

AVH EM, LLC
Form S-4
March 17, 2015
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As filed with the Securities and Exchange Commission on March 17, 2015

Registration No. 333-

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

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

AV HOMES, INC.

(Exact name of registrant as specified in its charter)

AND

The Other Registrants Named in the Table of Additional Registrants Below

Delaware
**(State or other jurisdiction of
incorporation or organization)**

1531
**(Primary Standard Industrial
Classification Code Number)**
8601 N. Scottsdale Rd., Suite 225

23-1739078
**(I.R.S. Employer
Identification Number)**

Scottsdale, Arizona 85253

(480) 214-7400

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

S. Gary Shullaw

Executive Vice President and General Counsel

8601 N. Scottsdale Rd., Suite 225

Scottsdale, Arizona 85253

(480) 214-7400

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Michael K. Coddington

Faegre Baker Daniels LLP

2200 Wells Fargo Center

90 South Seventh Street

Minneapolis, Minnesota 55402

(612) 766-7000

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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

Large accelerated filer " Accelerated filer x
 Non-accelerated filer " Smaller reporting company "

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issue Tender Offer) "

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) "

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per note(1)	Proposed maximum aggregate offering price(1)	Amount of registration fee(1)
8.500% Senior Notes due 2019	\$200,000,000	100% of Principal Amount	\$200,000,000	\$23,240
Guarantees of 8.500% Senior Notes due 2019				(2)

- (1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f) under the Securities Act of 1933, as amended (the Securities Act). For purposes of this calculation, the offering price per senior note is assumed to be the stated principal amount of each senior note that may be received by the registrants in the exchange transaction in which the senior notes will be offered.
- (2) Pursuant to Rule 457(n) under the Securities Act, no separate filing fee is required for the guarantees.

The registrants hereby amend this registration statement on such date or dates as may be necessary to delay its effective date until the registrants shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8, may determine.

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The following direct and indirect subsidiaries of AV Homes, Inc. will guarantee the 8.500% Senior Notes due 2019 and are co-registrants with AV Homes, Inc. under this registration statement.

Name	Jurisdiction of Formation	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification No.
Avatar Properties Inc.	Florida	1531	23-1693997
AV Homes of Arizona, LLC	Arizona	1531	26-4815090
AVH Bethpage, LLC	Arizona	1531	38-3922225
AVH Carolinas, LLC	Arizona	1531	46-4214803
AVH EM, LLC	Arizona	1531	23-1693997
JCH Group LLC	Delaware	1531	26-4814751
Royal Oak Homes, LLC	Florida	1531	46-5093450
Vitalia at Tradition, LLC	Florida	1531	27-0960347

Avatar Properties Inc. is a wholly owned, direct subsidiary of AV Homes, Inc. Avatar Properties, Inc. is the sole member of the AVH Carolinas, LLC, JCH Group, LLC, Royal Oak Homes, LLC and Vitalia at Tradition, LLC. AVH Carolinas, LLC is the sole member of AVH Bethpage, LLC. JCH Group, LLC is the sole member of AV Homes of Arizona, LLC and AVH EM, LLC. The name and address of the principal executive office for each of the additional registrants is the same as is set forth for AV Homes, Inc. on the facing page of this registration statement.

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The information in this prospectus is not complete and may be changed. We may not complete the exchange offer and issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated March 17, 2015

PROSPECTUS

\$200,000,000

AV HOMES, INC.

Exchange Offer for

\$200,000,000 aggregate principal amount of 8.500% Senior Notes due 2019 and Related Guarantees

(CUSIP Nos. 00234P AC6 and U0536W AA7)

for

\$200,000,000 aggregate principal amount of 8.500% Senior Notes due 2019 and Related Guarantees

(CUSIP No.)

that have been registered under the Securities Act

We are offering to issue up to \$200,000,000 aggregate principal amount of our 8.500% Senior Notes due 2019, which will be guaranteed on a senior unsecured basis by certain of our existing and future direct and indirect subsidiaries (the exchange notes), which have been registered under the Securities Act of 1933, as amended (the Securities Act), in exchange for any and all of our \$200,000,000 aggregate principal amount of outstanding 8.500% Senior Notes due 2019 that were issued on June 30, 2014 (the outstanding notes). The term notes refers to both the exchange notes and the outstanding notes. We refer to the offer to exchange the exchange notes for the outstanding notes as the exchange offer in this prospectus. We are offering to exchange the outstanding notes for the exchange notes to satisfy our obligations in the registration rights agreement that was entered into when the outstanding notes were sold pursuant to Rule 144A and Regulation S under the Securities Act.

The Exchange Notes:

The terms of the registered exchange notes to be issued in the exchange offer are substantially identical to the terms of the outstanding notes, except that the transfer restrictions, registration rights and additional interest provisions relating to the outstanding notes will not apply to the exchange notes.

We are offering the exchange notes pursuant to a registration rights agreement that we entered into in connection with the issuance of the outstanding notes.

The exchange notes will bear interest at the rate of 8.500% per annum, payable semi-annually in cash on January 1 and July 1 each year.

The exchange notes will be guaranteed on a senior unsecured basis by each of our subsidiaries that have guaranteed the outstanding notes.

Material Terms of the Exchange Offer:

The exchange offer expires at midnight, New York City time, on _____, 2015, unless extended.

Upon expiration of the exchange offer, all outstanding notes that are validly tendered and not withdrawn will be exchanged for an equal principal amount of the exchange notes.

You may withdraw tendered outstanding notes at any time prior to the expiration of the exchange offer.

The exchange offer is not subject to any minimum tender condition, but is subject to customary conditions.

The exchange of the exchange notes for outstanding notes will not be a taxable exchange for U.S. federal income tax purposes.

We will not receive any proceeds from the exchange offer.

There is no existing public market for the outstanding notes or the exchange notes. We do not intend to list the exchange notes on any securities exchange or quotation system.

See Risk Factors beginning on page 12 for a discussion of certain risks that you should consider before participating in the exchange offer.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act of 1933, as amended, in connection with any resale of such exchange notes. The letter of transmittal accompanying this prospectus states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding notes where such exchange notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that for a period of 180 days after the expiration of the exchange offer, we will make this prospectus available to any broker-dealer for use in any such resale. See Plan of Distribution on page 89.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or the accuracy of this prospectus. Any representation to the contrary is a criminal offense.

Prospectus dated _____, 2015

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You should rely only on the information incorporated by reference or presented in this prospectus. We have not authorized anyone else to provide you with different information. We are only offering these exchange notes in jurisdictions where the offer is permitted. You should not assume that the information in this prospectus is accurate as of any date other than the date of this prospectus.

This prospectus contains summaries of the material terms of certain documents and refers you to certain documents that we have filed with the Securities and Exchange Commission (the "SEC"). See "Where You Can Find More Information."

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ABOUT THIS PROSPECTUS

We and the subsidiary guarantors listed on Schedule A thereto as co-registrants have filed this registration statement on Form S-4 with the SEC to register the exchange offer contemplated in this prospectus. This prospectus is part of that registration statement. You should read this prospectus together with the additional information described under the heading **Where You Can Find More Information**.

You should rely only on the information contained in this prospectus and the documents incorporated by reference herein. We have not authorized anyone to provide you with any information or represent anything about us, our financial results or this offering that is not contained in this prospectus. If given or made, any such other information or representation should not be relied upon as having been authorized by us. We are not making an offer to sell these exchange notes in any jurisdiction where the offer or sale is not permitted.

The information in this prospectus is applicable only as of the date on its cover, and may change after that date. The information in any document incorporated by reference in this prospectus is applicable only as of the date of any such document. For any time after the cover date of this prospectus, we do not represent our affairs are the same as described or the information in this prospectus is correct, nor do we imply those things by delivering this prospectus or issuing exchange notes to you.

When we refer to **AV Homes**, our company, **we**, **our**, or **us** in this prospectus, we mean AV Homes, Inc. and its subsidiaries, unless the context indicates otherwise. When we refer to **issuer**, we mean AV Homes, Inc., and not its subsidiaries. When we refer to **guarantors**, we mean our direct and indirect subsidiaries that will guarantee the exchange notes.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain parts of this prospectus and the documents incorporated by reference herein contain **forward-looking statements** within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of results to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among others: the cyclical nature of the homebuilding industry and its dependence on broader economic conditions; competition for home buyers, properties, financing, raw materials and skilled labor; overall market supply and demand for new homes; conflicts of interest involving our largest stockholder; contractual restrictions under a stockholders agreement with our largest stockholder; our ability to access sufficient capital; our ability to generate sufficient cash to service our indebtedness and potential need for additional financing; terms of our financing documents that may restrict our operations and corporate actions; fluctuations in interest rates; our ability to purchase outstanding notes upon certain fundamental changes; contingent liabilities that may affect our liquidity; development liabilities that may impose payment obligations on us; the availability of mortgage financing for home buyers; increased regulation of the mortgage industry; changes in federal lending programs and other regulations; cancellations of home sale orders; declines in home prices in our primary regions; inflation affecting homebuilding costs; the prices and supply of building materials and skilled labor; the availability and skill of subcontractors; elimination or reduction of tax benefits associated with home ownership; warrant and construction defect claims; health and safety incidents in homebuilding activities; availability and suitability of undeveloped land and improved lots; ability to develop communities within expected timeframes; the seasonal nature of our business; impacts of weather conditions and natural disasters; resource shortages and rate fluctuations; value and costs related to our land and lot inventory; our ability to recover our costs in the event of reduced home sales; dependence on our senior management; effect of our expansion efforts on our cash flows and profitability; effects of government regulation of

development and homebuilding projects; raising healthcare costs; our ability to realize our deferred income tax asset; costs of environmental compliance; impact of environmental changes; dependence on digital technologies and potential

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interruptions; and potential dilution related to future financing activities, all as are described in the discussion under **Risk Factors** in our Annual Report on Form 10-K. Readers are cautioned not to place undue reliance on any forward-looking statements contained herein, which reflect management's opinions only as of the date hereof.

For more information about the risks, uncertainties and other factors that could cause actual results to differ materially from our expectations, refer to our reports filed with the SEC, including the discussion under **Risk Factors** in our Annual Report on Form 10-K for the year ended December 31, 2014, which is incorporated by reference herein.

Many of these factors are macroeconomic in nature and are, therefore, beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results, performance or achievements may vary materially from those described in this prospectus as anticipated, believed, estimated, expected, intended, planned or projected. Except as required by law, we neither intend nor assume any obligation to revise or update these forward-looking statements, which speak only as of their dates.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's website at <http://www.sec.gov>. You may also read and copy any document we file with the SEC at its 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 operation of the Public Reference Room.

We incorporate by reference into this prospectus the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus. Some information contained in this prospectus updates the information incorporated by reference, and information that we file subsequently with the SEC will automatically update this prospectus. In other words, in the case of a conflict or inconsistency between information set forth in this prospectus and/or information incorporated by reference into this prospectus, you should rely on the information contained in the document that was filed later.

Any reports filed by us with the SEC after the date of this prospectus will automatically update and, where applicable, supersede any information contained in this prospectus or incorporated by reference into this prospectus. We incorporate by reference into this prospectus the following documents filed with the SEC (other than, in each case, documents or information deemed furnished and not filed in accordance with the SEC rules, including pursuant to Item 2.02 or Item 7.01 of Form 8-K, and no such information shall be deemed specifically incorporated by reference hereby):

our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the SEC on February 27, 2015;

our Proxy Statement for our 2014 annual meeting of stockholders, filed with the SEC on April 28, 2014;

our Current Reports on Form 8-K filed with the SEC on January 26, 2015 and February 4, 2015; and

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all documents filed by us under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), after the initial filing of the registration statement that contains this prospectus and before the completion of the offering of the exchange notes.

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You may request a copy of these filings, other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing, at no cost, by writing to or telephoning us at the following address:

S. Gary Shullaw

Executive Vice President and General Counsel

AV Homes, Inc.

8601 N. Scottsdale Rd., Suite 225

Scottsdale, Arizona 85253

(480) 214-7400

To ensure timely delivery, you must request this information no later than five business days before the expiration of the exchange offer.

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PROSPECTUS SUMMARY

The following summary contains information about our business and the exchange offer. It does not contain all information that may be important to you in making a decision to exchange outstanding notes for exchange notes. For a more complete understanding of our business and the offering of the notes, we urge you to read this entire prospectus carefully, including the Risk Factors, Cautionary Statement Regarding Forward-Looking Statements and Where You Can Find More Information sections and our financial statements incorporated by reference into this prospectus. All financial data provided in this prospectus are financial data of AV Homes and its consolidated subsidiaries unless otherwise disclosed.

Overview

We are a homebuilder engaged in the business of homebuilding and community development in Florida, Arizona, and North Carolina. Our business focuses on the development of (i) active adult communities, which are age-restricted or age-targeted to the age 55 and over active adult demographic, and (ii) primary residential communities, which serve first-time and move-up buyers, and the construction and sale of residences within these communities. As of December 31, 2014, we owned 3,505 developed residential lots, 2,853 partially developed residential lots, 9,572 undeveloped residential lots, and 7,220 acres of mixed use, commercial, and industrial land. We utilize our deep experience, strong operating platform, and land inventory to capitalize on the strengthening housing environment and favorable demographic trends within our core markets. We are publicly held and our common stock is traded on the NASDAQ Stock Market under the symbol AVHI.

Our performance in our core segments of active adult community development and primary residential community development has improved for the year ended December 31, 2014 as compared to prior years. As the homebuilding market continues to recover from the industry downturn, we have expanded our market presence and significantly increased the number of homes we have sold. During the year ended December 31, 2014, we closed on 953 homes at an average sales price of approximately \$255,000 per closed home, generating approximately \$243 million of revenue, as compared to the year ended December 31, 2013, in which we closed on 481 homes at an average sales price of approximately \$238,000 per closed home, generating approximately \$114 million of revenue. The number of housing contracts (net of cancellations) signed in 2014 increased 115% compared to 2013, and at December 31, 2014, we had 331 homes in backlog with a sales value of approximately \$85.8 million compared to 167 homes in backlog with a sales value of approximately \$39.9 million at December 31, 2013.

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The Issuer and the Guarantors

The chart below illustrates our corporate structure and is provided for illustrative purposes only and does not purport to represent all legal entities owned or controlled by us. Certain of our wholly-owned direct and indirect subsidiaries guarantee the notes. See Description of the Notes The Subsidiary Guarantees.

- (1) We entered into our revolving credit facility on April 7, 2014. Our revolving credit facility includes revolving credit and letter of credit facilities in an aggregate principal amount of up to \$105.0 million, with an accordion feature that allows us, with the consent of the lenders, to increase the aggregate amount to \$175.0 million. As of December 31, 2014, we had no borrowings outstanding and availability, based on our borrowing base, of \$82.4 million.
- (2) Each of our existing and future domestic subsidiaries that becomes a borrower under our revolving credit facility or that guarantees obligations under our revolving credit facility or our other indebtedness or indebtedness of the subsidiary guarantors will guarantee the notes offered hereby. As of the issue date, all of our restricted subsidiaries will be subsidiary guarantors under the indenture governing the notes.
- (3) For the year ended December 31, 2014, our non-guarantor subsidiaries as of December 31, 2014 represented less than 1% of our total revenues. As of December 31, 2014, our non-guarantor subsidiaries represented less than 1% of our total assets and our total liabilities. As of the issue date of the notes offered hereby, all of our non-guarantor subsidiaries will be unrestricted subsidiaries under the indenture governing the notes and will not be subject to the covenants under the indenture.

Corporate Information

AV Homes, Inc. was incorporated in the State of Delaware in 1970. Our principal executive offices are located at 8601 N. Scottsdale Rd., Suite 225, Scottsdale, Arizona 85253, and our telephone number is (480) 214-7400.

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The Exchange Notes

The terms of the exchange notes are substantially identical to the outstanding notes, except the transfer restrictions, registration rights and additional interest provisions applicable to the outstanding notes will not apply to the exchange notes. The following is a summary of the principal terms of the exchange notes. A more detailed description is contained in the section "Description of the Notes" in this prospectus.

Issuer:	AV Homes, Inc.
Notes Offered:	\$200,000,000 aggregate principal amount of 8.500% Senior Notes due 2019.
Maturity Date:	July 1, 2019.
Interest Rate:	8.500% per year.
Interest Payment Dates:	Interest on the exchange notes is payable semi-annually on January 1 and July 1 of each year. Interest will accrue from and including the most recent date on which interest has been paid on the outstanding notes.
Guarantees:	<p>The exchange notes will be guaranteed on a senior unsecured basis by each of our existing and future domestic subsidiaries that becomes a borrower under our revolving credit facility or that guarantees obligations under revolving credit facility or our other indebtedness or indebtedness of the subsidiary guarantors. Under certain circumstances, subsidiary guarantors may be released from their note guarantees without the consent of the holders of notes. See "Description of the Notes" The Subsidiary Guarantees.</p> <p>For the year ended December 31, 2014, our non-guarantor subsidiaries as of December 31, 2014 represented less than 1% of our total revenues.</p> <p>As of December 31, 2014, our non-guarantor subsidiaries represented less than 1% of our total assets and our total liabilities.</p> <p>As of the issue date, all of our non-guarantor subsidiaries will be unrestricted subsidiaries under the indenture governing the notes. Our unrestricted subsidiaries will not be subject to the covenants of the</p>

indenture and will not be required to guarantee the exchange notes.

Optional Redemption:

The exchange notes will be redeemable at our option, in whole or in part, at any time on or after July 1, 2016, at the redemption prices set forth in this prospectus, together with accrued and unpaid interest, if any, to, but excluding, the date of redemption.

At any time prior to July 1, 2016, we may redeem up to 35% of the original principal amount of the exchange notes with the proceeds of certain equity offerings at a redemption price of 108.50% of the principal amount of the notes, together with accrued and unpaid interest, if any, to, but excluding, the date of redemption.

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At any time prior to July 1, 2016, we may also redeem some or all of the notes at a price equal to 100% of the principal amount of the exchange notes, plus a make-whole premium, together with accrued and unpaid interest, if any, to, but excluding, the date of redemption.

See Description of the Notes Optional Redemption.

Change of Control:

Upon the occurrence of specific kinds of changes of control, you will have the right, as holders of the exchange notes, to cause us to repurchase some or all of your notes at 101% of their face amount, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date. See Description of the Notes Certain Covenants Change of Control.

Asset Disposition Offer:

If we or any of our restricted subsidiaries sell assets, under certain circumstances, we will be required to use the net proceeds to make an offer to purchase exchange notes at an offer price in cash in an amount equal to 100% of the principal amount of the notes, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date. See Description of the Notes Certain Covenants Limitations on Asset Sales.

Ranking:

The exchange notes and the note guarantees will be our and the subsidiary guarantors senior unsecured obligations and will:

rank senior in right of payment to any of our and the subsidiary guarantors future subordinated indebtedness;

rank equally in right of payment with all of our and the subsidiary guarantors existing and future senior indebtedness;

be effectively subordinated to any of our and the subsidiary guarantors existing and future secured debt, to the extent of the value of the assets securing such debt; and

be structurally subordinated to all of the existing and future liabilities (including trade payables) of each of our subsidiaries that do not guarantee the exchange notes.

We entered into our revolving credit facility on April 7, 2014. Our revolving credit facility includes revolving credit and letter of credit

facilities in an aggregate principal amount of up to \$105.0 million, with an accordion feature that allows us, with the consent of the lenders, to increase the aggregate amount to \$175.0 million. As of December 31, 2014, we had no borrowings outstanding and availability, based on our borrowing base, of \$82.4 million. Availability would continue to be subject to the borrowing base.

As of December 31, 2014, we had approximately \$300.0 million of total indebtedness (including the notes offered hereby).

The liabilities of our non-guarantor subsidiaries, which represented less than 1% of our total liabilities as of December 31, 2014, will be structurally senior to the notes offered hereby.

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Covenants:

The indenture governing the exchange notes contains covenants that, among other things, limits our ability and the ability of our restricted subsidiaries to:

incur additional indebtedness and guarantee indebtedness;

pay dividends or make other distributions or repurchase or redeem our capital stock;

prepay, redeem or repurchase certain debt;

issue certain preferred stock or similar equity securities;

make loans and investments;

sell assets;

incur liens;

enter into transactions with affiliates;

alter the business we conduct;

enter into agreements restricting our subsidiaries' ability to pay dividends; and

consolidate, merge or sell all or substantially all of our assets.

These covenants will be subject to a number of important exceptions and qualifications. See Description of the Notes.

Use of Proceeds:

We will not receive any cash proceeds from issuance of the exchange notes offered by this prospectus.

Risk Factors:

Investment in the exchange notes involves certain risks. You should carefully consider the information under **Risk Factors** and all other information included in this prospectus before investing in the exchange notes.

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The Exchange Offer

The summary below describes the principal terms and conditions of the exchange offer. Certain of these terms and conditions are subject to important limitations and exceptions. The section of this prospectus entitled "Description of the Notes" contains a more detailed description of the terms and conditions.

General:

In connection with a private placement, we entered into a registration rights agreement with the purchasers of the outstanding notes in which we agreed, among other things, to use our reasonable best efforts to cause the exchange offer described in this prospectus to be consummated. You are entitled to exchange in the exchange offer your outstanding notes for exchange notes, which are identical in all material respects to the outstanding notes except:

the offer and sale of the exchange notes will have been registered under the Securities Act;

the exchange notes are not entitled to any registration rights that are applicable to the outstanding notes under the registration rights agreement; and

the provisions of the registration rights agreement that provide for payment of additional amounts upon a registration default are no longer applicable.

The Exchange Offer:

We are offering to exchange up to \$200,000,000 aggregate principal amount of our 8.500% Senior Notes due 2019 and related guarantees, the offer and sale of which have been registered under the Securities Act, for any and all of our outstanding 8.500% Senior Notes due 2019 and the related guarantees.

Outstanding notes may be exchanged only in denominations of \$2,000 and in integral multiples of \$1,000 in excess thereof.

Subject to the satisfaction or waiver of specified conditions, we will exchange the exchange notes for all outstanding notes that are validly tendered and not validly withdrawn prior to the expiration of the exchange offer. We will cause the exchange to be effected promptly after the expiration of the exchange offer.

Resale:

We believe the exchange notes issued in the exchange offer may be offered for resale, resold or otherwise transferred by you without compliance with the registration and prospectus delivery requirements of the Securities Act, provided that:

you are not an affiliate of ours;

the exchange notes you receive pursuant to the exchange offer are being acquired in the ordinary course of your business;

you have no arrangement or understanding with any person to participate in the distribution of the exchange notes issued to you in the exchange offer;

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if you are not a broker-dealer, you are not engaged in, and do not intend to engage in, a distribution of the exchange notes issued in the exchange offer; and

if you are a broker-dealer, you will receive the exchange notes for your own account, the outstanding notes were acquired by you as a result of market-making or other trading activities, and you will deliver a prospectus when you resell or transfer any exchange notes issued in the exchange offer. See [Plan of Distribution](#) for a description of the prospectus delivery obligations of broker dealers in the exchange offer.

If you do not meet these requirements, your resale of the exchange notes must comply with the registration and prospectus delivery requirements of the Securities Act.

Our belief is based on interpretations by the SEC staff, as set forth in no-action letters issued to third parties. The SEC staff has not considered this exchange offer in the context of a no-action letter, and we cannot assure you that the SEC staff would make a similar determination with respect to this exchange offer.

If our belief is not accurate and you transfer an exchange note without delivering a prospectus meeting the requirements of the federal securities laws or without an exemption from these laws, you may incur liability under the federal securities laws. We do not and will not assume, or indemnify you against, this liability.

See [The Exchange Offer Consequences of Exchanging Outstanding Notes](#).

Expiration Date:

The exchange offer expires at midnight, New York City time, on _____, 2015, unless the exchange offer is extended. See [The Exchange Offer Terms of the Exchange Offer; Expiration Time](#).

Withdrawal Rights:

You may withdraw your tender of outstanding notes at any time prior to the expiration time by delivering a notice of withdrawal to the exchange agent in conformity with the procedures discussed under [The Exchange Offer Withdrawal Rights](#). We will return to you any of your outstanding notes that are not accepted for any reason for exchange, without expense to you, promptly after the expiration or termination of the exchange offer.

Interest on the Exchange Notes and the Outstanding Notes:

Each exchange note bears interest at the rate of 8.500% per year from the most recent date on which interest has been paid on the notes or, if no interest has been paid, from and including January 1, 2015. The first interest payment date shall be July 1, 2015. The interest on the notes is payable semiannually on January 1 and July 1 each year. No interest will be paid on outstanding notes following their acceptance for exchange.

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Conditions to the Exchange Offer: The exchange offer is subject to customary conditions, some of which we may waive in our sole discretion. See The Exchange Offer Conditions to the Exchange Offer. The exchange offer is not conditioned upon any minimum principal amount of outstanding notes being tendered for exchange.

Procedures for Tendering Outstanding Notes: If you wish to participate in the exchange offer, you must complete, sign and date the accompanying letter of transmittal, or a facsimile of the letter of transmittal, according to the instructions contained in this prospectus and the letter of transmittal. You must then mail or otherwise deliver the letter of transmittal, or a facsimile of the letter of transmittal, together with the outstanding notes and any other required documents, to the exchange agent at the address set forth on the cover page of the letter of transmittal.

If you hold outstanding notes through The Depository Trust Company (DTC) and wish to participate in the exchange offer, you must comply with the procedures under DTC s Automated Tender Offer Program by which you will agree to be bound by the letter of transmittal. By signing, or agreeing to be bound by, the letter of transmittal, you will represent to us that, among other things:

you do not have an arrangement or understanding with any person or entity to participate in the distribution of the exchange notes;

you are not an affiliate of ours or of any guarantor within the meaning of Rule 405 under the Securities Act;

you are not engaged in, and do not intend to engage in, a distribution of the exchange notes;

you are acquiring the exchange notes in the ordinary course of your business; and

if you are a broker-dealer that receives exchange notes for your own account in exchange for outstanding notes that were acquired as a result of market-making activities or other trading activities, that you will deliver a prospectus, as required by law, in connection with any resale of such exchange notes.

Special Procedures for Beneficial Owners: If you are a beneficial owner of outstanding notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and you wish to tender those outstanding notes in the exchange offer, you should contact the registered holder promptly and instruct the registered holder to tender those outstanding notes on your behalf. If you wish to tender on your own behalf, you must, prior to completing and executing the letter of transmittal and delivering your outstanding notes, either make appropriate arrangements to register ownership of the outstanding notes in your name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time and may not be able to be completed prior to the expiration date.

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Guaranteed Delivery Procedures:	If you wish to tender your outstanding notes and your outstanding notes are not immediately available or you cannot deliver your outstanding notes, the letter of transmittal or any other required documents, or you cannot comply with the procedures under DTC's Automated Tender Offer Program for transfer of book-entry interests, prior to the expiration date, you must tender your outstanding notes according to the guaranteed delivery procedures described under "The Exchange Offer" Guaranteed Delivery Procedures.
Acceptance of Outstanding Notes and Delivery of Exchange Notes:	Upon consummation of the exchange offer, we will accept any and all outstanding notes that are properly tendered in the exchange offer and not withdrawn prior to the expiration time. The exchange notes issued pursuant to the exchange offer will be delivered promptly following the expiration time. See "The Exchange Offer" Terms of the Exchange Offer; Expiration Time.
Consequences of Failure to Exchange Your Outstanding Notes:	All untendered outstanding notes will continue to be subject to the restrictions on transfer set forth in the outstanding notes and in the indenture under which the outstanding notes were issued. In general, the outstanding notes may not be offered or sold, except in a transaction that is registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with the exchange offer, we do not anticipate that we will register the offer and sale of the outstanding notes under the Securities Act.
Certain Federal Income Tax Considerations:	The exchange of your outstanding notes for exchange notes will not be a taxable exchange for United States federal income tax purposes. You should consult your own tax advisor as to the tax consequences to you of the exchange offer, as well as tax consequences of the ownership and disposition of the exchange notes. For additional information, see "Certain Material U.S. Federal Income Tax Considerations."
Use of Proceeds:	We will not receive any cash proceeds from the issuance of exchange notes in the exchange offer. See "Use of Proceeds."
Exchange Agent:	The exchange agent for the exchange offer is Wilmington Trust, National Association. For additional information, see "The Exchange Offer" Exchange Agent and the accompanying letter of transmittal.

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Set forth below is our summary historical consolidated financial and other information. The balance sheet information as of December 31, 2012, 2013 and 2014 and the statement of operations information for each of the years ended December 31, 2012, 2013 and 2014 have been derived from the audited consolidated financial statements incorporated by reference into this prospectus. Our historical results are not necessarily indicative of the results expected for any future periods.

(Dollars in thousands)	Years ended December 31,		
	2012	2013	2014
Statement of operations data:			
Revenues:			
Real estate revenues			
Homebuilding and amenity	\$ 78,968	\$ 124,651	\$ 253,258
Land sales	26,595	16,303	32,596
Other real estate	598	528	59
Total real estate revenues	106,161	141,482	285,913
Expenses:			
Real estate expenses:			
Homebuilding and amenity	86,261	121,753	243,065
Land sales	18,581	8,111	22,003
Other real estate	6,279	3,450	1,133