliance with the applicable qualification and independence standards promulgated by the SEC and NYSE, as applicable, at least one Company Designee shall be appointed to each committee of the Parent Board.

Section 5.17 *Dallas Business Presence*. Parent will maintain an office in Dallas, Texas as a home office extension of the Detroit headquarters and will conduct certain support functions of the combined company out of such office.

Section 5.18 *Officers of Parent*. The Chief Executive Officer of Parent shall continue to be the Chief Executive Officer of Parent following the Effective Time. Additional members of the senior management of Parent shall be designated prior to the Effective Time by the majority vote of a selection committee comprised of (a) the Chief Executive Officer of the Company or his designee, (b) the Chief Executive Officer of Parent or his designee and (c) one additional representative designated by Parent.

Section 5.19 *Rights Agreements*.

(a) Without the prior written consent of Parent (which consent shall not be unreasonably withheld, delayed or conditioned), the Company shall not redeem the rights issued under the Company Rights Agreement or amend or terminate the Company Rights Agreement prior to the Effective Time other than (i) to render the Company Rights Agreement inapplicable to the Merger, this Agreement, the Voting Agreements executed by stockholders of the Company and the transactions contemplated hereby and thereby, (ii) as required to do so by a court of competent jurisdiction (in which case, to the extent permitted by such court of competent jurisdiction, the Company shall provide Parent with written notice at least three business days prior to taking any such action), (iii) to preserve the net operating losses of Parent following the Closing or (iv) to effectuate the Merger and the transactions contemplated hereby.

(b) Without the prior written consent of the Company (which consent shall not be unreasonably withheld, delayed or conditioned), Parent shall not redeem the rights issued under the Parent Rights Agreement or amend or terminate the Parent Rights Agreement prior to the Effective Time other than (i) to render the Parent Rights Agreement inapplicable to the Merger, this Agreement, the Voting Agreements executed by stockholders of Parent and the transactions contemplated hereby and thereby, (ii) as required to do so by a court of competent jurisdiction (in which case, to the extent permitted by such court of competent jurisdiction, the Company shall provide the Company with written notice at least three business days prior to taking any such action), (iii) to preserve the net operating losses of Parent following the Closing or (iv) to effectuate the Merger and the transactions contemplated hereby.

(c) Parent shall take all such actions necessary to render each of (i) Article IX of Parent s by-laws adopted by the Parent Board on the date hereof and (ii) Article XII of Parent s Articles of Incorporation (assuming such Article is approved by Parent s stockholders at Parent s 2009 annual meeting) inapplicable to the Merger, this Agreement and the transactions contemplated hereby (including the receipt of the Merger Consideration by each holder of Shares pursuant to Article II hereof).

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ARTICLE VI

CONDITIONS TO THE MERGER

Section 6.1 *Conditions to Each Party s Obligation to Effect the Merger*. The respective obligations of each party to effect the Merger shall be subject to the fulfillment (or, to the extent permitted by Law, waiver by all parties) at or prior to the Effective Time of the following conditions:

(a) Each of the Company Stockholder Approval and Parent Stockholder Approvals shall have been obtained.

(b) No temporary restraining order or preliminary or permanent injunction issued by any court of competent jurisdiction shall be in effect that prohibits or prevents the consummation of the Merger (provided, that prior to asserting this condition, the party asserting this condition shall have used its reasonable best efforts to prevent the entry of any such order or injunction and to appeal as promptly as practicable any order or injunction that may be entered).

(c) Any applicable waiting period under the HSR Act shall have expired or been earlier terminated.

(d) The shares of Parent Common Stock to be issued in the Merger and such other shares of Parent Common Stock to be reserved for issuance in connection with the Merger shall have been approved for listing on the NYSE, subject to official notice of issuance.

(e) The Form S-4 shall have been declared effective by the SEC under the Securities Act and no stop order suspending the effectiveness of the Form S-4 shall have been issued by the SEC and no proceedings for that purpose shall have been initiated by the SEC.

Section 6.2 *Conditions to Obligation of the Company to Effect the Merger*. The obligation of the Company to effect the Merger is further subject to the fulfillment of the following conditions:

(a) The representations and warranties of Parent and Merger Sub set forth in (i) this Agreement (other than Sections 4.2(a), 4.10(a)(ii) and 4.10(b)) that are qualified by Parent Material Adverse Effect shall be true and correct at and as of the date of this Agreement and at and as of the Closing Date as though made at and as of the Closing Date, (ii) this Agreement (other than Sections 4.2(a), 4.10(a)(ii) and 4.10(b) and those representations and warranties qualified by Parent Material Adverse Effect) shall be true and correct at and as of the date of this Agreement and at and as of the Closing Date as though made at and as of the Closing Date, except for such failures to be true and correct as are not having or would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect, (iii) Section 4.2(a) shall be true and correct at and as of the date of this Agreement and at and as of the Closing Date as though made at and as of the Closing Date, except for *de minimis* inaccuracies, (iv) Section 4.10(a)(ii) shall be true and correct at and as of the date of this Agreement and (v) Section 4.10(b) shall be true and correct at and as of the Closing Date as though made at and as of the Closing Date; provided, however, that representations and warranties that are made as of a particular date or period shall be true and correct (in the manner set forth in clauses (i), (ii) and (iii), as applicable) only as of such date or period.

(b) Parent shall have in all material respects performed all obligations and complied with all covenants required by this Agreement to be performed or complied with by it prior to the Effective Time.

(c) Parent shall have delivered to the Company a certificate, dated the Effective Time and signed by its Chief Executive Officer or another senior officer, certifying to the effect that the conditions set forth in Sections 6.2(a) and 6.2(b) have been satisfied.

(d) The Company shall have received an opinion from Wachtell, Lipton, Rosen & Katz, on the basis of representations and warranties set forth or referred to in such opinion, dated as of the Closing Date, to the effect that the Merger will be treated as a reorganization within the meaning of Section 368(a) of the Code. In rendering such opinion, such counsel shall be entitled to receive and rely upon representations, warranties and covenants of officers of Parent, Merger Sub, the Company or others reasonably requested by such counsel.

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The foregoing conditions are for the sole benefit of the Company and may, subject to the terms of this Agreement, be waived by the Company, in whole or in part at any time and from time to time, in the sole discretion of the Company. The failure by the Company at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time prior to the Effective Time.

Section 6.3 *Conditions to Obligation of Parent to Effect the Merger*. The obligation of Parent to effect the Merger is further subject to the fulfillment of the following conditions:

(a) The representations and warranties of the Company set forth in (i) this Agreement (other than Sections 3.2(a), 3.10(a)(ii) and 3.10(b)) that are qualified by Company Material Adverse Effect shall be true and correct at and as of the date of this Agreement and at and as of the Closing Date as though made at and as of the Closing Date, (ii) this Agreement (other than Sections 3.2(a), 3.10(a)(ii) and 3.10(b) and those representations and warranties qualified by Company Material Adverse Effect) shall be true and correct at and as of the date of this Agreement and at and as of the Closing Date as though made at and as of the Closing Date, except for such failures to be true and correct as are not having or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, (iii) Section 3.2(a) shall be true and correct at and as of the date of this Agreement and at and as of the Closing Date as though made at and as of the Closing Date, except for *de minimis* inaccuracies, (iv) Section 3.10(a)(ii) shall be true and correct at and as of the date of this Agreement and (v) Section 3.10(b) shall be true and correct at and as of the Closing Date as though made at and as of the Closing Date; provided, however, that representations and warranties that are made as of a particular date or period shall be true and correct (in the manner set forth in clauses (i), (ii) or (iii), as applicable) only as of such date or period.

(b) The Company shall have in all material respects performed all obligations and complied with all covenants required by this Agreement to be performed or complied with by it prior to the Effective Time.

(c) The Company shall have delivered to Parent a certificate, dated the Effective Time and signed by its Chief Executive Officer or another senior officer, certifying to the effect that the conditions set forth in Sections 6.3(a) and 6.3(b) have been satisfied.

(d) Parent shall have received an opinion from Honigman Miller Schwartz and Cohn LLP or Sidley Austin LLP, on the basis of representations and warranties set forth or referred to in such opinion, dated as of the Closing Date, to the effect that the Merger will be treated as a reorganization within the meaning of Section 368(a) of the Code. In rendering such opinion, such counsel shall be entitled to receive and rely upon representations, warranties and covenants of officers of Parent, Merger Sub, the Company or others reasonably requested by such counsel.

The foregoing conditions are for the sole benefit of Parent and may, subject to the terms of this Agreement, be waived by Parent, in whole or in part at any time and from time to time, in the sole discretion of Parent. The failure by Parent at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time prior to the Effective Time.

ARTICLE VII

TERMINATION

Section 7.1 *Termination or Abandonment*. Notwithstanding anything in this Agreement to the contrary, this Agreement may be terminated and abandoned at any time prior to the Effective Time, whether before or after any approval of the matters presented in connection with the Merger by the stockholders of the Company or Parent:

(a) by the mutual written consent of the Company and Parent;

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(b) by either the Company or Parent if the Effective Time shall not have occurred on or before November 7, 2009 (the End Date), provided that the right to terminate this Agreement pursuant to this Section 7.1(b) shall not be available to a party that fails to perform or comply in all material respects with the covenants and agreements of such party set forth in this Agreement;

(c) by either the Company or Parent if a Governmental Entity of competent jurisdiction shall have issued an order, judgment, decree or ruling permanently enjoining or otherwise prohibiting the consummation of the Merger and such order, judgment, decree or ruling shall have become final and non-appealable, provided that the party seeking to terminate this Agreement pursuant to this Section 7.1(c) shall have used its reasonable best efforts to remove or prevent entry of such order, judgment, decree or ruling;

(d) by either the Company or Parent if the Company Stockholders Meeting (including any adjournments or postponements thereof) shall have concluded and the Company Stockholder Approval contemplated by this Agreement shall not have been obtained; provided, however, that the right to terminate this Agreement under this Section 7.1(d) shall not be available to the Company where the failure to obtain the Company Stockholder Approval shall have been caused by the action or failure to act of the Company and such action or failure to act constitutes a material breach by the Company of this Agreement;

(e) by either the Company or Parent if the Parent Stockholders Meeting (including any adjournments or postponements thereof) shall have concluded and the Parent Stockholder Approvals contemplated by this Agreement shall not have been obtained; provided, however, that the right to terminate this Agreement under this Section 7.1(e) shall not be available to Parent where the failure to obtain the Parent Stockholder Approvals shall have been caused by the action or failure to act of Parent and such action or failure to act constitutes a material breach by Parent of this Agreement;

(f) by the Company, if Parent shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform (i) would result in a failure of a condition set forth in Section 6.1 or 6.2 and (ii) cannot be cured by the End Date, provided that the Company shall have given Parent written notice, delivered at least thirty days prior to such termination, stating the Company s intention to terminate this Agreement pursuant to this Section 7.1(f) and the basis for such termination;

(g) by Parent, if the Company shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform (i) would result in a failure of a condition set forth in Section 6.1 or 6.3 and (ii) cannot be cured by the End Date, provided that Parent shall have given the Company written notice, delivered at least thirty days prior to such termination, stating Parent s intention to terminate this Agreement pursuant to this Section 7.1(g) and the basis for such termination;

(h) by the Company, at any time prior to obtaining the Company Stockholder Approval, in light of a Superior Proposal; provided, however, that the Company may not terminate this Agreement pursuant to this Section 7.1(h) if the Company is in material breach of Section 5.4 or unless the Company has first provided a Notice of Superior Proposal to Parent and is in compliance in all material respects with Section 5.4(e) and, at the end of the Notice Period (as it may be extended if so required pursuant to the terms of Section 5.4(e)), such proposal continues to constitute a Superior Proposal and the Company Board determines in good faith, after consultation with the Company s outside legal and financial advisors, that making the Company Recommendation or failing to effect a Company Change of Recommendation in a manner adverse to Parent would be inconsistent with the directors fiduciary obligations to the Company s stockholders under applicable Law;

(i) by the Company, if the Parent Board shall have effected a Parent Change of Recommendation; and

(j) by Parent, if the Company Board shall have (i) effected a Company Change of Recommendation or (ii) recommended the approval or adoption of any Alternative Proposal to the Company s stockholders.

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If this Agreement is terminated pursuant to this Section 7.1, then this Agreement shall terminate (except for the provisions of Sections 7.2 and Article VIII), and there shall be no other liability on the part of the Company or Parent to the other except liability arising out of an intentional breach of this Agreement, for fraud or as provided for in the Confidentiality Agreement, in which case the aggrieved party shall be entitled to all rights and remedies available at law or in equity.

Section 7.2 *Termination Fees*.

(a) If this Agreement is terminated by the Company pursuant to Section 7.1(h), then the Company shall pay to Parent $48 million concurrently with any such termination.

(b) If this Agreement is terminated by Parent pursuant to Section 7.1(j), then the Company shall pay to Parent $48 million as promptly as possible (but in any event within three business days) thereafter.

(c) If this Agreement is terminated by Parent or the Company pursuant to Section 7.1(d), then the Company shall pay to Parent $24 million (unless prior to such termination the Company Board shall have effected a Company Change of Recommendation, in which event the Company shall pay to Parent $48 million), in the case of a termination by the Company, concurrently with any such termination, and in the case of a termination by Parent, as promptly as possible (but in any event within three business days) thereafter.

(d) If (i) prior to the termination of this Agreement, any Alternative Proposal (substituting 50% for the 20% threshold set forth in the definition of Alternative Proposal) (a Qualifying Transaction) is publicly proposed or publicly disclosed prior to, and not withdrawn at the time of, the Company Stockholders Meeting, (ii) this Agreement is terminated by Parent or the Company pursuant to Section 7.1(d) and (iii) concurrently with or within twelve months after such termination the Company enters into a definitive agreement with respect to, or otherwise consummates, any Qualifying Transaction, then the Company shall pay to Parent $48 million (less any amounts paid by the Company to Parent pursuant to Section 7.2(c)) as promptly as possible (but in any event within three business days) thereafter.

(e) If (i) prior to the termination of this Agreement, any Qualifying Transaction shall have been publicly proposed or publicly disclosed with respect to the Company, (ii) this Agreement is terminated by Parent or the Company pursuant to Section 7.1(b) or terminated by Parent pursuant to Section 7.1(g) (by reason of an intentional breach or intentional failure to perform in any material respect any covenants or other agreements contained in this Agreement) and (iii) concurrently with or within twelve months after such termination the Company enters into a definitive agreement with respect to, or otherwise consummates, any Qualifying Transaction, then the Company shall pay to Parent $48 million as promptly as possible (but in any event within three business days) thereafter.

(f) If this Agreement is terminated by Parent or the Company pursuant to Section 7.1(e), then Parent shall pay to the Company $51 million (unless prior to such termination the Parent Board shall have effected a Parent Change of Recommendation, in which event Parent shall pay to the Company $102 million), in the case of a termination by Parent, concurrently with any such termination, and in the case of a termination by the Company, as promptly as possible (but in any event within three business days) thereafter.

(g) If this Agreement is terminated by the Company pursuant to Section 7.1(i), then Parent shall pay to the Company $102 million as promptly as possible (but in any event within three business days) thereafter.

(h) Any amounts payable by a party pursuant Section 7.2(a), 7.2(b), 7.2(c), 7.2(d), 7.2(e), 7.2(f) or 7.2(g) (each a Termination Fee and, collectively, the Termination Fees) or pursuant to Section 7.2(i) shall be paid by wire transfer of immediately available funds to an account designated in writing by the other party to which such Termination Fee is to be paid. Upon payment of a Termination Fee by a party, such party shall have no further liability to the other party

or its stockholders with respect to this Agreement or the transactions contemplated hereby (other than the obligation to pay any amounts payable pursuant to Section 7.2(i) and, in the case of the Company, the obligation to pay the Termination Fee set forth in Section 7.2(d) if the circumstances provided for in such Section shall apply); provided that nothing herein shall release any party from liability for intentional breach, for fraud or as provided for in the Confidentiality Agreement. The parties acknowledge and agree that in no event shall the Company or Parent, as applicable, be required to pay more

than one Termination Fee (other than, in the case of the Company, the obligation to pay the Termination Fee set forth in Section 7.2(d) if the circumstances provided for in such Section shall apply).

(i) In the event that either party shall fail to pay when due any Termination Fee required to be paid by it pursuant to this Section 7.2, such Termination Fee shall accrue interest for the period commencing on the date such Termination Fee became past due, at a rate equal to the sum of (x) the prime lending rate prevailing during such period as published in *The Wall Street Journal* plus (y) 5%, calculated on a daily basis until the date of actual payment. In addition, if either party shall fail to pay such Termination Fee when due, such owing party shall also pay to the owed party all of the owed party s costs and expenses (including reasonable attorneys fees), as applicable, in connection with efforts to collect such amounts.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 *No Survival of Representations and Warranties*. None of the representations and warranties in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Merger or the termination of this Agreement.

Section 8.2 *Expenses*. Whether or not the Merger is consummated, all costs and expenses incurred in connection with the Merger, this Agreement and the transactions contemplated hereby shall be paid by the party incurring or required to incur such expenses, except (i) all fees paid in respect of any HSR filing shall be borne by Parent and (ii) all costs and expenses incurred in connection with the printing, filing and mailing of the Joint Proxy Statement (including applicable SEC filing fees) shall be borne 50% by Parent and 50% by the Company.

Section 8.3 *Counterparts; Effectiveness*. This Agreement may be executed in two or more counterparts (including by facsimile), each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument, and shall become effective when one or more counterparts have been signed by each of the parties and delivered (by telecopy, e-mail or otherwise) to the other parties.

Section 8.4 *Governing Law*. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware; provided, however, that issues involving the consummation and effects of the Merger will be governed by the laws of the State of Nevada to the extent the application of Nevada law is mandatory.

Section 8.5 *Jurisdiction; Enforcement*. The parties agree that irreparable damage would occur if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that each of the parties shall be entitled (in addition to any other remedy that may be available to it, including monetary damages) to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware). In addition, each of the parties irrevocably agrees that any legal action or proceeding with respect to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder brought by the other party hereto or its successors or assigns, shall be brought and determined exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware). The parties further agree that no party to this Agreement shall

be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section 8.5 and each party waives any objection to the imposition of such relief or any right it may have to require the obtaining, furnishing or posting of any such bond or similar instrument. Each of the parties hereby irrevocably submits with regard to any such action or proceeding for itself and in

respect of its property, generally and unconditionally, to the personal jurisdiction of the aforesaid courts and agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than the aforesaid courts. Each of the parties hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Agreement, (a) any claim that it is not personally subject to the jurisdiction of the above named courts for any reason other than the failure to serve in accordance with this Section 8.5, (b) any claim that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (c) to the fullest extent permitted by the applicable Law, any claim that (i) the suit, action or proceeding in such court is brought in an inconvenient forum, (ii) the venue of such suit, action or proceeding is improper or (iii) this Agreement, or the subject matter hereof, may not be enforced in or by such courts. Each of the Company, Parent and Merger Sub hereby consents to service being made through the notice procedures set forth in Section 8.7 and agrees that service of any process, summons, notice or document by registered mail (return receipt requested and first-class postage prepaid) to the respective addresses set forth in Section 8.7 shall be effective service of process for any suit or proceeding in connection with this Agreement or the transactions contemplated by this Agreement.

Section 8.6 *WAIVER OF JURY TRIAL*. EACH OF THE PARTIES HERETO KNOWINGLY, INTENTIONALLY AND VOLUNTARILY WITH AND UPON THE ADVICE OF COMPETENT COUNSEL IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 8.7 *Notices*. Any notice required to be given hereunder shall be sufficient if in writing, and sent by facsimile transmission (provided that any notice received by facsimile transmission or otherwise at the addressee s location on any non-business day or any business day after 5:00 p.m. (addressee s local time) shall be deemed to have been received at 9:00 a.m. (addressee s local time) on the next business day), by reliable overnight delivery service (with proof of service) or hand delivery, addressed as follows:

To Parent or Merger Sub:

Pulte Homes, Inc.
100 Bloomfield Hills Parkway, Suite 300
Bloomfield Hills, Michigan 48304
Telecopy: (248) 433-4595
Attention: Steven M. Cook

with copies to:

Sidley Austin LLP
One South Dearborn
Chicago, Illinois 60603
Telecopy: (312) 853-7036
Attention: Thomas A. Cole
Dennis V. Osimitz
Robert L. Verigan

To the Company:

Centex Corporation
2728 North Harwood Street

Dallas TX 75201
Telecopy: (214) 981-6855
Attention: Brian J. Woram

with copies to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Telecopy: (212) 403-2000
Attention: Daniel A. Neff
Gregory E. Ostling

Any party to this Agreement may modify the notification details specified in this paragraph by delivering written notice of such modifications to each of the other parties as provided in this Section 8.7; provided, however, that any such modification shall only be effective on the date specified in such notice or five business days after the notice is given, whichever is later.

Section 8.8 *Assignment; Binding Effect*. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties (whether by operation of law or otherwise) without the prior written consent of the other parties, and any attempted assignment of this Agreement or any of such rights, interests or obligations without such consent shall be void and of no effect. Subject to the preceding sentence, this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns.

Section 8.9 *Severability*. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable.

Section 8.10 *Entire Agreement*. This Agreement (including the exhibits and schedules hereto), the Voting Agreements and the Confidentiality Agreement constitute the entire agreement, and supersede all other prior agreements and understandings, both written and oral, between the parties, or any of them, with respect to the subject matter hereof and thereof, and this Agreement is not intended to grant standing to any person other than the parties except, following the Effective Time, for the provisions of Sections 2.1, 5.6(a) and 5.10.

Section 8.11 *Amendments; Waivers*. At any time prior to the Effective Time, any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by the Company, Parent and Merger Sub or, in the case of a waiver, by the party against whom the waiver is to be effective; provided, however, that after receipt of Company Stockholder Approval, if any such amendment or waiver shall by applicable Law or in accordance with the rules and regulations of the NYSE require further approval of the stockholders of the Company, the effectiveness of such amendment or waiver shall be subject to the approval of the stockholders of the Company. Notwithstanding the foregoing, no failure or delay by the Company or Parent in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any other right hereunder.

Section 8.12 *Headings*. Headings of the Articles and Sections of this Agreement are for convenience of the parties only and shall be given no substantive or interpretive effect whatsoever. The table of contents to this Agreement is for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 8.13 *Interpretation*. When a reference is made in this Agreement to an Article or Section, such reference shall be to an Article or Section of this Agreement unless otherwise indicated. Whenever the words include, includes or including are used in this Agreement, they shall be deemed to be followed by the words without limitation. The

words hereof, herein and hereunder and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant thereto unless otherwise defined therein. The

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definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. Each of the parties has participated in the drafting and negotiation of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement must be construed as if it is drafted by all the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of authorship of any of the provisions of this Agreement.

Section 8.14 *Definitions*.

(a) References in this Agreement to "Subsidiaries" of any party shall mean any corporation, partnership, association, trust or other form of legal entity of which more than 50% of the voting power of the outstanding voting securities are on the date hereof directly or indirectly owned by such party. References in this Agreement (except as specifically otherwise defined) to "affiliates" shall mean, as to any person, any other person which, directly or indirectly, controls, or is controlled by, or is under common control with, such person. As used in this definition, "control" (including, with its correlative meanings, "controlled by" and "under common control with") shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a person, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise. References in this Agreement (except as specifically otherwise defined) to "person" shall mean an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity, group (as such term is used in Section 13 of the Exchange Act) or organization, including a Governmental Entity, and any permitted successors and assigns of such person. As used in this Agreement, "knowledge" means (i) with respect to Parent, the actual knowledge of the executive officers of Parent or the persons listed in Section 8.14(a) of the Parent Disclosure Schedule and (ii) with respect to the Company, the actual knowledge of the individuals listed on Section 8.14(a) of the Company Disclosure Schedule. As used in this Agreement, "business day" shall mean any day other than a Saturday, Sunday or a day on which the banks in New York are authorized by law or executive order to be closed. References in this Agreement to specific laws or to specific provisions of laws shall include all rules and regulations promulgated thereunder. Any statute defined or referred to herein or in any agreement or instrument referred to herein shall mean such statute as from time to time amended, modified or supplemented, including by succession of comparable successor statutes.

(b) Each of the following terms is defined on the pages set forth opposite such term:

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

PULTE HOMES, INC.

By: /s/ Richard J. Dugas

Name: Richard J. Dugas

Title: President and CEO

PI NEVADA BUILDING COMPANY

By: /s/ Richard J. Dugas

Name: Richard J. Dugas

Title: President

CENTEX CORPORATION

By: /s/ Timothy R. Eller

Name: Timothy R. Eller

Title: Chairman and CEO

Signature Page to the Agreement and Plan of Merger

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ANNEX B

[LETTERHEAD OF CITIGROUP GLOBAL MARKETS INC.]

April 7, 2009

The Board of Directors
Pulte Homes, Inc.
100 Bloomfield Hills Parkway
Bloomfield Hills, Michigan 48304

Members of the Board:

You have requested our opinion as to the fairness, from a financial point of view, to Pulte Homes, Inc. (Pulte) of the Exchange Ratio (defined below) set forth in the Agreement and Plan of Merger, dated as of April 7, 2009 (the Merger Agreement), among Pulte, Pi Nevada Building Company, a wholly owned subsidiary of Pulte (Merger Sub), and Centex Corporation (Centex). As more fully described in the Merger Agreement, Merger Sub will be merged with and into Centex (the Merger) and each outstanding share of the common stock, par value $0.25 per share, of Centex (Centex Common Stock) will be converted into the right to receive 0.975 (the Exchange Ratio) of a share of the common stock, par value $0.01 per share, of Pulte (Pulte Common Stock).

In arriving at our opinion, we reviewed the Merger Agreement and held discussions with certain senior officers, directors and other representatives and advisors of Pulte and certain senior officers and other representatives and advisors of Centex concerning the businesses, operations and prospects of Pulte and Centex. We reviewed certain publicly available business and financial information relating to Pulte and Centex as well as certain financial forecasts and other information and data relating to Pulte and Centex which were provided to or discussed with us by the management of Pulte, including information relating to potential strategic implications and operational benefits (including the amount, timing and achievability thereof) anticipated by the management of Pulte to result from the Merger. We reviewed the financial terms of the Merger as set forth in the Merger Agreement in relation to, among other things: current and historical market prices and trading volumes of Pulte Common Stock and Centex Common Stock; the historical and projected earnings and other operating data of Pulte and Centex; and the capitalization and financial condition of Pulte and Centex. We analyzed certain financial, stock market and other publicly available information relating to the businesses of other companies whose operations we considered relevant in evaluating those of Pulte and Centex and considered, to the extent publicly available, the financial terms of certain other transactions which we considered relevant in evaluating the Merger. We also evaluated certain potential pro forma financial effects of the Merger on Pulte utilizing, among other things, the financial forecasts and estimates relating to Pulte and Centex referred to above after giving effect to the potential strategic implications and operational benefits anticipated by the management of Pulte to result from the Merger. In addition to the foregoing, we conducted such other analyses and examinations and considered such other information and financial, economic and market criteria as we deemed appropriate in arriving at our opinion. The issuance of our opinion has been authorized by our fairness opinion committee.

In rendering our opinion, we have assumed and relied, without independent verification, upon the accuracy and completeness of all financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with us and upon the assurances of the managements of Pulte and Centex that they are not aware of any relevant information that has been omitted or that remains undisclosed to us. With respect to financial forecasts and other information and data provided to or otherwise reviewed by or discussed with us relating to Pulte and Centex

and potential pro forma financial effects of, and strategic implications and operational benefits resulting from, the Merger, we have been advised by the management of Pulte, and we have assumed, with your consent, that such forecasts and other information and data were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Pulte as to the future financial performance of Pulte and Centex, such strategic implications and operational benefits and the other matters covered thereby. We also have assumed, with your consent, that the financial results (including

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the potential strategic implications and operational benefits anticipated to result from the Merger) reflected in such financial forecasts and other information and data will be realized in the amounts and at the times projected.

We have assumed, with your consent, that the Merger will be consummated in accordance with its terms without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary regulatory or third party approvals, consents, releases and waivers for the Merger, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on Pulte, Centex or the contemplated benefits of the Merger. We also have assumed, with your consent, that the Merger will qualify for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. Our opinion, as set forth herein, relates to the relative values of Pulte and Centex. We are not expressing any opinion as to what the value of Pulte Common Stock actually will be when issued pursuant to the Merger or the prices at which Pulte Common Stock or Centex Common Stock will trade at any time. We have not made or been provided with an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Pulte or Centex nor have we made any physical inspection of the properties or assets of Pulte or Centex. We express no view as to, and our opinion does not address, the underlying business decision of Pulte to effect the Merger, the relative merits of the Merger as compared to any alternative business strategies that might exist for Pulte or the effect of any other transaction in which Pulte might engage. Our opinion does not address any terms (other than the Exchange Ratio to the extent expressly specified herein) or other aspects or implications of the Merger, including, without limitation, the form or structure of the Merger or any other agreement, arrangement or understanding to be entered into in connection with or contemplated by the Merger or otherwise. We express no view as to, and our opinion does not address, the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation to any officers, directors or employees of any parties to the Merger, or any class of such persons, relative to the Exchange Ratio. Our opinion is necessarily based upon information available to us, and financial, stock market and other conditions and circumstances existing and disclosed to us, as of the date hereof. As you are aware, the credit, financial and stock markets are experiencing unusual volatility and we express no opinion or view as to any potential effects of such volatility on Pulte, Centex or the contemplated benefits of the Merger.

Citigroup Global Markets Inc. has acted as financial advisor to Pulte in connection with the proposed Merger and will receive a fee for such services, a significant portion of which is contingent upon the consummation of the Merger. We also will receive a fee in connection with the delivery of this opinion. We and our affiliates in the past have provided, currently are providing and in the future may provide services to Pulte and Centex unrelated to the proposed Merger, for which services we and such affiliates have received and expect to receive compensation, including, without limitation, (i) acting as joint arranger and/or agent for, and as a lender under, a $1.6 billion and $1.86 billion revolving credit facility of Pulte and (ii) acting as agent for, and as a lender under, a $2.085 billion revolving credit facility of Centex. In the ordinary course of our business, we and our affiliates may actively trade or hold the securities of Pulte and Centex for our own account or for the account of our customers and, accordingly, may at any time hold a long or short position in such securities. In addition, we and our affiliates (including Citigroup Inc. and its affiliates) may maintain relationships with Pulte, Centex and their respective affiliates.

Our advisory services and the opinion expressed herein are provided for the information of the Board of Directors of Pulte in its evaluation of the proposed Merger, and our opinion is not intended to be and does not constitute a recommendation to any securityholder as to how such securityholder should vote or act on any matters relating to the proposed Merger.

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The Board of Directors
Pulte Homes, Inc.
April 7, 2009
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Based upon and subject to the foregoing, our experience as investment bankers, our work as described above and other factors we deemed relevant, we are of the opinion that, as of the date hereof, the Exchange Ratio is fair, from a financial point of view, to Pulte.

Very truly yours,

/s/ Citigroup Global Markets Inc.

CITIGROUP GLOBAL MARKETS INC.

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ANNEX C

PERSONAL AND CONFIDENTIAL

April 7, 2009

Board of Directors
Centex Corporation
2728 North Harwood
Dallas, TX 75201

Ladies and Gentlemen:

You have requested our opinion as to the fairness from a financial point of view to the holders of the outstanding shares of common stock, par value $0.25 per share (the Shares), of Centex Corporation (the Company) of the exchange ratio of 0.975 shares of common stock, par value $0.01 per share (the Pulte Common Stock), of Pulte Homes, Inc. (Pulte) to be paid for each Share (the Exchange Ratio) pursuant to the Agreement and Plan of Merger, dated as of April 7, 2009 (the Agreement), by and among Pulte, Pi Nevada Building Company, a wholly owned subsidiary of Pulte, and the Company.

Goldman, Sachs & Co. and its affiliates are engaged in investment banking and financial advisory services, securities trading, investment management, principal investment, financial planning, benefits counseling, risk management, hedging, financing, brokerage activities and other financial and non-financial activities and services for various persons and entities. In the ordinary course of these activities and services, Goldman, Sachs & Co. and its affiliates may at any time make or hold long or short positions and investments, as well as actively trade or effect transactions, in the equity, debt and other securities (or related derivative securities) and financial instruments (including bank loans and other obligations) of the Company, Pulte and any of their respective affiliates or any currency or commodity that may be involved in the transaction contemplated by the Agreement (the Transaction) for their own account and for the accounts of their customers. We have acted as financial advisor to the Company in connection with, and have participated in certain of the negotiations leading to, the Transaction. We expect to receive fees for our services in connection with the Transaction, the principal portion of which is contingent upon consummation of the Transaction, and the Company has agreed to reimburse our expenses and indemnify us against certain liabilities that may arise out of our engagement. In addition, we have provided certain investment banking and other financial services to the Company and its affiliates from time to time, including having acted as financial advisor to the Company in connection with the sale of certain of its land assets in March 2008. We also have provided certain investment banking and other financial services to Pulte and its affiliates from time to time. We also may provide investment banking and other financial services to the Company, Pulte and their respective affiliates in the future. In connection with the above-described services we have received, and may receive, compensation.

In connection with this opinion, we have reviewed, among other things, the Agreement; annual reports to stockholders and Annual Reports on Form 10-K of the Company and Pulte for the five fiscal years ended March 31, 2008 and December 31, 2008, respectively; certain interim reports to stockholders and Quarterly Reports on Form 10-Q of the Company and Pulte; certain other communications from the Company and Pulte to their respective stockholders; certain publicly available research analyst reports for the Company and Pulte; certain internal financial analyses and forecasts for the Company prepared by its management and certain internal financial analyses and forecasts for Pulte prepared by its management, as adjusted by the management of the Company, in each case, as approved for our use by

the Company (the Forecasts); certain cost savings

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and operating synergies projected by the management of Pulte to result from the Transaction; and certain cost savings and operating synergies projected by the management of the Company to result from the Transaction, as approved for our use by the Company (the Synergies). We also have held discussions with members of the senior managements of the Company and Pulte regarding their assessment of the strategic rationale for, and the potential benefits of, the Transaction and the past and current business operations, financial condition and future prospects of Pulte, and with members of the senior management of the Company regarding their assessment of the past and current business operations, financial condition and future prospects of the Company. In addition, we have reviewed the reported price and trading activity for the Shares and shares of Pulte Common Stock, compared certain financial and stock market information for the Company and Pulte with similar information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent business combinations in the construction services industry specifically and in other industries generally and performed such other studies and analyses, and considered such other factors, as we considered appropriate.

For purposes of rendering this opinion, we have relied upon and assumed, without assuming any responsibility for independent verification, the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by us. In that regard, we have assumed that the Forecasts and the Synergies have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of the Company, and that the Synergies will be realized in all respects meaningful to our analysis. In addition, we have not made an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or off-balance-sheet assets and liabilities) of the Company or Pulte or any of their respective subsidiaries and we have not been furnished with any such evaluation or appraisal. We also have assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on the Company or Pulte or on the expected benefits of the Transaction in any way meaningful to our analysis. Our opinion does not address any legal, regulatory, tax or accounting matters.

Our opinion does not address the underlying business decision of the Company to engage in the Transaction, or the relative merits of the Transaction as compared to any strategic alternatives that may be available to the Company. This opinion addresses only the fairness from a financial point of view, as of the date hereof, of the Exchange Ratio pursuant to the Agreement. We do not express any view on, and our opinion does not address, any other term or aspect of the Agreement or Transaction, including, without limitation, the fairness of the Transaction to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors, or other constituencies of the Company or Pulte; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of the Company or Pulte, or class of such persons in connection with the Transaction, whether relative to the Exchange Ratio pursuant to the Agreement or otherwise. We are not expressing any opinion as to the prices at which shares of Pulte Common Stock will trade at any time. Our opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof and we assume no responsibility for updating, revising or reaffirming this opinion based on circumstances, developments or events occurring after the date hereof. Our advisory services and the opinion expressed herein are provided for the information and assistance of the Board of Directors of the Company in connection with its consideration of the Transaction and such opinion does not constitute a recommendation as to how any holder of Shares should vote with respect to such Transaction or any other matter. This opinion has been approved by a fairness committee of Goldman, Sachs & Co.

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the Exchange Ratio pursuant to the Agreement is fair from a financial point of view to the holders of Shares.

Very truly yours,

/s/ Goldman, Sachs & Co.

(GOLDMAN, SACHS & CO.)

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ANNEX D

RESTATED ARTICLES OF
INCORPORATION OF PULTE HOMES, INC.

ARTICLE I

The name of the corporation is: Pulte Homes, Inc.

ARTICLE II

The purpose or purposes for which the corporation is formed are: The purpose or purposes for which the Corporation is organized is to engage in any activity within the purposes for which Corporations may be organized under the Michigan Business Corporation Act.

ARTICLE III

The total authorized shares:

1.	Common Shares	400,000,000	Par Value Per Share	$ 0.01
	Preferred Shares	25,000,000	Par Value Per Share	$ 0.01

2. A statement of all or any of the relative rights, preferences and limitations of the shares of each class is as follows:

Provisions Relating to Preferred Stock

The Board of Directors may cause the Corporation to issue Preferred Stock in one or more series, each series to bear a distinctive designation and to have such relative rights and preferences as shall be prescribed by resolution of the Board; such resolutions, when filed, shall constitute amendments to these Articles of Incorporation. Without limiting the generality of the grant of authority contained in the preceding sentence, the Board of Directors is authorized to determine any or all of the following, and the shares of each series may vary from the shares of any other series in any or all of the following respects:

a. The number of shares of such series (which may subsequently be increased, except as otherwise provided by the resolutions of the Board of Directors providing for the issue of such series, or decreased to a number not less than the number of shares then outstanding) and the distinctive designation thereof;

b. The dividend rights, if any, of such series; the dividend preferences, if any, as between such series and any other class or series of stock; whether and the extent to which shares of such series shall be entitled to participate in dividends with shares of any other series or class of stock; whether and the extent to which dividends on such series shall be cumulative; and any limitations, restrictions or conditions on the payment of such dividends;

c. The time or times during which, the price or prices at which, and any other terms or conditions on which the shares of such series may be redeemed, if redeemable;

d. The rights of such series, and the preferences, if any, as between such series and any other class or series of stock, in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation and whether and the extent to which shares of any such series shall be entitled to participate in such event with any other class or series of stock;

e. The voting powers, if any, in addition to the voting powers prescribed by law, of shares of such series, and the terms of exercise of such voting powers;

f. Whether shares of such series shall be convertible into or exchangeable for shares of other series or class of stock, or of any series of the same class, or any other securities, and the terms and conditions, if any, applicable to such right;

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g. The terms and conditions, if any, of any purchase, retirement or sinking fund which may be provided for the shares of such series; and

h. Any other preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, in relation to stock of any other class or series thereof or of any other series of the same class, as shall not be inconsistent with law or the provisions of this Article III.

ARTICLE IV

1. The address of the registered office is:

601 Abbott Road
East Lansing, Michigan 48823

2. The mailing address of the registered office, if different than above: N/A

3. The name of the resident agent at the registered office is:

CSC-Lawyers Incorporating Service (Company)

ARTICLE V

The name and address of the incorporator is as follows:

Susan Morris, 2290 First National Building, Detroit, Michigan 48226

ARTICLE VI

Any action required or permitted by the Act to be taken at an annual or special meeting of shareholders may be taken without a meeting, without prior notice, and without a vote, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shares entitled to vote thereof were present and voted.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to the shareholders who have not consented in writing.

ARTICLE VII

Pursuant to Section 784(1)(b) of the Michigan Business Corporation Act, the Corporation expressly elects not be governed by Chapter 7A of the Michigan Business Corporation Act, being Sections 775 through 784 of the Michigan Business Corporation Act; provided that the Corporation s Board of Directors may terminate this election in whole or in part by action of the majority of directors then in office.

ARTICLE VIII

A director of the Corporation shall not be personally liable to the Corporation or its shareholders for monetary damages for breach of the director s fiduciary duty. However, this Article VIII shall not eliminate or limit the liability of a director for any of the following:

1. A breach of the director s duty of loyalty to the Corporation or its shareholders.

2. Acts or omissions not in good faith or that involve intentional misconduct or knowing violation of law.

3. A violation of Section 551(1) of the Michigan Business Corporation Act.

4. A transaction from which the director derived an improper personal benefit.

5. An act or omission occurring before the effective date of this Article.

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Any repeal or modification of this Article by the shareholders of the Corporation shall not adversely affect any right or protection of any director of the Corporation existing at the time of, or for or with respect to, any acts or omissions occurring before such repeal or modification.

ARTICLE IX

The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors consisting of not less than three (3), or more than fifteen (15) directors, the exact number of directors to be determined from time to time solely by a resolution adopted by an affirmative vote of a majority of the entire Board of Directors. The directors shall be divided into three (3) classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third (1/3) of the total number of directors constituting the entire Board of Directors. At the 1988 Annual Meeting of Shareholders, Class I directors shall be elected for a one-year term. Class II directors for a two-year term and Class III directors for a three-year term. At each succeeding annual meeting of shareholders, commencing in 1989, successors to the class of directors whose term expires at that annual meeting shall be elected for a three-year term.

If the number of directors is changed, any increase or decrease shall be apportioned among the classes of directors so as to maintain the number of directors in each class as nearly equal as possible, but in no case shall a decrease in the number of directors shorten the term of any incumbent director. When the number of directors is increased by the Board of Directors and any newly created directorships are filled by the Board, there shall be no classification of the additional directors until the next annual meeting of shareholders.

A director shall hold office until the meeting for the year in which his or her term expires and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office. Newly created directorships resulting from an increase in the number of directors and any vacancy on the Board of Directors for any reason whatsoever shall be filled only by an affirmative vote of a majority of the Board of Directors then in office. If the number of directors then in office is less than a quorum, such newly created directorships and vacancies shall be filled by a majority of the directors then in office, although less than a quorum, or by the sole remaining director. A director elected by the Board of Directors to fill a vacancy shall hold office until the next meeting of shareholders called for the election of directors and until his or her successor shall be elected and shall qualify.

Nominations for the election of directors shall be made as set forth in the Bylaws of the Corporation.

Notwithstanding the foregoing, whenever the holders of any one or more classes of preferred stock or series thereof issued by the Corporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of shareholders, the election, term of office, filling of vacancies and other features of such directorship shall be governed by the terms of these Articles of Incorporation applicable thereto, and such directors so elected shall not be divided into classes pursuant to this Article IX.

ARTICLE X

A. In addition to any affirmative vote required by law or these Articles of Incorporation, and except as provided in Section B of this Article X:

1. Any merger or consolidation of the Corporation or any subsidiary with either;

(i) Any Interested Shareholder;

(ii) Any other corporation, whether or not itself an Interested Shareholder, which is, or after the merger or consolidation would be, an Affiliate of an Interested Shareholder that was an Interested Shareholder prior to the transaction;

2. Any sale, lease, transfer, or other disposition, except in the usual and regular course of business, in one transaction or a series of transactions in any twelve-month period, to any Interested Shareholder or any Affiliate of any Interested Shareholder, other than the Corporation or any of its subsidiaries, of any

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assets of the Corporation or any subsidiary having, measured at the time the transaction or transactions are approved by the Board of Directors of the Corporation, an aggregate book value at the end of the Corporation s most recently ended fiscal quarter of ten percent (10%) or more of its consolidated net worth;

3. The issuance or transfer by the Corporation, or any subsidiary, in one transaction or a series of transactions in any twelve-month period, of any Equity Securities of the Corporation or any subsidiary which have an aggregate market value of five percent (5%) or more of the total market value of the outstanding shares of the Corporation to any Interested Shareholder or any Affiliate of any Interested Shareholder, other than the Corporation or any of its subsidiaries, except pursuant to the exercise of warrants or rights to purchase securities offered pro rata to all holders of the Corporation s voting shares or any other method affording substantially proportionate treatment to the holders of voting shares;

4. The adoption of any plan or proposal for the liquidation or dissolution of the Corporation proposed by or on behalf of an Interested Shareholder or any Affiliate of any Interested Shareholder;

5. Any reclassification of securities, including any reverse stock split, or recapitalization of the Corporation, or any merger, consolidation, or share exchange of the Corporation with any of its subsidiaries which has the effect, directly or indirectly, in one transaction or a series of transactions in any twelve-month period, of increasing the proportionate amount of the outstanding shares of any class of Equity Securities of the Corporation or any subsidiary which is directly or indirectly owned by any Interested Shareholder or any Affiliate of any Interested Shareholder; and

6. Any agreement, contract or other arrangement providing for one or more of the foregoing.

shall require the affirmative vote of the holders of at least sixty-nine and three tenths percent (69.3%) of the shares voting on the proposed Business Combination (as defined below) at the meeting of shareholders. Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that a lesser percentage may be specified, by law or in any agreement with any national securities exchange or otherwise.

B. The provisions of Section A of this Article X shall not be applicable to any particular Business Combination, and such Business Combination shall require only such affirmative vote as is required by law and any other provisions of these Articles of Incorporation if:

1. The Board of Directors of the Corporation shall have approved such Business Combination and either (i) the Interested Shareholder has been an Interested Shareholder continuously for period of at least two (2) years prior to the date on which the Board approved such Business Combination, or (ii) such proposed transaction was approved by the Board prior to the time the Interested Shareholder became an Interested Shareholder; or

2. A majority of the outstanding shares of stock of such other corporation is owned of record or beneficially, directly or indirectly, by the Corporation or its subsidiaries.

C. For the purpose of this Article X:

1. *Business Combination* shall mean any transaction referred to in any one or more of clauses A.1 through A.5 above.

2. A *person* shall mean any individual or firm, corporation, partnership, limited partnership, joint venture, trust, unincorporated association or other entity.

3. *Interested Shareholder* means any person other than the Corporation or any subsidiary of the Corporation who is either:

a. The Beneficial Owner, directly or indirectly, of ten percent (10%) or more of the voting power of the outstanding voting stock of the Corporation.

b. An Affiliate of the Corporation that at any time within the two-year period immediately prior to the date in question was the Beneficial Owner, directly or indirectly, of ten percent (10%) or more of the voting power of the then outstanding voting stock of the Corporation.

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c. For the purpose of determining whether a person is an Interested Shareholder pursuant to subdivision C.3.a or C.3.b, the number of shares of voting stock considered to be outstanding shall include all voting stock owned by the person except for those shares which may be issuable pursuant to any agreement, arrangement, or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

4. Beneficial Owner , when used with respect to any voting stock, means a person who:

a. Individually or with any of its Affiliates or Associates, beneficially owns voting stock, directly or indirectly.

b. Individually or with any of its Affiliates or Associates has:

(1) The right to acquire shares, whether the right is exercisable immediately or only after the passage of time, pursuant to any agreement, arrangement, or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise.

(2) The right to vote voting shares pursuant to any agreement, arrangement, or understanding.

(3) Any agreement, arrangement, or understanding for the purpose of acquiring, holding, voting or disposing of voting shares with any other person who beneficially owns, or whose Affiliates or Associates beneficially own, directly or indirectly, the voting shares.

5. *Affiliate* or *Affiliated Person* means a person who directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, a specified person.

6. *Associate* when used to indicate a relationship with any person, means any one of the following:

a. Any corporation or organization, other than the Corporation or a subsidiary of the Corporation, in which the person is an officer, director, or partner, or is, directly or indirectly, the beneficial owner of ten percent (10%) or more of any class of Equity Securities.

b. Any trust or other estate in which the person has a beneficial interest of ten percent (10%) or more or as to which the person serves as trustee or in a similar fiduciary capacity in connection with the trust or estate.

c. Any relative or spouse of the person, or any relative of the spouse, who has the same home as the person or who is a director or officer of the Corporation or any of its Affiliates.

7. *Control , controlling , controlled by ,* or *under common control with* means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise. The beneficial ownership of ten percent (10%) or more of the voting shares of a corporation shall create a presumption of control.

8. *Equity Security* means any one of the following:

a. Any stock or similar security, certificate of interest, or participation in any profit sharing agreement, voting trust certificate, or voting share.

b. Any security convertible, with or without consideration, into an Equity Security, or any warrant or other security carrying any right to subscribe to or purchase an Equity Security.

c. Any put, call, straddle, or other option or privilege of buying an Equity Security from or selling an Equity Security to another without being bound to do so.

The Board of Directors of the Corporation shall have the power and duty to determine for the purposes of this Article X, on the basis of the information known to them after reasonable inquiry, (A) whether a person is

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an Interested Shareholder, (B) the number of shares of voting stock beneficially owned by any persons, and (C) whether a person is an Affiliate or an Associate of another.

Nothing contained in this Article X shall be construed to relieve any Interested Shareholder from any fiduciary obligation imposed by law.

In accordance with the provisions of Article XI of these Articles of Incorporation, this Article X may only be amended by the affirmative vote of sixty-nine and three tenths percent (69.3%) of the shares voting on the proposed amendment at a meeting of shareholders, in addition to the vote otherwise required by the Michigan Business Corporation Act.

ARTICLE XI

Anything contained in these Articles of Incorporation to the contrary Article X and this Article XI of these Articles of Incorporation shall not be altered, amended, changed or repealed and no provision inconsistent with the intent or purpose of such provisions shall be adopted without the affirmative vote of sixty-nine and three tenths percent (69.3%) of the shares voting at a meeting of shareholders, in addition to the vote otherwise required by the Michigan Business Corporation Act.

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ANNEX E

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. *Indemnification of Directors and Officers*

Section 561 of the Michigan Business Corporation Act, or the MBCA, permits a Michigan corporation to indemnify any director or officer of the corporation (as well as other employees and individuals) that was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the corporation, by reason of his or her position with, or service to, the corporation, against expenses, including attorneys fees, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. Section 562 of the MBCA permits similar indemnification by the corporation in the case of actions or suits by or in the right of the corporation, except that (a) the permitted indemnification does not extend to judgments, penalties and fines, and (b) court approval is required before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. Section 563 of the MBCA provides that, to the extent that a director or officer of a corporation has been successful in the defense of an action, suit or proceeding described above, or in the defense of any claim, issue or matter therein, the corporation is required to indemnify him or her against actual and reasonable expenses, including attorneys fees, incurred by him or her in connection therewith.

The registrant s Restated Articles of Incorporation provide that directors of the registrant shall not be personally liable to the registrant or its shareholders for monetary damages for breach of the director s fiduciary duty. However, the Restated Articles of Incorporation do not eliminate or limit the liability of a director for any of the following: (a) acts or omissions not in good faith or that involve intentional misconduct or knowing violation of law; (b) a violation of Section 551(1) of the MBCA; (c) a transaction from which the director derived an improper personal benefit; or (d) an act or omission occurring before the effective date of the Articles. In addition, the registrant s by-laws generally provide that the registrant shall, to the fullest extent permitted by applicable law, indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative or investigative) by reason of the fact that such person is or was a director or officer of the registrant, or is or was serving at the registrant s request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

The registrant has obtained a Directors and Officers liability insurance policy, which provides for coverage for liabilities under the Securities Act, including for prior acts dating to the registrant s inception.

Item 21. *Exhibits and Financial Statement Schedules*

(a) **Exhibits**

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated as of April 7, 2009, by and among Pulte Homes, Inc., Pi Nevada Building Company and Centex Corporation (Incorporated by reference to Exhibit 2.1 of Pulte Homes, Inc. s Current Report on Form 8-K dated April 10, 2009)

3.1 Articles of Incorporation, as amended, of Pulte Homes, Inc. (Incorporated by reference to Exhibit 3.1 of Pulte Homes, Inc. s Registration Statement on Form S-4, Registration No. 333-62518)

3.2 Certificate of Amendment to the Articles of Incorporation of Pulte Homes, Inc. (Dated May 16, 2005) (Incorporated by reference to Exhibit 3(a) of Pulte Homes, Inc. s Quarterly Report on Form 10-Q for the quarter ended March 31, 2006)

3.3 Certificate of Designation of Series A Junior Participating Preferred Shares of Pulte Homes, Inc., dated March 5, 2009 (Incorporated by reference to Exhibit 3(c) of Pulte Homes, Inc. s Form 8-A filed March 6, 2009)

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Exhibit Number	Description
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4.1	Section 382 Rights Agreement, dated as of March 5, 2009, between Pulte Homes, Inc. and Computershare Trust Company, N.A., as rights agent, which includes the Form of Rights Certificate as Exhibit B thereto (Incorporated by reference to Exhibit 4 of Pulte Homes, Inc. s Form 8-A filed March 6, 2009)
4.2	First Amendment to Section 382 Rights Agreement, dated as of April 7, 2009, between Pulte Homes, Inc. and Computershare Trust Company, N.A., as rights agent (Incorporated by reference to Exhibit 4.1 of Pulte Homes, Inc. s Current Report on Form 8-K dated April 10, 2009)
5.1*	Opinion of Sidley Austin LLP regarding the validity of the securities being issued
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8.2*	Opinion of Wachtell, Lipton, Rosen & Katz as to certain federal income tax matters
23.1	Consent of Ernst & Young LLP
23.2	Consent of Ernst & Young LLP
23.3*	Consent of Sidley Austin LLP (included in Exhibit 5.1)
23.4*	Consent of Honigman Miller Schwartz & Cohn LLP (included in Exhibit 8.1)
23.5*	Consent of Wachtell, Lipton, Rosen & Katz (included in Exhibit 8.2)
24.1	Power of Attorney (see page II-4)
99.1	Form of Voting Agreement between Pulte Homes, Inc. and certain directors and officers of Centex Corporation
99.2	Form of Voting Agreement between Centex Corporation and certain directors and officers of Pulte Homes, Inc.
99.3*	Form of Proxy Card of Pulte Homes, Inc.
99.4*	Form of Proxy Card of Centex Corporation
99.5	Consent of Citigroup Global Markets Inc.
99.6	Consent of Goldman, Sachs & Co.
99.7	Consent of Timothy R. Eller

* To be filed by amendment

Item 22. ***Undertakings***

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933.

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in

the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

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(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant s annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan s annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) The undersigned Registrant hereby undertakes as follows: that prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other Items of the applicable form.

(d) The Registrant undertakes that every prospectus (i) that is filed pursuant to paragraph (c) immediately preceding, or (ii) that purports to meet the requirements of Section 10(a)(3) of the Securities Act of 1933 and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(e) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

(f) The undersigned Registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Item 4, 10(b), 11 or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first-class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(g) The undersigned Registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Bloomfield Hills, State of Michigan, on the 4th day of May, 2009.

PULTE HOMES, INC.

By: /s/ Richard J. Dugas, Jr.

Name: Richard J. Dugas, Jr.

Title: President and Chief Executive Officer

POWER OF ATTORNEY

Each of the undersigned officers and directors of Pulte Homes, Inc. does hereby severally constitute and appoint Richard J. Dugas, Jr., Roger A. Cregg, and Steven M. Cook, and each of them acting alone, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution in each of them for him or her and in his or her name, place and stead, and in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his or her substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ William J. Pulte William J. Pulte	Chairman of the Board of Directors	May 4, 2009
/s/ Richard J. Dugas, Jr. Richard J. Dugas, Jr.	President, Chief Executive Officer and Member of the Board of Directors (Principal Executive Officer)	May 4, 2009
/s/ Roger A. Cregg Roger A. Cregg	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	May 4, 2009
/s/ Michael J. Schweninger Michael J. Schweninger	Vice President and Controller (Principal Accounting Officer)	May 4, 2009

/s/ Brian P. Anderson	Member of Board of Directors	May 4, 2009
Brian P. Anderson		
/s/ Cheryl W. Grisé	Member of Board of Directors	May 4, 2009
Cheryl W. Grisé		

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Signature	Title	Date
/s/ Debra J. Kelly-Ennis Debra J. Kelly-Ennis	Member of Board of Directors	May 4, 2009
/s/ David N. McCammon David N. McCammon	Member of Board of Directors	May 4, 2009
/s/ Patrick J. O Leary Patrick J. O Leary	Member of Board of Directors	May 4, 2009
/s/ Bernard W. Reznicek Bernard W. Reznicek	Member of Board of Directors	May 4, 2009
/s/ Alan E. Schwartz Alan E. Schwartz	Member of Board of Directors	May 4, 2009
/s/ William B. Smith William B. Smith	Member of Board of Directors	May 4, 2009
/s/ Richard G. Wolford Richard G. Wolford	Member of Board of Directors	May 4, 2009

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