AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JANUARY 11, 2021
Registration No. 333-251612

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

Amendment No. 1
to
Form S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Dream Finders Homes, Inc.

(Exact name of registrant as specified in its charter)

Delaware	1531	85-2983036
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(IRS Employer Identification No.)

14701 Philips Highway, Suite 300
Jacksonville, FL 32256
(904) 644-7670

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

Robert E. Riva
Vice President, General Counsel and Corporate Secretary
14701 Philips Highway, Suite 300
Jacksonville, FL 32256
(904) 644-7670

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

Copies to:

Timothy S. Taylor **Carina L. Antweil** **Baker Botts L.L.P.** **910 Louisiana Street** **Houston, Texas** **(713) 229-1234**	**Michael Kaplan** **Yasin Keshvargar** **Davis Polk & Wardwell LLP** **450 Lexington Avenue** **New York, New York 10017** **(212) 450-4000**

Approximate date of commencement of proposed sale of the securities to the public:
As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 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(c) 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. ☐

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, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company' in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☐
	Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☒

CALCULATION OF REGISTRATION FEE

Title of each Class of Securities to be Registered	Shares to be Registered(1)	Proposed Maximum Aggregate Offering Price Per Share(2)	Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(3)
Class A common stock, par value $0.01 per share	11,040,000	$15.00	$165,600,000	$18,066.96

(1) Includes an additional 1,440,000 shares of Class A common stock that the underwriters have the option to purchase.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(a) under the Securities Act of 1933, as amended.

(3) Of this amount, $10,910 has previously been paid.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment that 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(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell 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 state where the offer or sale is not permitted.

Subject to Completion
Preliminary Prospectus dated January 11, 2021

PROSPECTUS

9,600,000 Shares

Dream Finders Homes, Inc.

Class A Common Stock

This is Dream Finders Homes, Inc.'s initial public offering. We are selling 9,600,000 shares of Class A common stock.

Prior to this offering, there has been no public market for our Class A common stock. The initial public offering price of the Class A common stock is expected to be between $12.00 and $15.00 per share. We have applied to list our Class A common stock on The Nasdaq Global Select Market ("Nasdaq") under the symbol "DFH."

Following this offering, we will have two classes of authorized common stock, Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting, transfer and conversion. Each share of Class A common stock is entitled to one vote per share and is not convertible into any other shares of our capital stock. Each share of Class B common stock is entitled to three votes per share and is convertible into one share of Class A common stock. Outstanding shares of Class B common stock will represent approximately 85.4% of the voting power of our outstanding Class A common stock and Class B common stock immediately following this offering, assuming no exercise of the underwriters' option to purchase additional shares of Class A common stock, with our directors, executive officers and principal stockholders representing approximately 94.4% of such voting power.

Immediately after this offering, we expect to be a "controlled company" within the meaning of the Nasdaq corporate governance standards. See "Management—Controlled Company Status" in this prospectus for additional information.

We are an "emerging growth company," as that term is defined under federal securities laws and, as such, may elect to comply with certain reduced public company reporting requirements for this and future filings. See "Prospectus Summary—Implications of Being an Emerging Growth Company" in this prospectus for additional information.

Investing in our Class A common stock involves a high degree of risk. See "Risk Factors" beginning on page 24 of this prospectus.

	Per Share	Total
Initial public offering price	$	$
Underwriting discount and commissions(1)	$	$
Proceeds, before expenses(1)	$	$

(1) The underwriters will also be reimbursed for certain expenses incurred in the offering. See "Underwriting" for additional information regarding underwriting compensation.

The underwriters may also exercise their option to purchase up to an additional 1,440,000 shares of Class A common stock from us, at the initial public offering price, less the underwriting discount, for 30 days after the date of this prospectus.

Certain entities affiliated with BOC DFH, LLC, a holder of more than 5% of our Class A common stock and a wholly owned subsidiary of Boston Omaha Corporation (Nasdaq: BOMN), have indicated an interest in purchasing an aggregate of at least 1,851,850 shares of our Class A common stock (based on the midpoint of the price range set forth above) in this offering at the initial public offering price. Because these indications of interest are not binding agreements or commitments to purchase, such entities may elect to purchase fewer or no shares of our Class A common stock in this offering, or the underwriters may elect to sell fewer or no shares of our Class A common stock in this offering to such entities. The underwriters will receive the same discount from any shares of Class A common stock sold to such entities as they will from any other shares of Class A common stock sold to the public in this offering.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares of Class A common stock are expected to be delivered on or about , 2021.

BofA Securities **RBC Capital Markets** **BTIG**

Builder Advisor Group, LLC **Zelman Partners LLC**

TCB Capital Markets **Wedbush Securities**

The date of this prospectus is , 2021

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We have not, and the underwriters have not, authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give to you. This prospectus is an offer to sell only the shares offered hereby, and only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of the date hereof, regardless of the time of delivery of this prospectus or of any sale of the shares of Class A common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

We and the underwriters have not done anything that would permit this offering or the possession or distribution of this prospectus in any jurisdiction where action for those purposes is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of Class A common stock and the distribution of this prospectus outside of the United States.

This prospectus contains forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond our control. See "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in this prospectus for additional information.

Industry and Market Data

We use market data and industry forecasts and projections throughout this prospectus, and in particular in the sections entitled "Prospectus Summary," "Market Opportunity" and "Business." We have obtained substantially all of this information from a market study prepared for us by John Burns Real Estate Consulting, LLC ("JBREC"), an independent research provider and consulting firm, based on the most recent data available as of June 30, 2020. We have paid JBREC a fee of $37,500 for its services, plus an amount charged at an hourly

rate for additional information we may require from JBREC from time to time in connection with its services. Such information is included in this prospectus in reliance on JBREC's authority as an expert on such matters. Any forecasts prepared by JBREC are based on data (including third-party data), models and the experience of various professionals and on various assumptions (including the completeness and accuracy of third-party data), all of which are subject to change without notice See "Market Opportunity" and "Experts" in this prospectus for additional information.

In addition, certain other market and industry data has been obtained from publicly available industry publications. These sources generally state that the information they provide has been obtained from sources believed to be reliable but that the accuracy and completeness of the information are not guaranteed. We have not independently verified the data obtained from these sources. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and additional uncertainties regarding the other forward-looking statements in this prospectus.

The Corporate Reorganization

Dream Finders Homes, Inc., a recently formed Delaware corporation, or DFH Inc., is currently a direct, wholly owned subsidiary of Dream Finders Holdings LLC, a Florida limited liability company, or DFH LLC. Immediately prior to or concurrently with the closing of this initial public offering, pursuant to the terms of the Agreement and Plan of Merger filed as an exhibit to the Registration Statement of which this prospectus forms a part, DFH Merger Sub LLC, a Delaware limited liability company and direct, wholly owned subsidiary of DFH Inc., will merge with and into DFH LLC with DFH LLC as the surviving entity. As a result of the merger, all of the outstanding non-voting common units and Series A preferred units of DFH LLC will be converted into shares of Class A common stock of DFH Inc., all of the outstanding common units of DFH LLC will be converted into shares of Class B common stock of DFH Inc. and all of the outstanding Series B preferred units and Series C preferred units of DFH LLC will remain outstanding as Series B preferred units and Series C preferred units of DFH LLC, as the surviving entity in the merger. We refer to this and certain other related events and transactions, as more fully described under "Corporate Reorganization" in this prospectus, as the "Corporate Reorganization."

Immediately following the Corporate Reorganization, (1) DFH Inc. will be a holding company and the sole manager of DFH LLC, with no material assets other than 100% of the voting membership interest in DFH LLC, (2) the holders of common units, non-voting common units and Series A preferred units of DFH LLC will become stockholders of DFH Inc., (3) the holders of the Series B preferred units of DFH LLC outstanding immediately prior to the Corporate Reorganization will hold all 7,143 of the outstanding Series B preferred units of DFH LLC, and (4) the holders of the Series C preferred units of DFH LLC outstanding immediately prior to the Corporate Reorganization will hold all 26,000 of the outstanding Series C preferred units of DFH LLC.

Prior to the Corporate Reorganization, DFH Inc. has not conducted any activities other than in connection with its incorporation and in preparation for this offering and has no material assets other than a 100% membership interest in DFH Merger Sub LLC. See "Corporate Reorganization" in this prospectus for additional information.

Certain Terms Used in this Prospectus

Unless we otherwise indicate, or unless the context requires otherwise, any reference in this prospectus to:

- "adjusted gross margin" refers to gross margin excluding the effects of capitalized interest, amortization included in the cost of sales (including adjustments resulting from the application of purchase accounting in connection with acquisitions) and commission expense;
- "our board of directors" or "our board" when used in the present tense or prospectively refers to the board of directors of DFH Inc., and when used in the historical context refers to the board of managers of DFH LLC;
- the "common units" refers to the common units of DFH LLC outstanding immediately prior to the Corporate Reorganization;
- the "Corporate Reorganization" refers collectively to the events and transactions described under "Corporate Reorganization" in this prospectus;

- "DFH Inc." refers to Dream Finders Homes, Inc., and not any of its subsidiaries;
- "DFH LLC" refers to Dream Finders Holdings LLC, and not any of its subsidiaries;
- "DF Homes LLC" refers to Dream Finders Homes, LLC, our primary operating subsidiary, and not any of its subsidiaries;
- "our directors" or "our director" when used in the present tense or prospectively refers to members of the board of directors of DFH Inc., and when used in the historical context refers to members of the board of managers of DFH LLC;
- "Dream Finders," "DFH," the "Company," "us," "we," "our" or "ours" or like terms when used in the present tense or prospectively refers to DFH Inc. and its subsidiaries, including DFH LLC and DF Homes LLC; when used in the historical context refer to (i) DFH LLC and its subsidiaries, including DF Homes LLC, following the formation of DFH LLC on December 10, 2014 and (ii) DF Homes LLC and its subsidiaries prior to the formation of DFH LLC on December 10, 2014. See "Corporate Reorganization" in this prospectus for additional information;
- the "Existing Owners" refers collectively to (i) Patrick Zalupski, our founder, President, Chief Executive Officer and Chairman of our board of directors, and POZ Holdings, Inc., an entity he controls, (ii) the various holders of the non-voting common units, (iii) the Series A Investors, (iv) the Series B Investors and (v) the Series C Investors;
- "gross margin" refers to home sales revenue less cost of sales;
- "H&H Acquisition" refers to our acquisition of 100% of the issued and outstanding membership interests in H&H Homes, which closed on October 5, 2020. See "Prospectus Summary—Recent Developments—H&H Acquisition" in this prospectus for additional information;
- "H&H Homes" refers to the H&H Constructors of Fayetteville, LLC's homebuilding business we acquired on October 5, 2020. See "Prospectus Summary—Recent Developments—H&H Acquisition" in this prospectus for additional information;
- "Nasdaq" or "the Nasdaq" refer to The Nasdaq Global Select Market;
- the "non-voting common units" refers to the non-voting common units of DFH LLC outstanding immediately prior to the Corporate Reorganization;
- "participating equity" refers to the Series A preferred units of DFH LLC, common units of DFH LLC and non-voting common units of DFH LLC prior to the Corporate Reorganization;
- "public company homebuilders" refers to Lennar Corporation, D.R. Horton, Inc., PulteGroup, Inc., NVR, Inc., Toll Brothers, Inc., Meritage Homes Corporation, KB Home, TRI Pointe Group, Inc. M.D.C. Holdings, Inc., LGI Homes, Inc., M/I Homes, Inc., Taylor Morrison Home Corporation, Century Communities, Inc., Beazer Homes USA, Inc. and The New Home Company Inc.;
- "returns on equity" refers, for us, to pre-tax net and comprehensive income attributable to DFH LLC tax effected for our anticipated 25% federal and state blended tax rate less accrued preferred unit distributions divided by average total participating equity and, for the public company homebuilders, to net income divided by average total equity;
- the "Series A Investors" refers to DFH Investors, LLC, the holder of all of the Series A preferred units of DFH LLC outstanding immediately prior to the Corporate Reorganization;
- the "Series A preferred units" refers to the Series A preferred units of DFH LLC outstanding immediately prior to the Corporate Reorganization;
- the "Series B Investors" refers collectively to MOF II DF Home LLC and MCC Investment Holdings LLC (both controlled by Medley Capital Corporation), the holders of all of the Series B preferred units of DFH LLC;
- the "Series B preferred units" refers to the Series B preferred units of DFH LLC outstanding immediately prior to the Corporate Reorganization;

- the "Series C Investors" refers to The Värde Private Debt Opportunities Fund (Onshore), L.P., the holder of all of the Series C preferred units of DFH LLC;
- the "Series C preferred units" refers to the Series C preferred units of DFH LLC outstanding immediately prior to the Corporate Reorganization;
- "unreturned capital contribution" means, with respect to a series of preferred units of DFH LLC, an amount equal to the excess, if any, of (a) the aggregate amount of capital contributions made by a holder in respect of such units, over (b) the aggregate amount of prior distributions made to such holder; and
- "Village Park Homes" refers to the homebuilding business we acquired on May 31, 2019 pursuant to our purchase of 100% of the membership interests of Village Park Homes, LLC.

Presentation of Certain Data

When we present data about our controlled lots, we include lots owned by our consolidated and non-consolidated joint ventures, if, and to the extent that we have option contracts to acquire such lots, but otherwise do not include lots owned by them in such data.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. You should read the entire prospectus carefully, including the information under the headings "Risk Factors," "Cautionary Note Regarding Forward-Looking Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical and pro forma financial statements and the notes related to those financial statements appearing elsewhere in this prospectus. Except as otherwise noted, the information presented in this prospectus assumes (i) an initial public offering price of $13.50 per share of Class A common stock (the midpoint of the price range set forth on the cover of this prospectus) and (ii) unless otherwise indicated, that the underwriters do not exercise their option to purchase additional shares of our Class A common stock.

Our Company

We are one of the nation's fastest growing private homebuilders by revenue and home closings since 2014. We design, build and sell homes in high growth markets, including Jacksonville, Orlando, Denver, the Washington D.C. metropolitan area and Austin, and, with the acquisition of H&H Homes in October 2020, Charlotte and Raleigh. We employ an asset-light lot acquisition strategy with a focus on the design, construction and sale of single-family entry-level, first-time move-up and second-time move-up homes. To fully serve our homebuyer customers and capture ancillary business opportunities, we also offer title insurance and mortgage banking solutions.

Our asset-light lot acquisition strategy enables us to generally purchase land in a "just-in-time" manner with reduced up-front capital commitments, which in turn has increased our inventory turnover rate, enhanced our strong returns on equity and contributed to our impressive growth. In addition, we believe our asset-light model reduces our balance sheet risk relative to other homebuilders that own a higher percentage of their land supply. As of September 30, 2020, 99% of our owned and controlled lots were controlled through finished lot option contracts and land bank option contracts compared to the average among the public company homebuilders of 46%. We believe that our asset-light model has been instrumental in our generation of attractive returns on equity of 41% for the twelve months ended September 30, 2020 and 34% for the year ended December 31, 2019, substantially exceeding the average returns on equity among the public company homebuilders of 15% and 13%, respectively, for the same periods.

We have received numerous industry awards for architectural and customer service excellence, and we believe our commitment to high quality design and customer satisfaction has contributed to our successful track record. Since breaking ground on our first home on January 1, 2009 during an unprecedented downturn in the U.S. homebuilding industry, we have closed over 9,100 home sales through September 30, 2020, have been profitable every year since inception and have never taken an inventory impairment. Pro forma for the H&H Acquisition, we would have been the 11th largest private homebuilder on the *Professional Builder's* 2020 Housing Giants list based on 2019 revenues.

We select the geographic markets in which we operate our homebuilding business through a rigorous selection process based on our evaluation of positive population and employment growth trends, favorable migration patterns, attractive housing affordability, low state and local income taxes and desirable lifestyle and weather characteristics. Recently, we believe these favorable factors have been amplified by a general migration from urban areas to nearby suburbs in which we build homes, a trend that has increased further as a result of the COVID-19 pandemic. Over 70% of all U.S. migration from 2010 through 2018 was into states in which we currently operate. For example, according to the LinkedIn Workforce Report, between April and August 2020, Jacksonville recorded an 11% increase in net population migration, the largest increase among the top 20 metropolitan areas tracked by LinkedIn. In addition, we have experienced an increase in entry-level homebuyers, who we believe are motivated to move out of their apartments or confined living areas and into more spacious homes in anticipation of spending more time at home with the increasing prevalence of remote-working arrangements as a result of the COVID-19 pandemic. Our nine most successful months since our inception, as measured by volume of net new orders, were recorded in February, May, June, July, August, September, October, November and December 2020, with net new orders totaling 3,520 for these nine months as compared to net new orders of 1,576 for the same nine months in 2019, representing an increase of 123%.

Our operations are currently organized into six geographical divisions: Jacksonville, Orlando, Capital (consisting primarily of our homebuilding operations in the Washington D.C. metropolitan area), Colorado, Other (consisting primarily of our title operations and our homebuilding operations in Austin, Savannah and Village

Park Homes markets) and Jet Home Loans (consisting of our mortgage banking joint venture). See "Note 14. Segment Reporting" to our consolidated financial statements included elsewhere in this prospectus. Pro forma for the H&H Acquisition, which we intend to organize under a new geographical division, our existing geographical divisions accounted for 32%, 9%, 10%, 10%, 17% and 3%, respectively, of our consolidated total revenues, plus revenue from our equity method investment under our Jet Home Loans segment, for the nine months ended September 30, 2020, respectively, and the H&H Homes segment accounted for the remaining 20% of our consolidated total revenues for the nine months ended September 30, 2020. See "—Recent Developments—H&H Acquisition" in this prospectus for additional information.

We increased our revenues from $490.9 million for the nine months ended September 30, 2019 to $672.7 million for the nine months ended September 30, 2020, and, pro forma for the H&H Acquisition, $843.6 million for the nine months ended September 30, 2020. We increased our revenues from $522.3 million for the year ended December 31, 2018 to $744.3 million for the year ended December 31, 2019, and, pro forma for the H&H Acquisition, $976.6 million for the year ended December 31, 2019.

Our History

We broke ground on our first home on January 1, 2009 in Jacksonville, Florida following the formation of DF Homes LLC in 2008 by Patrick Zalupski, our founder, President, Chief Executive Officer and Chairman of our board of directors. Mr. Zalupski led the Company in achieving substantial growth in its early years, despite the backdrop of an unprecedented economic downturn. Since our inception, we have grown both organically and through targeted acquisitions to establish a presence in core growth markets. We were ranked as the third fastest growing private building company in the United States in 2012 by *Inc. 500*; we ranked as the second fastest growing private homebuilder in the United States in 2016 by *Professional Builder*; and, pro forma for the H&H Acquisition, we would have been the 11th largest private homebuilder on the *Professional Builder's* 2020 Housing Giants list based on 2019 revenues.

We surpassed 1,000 cumulative home closings in 2013 and began to establish our national presence in the homebuilding industry with our organic expansion into the Savannah, Georgia market in the same year, followed just one year later in 2014 by our entry into the Denver, Colorado market. Our expansion into new markets continued in 2015 with the launch of our homebuilding operations in Austin, Texas and the increase of our presence in Florida with our entrance into the Orlando market. Throughout this period of opportunistically expanding our geographic footprint, we continued our rapid growth in our home market of Jacksonville, where the *Jacksonville Business Journal* has ranked us as a top-three homebuilder by volume each year since 2015. In 2016, we were awarded the title of Builder of the Year by the Northeast Florida Builders Association for our distinguished homebuilding operations in the Jacksonville market, and our rapid growth was recognized on the national stage as *Professional Builder* awarded us the title of the second fastest growing private homebuilder in the United States. In 2017, we entered the greater Washington D.C. metropolitan area, with a particular focus on the Northern Virginia and Maryland markets. In addition to our proven track record of effective organic expansion, we have demonstrated our ability to identify and execute targeted acquisitions. In May 2019, we acquired Village Park Homes, a homebuilder with operations primarily in the Hilton Head and Bluffton, South Carolina markets, for an aggregate consideration of $14.5 million, net of contingent consideration. The acquisition significantly expanded our existing presence in South Carolina, adding to our homebuilding business Village Park Homes' leading market share in the Hilton Head, South Carolina market of 22% during 2018 according to Smart Real Estate Data. Additionally, in 2019, we expanded into the active adult sector of the homebuilding industry. The active adult sector of the population consists of consumers that are at least 55 years old and are, or will soon be, "empty nesters." This group generates high sales per community, and, based on demographic trends, as "baby boomers" age into this sector, we expect it to continue to grow. We believe that our markets are, and will continue to be, popular destinations for this segment of the population.

In 2019, just six years after closing our 1,000th home sale, Jacksonville became our first market to account for over 1,000 home closings in a calendar year, with 1,054 home closings, a 23% increase year over year. In addition, our homebuilding operations in our markets outside of Jacksonville have developed further efficiencies in recent years and have matured beyond the initial period of significant financial and time investment required to effectively expand organically into a new market. As a result, our homebuilding operations in these markets have recorded impressive growth in revenues and pre-tax profits, particularly since 2017, and we believe these operations are scalable and that additional near-term future growth is not expected to require considerable additional overhead. We are confident that these results across our established markets are a reflection of our

ability to realize operational efficiencies and economies of scale in both our existing markets and those that we may enter in the future, including those in the Carolinas where we expect to begin operating later this year.

On October 5, 2020, we acquired H&H Homes. See "—Recent Developments—H&H Acquisition" in this prospectus for additional information. H&H Homes is a leading builder of single-family homes, townhomes and mixed-use condominium buildings in Charlotte, Fayetteville, Raleigh, the Triad (consisting of Greensboro, High Point and Winston-Salem, North Carolina) and Wilmington, North Carolina and Myrtle Beach, South Carolina. Founded over 30 years ago, H&H Homes has an established presence in the Carolinas and a focus on utilizing an efficient, asset-light strategy that is strongly aligned with our own asset-light strategy. As of September 30, 2020, H&H Homes owned or controlled 4,936 lots. H&H Homes targets entry-level and first-time move-up homebuyers, with a proven dedication to providing high-levels of livability, sustainability and value to its customers. We believe H&H Homes' asset-light strategy, principles and customer focuses align well with our operational philosophy, culture and core customer focuses and allows us to enter the North Carolina market with momentum to achieve significant scale with greater efficiency.

Moving forward, we intend to capitalize on our demonstrated operational experience to grow our market share within our existing markets and to opportunistically expand into new markets where we identify strong economic and demographic trends that provide opportunities to build homes that meet our profit and return objectives.

Market Opportunity

We believe the U.S. housing market is well positioned to prosper despite the COVID-19 pandemic, driven by favorable fundamentals of low housing inventory supply and strong homebuyer demand. JBREC predicts that mortgage rates below 3% will continue for the next few years, the high unemployment rate will gradually recede over many years and government assistance will continue with modest economic repercussions. According to the U.S. Census Bureau, the number of single-family home permits issued totaled 834,000 for the twelve months ended June 30, 2020, which is 10.4% below the 1980-2019 average, and sales of new single-family houses in June 2020 were 6.9% above such sales in June 2019. For the existing home market, the 4.8 average months of supply of existing homes for sale for the twelve months ended May 31, 2020 was 28% below the 1983-2019 average of 6.7 months and close to record-low levels. These favorable supply and demand characteristics have contributed to continued home price appreciation since 2012. In May 2020, the S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index reported a 4.5% annual gain in home price appreciation.

Our markets and metropolitan areas include Jacksonville, Orlando, Austin, Washington D.C., Denver, Myrtle Beach, Charlotte, Raleigh-Durham and Fayetteville.

Jacksonville, Florida

Jacksonville has a diversified economy and is a leading regional center of banking and financial services, media, technology, and military and defense. Jacksonville's sizeable deep-water port has also been instrumental in making Jacksonville a leading center of the logistic and shipping industry. Tourism is a major economic driver for Jacksonville, with visitors contributing billions of dollars to businesses in the area. The Jacksonville market is the 48th-largest metropolitan area in the United States by population. Jacksonville has experienced strong annual population growth of 1.9% since 2015, which is more than triple the national average of 0.6% for the same period. As of May 2020, the number of households increased 1.7% from May 2019 to reach about 615,000 total households in the Jacksonville metropolitan area. According to the Census Bureau's 2018 American Community Survey ("ACS"), there were about 320,150 owner occupied single-family homes in Jacksonville, accounting for 48.8% of the total housing stock. From 2012 to 2019, new home sales volume experienced strong annual growth by an average of 13.0%. In 2019, the median new home price was $307,600, up 2.2% from 2018. The median resale price for a detached home was $238,100 as of May 2020, up 1.7% from May 2019, following continued growth since 2013.

Orlando, Florida

Orlando's growing economy, driven largely by tourists attracted to the warm weather and world-renowned amusement parks, has been expanding rapidly, becoming the top tourist destination in the United States with 75 million visitors in 2018. The Orlando market is the 24th-largest metropolitan area in the United States by population. Orlando has experienced strong annual population growth of 2.3% since 2015, significantly higher

than the national average of 0.6% for the same period. According to the 2018 ACS, there were approximately 475,000 owner occupied single-family homes in Orlando, accounting for 45% of the total housing stock. New home sales increased by an annual average of 15.8% and the median new home price appreciated by an annual average of 6.9% from 2011 to 2019. As of May 2020, the median new home price was $341,400, up 8.7% from the median new home price as of May 2019. From 2012 to 2019, existing home values experienced an annual average increase of 9.1%. As of May 2020, Orlando existing home values increased 6.6% from May 2019.

Austin, Texas

Austin's economy is fueled by its technology sector, which led to the region's nickname, "Silicon Hills." Software development, hardware manufacturing and research are the primary technology sectors found in Austin. The Austin market is the 33rd-largest metropolitan area in the United States by population. Austin has experienced strong annual population growth of 2.8% since 2015, which is more than four times the national average of 0.6% for the same period. According to the 2018 ACS, there were approximately 417,000 owner occupied single-family homes in Austin, accounting for 49% of the total housing stock. From 2012 to 2019, new home sales volume experienced strong annual growth by an average of 13%. The median price of new homes within Austin experienced strong appreciation from 2012 to 2019 with an annual average increase in median price of 5.1%. As of May 2020, the median new home price was $321,900, up 3.1% from the median new home price as of May 2019. Existing home values in Austin grew 93.9% from 2005 to 2019. As of May 2020, Austin existing home values increased 4.7% from May 2019.

Washington D.C.

Washington D.C.'s diverse economy is comprised of government, professional and business services, life sciences and biotechnology, cybersecurity and technology, education, health care and tourism. The Washington D.C. market is the fifth-largest metro area in the United States by population. The household growth rate for the twelve months ended to May 2020 was 1.0%. According to the 2018 ACS, there were approximately 1.27 million owner occupied single-family homes in Washington D.C., accounting for 54% of the total housing stock. From 2012 to 2019, new home sales averaged 10,000 to 13,000 sales per year. The median price of new homes within Washington D.C. experienced moderately strong appreciation from 2010 to 2018 with an annual average increase in median price of 3.3%. As of May 2020, the median new home price was $543,700, up 3.4% from the median new homes price as of May 2019. Existing home values in Washington D.C. increased 5.3% from 2005 to 2019. Washington D.C. existing home values in May 2020 increased 3.8% from May 2019.

Denver, Colorado

Denver's economy is diversified and attracts industries such as aerospace, aviation, energy, financial services, healthcare and information technology ("IT"). The Denver market is the 17th-largest metropolitan area in the United States by population. Denver has experienced strong annual population growth of 1.5% since 2015, which is more than double the national average of 0.6% for the same period. According to the 2018 ACS, there were approximately 643,000 owner occupied single-family homes in Denver, accounting for 54% of the total housing stock. As of May 2020, the number of households increased 1.6% from May 2019. From 2011 to 2019, both new home sales volume and the median price of new homes within Denver experienced strong growth. New home sales increased by an annual average of 15.8% and the median new home price appreciated by an annual average of 6.3% from 2011 to 2019. As of May 2020, the median new home price was $513,200, up 1.5% from the median new homes price as of May 2019. Existing home values increased annually by an average of 8.1% since 2010. Denver existing home values as of May 2020 increased 3.8% from May 2019.

Myrtle Beach, South Carolina

Myrtle Beach's economy is dominated by the tourist industry. Its warm subtropical climate and extensive beaches attract an estimated 20 million visitors a year. The Myrtle Beach market has grown by an average of 12,900 people each year since 2005 and grew at even higher rates in recent years. Myrtle Beach has experienced strong annual population growth of 3.6% since 2015, significantly higher than the national average of 0.6% for the same period. According to the 2018 ACS, there were approximately 104,000 owner occupied single-family homes in Myrtle Beach, accounting for 38% of the total housing stock. As of May 2020, the number of households increased 2.4% from May 2019. New home sales volume experienced strong annual growth by an

average of 16% from 2012 to 2015. The median price of new homes within Myrtle Beach experienced strong appreciation from 2017 to 2019, increasing by an average rate of 7.2%. Since 2012, existing home values have increased annually by an average of 4.3%. Myrtle Beach existing home values as of May 2020 increased 4.7% from May 2019.

Charlotte, North Carolina

In 2019, there were 14 Fortune 1,000 companies and six Fortune 500 companies with headquarters in the Charlotte metropolitan area. 200 Fortune 500 companies have one or more facilities within the Charlotte metropolitan area. The Charlotte market is the 23rd-largest metropolitan area in the United States by population. Charlotte has experienced strong annual population growth of 1.9% since 2015, which is more than triple the national average of 0.6% for the same period. According to the 2018 ACS, there were approximately 580,000 owner occupied single-family homes in Charlotte, accounting for 55% of the total housing stock. As of May 2020, the total number of households increased 2.0% from May 2019. From 2012 to 2019, both new home sales volume and the median price of new homes within Charlotte experienced strong growth. New home sales increased by an annual average of 10.7% and the median new home price appreciated by an annual average of 5.7% from 2011 to 2019. Since 2011, existing home values have increased annually by an average of 6.4%. As of May 2020, Charlotte existing home values increased 7.4% from May 2019.

Raleigh-Durham, North Carolina

The Raleigh-Durham metropolitan area is home to a highly educated population, with over 40% holding a bachelor's degree or higher, well above both the North Carolina and national levels. This educated population facilitates strong employment in the "Research Triangle," one of the country's largest and most successful business parks with an estimated 300 companies. The Raleigh-Durham market is the 40th-largest metropolitan area in the United States by population. Raleigh-Durham has experienced strong annual population growth of 2.1% since 2015, which is more than triple the national average of 0.6% for the same period. According to the 2018 ACS, there were approximately 421,000 owner occupied single-family homes in Raleigh-Durham, accounting for 54% of the total housing stock. As of May 2020, the number of households increased 2.2% from May 2019. From 2012 to 2019, new home sales volume experienced strong annual growth by an average of 11%. New homes within Raleigh-Durham experienced strong appreciation from 2012 to 2019 with an annual average increase in median price of 4.1%. Since 2011, existing home values have increased annually by an average of 5.2%. Raleigh-Durham existing home values as of May 2020 increased 4.0% from May 2019.

Fayetteville, North Carolina

Fayetteville is located 65 miles south of Raleigh and along a major north-south corridor that links large east coast cities. Fayetteville's economy is diverse with major employers in health care, social assistance, retail trade, public administration, educational services, accommodation and food services and manufacturing. Fort Bragg and Pope Army Airfield are within the Fayetteville metropolitan area, contributing significantly to the economy. According to the 2018 ACS, there were approximately 68,000 owner occupied single-family homes in Fayetteville, accounting for 40% of the total housing stock. New homes within Fayetteville experienced appreciation from 2010 to 2019 with an annual average increase in median price of 3.2%. Among existing homes, the Fayetteville market was much more resilient during the previous recession than other markets. Fayetteville's existing home values declined only 7.6% from 2010 to 2012. Over the past 15 years, existing home values increased 19%. Fayetteville existing home values as of May 2020 increased 3.5% from May 2019.

For a more detailed review of each of our markets, see "Market Opportunity."

Our Competitive Strengths

Our primary business objective is to create long-term, above industry average, risk adjusted returns for our stockholders through our commitment to utilizing an asset-light operating model and to building high quality homes at affordable prices for our customers. We believe that the following strengths differentiate us from the public company homebuilders and position us well to execute our business strategy and capitalize on opportunities across our footprint:

- ***Proven Ability to Generate Market-Leading Returns on Equity.*** Enabled by our asset-light land financing strategy and our disciplined operating model, we have demonstrated a proven ability to generate market-leading returns on equity. Returns on equity is a financial metric that we prioritize throughout our business and it serves as a key factor in our land acquisition process, our capitalization strategy and is an important component of our incentive compensation plans for executive management. We generated returns on equity of 41% for the twelve months ended September 30, 2020 and 34% for the year ended December 31, 2019, substantially exceeding the average returns on equity among the public company homebuilders of 15% and 13%, respectively, for the same periods. We believe that our strong relationships with local land owners, officials, subcontractors and suppliers in our core operating markets position us to achieve economies of scale and continue our proven ability to deliver significant returns on equity, which we believe best aligns the interests of our executive management team with performance for our shareholders.
- ***Asset-light and Capital Efficient Operating Platform.*** We employ an asset-light land financing strategy, providing us optionality to purchase lots on a "just-in-time" for construction basis and affording us flexibility to acquire lots at a rate that matches the expected sales pace in a given community. We typically execute this strategy through the purchase of finished lot option contracts and land bank option contracts. These option contracts allow us to optimize our allocation of capital by minimizing up-front acquisition costs while maximizing long-term risk adjusted returns relative to conventional acquisition strategies utilized by many of the public company homebuilders. Pro forma for the H&H Acquisition, as of September 30, 2020, we owned and controlled 15,330 lots through finished lot option contracts and land bank option contracts, representing 99% of our total owned and controlled lots. As a result of these capital efficient arrangements, we have been able to operate at high inventory turnover multiples. Our inventory turnover was 2.0x for the nine months ended September 30, 2020 and 2.0x for the year ended December 31, 2019, compared to the average inventory turnover of 1.2x and 1.3x, respectively, among the public company homebuilders for the same periods.
- ***Strong Revenue Growth.*** Since breaking ground on our first home on January 1, 2009, we have become one of the nation's fastest growing homebuilders by revenue. Ranked as the 80th largest private homebuilder in our inaugural appearance on *Professional Builder's* Housing Giants list in 2015 based on 2014 revenues, we continued to rapidly ascend that publication's annual list of U.S. homebuilders ranked by revenue, ranking as the 18th largest private homebuilder on the 2020 Housing Giants list based on 2019 revenues and, pro forma for the H&H Acquisition, we would have been the 11th largest private homebuilder based on 2019 revenues. Our revenue increase over this period represents a compound annual growth rate of approximately 43%.
- ***Established Presence in High-Growth Markets.*** We target markets in regions that are generally characterized by high job growth, increasing populations and favorable tax policies and cost of living relative to other regions in the country, which create strong demand for new housing, particularly among our core customer base: entry-level and first-time move-up homebuyers. Pro forma for the H&H Acquisition, the markets in which we operate include Jacksonville, Orlando, Austin, Denver, the greater Washington D.C. metropolitan area, Savannah, Hilton Head, Myrtle Beach, Charlotte, Raleigh-Durham and Fayetteville, each of which is generally benefiting from positive population trends, favorable migration patterns, attractive housing affordability and/or desirable lifestyle and weather characteristics. We believe these prevailing trends align with the interests of our customers of primary focus, entry-level and first-time move-up homebuyers, and position us to take advantage of the favorable supply and demand dynamics in the markets in which we operate. Recently, we have seen substantial migration from urban areas to nearby suburbs in which we design, build and sell our homes, which has further increased as a result of the COVID-19 pandemic.

- ***Expertise in Sourcing Land and Partnering with Land Developers.*** Our ability to identify, acquire and, if necessary, manage or arrange for the development of land in desirable locations and on favorable terms is one of the hallmarks of our success and is driven by our company-wide emphasis on continually developing new and existing relationships with land sellers and developers, an approach that we believe differentiates us from other homebuilders. When we identify an attractive land acquisition opportunity, we move decisively to enter into option contracts to control the lots in order to maintain an adequate pipeline for our expected construction needs. We believe our experience and company-wide emphasis on relationship-building with land market participants enable us to efficiently source land and secure options to control and close acquisitions of lots to meet our growth needs. In addition, we have a 49% ownership interest in DF Capital Management, LLC ("DF Capital"), an investment manager focused on investments in land banks and land development joint ventures to deliver finished lots to us and other homebuilders for the construction of new homes. We believe our relationship with DF Capital allows us to act quickly as lot acquisition opportunities are presented because DF Capital generally provides for faster closings and is not subject to the time delays that we historically have experienced when seeking financing for each project.
- ***Demonstrated Ability to Grow Through Organic Expansion and Targeted Acquisitions.*** We select the geographic markets in which we operate our homebuilding business through a rigorous selection process overseen by our applicable regional management and approved by our executive land management committee. Since we began operations, we have organically expanded from Jacksonville, Florida to Savannah, Georgia; Denver, Colorado; Austin, Texas; Orlando, Florida; and the greater Washington D.C. metropolitan area. We have also demonstrated our ability to grow externally through our expansion into Hilton Head, South Carolina with our 2019 acquisition and successful integration of Village Park Homes. As we evaluate corporate acquisition opportunities in the future, we expect to continue to place significant importance on specific acquisition criteria including: (i) markets that we believe to have the most opportune long-term housing fundamentals and that can accommodate our asset-light operating model; (ii) established businesses with strong leadership who may be interested in staying with the business post-transaction; (iii) companies with attractive lot pipelines that we believe can grow larger and faster with the benefit of our significant capital resources; and (iv) situations where our purchasing power, back-office administration and our disciplined land acquisition process can capture cost synergy benefits for future margin expansion. We have experienced consistent growth in each of the markets into which we have expanded, including a trend of increasing revenues and profitability after reaching a critical mass of operating leverage through our development of relationships with developers, suppliers and local authorities and our familiarization with local operating dynamics. We believe these successes demonstrate our team's efficacy at identifying and capitalizing on new market opportunities, which we expect to build upon with our entrance into North Carolina following the H&H Acquisition.
- ***Focus on Modern, Well-Designed, Energy-Efficient and Technology-Enabled Homes.*** We build high quality homes at affordable prices with an emphasis on unique, open floor plan designs, and many popular technology features including wireless internet throughout the home, mobile controls for areas such as lights, door locks, garage access and temperature, and other new technologies popular with the emerging 72 million person Millennial demographic, the largest demographic in U.S. history. Our architectural design team monitors customer buying trends in each of our markets and works with our land team to secure lots that permit the building of floor plans that we believe will appeal to our target customers. We empower our customers with the flexibility to personalize their homes at our design studios in collaboration with our dedicated design consultants. We engineer our homes for energy-efficiency, which is aimed at reducing the impact on the environment and lowering energy costs to our homebuyers. Our dedication to superior product design has earned us numerous accolades and honors, including over 30 Parade of Homes awards, the MAME Award for Architectural Design of an Attached Home in 2015 and Northeast Florida's Builder Association's Builder of the Year Award in 2016. By providing a more customized product mix of floor plans, amenities and design options in our homes and focusing on our target customers' priorities, we believe we can continue growing, increasing profitability and earning attractive returns for our stockholders.

- ***Strong Balance Sheet Flexibility and Liquidity.*** We are well-positioned with a strong balance sheet and ample liquidity with which to support our ongoing operations, expand our market share in our existing markets and, on an opportunistic basis, explore expansion into new markets through organic growth or acquisition, and service our debt obligations. We believe our asset-light lot acquisition strategy reduces our balance sheet risk relative to other homebuilders that own a higher percentage of their land supply. As of September 30, 2020, 93% of our outstanding debt was in fully collateralized vertical construction lines of credit facilities. In connection with this offering, or shortly thereafter, we intend to replace all of our secured vertical construction lines of credit facilities with a syndicated, unsecured revolving credit facility, with an expected borrowing base of $450.0 million and an accordion feature that allows the facility to expand to a borrowing base of up to $750.0 million. Pro forma for this offering and entry into the new revolving credit facility, we expect to have $25.0 million of cash and $375.0 million of borrowing availability under our new revolving credit facility. We believe that the consolidation of our indebtedness into a single credit facility and the expected terms of the facility will reduce our financing costs, create operating efficiencies and enhance returns.
- ***Highly Experienced, Aligned and Proven Management Team.*** We benefit from a highly experienced management team that has demonstrated the ability to adapt to constantly changing market conditions while generating sustained growth and positive financial results and achieving profitability every year since our inception despite commencing operations in an unprecedented economic downturn. Our executive officers and key employees have over 100 years of cumulative experience in the homebuilding industry. To further incentivize our management team, we employ an executive compensation structure designed to align our executive officers' financial interests with our own interests. Upon the completion of this offering, our management team as a group will beneficially own approximately 9.3% of our outstanding shares of Class A common stock, without giving effect to any purchases that certain of these holders may make through the reserved share program, and Mr. Zalupski will beneficially own 100% of our outstanding Class B common stock. We believe our management team's extensive industry experience, combined with our incentivized executive compensation structure, have been critical to our track-record of sustained profitability and returns on equity and will allow us to continue this success moving forward.

Our Strategy

We intend to achieve our primary business objectives through successful execution of the following strategies:

- ***Continued Execution of Asset-light Capital Efficient Structure.*** We are focused on controlling a capital efficient land pipeline sufficient to meet our growth objectives. We believe our asset-light land financing strategy represents a capital efficient platform that allows us to effectively capitalize on growth opportunities in both new and existing markets. Our culture of building and developing external relationships with land sellers, developers and land finance partners enhances our success in both sourcing and executing finished lot and land bank option contracts that are fundamental to this strategy. We believe these arrangements reduce our exposure to economic downcycles and risks associated with direct land ownership and land development and increase optionality to effectively manage our pipeline of finished lots. We intend to continue to emphasize the development of strong external relationships and execute on our asset-light land financing strategy to take advantage of the proven capital efficiencies this strategy provides.
- ***Capture Market Share in Our High-Growth Markets.*** Despite our rapid growth since our inception, we believe that there are significant opportunities to profitably expand our market share in our existing high-growth markets, and we are keenly focused on efficiently capturing this potential. In addition, our demonstrated expertise in effectively building homes across product offerings from entry-level through first- and second-time move-up housing provides us with a balanced mix of customers, allowing us to opportunistically tailor our product-focus within each of our markets to target the customer-base that we believe provides the most growth potential. For example, in 2019, we expanded into the growing active adult sector to target consumers that are at least 55 years old and are, or will soon be, "empty nesters." While we have generally sought to grow organically within our established markets, we also

closely monitor the results and growth potential of competing homebuilders and, from time to time, may opportunistically pursue targeted acquisitions within our established markets. We intend to leverage our familiarity with our existing markets to optimize our resources to capture additional market share.

- ***Opportunistically Enter New Markets.*** Since our first geographic expansion into Savannah, Georgia in 2013, we have been and remain diligent in evaluating and capitalizing on attractive prospects for geographic expansion. This focus led to our successful entry into high-growth markets across the United States, organically expanding our geographic footprint to include Denver, Colorado; Austin, Texas; the greater Washington D.C. metropolitan area and an increased presence in Florida with our entry into Orlando. In addition to our proven ability to organically establish operations in new markets, both our 2019 acquisition of Village Park Homes, one of the leading builders in Beaufort County, South Carolina, which retained a market share of approximately 22% in 2018 according to Smart Real Estate Data, and our acquisition of H&H Homes, demonstrate our ability to source and execute expansions into new, high-growth markets through targeted acquisitions. We continually evaluate expansion opportunities in markets that align with our profit and return objectives, and we expect to use the expertise gained from our recent new market acquisitions to effectuate opportunistic expansion into additional new metropolitan areas, whether organically or through targeted acquisitions of established homebuilders.
- ***Drive Improvements in Margins.*** We believe we benefit from having highly scalable operations in each of our markets. We strive to quickly develop familiarity with the dynamics of each new market that we enter in order to effectively react to the local trends and identify the leading supply and demand drivers. This has generally allowed us to reduce costs in new markets, and our historical results reflect a realization of positive inflection points for our net margins in newly-entered markets once we achieve economies of scale. For example, we entered the Denver, Colorado market in 2015 and recorded nine home closings with a gross margin of 10.3%. In 2019, we recorded 217 home closings in Denver with a gross margin of 16.8%. For the nine months ended September 30, 2020, we recorded 183 home closings in Denver and our gross margin increased to 19.4%. We pursue opportunities more aggressively in our markets that are generating the greatest returns and act more cautiously in divisions where operational efficiency has yet to be reached, and we intend to continue this strategy in order to maximize our profitability.
- ***Deliver an Exceptional Customer Experience.*** We are focused on customer satisfaction and ensuring that each customer's experience exceeds his or her expectations. We seek to maximize customer satisfaction by providing attentive one-on-one customer service throughout the home buying process, empowering our customers with flexibility to personalize their homes and actively soliciting feedback from all of our customers. Our emphasis on adapting to meet potential homebuyer needs led to increased use of our virtual home tours beginning in April 2020, which has become an increasingly popular and effective marketing strategy following the outbreak of the COVID-19 pandemic in March 2020. In addition, we launched our "*Stay Home & Buy a Home*" program in April 2020 as another means for customers to safely and efficiently purchase a new home without leaving their current home. We believe these efforts have been crucial to our ability to sell homes during the COVID-19 pandemic, and we have recorded increasing monthly net new orders totals since April 2020, relative to our historical results.
- ***Maximize Capture and Profitability with our Mortgage Banking Joint Venture.*** Our mortgage banking joint venture, Jet HomeLoans, LLC ("Jet LLC"), offers financing to our homebuyers and helps us more effectively convert backlog into home closings. We believe Jet LLC provides a distinct competitive advantage relative to homebuilders without holistic mortgage solutions for clients, as many of our homebuyers seek an integrated home buying experience. Jet LLC allows us to use mortgage finance as an additional sales tool, it helps ensure and enhance our customer experience, it allows us to prequalify buyers early in the home buying process and it provides us better visibility in converting our sales backlog into closings. For the year ended December 31, 2019, Jet LLC originated and funded 1,606 home loans with an aggregate principal amount of approximately $436 million and generated net income of approximately $4.5 million. We believe that Jet LLC will continue to be a meaningful source of incremental revenues and profitability for us, and we have the ability to acquire our partner's 51% interest in Jet LLC in the future at our option.

- ***Maintaining a Prudent Capital Structure.*** We carefully manage our liquidity by continuously monitoring cash flow, capital spending and debt capacity. Our focus on maintaining our financial strength and flexibility provides us with the ability to execute our strategies through economic downcycles and other potential headwinds. In furtherance of this focus, in connection with this offering, or shortly thereafter, we intend to replace all of our vertical construction lines of credit facilities with a syndicated, unsecured revolving credit facility. We intend to maintain a conservative approach to managing our balance sheet, which, together with our asset-light land acquisition strategy, we believe will preserve our operational and strategic flexibility.

Recent Developments

Fourth Quarter 2020 Performance

For the three months ended December 31, 2020, we received 1,386 net new orders, an increase of 906 net new orders, or 188.8%, as compared to the 480 net new orders received for the three months ended December 31, 2019. Our net new orders for the three months ended December 31, 2020 includes 378 net new orders in the H&H Homes segment.

For the three months ended December 31, 2020, we closed 1,336 homes, an increase of 585 homes closed, or 77.9%, as compared to the 751 homes closed for the three months ended December 31, 2019. Our homes closed for the three months ended December 31, 2020 includes 312 homes in the H&H Homes segment.

For the twelve months ended December 31, 2020, we received 4,185 net new orders, an increase of 2,046, or 95.7%, as compared to the 2,139 net new orders received for the twelve months ended December 31, 2019.

For the twelve months ended December 31, 2020, we closed 3,153 homes, an increase of 1,105, or 54.0%, as compared to the 2,048 homes closed for the twelve months ended December 31, 2019.

As of December 31, 2020, our backlog of sold homes was 2,447. In addition, as of December 31, 2020, we owned or controlled over 21,000 lots.

H&H Acquisition

On January 29, 2020, DFH LLC entered into a membership interest purchase agreement, which was subsequently amended (as amended to date, the "H&H Purchase Agreement"), with H&H Constructors, Inc., a North Carolina corporation ("H&H Seller"), to purchase 100% of the issued and outstanding membership interests in H&H Constructors of Fayetteville, LLC, a North Carolina limited liability company ("H&H LLC"), thereby acquiring H&H Homes. Pursuant to the H&H Purchase Agreement, we paid $29.5 million in cash at the closing of the transaction (which was equal to 110% of book equity shown on H&H LLC's most recent balance sheet), subject to customary purchase price adjustments, and we will pay contingent consideration, if any, payable pursuant to an "earn out" arrangement. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of Our Financial Condition and Results of Operations—H&H Acquisition" in this prospectus for additional information. We consummated the H&H Acquisition on October 5, 2020.

Impact of COVID-19

The COVID-19 pandemic has adversely impacted our business and may adversely impact our business in the future. After a strong start to 2020 during which we recorded 597 net home sales in the first two months of the year, the World Health Organization ("WHO") declared the global spread of the COVID-19 virus a global pandemic on March 11, 2020. Following this announcement, our homebuilding business began to decline in March 2020, and, in April 2020, we recorded 136 net new orders, a 36% decrease year over year and our lowest number of net new orders during a calendar month since January 2019. However, we have seen a strong resurgence in net new orders of 293, 363, 368, 448 and 343 homes in May, June, July, August and September 2020, respectively, representing increases over the prior year periods of 68%, 86%, 35%, 182% and 123%, respectively. These net new orders totals for May, June, July, August and September 2020 rank as the fifth, third, second, first and fourth highest single-month net new orders totals in our history as of September 30, 2020. As a result of the COVID-19 pandemic, we have observed an amplification of migration from urban centers to the suburban areas in which we build our homes, and an increase in entry-level homebuyers, one of our primary

customer focuses, seeking to move out of apartments and into more spacious homes, as people are generally spending more time at home with remote-working arrangements increasing in prevalence. In addition, the U.S. Federal Reserve's (the "Federal Reserve") efforts to address the sharp economic downturn that resulted from the COVID-19 pandemic has contributed to mortgage interest rates reaching historic lows. According to the Federal Home Loan Mortgage Corporation's ("Freddie Mac") nationwide survey of mortgage rates released on July 16, 2020, the average rate on a 30-year fixed mortgage has fallen below 3.0% for the first time since the mortgage-backed finance firm began publishing data in 1971. We believe such low interest rates, particularly if sustained through broader economic recovery and job creation, are likely to serve as a powerful incentive for some potential homebuyers to expedite their next home purchase in order to secure these favorable mortgage terms, therefore driving home sales.

Our primary focus remains doing everything we can to ensure the safety and well-being of our employees, customers and trade partners. While COVID-19 infection rates, hospitalizations and deaths declined in certain parts of the country since the initial surge in April and May 2020, infection rates increased significantly in other parts of the country, including in Florida and Texas during June and July 2020, two states that account for a significant portion of our homebuilding business. Residential construction has been deemed an essential business in each of our markets throughout the COVID-19 pandemic. In addition, state and/or local governments in each of our markets have instituted social distancing measures and other restrictions, which have resulted in significant changes to the way we conduct business. In all markets where we are permitted to operate, we are operating in accordance with the guidelines issued by the Centers for Disease Control and Prevention, as well as state and local guidelines.

Despite the encouraging rebound in our net new orders since April 2020, we cannot be certain that these positive trends will continue if COVID-19 infections and related hospitalizations and deaths continue to grow in our core markets or that we will be able to convert net new orders into home closings. There is uncertainty regarding the extent and timing of the disruption to our business that may result from the COVID-19 pandemic and any related governmental actions. There is also uncertainty as to the effects of the COVID-19 pandemic and related economic relief efforts on the U.S. economy, unemployment, consumer confidence, demand for our homes and the mortgage market, including lending standards, interest rates and secondary mortgage markets. We are unable to predict the extent to which this will impact our operational and financial performance, including the impact of future developments such as the duration and spread of the COVID-19 virus, corresponding governmental actions and the impact of such on our employees, customers and trade partners.

For more information, see "Risk Factors—Our business could be materially and adversely disrupted by an epidemic or pandemic (such as the current COVID-19 pandemic), or similar public threat, or fear of such an event, and the measures that federal, state and local governments and other authorities implement to address it."

Agreement to Acquire Regional Orlando Homebuilder

On November 3, 2020, DFH LLC entered into a membership interest purchase agreement (as amended to date, the "Century Purchase Agreement") with Four Seventeen, LLC ("Century Seller"), to purchase all of the outstanding membership interests in Century Homes Florida, LLC ("Century LLC"). Century LLC is a leading builder of single-family homes in Orlando, Florida and targets entry-level and first-time homebuyers. Pursuant to the Century Purchase Agreement, we will pay an amount in cash at the closing of the acquisition equal to the net assets of Century LLC (excluding developed and undeveloped lots that we expect to transfer to a land bank), which is comprised primarily of work in progress, subject to customary purchase price adjustments. In addition, DFH LLC has agreed to pay Century Seller contingent consideration payable upon the sale of homes by Century LLC in the future. We have made a $1.5 million nonrefundable deposit (except in the case of a default under the Century Purchase Agreement by Century Seller) that will be applied to the purchase price. We expect to enter into a land bank financing arrangement at the closing of the acquisition with respect to the developed and undeveloped lots owned by Century LLC. We currently expect that the closing purchase price will be approximately $28.9 million with approximately 150 homes under construction and that the land bank financing arrangement will be approximately $30 million and cover 570 lots. We expect to fund the portion of the closing purchase price relating to the work in progress by borrowings under our vertical construction lines of credit facilities. Century Seller has agreed to provide us with an option to purchase an additional 500 lots and has provided us with a five year right of first refusal with respect to an additional 1,000 lots. We expect to close the

acquisition in the first quarter of 2021, subject to the satisfaction or waiver of customary closing conditions. Based on the diligence that we have completed to date, we have concluded that the proposed acquisition will not be significant under the significance thresholds in Rule 3-05 of Regulation S-X.

Corporate Reorganization and Ownership Structure

Dream Finders Homes, Inc., a recently formed Delaware corporation, or DFH Inc., is currently a direct, wholly owned subsidiary of Dream Finders Holdings LLC, a Florida limited liability company, or DFH LLC. Immediately prior to or concurrently with the closing of this offering, pursuant to the terms of the Agreement and Plan of Merger filed as an exhibit to the Registration Statement of which this prospectus forms a part, DFH Merger Sub LLC, a Delaware limited liability company and direct, wholly owned subsidiary of DFH Inc., will merge with and into DFH LLC with DFH LLC as the surviving entity. As a result of the merger, all of the outstanding non-voting common units and Series A preferred units of DFH LLC will be converted into 8,590,623 shares of Class A common stock of DFH Inc., all of the outstanding common units of DFH LLC will be converted into 60,226,153 shares of Class B common stock of DFH Inc. and all of the outstanding Series B preferred units and Series C preferred units of DFH LLC will remain outstanding as Series B preferred units and Series C preferred units of DFH LLC, as the surviving entity in the merger. We refer to this and certain other related events and transactions, as more fully described under "Corporate Reorganization" in this prospectus, as the "Corporate Reorganization." In connection with the Corporate Reorganization, we made distributions to the owners of the entities comprising our predecessor for estimated federal income taxes of approximately $5.4 million on earnings of our predecessor (which was a pass-through entity for tax purposes) for the period from January 1, 2020 through June 30, 2020. We intend to make further distributions to the owners of the entities comprising our predecessor for estimated federal income taxes for the period July 1, 2020 through the effective date of the Corporate Reorganization based on earnings of our predecessor.

Immediately following the Corporate Reorganization, (1) DFH Inc. will be a holding company and the sole manager of DFH LLC, with no material assets other than 100% of the voting membership interests in DFH LLC, (2) the holders of common units, non-voting common units and Series A preferred units of DFH LLC will become stockholders of DFH Inc., (3) the holders of the Series B preferred units of DFH LLC outstanding immediately prior to the Corporate Reorganization will hold all 7,143 of the outstanding Series B preferred units of DFH LLC, and (4) the holders of the Series C preferred units of DFH LLC outstanding immediately prior to the Corporate Reorganization will hold all 26,000 of the outstanding Series C preferred units of DFH LLC.

Following the Corporate Reorganization, the Series B preferred units and the Series C preferred units of DFH LLC will have the rights noted below:

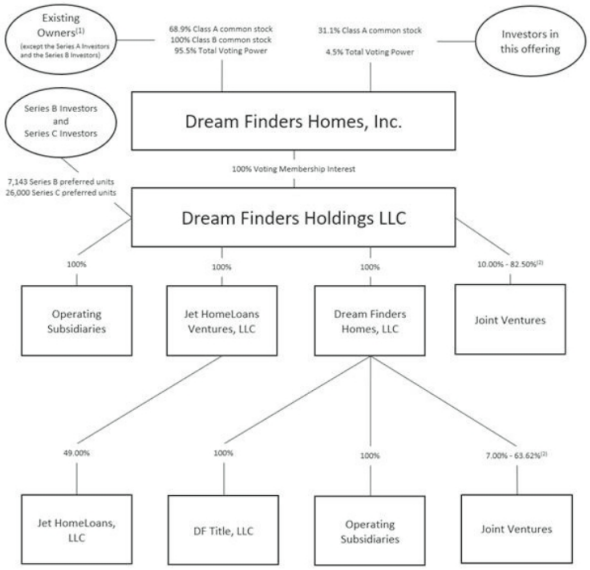
- Distributions on the Series B preferred units equal to an 8% per annum cumulative preferred return on any outstanding and unreturned capital contribution attributable to such Series B preferred units (the "Series B Preferred Return"), and thereafter up to $1,000 per unit as a return of capital contribution, which distributions are subordinated to distributions on the Series C preferred units but are prior to distributions on the membership interests in DFH LLC that we own.
- Quarterly distributions (the "Required Quarterly Series C Payments") on the Series C preferred units equal to the sum of (i) an 11% per annum cumulative preferred return on any outstanding and unreturned capital contribution attributable to such Series C preferred units (the "Series C Preferred Return") and (ii) all proceeds not previously distributed to the Series C Investors from lot sales by certain of our joint ventures, and thereafter up to $1,000 per unit as a return of capital contribution, which distributions are prior to distributions on the membership interests in DFH LLC that we own.
- Upon the occurrence of certain events, including certain events of default, bankruptcies, events of fraud by DFH LLC or if the Series C preferred units have not been redeemed by December 31, 2021 (which date can be extended by us to June 30, 2022), each holder of the Series C preferred units has the right to convert all of such holder's Series C preferred units to an amount of Class A common stock equal to the quotient obtained by dividing (x) the sum of the unpaid Series C Preferred Return and the unreturned Series C preferred unit capital contribution with respect to the Series C preferred units to be converted by (y) our book value per share of common stock as of the most recent quarter end prior to such conversion.
- The Series B preferred units are redeemable at our option at any time on or prior to September 30, 2022.

- The Series C preferred units are redeemable at our option at any time on or prior to December 31, 2021 (which date can be extended by us to June 30, 2022).
- The Series C Investors may force DFH LLC to redeem all outstanding Series C preferred units (i) after December 31, 2021 (which date can be extended by us to June 30, 2022) if DFH LLC does not redeem the Series C preferred units by such date or (ii) at any time in the event of certain defaults, bankruptcies or events of fraud by DFH LLC.
- If the Series B preferred units have not been redeemed by September 30, 2022, each holder of the Series B preferred units has the right to convert all of such holder's Series B preferred units to an aggregate amount of Class A common stock equal to the quotient obtained by dividing (x) the sum of the unpaid Series B Preferred Return and the unreturned Series B preferred unit capital contribution with respect to the Series B preferred units to be converted by (y) the "fair market value" of the Class A common stock, where the "fair market value" is the average reported last sale price of the Class A common stock for the thirty trading days ending on the trading day immediately prior to the date the holder of such Series B preferred units elects to convert such Series B preferred units into shares of Class A common stock.
- The holders of the Series B preferred units have certain voting and approval rights, including with respect to the right of DFH LLC to issue or sell equity securities ranking senior to or *pari passu* with their Series B preferred units.
- The holders of the Series C preferred units have certain approval rights, including with respect to a sale of substantially all of certain of our subsidiaries' assets, the right to make adverse modifications to DFH LLC's operating agreement, the right of DFH LLC to issue or sell equity securities ranking senior to or *pari passu* with their Series C preferred units and the right to enforce certain financial covenants on DFH LLC.
- Both the Series B preferred units and the Series C preferred units have a liquidation preference over the membership interests in DFH LLC that we own.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Series B Preferred Units" and "—Series C Preferred Units" for a description of the Series B preferred units and the Series C preferred units.

Prior to the Corporate Reorganization, DFH Inc. has not conducted any activities other than in connection with its incorporation and in preparation for this offering and has no material assets other than a 100% membership interest in DFH Merger Sub LLC.

The following diagram indicates our simplified ownership structure immediately following this offering and the transactions related thereto (assuming that the underwriters' option to purchase additional shares of our Class A common stock is not exercised).



(1) See "Corporate Reorganization—Existing Owners' Ownership" for a discussion of the interests held by the Existing Owners.

(2) See "Note 11. Variable Interest Entities and Investments in Other Entities" to our consolidated financial statements included elsewhere in this prospectus for a description of our joint ventures, including those that were determined to be variable interest entities ("VIE"), and the related accounting treatment.

Risk Factors

Investing in our Class A common stock involves risks associated with our business, our industry, environmental, health, safety and other regulations and other material factors. You should carefully read the sections of this prospectus entitled "Risk Factors" and "Cautionary Note Regarding Forward Looking Statements" for an explanation of these risks before investing in our Class A common stock. These risks include, among others, the following:

- our inability to successfully identify, secure and control an adequate inventory of lots at reasonable prices;
- the tightening of mortgage lending standards and mortgage financing requirements;
- the housing market may not continue to grow at the same rate, or may decline;
- a shortage of building materials or labor, or increases in materials or labor costs, could delay or increase the cost of home construction;
- the effect of the COVID-19 pandemic on our business, suppliers and trade partners;
- the seasonal and cyclical nature of our business;
- volatility in the credit and capital markets may impact our cost of capital and our ability to access necessary financing and the difficulty in obtaining sufficient capital could prevent us from acquiring lots for our development or increase our costs and delays in the completion of our homebuilding expenditures;

- we are a holding company, and we are accordingly dependent upon distributions from our subsidiaries to pay dividends, if any, taxes and other expenses;
- we have identified material weaknesses in our internal control over financial reporting;
- there is currently no public market for shares of our Class A common stock, a trading market for our Class A common stock may never develop following this offering and our Class A common stock price may be volatile and could decline substantially following this offering;
- the initial public offering of our Class A common stock may not be indicative of the market price of our Class A common stock after this offering, and an active, liquid and orderly trading market for our Class A common stock may not develop or be maintained, and our stock price may be volatile;
- the Series C preferred units of DFH LLC have certain protective covenants, which could limit our ability to engage in certain business combinations, recapitalizations or other fundamental changes; and
- Mr. Zalupski will have the ability to direct the voting of a majority of the voting power of our common stock, and his interests may conflict with those of our other stockholders.

Implications of Being an Emerging Growth Company

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act (the "JOBS Act"). An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include:

- we are required to have only two years of audited financial statements and only two years of related selected financial data in Management's Discussion and Analysis of Financial Condition and Results of Operations disclosure;
- we are exempt from the requirement that critical audit matters be discussed in our independent auditor's reports on our audited financial statements or any other requirements that may be adopted by the Public Company Accounting Oversight Board (the "PCAOB") unless the U.S. Securities and Exchange Commission (the "SEC") determines that the application of such requirements to emerging growth companies is in the public interest;
- we are exempt from the provisions of Section 404(b) of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") requiring that our independent registered public accounting firm provide an attestation report on the effectiveness of our internal control over financial reporting;
- we are exempt from the "say on pay," "say on frequency," and "say on golden parachute" advisory vote requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"); and
- we are exempt from certain disclosure requirements of the Dodd-Frank Act relating to compensation of our executive officers and are permitted to omit the detailed compensation discussion and analysis from proxy statements and reports filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

We may take advantage of these provisions until the last day of our fiscal year following the fifth anniversary of the completion of this offering or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company upon the earliest of: (i) the last day of the first fiscal year in which our annual gross revenues are $1.07 billion or more; (ii) the date on which we have, during the previous three-year period, issued more than $1 billion in non-convertible debt securities; or (iii) the date on which we are deemed to be a "large accelerated filer," which will occur as of the end of any fiscal year in which we have (x) an aggregate market value of our common equity securities held by non-affiliates of $700 million or more as of the last business day of our most recently completed second fiscal quarter, (y) been required to file annual and quarterly reports under the Exchange Act for a period of at least 12 months and (z) filed at least one annual report pursuant to the Exchange Act.

In addition, Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended (the "Securities Act"), for complying with new or revised accounting standards, but we intend to irrevocably opt out of the extended transition period and, as a result, will adopt new or revised accounting standards on the relevant dates in which adoption of such standards is required for other public companies. For a description of the qualifications and other requirements applicable to emerging growth companies and certain elections that we have made due to our status as an emerging growth company, see "Risk Factors—Risks Related to this Offering and Ownership of Our Class A Common Stock—For as long as we are an emerging growth company, we will not be required to comply with certain reporting requirements, including those relating to accounting standards and disclosure about our executive compensation, that apply to other public companies."

Our Offices

Our principal executive offices are currently located at 14701 Philips Highway, Suite 300, Jacksonville, Florida 32256, and our telephone number at that address is (904) 644-7670. Our website address is *www.dreamfindershomes.com*. Our website and the information contained in our website or connected to our website are not and will not be deemed to be incorporated into this prospectus or the Registration Statement of which this prospectus forms a part, and you should not consider such information part of this prospectus or rely on any such information in making your decision whether to purchase our Class A common stock.

THE OFFERING

Class A common stock offered by us	9,600,000 shares (11,040,000 shares if the underwriters' option to purchase additional shares of our Class A common stock is exercised in full).
Option to purchase additional shares	We have granted the underwriters a 30-day option to purchase up to an aggregate of 1,440,000 additional shares of our Class A common stock.
Class A common stock to be outstanding immediately after completion of this offering	30,855,329 shares (32,295,329 shares if the underwriters' option to purchase additional shares of our Class A common stock is exercised in full).
Class B common stock to be outstanding immediately after completion of this offering	60,226,153 shares.
Voting rights	After completion of this offering, our common stock will consist of two classes: Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting, transfer and conversion rights. The holders of Class A common stock are entitled to one vote per share, and the holders of Class B common stock are entitled to three votes per share, on all matters that are subject to stockholder vote. The shares of Class A common stock and Class B common stock issued and outstanding after this offering will represent approximately 33.9% and 66.1%, respectively, of the total number of our shares of Class A common stock and Class B common stock and approximately 14.6% and 85.4%, respectively, of the combined voting power of our Class A common stock and Class B common stock issued and outstanding after this offering. As a result of Mr. Zalupski's ownership of shares of Class B common stock, he will be able to control matters requiring stockholder approval, including the election and removal of directors, changes to our organizational documents and significant corporate transactions, including any merger, consolidation or sale of all or substantially all of our assets. Following this offering, each share of Class B common stock may be converted into one share of Class A common stock at the option of the holder thereof and will be converted into one share of Class A common stock upon transfer thereof, subject to certain exceptions. Further, all of the shares of our Class B common stock will automatically convert into shares of Class A common stock upon the date when Mr. Zalupski and permitted transferees of our Class B common stock cease to hold shares of Class B common stock representing, in the aggregate, at least 10% or more of the total number of shares of Class A common stock and Class B common stock issued and

	outstanding. Shares of our Class A common stock are not convertible into any other shares of our capital stock. See "Principal Stockholders" and "Description of Capital Stock—Class A Common Stock and Class B Common Stock" in this prospectus for additional information.
Use of proceeds	We expect the net proceeds from this offering to be approximately $117.5 million, assuming an initial public offering price of $13.50 per share (the midpoint of the price range set forth on the cover page of this prospectus) (or approximately $135.6 million if the underwriters' option to purchase additional shares of our Class A common stock is exercised in full) and after deducting estimated underwriting discounts and commissions and the estimated offering expenses payable by us. We intend to use the net proceeds from this offering, cash on hand and borrowings under our syndicated, unsecured revolving credit facility that we intend to enter into in connection with this offering, or shortly thereafter, to repay all borrowings under our existing secured vertical construction lines of credit facilities and upon such repayment terminate such facilities. See "Use of Proceeds" in this prospectus for additional information.
Indication of interest	Certain entities affiliated with BOC DFH, LLC, a holder of more than 5% of our Class A common stock and a wholly owned subsidiary of Boston Omaha Corporation (Nasdaq: BOMN), have indicated an interest in purchasing an aggregate of at least 1,851,850 shares of our Class A common stock (based on the midpoint of the price range set forth on the cover page of this prospectus) in this offering at the initial public offering price. Because these indications of interest are not binding agreements or commitments to purchase, such entities may elect to purchase fewer or no shares of our Class A common stock in this offering, or the underwriters may elect to sell fewer or no shares of our Class A common stock in this offering to such entities.
Dividend policy	We do not anticipate paying any cash dividends on our common stock for the foreseeable future. Any determination to pay dividends to holders of our common stock will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements, restrictions contained in any financing instruments and such other factors as our board of directors deems relevant in its discretion. See "Dividend Policy" in this prospectus for additional information.
Controlled company	Upon completion of this offering, our founder, President, Chief Executive Officer and Chairman of our board of directors will control more than 50% of

	the voting power of our outstanding common stock. As a result, we intend to avail ourselves of the "controlled company" exemptions under Nasdaq rules, including exemptions from certain of the corporate governance standards. See "Management—Controlled Company Status."
Listing and trading symbol	We have applied to list our Class A common stock on the Nasdaq Global Select Market under the symbol "DFH."
Risk factors	You should carefully read and consider the information beginning on page 24 of this prospectus set forth under the heading "Risk Factors" and all other information set forth in this prospectus before deciding to invest in our Class A common stock.
Reserved shares	At our request, Merrill Lynch, Pierce, Fenner & Smith Incorporated, an affiliate of BofA Securities, Inc. (the "Reserved Share Underwriter") have reserved for sale, at the initial public offering price, up to 1,440,000 shares of Class A common stock, or up to 15.0% of the shares of Class A common stock offered by this prospectus, for sale to some of our directors, officers, employees, business associates and related persons. If these persons purchase reserved shares, this will reduce the number of shares of Class A common stock available for sale to the general public. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares of Class A common stock offered by this prospectus. Shares purchased by our directors and officers in the reserved share program will be subject to lock-up restrictions described in this prospectus. We have agreed to indemnify the Reserved Share Underwriter against certain liabilities and expenses, including liabilities under the Securities Act, in connection with the sales of the reserved shares. See "Underwriting—Reserved Shares" in this prospectus for additional information.

The number of shares of Class A common stock and Class B common stock to be outstanding after this offering is based on 21,255,329 shares of Class A common stock and 60,226,153 shares of Class B common stock outstanding as of September 30, 2020, after giving effect to the Corporate Reorganization, and excludes:

- 60,226,153 shares of our Class A common stock issuable upon the conversion of the outstanding shares of our Class B common stock;
- 9,100,000 shares of Class A common stock reserved for issuance pursuant to our equity incentive plan, which we plan to adopt in connection with this offering (our "2021 Equity Incentive Plan"); and
- shares of Class A common stock that could be issued in the future upon conversion of Series B preferred units of DFH LLC or Series C preferred units of DFH LLC under certain circumstances.

Except as otherwise noted, all information in this prospectus assumes or gives effect to:

- the Corporate Reorganization, including (i) the conversion of all outstanding common units of DFH LLC into an aggregate of 60,226,153 shares of Class B common stock of DFH Inc. upon the consummation of the Corporate Reorganization; (ii) the conversion of all outstanding non-voting common units of DFH LLC into an aggregate of 8,590,623 shares of Class A common stock of DFH

Inc. upon the consummation of the Corporate Reorganization; and (iii) the conversion of all outstanding Series A preferred units of DFH LLC into an aggregate of 12,664,706 shares of Class A common stock of DFH Inc. upon the consummation of the Corporate Reorganization;

- no exercise by the underwriters of their option to purchase additional shares of our Class A common stock;
- the filing and effectiveness of our amended and restated certificate of incorporation and the adoption of our amended and restated bylaws upon the consummation of the Corporate Reorganization;
- no purchase of our Class A common stock by executive officers, directors or stockholders through the reserved share program;
- 444,444 shares of Class B common stock assuming an initial offering price of $13.50 per share (the midpoint of the price range set forth on the cover page of this prospectus, with the actual amount equal to $6.0 million divided by the initial public offering price) to be issued to Mr. Zalupski, our founder, President, Chief Executive Officer and Chairman of our board of directors; and
- 37,037 shares of Class A common stock assuming an initial offering price of $13.50 per share (the midpoint of the price range set forth on the cover page of this prospectus, with the actual amount equal to $0.5 million divided by the initial public offering price) to be issued to Mr. Moyer, our Chief Financial Officer.

SUMMARY HISTORICAL AND PRO FORMA FINANCIAL AND OPERATING DATA

Historically, our business has been operated through DFH LLC. DFH Inc. was incorporated in September 2020 and does not have historical financial operating results. The following table shows summary historical and pro forma consolidated financial and operating data for the periods and as of the dates indicated. The summary historical consolidated financial data of our predecessor, DFH LLC, as of and for the years ended December 31, 2019 and 2018 was derived from the audited historical consolidated financial statements of our predecessor included elsewhere in this prospectus. The summary historical unaudited condensed consolidated financial data of our predecessor as of September 30, 2020 and for the nine months ended September 30, 2020 and 2019 was derived from the unaudited condensed consolidated financial statements of our predecessor included elsewhere in this prospectus. The summary historical unaudited condensed consolidated financial data of our predecessor has been prepared on a consistent basis with the audited historical consolidated financial statements of our predecessor. In the opinion of management, such summary historical unaudited condensed consolidated financial data reflects all adjustments (consisting of normal recurring adjustments) considered necessary to fairly state our financial position for the periods presented. The results of operations for the interim periods are not necessarily indicative of the results that may be expected for the full year.

The summary unaudited pro forma condensed consolidated financial data has been derived from our unaudited pro forma condensed consolidated financial statements included elsewhere in this prospectus. The summary unaudited pro forma condensed statements of comprehensive income for the nine months ended September 30, 2020 and the year ended December 31, 2019 have been prepared to give pro forma effect to (i) the Corporate Reorganization described under “Corporate Reorganization,” (ii) the H&H Acquisition, (iii) this offering and the receipt of net proceeds therefrom, and (iv) the replacement of all of our vertical construction lines of credit facilities with a syndicated, unsecured revolving credit facility, as if each of the foregoing transactions had been completed as of September 30, 2020 with respect to the unaudited pro forma balance sheet as of September 30, 2020, and as of January 1, 2019 with respect to the unaudited pro forma statements of comprehensive income for the nine months ended September 30, 2020 and the year ended December 31, 2019 (such transactions collectively, the “Transaction Accounting Adjustments”). The summary unaudited pro forma condensed consolidated financial data is presented for informational purposes only and should not be considered indicative of actual results of operations that would have been achieved had the Transaction Accounting Adjustments been consummated on the dates indicated and do not purport to be indicative of statements of financial position or results of operations as of any future date or for any future period.

Our historical results are not necessarily indicative of future operating results. You should read the following table in conjunction with “Unaudited Pro Forma Financial Information,” “Use of Proceeds,” “Capitalization,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Corporate Reorganization” and the historical consolidated financial statements of our predecessor and accompanying notes included elsewhere in this prospectus.

	DFH Inc. Pro Forma		Predecessor Historical			
	Nine Months Ended September 30, 2020	Year Ended December 31, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019	Year Ended December 31, 2019	Year Ended December 31, 2018
	(unaudited)		(unaudited)			
	(in thousands, except per share data and average sales price of homes closed)					
Consolidated Statements of Comprehensive Income Data:						
Revenues	$843,638	$976,561	$672,706	$490,900	$744,292	$522,258
Cost of sales	720,341	844,381	575,683	425,016	641,340	454,403
Selling, general and administrative expense(1)	74,670	83,003	54,959	40,391	58,734	43,545
Income from equity in earnings of unconsolidated entities	(4,844)	(2,208)	(4,844)	(1,426)	(2,208)	(1,271)
Gain on sale of assets	(53)	(29)	(53)	(29)	(29)	(3,293)
Other income	(1,233)	(2,471)	(1,172)	(1,731)	(2,448)	(3,016)
Other expense	3,669	5,373	3,669	2,132	3,784	7,948
Interest expense	124	1,446	124	144	221	682
Income tax expense	11,873	10,340	—	—	—	—
Net and comprehensive income	$ 39,092	$ 36,726	$ 44,339	$ 26,402	$ 44,898	$ 23,261
Net and comprehensive income attributable to noncontrolling interests	$ (3,474)	$ (5,707)	$ (3,474)	$ (3,580)	$ (5,707)	$ (5,939)
Net and comprehensive income attributable to Dream Finders	$ 35,618	$ 31,019	$ 40,865	$ 22,822	$ 39,191	$ 17,322
Earnings per share (unit for predecessor):						
Basic	$ 0.35	$ 0.29	$ 377.86	$ 199.57	$ 353.40	$ 170.92
Diluted	0.35	0.29	376.79	199.57	353.40	170.92
Weighted average number of shares (units for predecessor):						
Basic	91,081	90,065	99	98	98	98
Diluted	91,081	90,065	100	98	98	98
Consolidated Balance Sheets Data (at period end):						
Cash and cash equivalents	$ 25,000		$ 42,082	$ 12,989	$ 44,007	$ 19,809
Total assets	732,320		572,481	507,991	514,919	375,446
Long-term debt, net	264,715		262,188	253,555	232,013	175,876
Total stockholders' (members' for predecessor) equity	285,484		177,329	147,489	161,491	91,434
Other Financial and Operating Data (unaudited):						
Active communities at end of period(2)	121	140	79	70	85	53
Home closings(3)	2,419	2,851	1,817	1,297	2,048	1,408
Average sales price of homes closed	$347,190	$344,394	$365,843	$352,872	$362,728	$361,860
Net new orders	3,712	2,955	2,799	1,659	2,139	1,349
Cancellation rate	13.1%	15.4%	12.9%	13.9%	15.6%	15.8%
Backlog (at period end) - homes	2,374	1,082	1,836	1,123	854	636
Backlog (at period end) - value	$841,930	$405,703	$683,743	$389,629	$334,783	$249,672
Gross margin(4)	$111,573	$114,520	$ 93,293	$ 62,718	$ 98,405	$ 64,650
Gross margin %(5)	13.3%	11.8%	14.0%	12.9%	13.3%	12.5%
Adjusted gross margin(6)	$176,619	$192,091	$145,367	$ 99,252	$156,344	$103,974
Adjusted gross margin %(5)(6)	21.1%	19.8%	21.7%	20.4%	21.1%	20.0%
EBITDA(6)	$ 78,181	$ 84,025	$ 66,001	$ 41,691	$ 70,522	$ 37,179
EBITDA margin %(6)(7)	9.3%	8.6%	9.8%	8.5%	9.5%	7.1%
Adjusted EBITDA(6)	$ 78,878	$ 86,873	$ 66,698	$ 42,287	$ 71,417	$ 38,075
Adjusted EBITDA margin %(6)(7)	9.3%	8.9%	9.9%	8.6%	9.6%	7.3%

(1) When compared to the DFH Inc. Pro Forma Consolidated Statements of Comprehensive Income Data for the nine months ended September 30, 2020 and December 31, 2019, our Adjusted Gross Margin calculation includes a reclassification of $7.9 million and $13.1 million from selling, general and administrative expense to cost of sales for each period presented. These expenses relate to commissions and interest, which H&H Homes historically classified as selling, general and administrative expense; we classify these expenses in cost of sales.

(2) A community becomes active once the model is completed or the community has its fifth sale. A community becomes inactive when it has fewer than five units remaining to sell.

(3) Home closings for the twelve months ended December 31, 2019 do not include the 131 home closings of Village Park Homes between January and May of 2019 prior to the closing of our acquisition of Village Park Homes on May 31, 2019.

(4) Gross margin is home sales revenue less cost of sales.

(5) Calculated as a percentage of home sales revenues.

(6) Adjusted gross margin, EBITDA and adjusted EBITDA are non-GAAP financial measures. For definitions of adjusted gross margin, EBITDA and adjusted EBITDA and a reconciliation to our most directly comparable financial measures calculated and presented in accordance with GAAP, see "—Non-GAAP Financial Measures."

(7) Calculated as a percentage of revenues.

Non-GAAP Financial Measures

Adjusted Gross Margin

Adjusted gross margin is a non-GAAP financial measure used by management as a supplemental measure in evaluating operating performance. We define adjusted gross margin as gross margin excluding the effects of capitalized interest, amortization included in the cost of sales (including adjustments resulting from the application of purchase accounting in connection with acquisitions) and commission expense. Our management believes this information is meaningful because it isolates the impact that capitalized interest, amortization (including purchase accounting adjustments) and commission expense have on gross margin. However, because adjusted gross margin information excludes capitalized interest, amortization (including purchase accounting adjustments) and commission expense, which have real economic effects and could impact our results of operations, the utility of adjusted gross margin information as a measure of our operating performance may be limited. We include commission expense in cost of sales, not selling, general and administrative expense, and therefore commission expense is taken into account in gross margin. As a result, in order to provide a meaningful comparison to the public company homebuilders that include commission expense below the gross margin line in selling, general and administrative expense, we have excluded commission expense from adjusted gross margin. In addition, other companies may not calculate adjusted gross margin information in the same manner that we do. Accordingly, adjusted gross margin information should be considered only as a supplement to gross margin information as a measure of our performance.

The following table presents a reconciliation of adjusted gross margin to the GAAP financial measure of gross margin for each of the periods indicated (unaudited and in thousands, except percentages).

	DFH Inc. Pro Forma		Predecessor Historical			
	Nine Months Ended September 30, 2020	Year Ended December 31, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019	Year Ended December 31, 2019	Year Ended December 31, 2018
Revenues	$843,638	$976,561	$672,706	$490,900	$744,292	$522,258
Other revenue	4,810	4,547	3,730	3,166	4,547	3,205
Home sales revenues	$838,828	$972,014	$668,976	$487,734	$739,745	$519,053
Cost of sales	727,255	857,494	575,683	425,016	641,340	454,403
Gross margin(1)	$111,573	$114,520	$ 93,293	$ 62,718	$ 98,405	$ 64,650
Interest expensed in cost of sales	24,659	28,154	19,562	12,051	21,055	16,364
Amortization in cost of sales (2)	3,054	9,247	3,054	4,600	7,119	550
Commission expense	37,333	40,170	29,458	19,883	29,765	22,410
Adjusted gross margin	$176,619	$192,091	$145,367	$ 99,252	$156,344	$103,974
Gross margin %(3)	13.3%	11.8%	14.0%	12.9%	13.3%	12.5%
Adjusted gross margin %(3)	21.1%	19.8%	21.7%	20.4%	21.1%	20.0%

(1) Gross margin is home sales revenue less cost of sales.

(2) Includes purchase accounting adjustment, as applicable.

(3) Calculated as a percentage of home sales revenues.

EBITDA and Adjusted EBITDA

EBITDA and adjusted EBITDA are not measures of net income as determined by GAAP. EBITDA and adjusted EBITDA are supplemental non-GAAP financial measures used by management and external users of our consolidated financial statements, such as industry analysts, investors, lenders and rating agencies. We define EBITDA as net income before (i) interest income, (ii) capitalized interest expensed in cost of sales, (iii) interest expense, (iv) income tax expense and (v) depreciation and amortization. We define adjusted EBITDA as EBITDA before stock-based compensation expense.

Management believes EBITDA and adjusted EBITDA are useful because they allow management to more effectively evaluate our operating performance and compare our results of operations from period to period without regard to our financing methods or capital structure or other items that impact comparability of financial results from period to period. EBITDA and adjusted EBITDA should not be considered as alternatives to, or more meaningful than, net income or any other measure as determined in accordance with GAAP. Our computations of EBITDA and adjusted EBITDA may not be comparable to EBITDA or adjusted EBITDA of other companies. We present EBITDA and adjusted EBITDA because we believe they provide useful information regarding the factors and trends affecting our business.

The following table presents a reconciliation of EBITDA and adjusted EBITDA to the GAAP financial measure of net income for each of the periods indicated (unaudited and in thousands, except percentages).

	DFH Inc. Pro Forma		Predecessor Historical			
	Nine Months Ended September 30, 2020	Year Ended December 31, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019	Year Ended December 31, 2019	Year Ended December 31, 2018
Net income	$35,618	$31,019	$40,865	$22,822	$39,191	$17,322
Interest income	(38)	(105)	(38)	(55)	(99)	(9)
Interest expense in cost of sales	24,659	25,446	19,562	12,051	21,055	16,364
Interest expense	124	4,155	124	144	221	682
Income tax expense	11,873	10,340	—	—	—	—
Depreciation and amortization	5,945	13,171	5,488	6,729	10,154	2,820
EBITDA	$78,181	$84,025	$66,001	$41,691	$70,522	$37,179
Stock-based compensation expense	697	2,848	697	597	895	896
Adjusted EBITDA	$78,878	$86,873	$66,698	$42,287	$71,417	$38,075
EBITDA margin %(1)	9.3%	8.6%	9.8%	8.5%	9.5%	7.1%
Adjusted EBITDA margin %(1)	9.3%	8.9%	9.9%	8.6%	9.6%	7.3%

(1) Calculated as a percentage of revenues.

RISK FACTORS

An investment in our Class A common stock involves a high degree of risk. Before making an investment decision, you should carefully consider the specific risk factors set forth below, together with the other information included elsewhere in this prospectus. If any of the risks discussed in this prospectus occur, our business, prospects, liquidity, financial condition and results of operations could be materially impaired, in which case the trading price of our Class A common stock could decline significantly and you could lose all or part of your investment. Some statements in this prospectus, including statements in the following risk factors, constitute forward-looking statements. Please refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements."

Operational Risks Related to Our Business

Our inability to successfully identify, secure and control an adequate inventory of lots at reasonable prices could adversely impact our operations.

The results of our homebuilding operations depend in part upon our continuing ability to successfully identify, control and acquire an adequate number of homebuilding lots in desirable locations. There can be no assurance that an adequate supply of homebuilding lots will continue to be available to us on terms similar to those available in the past, or that we will not be required to devote a greater amount of capital to controlling homebuilding lots than we have historically. In addition, because we employ an asset-light business model, we may have access to fewer and less attractive homebuilding lots than if we owned lots outright, like some of our competitors who do not operate under an asset-light model. An insufficient supply of homebuilding lots in one or more of our markets, an inability of our developers to deliver finished lots in a timely fashion due to their inability to secure financing to fund development activities, delays in recording deeds conveying controlled lots as a result of government shut downs or stay-at-home orders, or for other reasons, or our inability to purchase or finance homebuilding lots on reasonable terms could have a material adverse effect on our sales, profitability, stock performance, ability to service our debt obligations and future cash flows. Any land shortages or any decrease in the supply of suitable land at reasonable prices could limit our ability to develop new communities or result in increased lot deposit requirements or land costs. We may not be able to pass through to our customers any increased land costs, which could adversely impact our revenues, earnings and margins.

Our business and results of operations are dependent on the availability, skill and performance of subcontractors.

We engage subcontractors to perform the construction of our homes and, in many cases, to select and obtain the raw materials used in constructing our homes. Accordingly, the timing and quality of our construction depend on the availability and skill of our subcontractors. While we anticipate being able to obtain sufficient materials and reliable subcontractors and believe that our relationships with subcontractors are good, we do not have long-term contractual commitments with any subcontractors, and we can provide no assurance that skilled subcontractors will continue to be available at reasonable rates and in our markets. In addition, as we expand into new markets, we typically must develop new relationships with subcontractors in such markets, and there can be no assurance that we will be able to do so in a cost-effective and timely manner, or at all. The inability to contract with skilled subcontractors at reasonable rates on a timely basis could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations.

Despite our quality control efforts, we may discover from time to time that our subcontractors have engaged in improper construction practices or have installed defective materials in our homes. When we discover these issues, we utilize our subcontractors to repair the homes in accordance with our new home warranty and as required by law. The adverse costs of satisfying our warranty and other legal obligations in these instances may be significant, and we may be unable to recover the costs of warranty-related repairs from subcontractors, suppliers and insurers, which could have a material adverse impact on our business, prospects, liquidity, financial condition and results of operations. We may also suffer reputational damage from the actions of subcontractors, which are beyond our control.

A shortage of building materials or labor, or increases in materials or labor costs, could delay or increase the cost of home construction, which could materially and adversely affect us.

The residential construction industry experiences labor and raw material shortages from time to time, including shortages in qualified subcontractors, tradespeople and supplies of insulation, drywall, cement, steel and lumber. These labor and raw material shortages can be more severe during periods of strong demand for

housing, during periods following natural disasters that have a significant impact on existing residential and commercial structures or a result of broader economic disruptions, such as the COVID-19 pandemic. It is uncertain whether these shortages will continue as is, improve or worsen. Further, pricing for labor and raw materials can be affected by the factors discussed above and various other national, regional, local, economic and political factors, including changes in immigration laws, trends in labor migration and tariffs. For example, we import many of our appliances from China and a substantial amount of our lumber originates from Canada, both of which have been the subject of U.S. tariffs in recent years. The cost of lumber has been impacted by these government-imposed tariffs as well as supply-chain disruptions caused by the closing of lumber mills due to the COVID-19 pandemic. Lumber commodity prices fell sharply in early 2020 due to the onset of the COVID-19 pandemic to their lowest levels since early 2016 but have since increased over 150% from this low to reach all-time highs in August 2020. Because we lock-in rates with our lumber suppliers on a quarterly basis, our business has not yet been adversely affected by this price volatility. However, the recent increases in lumber commodity prices may result in our renewal of our lumber contracts at more expensive rates, which may significantly impact the cost to construct our homes and to operate our business. Further, our success in recently-entered markets or those we may choose to enter in the future depends substantially on our ability to source labor and local materials on terms that are favorable to us. Our markets may exhibit a reduced level of skilled labor relative to increased homebuilding demand in these markets. In the event of shortages in labor or raw materials in such markets, local subcontractors, tradespeople and suppliers may choose to allocate their resources to homebuilders with an established presence in the market and with whom they have longer-standing relationships with. Labor and raw material shortages and price increases for labor and raw materials could cause delays in and increase our costs of home construction, which in turn could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations.

Increases in our home cancellation rate could have a negative impact on our home sales revenue and gross margins.

Our backlog reflects sales contracts with homebuyers for homes that have not yet been delivered. We have received a deposit from a homebuyer for most homes reflected in our backlog, and, generally, we have the right to retain the deposit if the homebuyer fails to comply with his or her obligations under the sales contract, subject to certain exceptions, including as a result of state and local law, the homebuyer's inability to sell his or her current home or, in certain circumstances, the homebuyer's inability to obtain suitable financing. Home order cancellations negatively impact the number of closed homes, net new home orders, home sales revenue and results of operations, as well as the number of homes in backlog. Home order cancellations can result from a number of factors, including declines or slow appreciation in the market value of homes, increases in the supply of homes available to be purchased, increased competition, higher mortgage interest rates, homebuyers' inability to sell their existing homes, homebuyers' inability to obtain suitable financing, including providing sufficient down payments, and adverse changes in economic conditions. An increase in the level of our home order cancellations could have a negative impact on our business, prospects, liquidity, financial condition and results of operations.

Our business could be materially and adversely disrupted by an epidemic or pandemic (such as the current COVID-19 pandemic), or similar public threat, or fear of such an event, and the measures that federal, state and local governments and other authorities implement to address it.

An epidemic, pandemic or similar serious public health issue, and the measures undertaken by governmental authorities to address it, could significantly disrupt or prevent us from operating our business in the ordinary course for an extended period, and thereby, along with any associated economic and social instability or distress, have a material adverse impact on our business, prospects, liquidity, financial condition and results of operations.

On March 11, 2020, the WHO declared the current outbreak of the COVID-19 virus to be a global pandemic, and, on March 13, 2020, the United States declared a national emergency. In response to these declarations and the rapid spread of the COVID-19 virus, federal, state and local governments have imposed varying degrees of restrictions on business and social activities to contain the COVID-19 pandemic, including social distancing, quarantine and "stay-at-home" or "shelter-in-place" orders in certain of our markets. We have experienced resulting disruptions to our business operations, which have resulted in significant changes to the way we conduct business, including expanding our digital marketing products and virtual home tours to provide our customers additional ways to safely visit our communities and tour our homes. Although we continue to

build and sell homes in all of our markets, net new orders of our homes slowed significantly during March and April 2020. Though we experienced a resurgence in net new orders during May, June and July 2020, COVID-19 infections, hospitalizations and deaths increased significantly in certain parts of the country, including in Florida and Texas during June and July 2020, two states that account for a significant portion of our homebuilding business. If such trends continue, particularly in our core markets, there can be no assurance that this resurgence in net new orders will continue, and federal, state and local governments could impose additional, or extend existing, restrictions on business and social activities, and we could experience additional disruptions to, or suspension of, certain of our business operations as a result.

The economic impact of the COVID-19 pandemic may be reduced by financial assistance under the Coronavirus Aid, Relief, and Economic Security (CARES) Act (the "CARES Act") or other similar COVID-19 related federal and state programs. However, we cannot assure you that such programs will offset all or any of the adverse impacts that the COVID-19 pandemic may have on our business. For example, in April 2020, we applied for and received a Paycheck Protection Program loan (our "PPP Loan") from the U.S. Small Business Administration (the "SBA") in the amount of $7.2 million. Under the terms of the PPP, certain amounts of a PPP Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act, which include payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities and interest on other debt obligations incurred in the period beginning on February 15, 2020 and ending on December 31, 2020. As of July 31, 2020, we utilized 100% of our PPP Loan proceeds to retain staff and pay salaries and rent. We believe that our uses of our PPP Loan are qualifying expenses as described in the CARES Act, making us eligible for forgiveness of certain amounts received pursuant to our PPP Loan. On April 23, 2020, the Secretary of the U.S. Department of the Treasury ("Treasury") stated that the SBA will perform a full review of any PPP loan over $2.0 million before forgiving such loan and, notwithstanding any such review, we cannot provide any assurance that we will be deemed eligible for loan forgiveness or that any amount of our PPP Loan will ultimately be forgiven by the SBA.

While we continue to assess the COVID-19 pandemic, at this time we cannot estimate with any degree of certainty the full impact of the COVID-19 pandemic on our financial condition and future results of operations, and the COVID-19 pandemic could adversely impact future financial performance for the remainder of the year ending December 31, 2020 and beyond. The ultimate impacts of the COVID-19 pandemic and related mitigation efforts will depend on future developments, including, among others, the ultimate geographic spread of the COVID-19 pandemic, the consequences of governmental and other measures designed to prevent the spread of the COVID-19 pandemic, the development of effective treatments for the COVID-19 virus, the duration of the COVID-19 pandemic, actions taken by governmental authorities, customers, subcontractors, suppliers and other third parties in response to the COVID-19 pandemic, workforce availability and the timing and extent to which normal economic and operating conditions resume. To the extent that the COVID-19 pandemic adversely impacts our business, results of operations, liquidity or financial condition, it may also have the effect of increasing many of the other risks described in this "Risk Factors" section.

The ultimate impact of the COVID-19 pandemic or a similar health epidemic is highly uncertain and subject to change. There is uncertainty regarding the extent and timing of disruption to our business that may result from the COVID-19 pandemic and related governmental actions. There is also uncertainty as to the effects of economic relief efforts on the U.S. economy, unemployment, consumer confidence, demand for our homes and the mortgage market, including lending standards and secondary mortgage markets. Our business could also be negatively impacted over the long term, as the disruptions related to the COVID-19 pandemic could impact customer behavior, lower demand for our products, impair our ability to sell and/or build homes in our normal manner and generate revenues and cash flows or increase our losses on land deposits. We are unable to predict the extent to which this will impact our operational and financial performance, including the impact of future developments such as the duration and spread of the COVID-19 pandemic, corresponding governmental actions and the impact of such on our employees, customers and trade partners.

The impact of the COVID-19 pandemic continues to evolve, and we will continue to monitor the situation closely. The full extent to which the COVID-19 pandemic will affect the U.S. economy and our operations remains highly uncertain and will ultimately depend on future developments that cannot be predicted at this time, including, but not limited to, the duration and severity of the COVID-19 pandemic, governmental reactions and policies and the length of time required for normal economic and operating conditions to resume. While the

spread of the COVID-19 pandemic may eventually be mitigated, there is no guarantee that a future outbreak of this or any other widespread epidemics or pandemics will not occur, or that the U.S. economy will fully recover, either of which could materially and adversely affect our business.

We are subject to warranty and liability claims arising in the ordinary course of business that can be significant.

As a homebuilder and developer, we are subject to construction defect, product liability and home and other warranty claims, including moisture intrusion and related claims, arising in the ordinary course of business, such as witnessed in *Dream Finders Homes, LLC and DFH Mandarin, LLC v. Weyerhaeuser NR Company.* See "Business—Legal Proceedings" in this prospectus for additional information. These claims are common to the homebuilding industry and can be costly. For example, in recent years, we and certain of our subcontractors have received a growing number of claims from attorneys on behalf of individual owners of our homes, primarily in the Jacksonville market, that allege, pursuant to Chapter 558 of the Florida Statutes, various construction defects, with most relating to stucco and water-intrusion issues. There can be no assurance that any developments we undertake will be free from defects once completed, and any defects attributable to us may lead to significant contractual or other liabilities. We rely on subcontractors to perform the construction of our homes and, in some cases, to select and obtain building materials. Although we provide subcontractors with detailed specifications and perform quality control procedures, subcontractors may, in some cases, use improper construction processes or defective materials. Defective products used in the construction of our homes can result in the need to perform extensive repairs. The cost of performing such repairs, or litigation arising out of such issues, may be significant if we are unable to recover the costs from subcontractors, suppliers and/or insurers. Warranty and construction defect matters can also result in negative publicity, including on social media outlets, which could damage our reputation and negatively affect our ability to sell homes.

We maintain, and require our subcontractors to maintain, general liability insurance (including construction defect and bodily injury coverage) and workers' compensation insurance and generally seek to require our subcontractors to indemnify us for liabilities arising from their work. While these insurance policies, subject to deductibles and other coverage limits, and indemnities protect us against a portion of our risk of loss from claims related to our land development and homebuilding activities, we cannot provide assurance that these insurance policies and indemnities will be adequate to address all our home and other warranty, product liability and construction defect claims in the future, or that any potential inadequacies will not have an adverse effect on our business, financial condition or results of operations. Further, the coverage offered by, and the availability of, general liability insurance for completed operations and construction defects are currently limited and costly. We cannot provide assurance that coverage will not be further restricted, increasing our risks and financial exposure to claims, and/or become costlier.

If we are unable to develop our communities successfully or within expected time-frames, our results of operations could be adversely affected.

Although our preference is to acquire finished lots, from time to time, we may also acquire property that requires further development before we can begin building homes. When a community requires additional developments, we devote substantial time and capital in order to obtain development approvals, acquire land and construct significant portions of project infrastructure and amenities before the community generates any revenue. In addition, our land bank option contracts often include interest provisions under which delays caused by development cause us to incur additional cost. It can take several years from the time we acquire control of an undeveloped property to the time we make our first home sale on the site. Delays in the development of communities, including delays associated with subcontractors performing the development activities or entitlements, expose us to the risk of changes in market conditions for homes. A decline in our ability to develop and market one of our new undeveloped communities successfully and to generate positive cash flow from these operations in a timely manner could have a material adverse effect on our business and results of operations and on our ability to service our debt and to meet our working capital requirements. In addition, higher than expected absorption rates in existing communities may result in lower than expected inventory levels until the development for replacement communities is completed.

We may be unable to obtain suitable bonding for the development of our housing projects.

We are often required to provide bonds, letters of credit or guarantees to governmental authorities and others to ensure the completion of our projects. As a result of market conditions, some municipalities and governmental

authorities have been reluctant to accept surety bonds and instead require credit enhancements, such as cash deposits or letters of credit, in order to maintain existing bonds or to issue new bonds. If we are unable to obtain required bonds in the future for our projects, or if we are required to provide credit enhancements with respect to our current or future bonds or in place of bonds, our business, prospects, liquidity, financial condition and results of operations could be materially and adversely affected.

We may suffer significant financial harm and loss of reputation if we do not comply, cannot comply or are alleged to have not complied with applicable laws, rules and regulations concerning our classification and compensation practices for independent contractors.

Each of our divisions retain various independent contractors, either directly or indirectly through third-party entities formed by these independent contractors for their business purposes, including, without limitation, some of our sales agents. With respect to these independent contractors, we are subject to the Internal Revenue Service (the "IRS") regulations and applicable state law guidelines regarding independent contractor classification. These regulations and guidelines are subject to judicial and agency interpretation, and it might be determined that the independent contractor classification is inapplicable to any sales agents, vendors or any other entity characterized as an independent contractor. Further, if legal standards for the classification of independent contractors change or appear to be changing, we may need to modify our compensation and benefits structure for such independent contractors, including by paying additional compensation or reimbursing expenses.

There can be no assurance that legislative, judicial, administrative or regulatory (including tax) authorities will not introduce proposals or assert interpretations of existing rules and regulations that would change the independent contractor classification of any individual or vendor currently characterized as independent contractors doing business with us. Although management believes that there are no proposals currently pending that would significantly change the independent contractor classification, potential changes, if any, with respect to such classification could have a significant effect on our operating model. Further, the costs associated with any such potential changes could have a significant effect on our results of operations and financial condition if we were unable to pass through to our customers an increase in price corresponding to such increased costs. Additionally, we could incur substantial costs, penalties and damages, including back pay, unpaid benefits, taxes, expense reimbursement and attorneys' fees, in defending future challenges to our employment classification or compensation practices.

Poor relations with the residents of our communities could negatively impact sales, which could cause our revenues or results of operations to decline.

Residents of communities we develop rely on us to resolve issues or disputes that may arise in connection with the operation or development of their communities. Efforts made by us to resolve these issues or disputes could be deemed unsatisfactory by the affected residents, and subsequent actions by these residents could adversely affect our sales or our reputation. In addition, we could be required to make material expenditures related to the settlement of such issues or disputes or to modify our community development plans, which could adversely affect our results of operations.

Our joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on the financial condition of our joint venture partners and disputes between us and our joint venture partners.

We have in the past and may in the future co-invest with third parties through partnerships, joint ventures or other entities, acquiring non-controlling interests in, or sharing responsibility for managing the affairs of, a land acquisition and/or a development. In this event, we would not be in a position to exercise sole decision-making authority regarding the acquisition and/or development, and our investment may be illiquid due to our lack of control. Investments in partnerships, joint ventures or other entities may, under certain circumstances, involve risks not present were a third party not involved, including the possibility that our joint venture partners might become bankrupt, fail to fund their share of required capital contributions, make poor business decisions or block or delay necessary decisions. Our joint venture partners may have economic or other business interests or goals that are inconsistent with our business interests or goals and may be in a position to take actions contrary to our policies or objectives. Such investments may also have the potential risk of impasses on decisions, such as a sale, because neither we nor our joint venture partners would have full control over the land acquisition or development. Disputes between us and our joint venture partners may result in litigation or arbitration that would increase our expenses and prevent our officers and/or directors from focusing their time and effort on our business. In addition, we may in certain circumstances be liable for the actions of our joint venture partners.

We could be adversely affected by efforts to impose joint employer liability on us for labor law violations committed by our subcontractors.

Our homes are constructed by employees of subcontractors and other third parties. We do not have the ability to control what these parties pay their employees or the rules they impose on their employees. However, various governmental agencies have taken actions to hold parties like us responsible for violations of wage and hour laws and other labor laws by subcontractors. Governmental rulings that hold us responsible for labor practices by our subcontractors could create substantial exposures for us under our subcontractor relationships, which could have a material adverse impact on our business, prospects, liquidity, financial condition and results of operations.

There are various potential conflicts of interest in our relationship with DF Capital and certain of its managed funds, including with certain of our executive officers and director nominees who are investors in certain funds managed by DF Capital, which could result in decisions that are not in the best interest of our stockholders.

Conflicts of interest may exist or could arise in the future with DF Capital and certain of its managed funds, including with certain of our executive officers and director nominees who are also investors in certain funds managed by DF Capital. Once a potential lot acquisition is approved by our land acquisition committee that requires a significant upfront commitment of capital, we will seek a land bank partner. Historically, we have provided, and we expect to continue to provide, DF Capital with the opportunity to have one of its managed funds participate in transactions that require additional funding. Such transactions may not be on terms that are as attractive as those we might be able to achieve if we sought other partners. If DF Capital does not wish to participate in, and finance, the transaction, we turn to other potential financing sources. Conflicts with DF Capital and certain of its managed funds may include, without limitation: conflicts arising from the enforcement of agreements between us and DF Capital and/or certain of its managed funds; conflicts in determining whether to offer DF Capital the opportunity to participate in a potential lot acquisition financing and, if DF Capital does participate, the terms of the financing; and conflicts in future transactions that we may pursue with DF Capital and/or one of its managed funds. For additional discussion of our executive officers' and director nominees' business affiliations and the potential conflicts of interest of which our stockholders should be aware, see "Certain Relationships and Related Party Transactions."

The estimates, forecasts and projections relating to our markets prepared by JBREC are based upon numerous assumptions and have not been independently verified by us.

This prospectus contains estimates, forecasts and projections relating to our markets that were prepared for us for use in connection with this offering by JBREC, an independent research provider and consulting firm focused on the housing industry. See "Market Opportunity" in this prospectus for additional information. The estimates, forecasts and projections relate to, among other things, employment, demographics, household income, home sales prices and affordability. These estimates, forecasts and projections are based on data (including third-party data), significant assumptions, proprietary methodologies and the experience and judgment of JBREC, and we have not independently verified this information.

The estimates, forecasts and projections are forward-looking statements and involve risks and uncertainties that may cause actual results to be materially different from the projections. JBREC has made these estimates, forecasts and projections based on studying the historical and current performance of the residential housing market and applying JBREC's qualitative knowledge about the residential housing market. The future is difficult to predict, particularly given that the economy and housing markets can be cyclical and are subject to changing consumer and market psychology and governmental policies related to mortgage regulations and interest rates. There will usually be differences between projected and actual outcomes because events and circumstances frequently do not occur as expected, and such differences may be material. In addition, the COVID-19 pandemic has caused an unexpected market disruption that has had, and could continue to have, major impacts on the world and U.S. economies, as well as local economies and housing markets. Accordingly, the estimates, forecasts and projections included in this prospectus might not occur or might occur to a different extent or at a different time.

For the foregoing reasons, JBREC cannot provide any assurance that the estimates, forecasts and projections contained in this prospectus are accurate, actual outcomes may vary significantly from those contained or implied by the estimates, forecasts and projections and you should not place undue reliance on these estimates, forecasts

and projections. We have not independently verified these estimates, forecasts and projections. Except as required by law, we are not obligated to, and do not intend to, update the statements in this prospectus to conform to actual outcomes or changes in our or JBREC's expectations.

Our future success depends upon our ability to successfully adapt our business strategy to changing home buying patterns and trends.

Future home buying patterns and trends could reduce the demand for our homes and, as a result, could have a material adverse effect on our business and results of operations. Part of our business strategy is to offer homes that appeal to a broad range of entry-level and move-up homebuyers based on each local market in which we operate. However, given the significant increases in average home sales prices across our markets and the anticipated increased demand for more affordable homes due to generational shifts, changing demographics and other factors, we have increased our focus on offering more affordable housing options in our markets. We believe that, due to anticipated generational shifts, changing demographics and other factors, the demand for more affordable homes will increase.

Industry and Economic Risks

Tightening of mortgage lending standards and mortgage financing requirements, untimely or incomplete mortgage loan originations for our homebuyers and rising mortgage interest rates could adversely affect the availability of mortgage loans for potential purchasers of our homes and thereby materially and adversely affect our business, prospects, liquidity, financial condition and results of operations.

Almost all of our customers finance their purchases through lenders that provide mortgage financing. Mortgage interest rates have generally trended downward for the last several decades and reached historic lows in the summer of 2020, which has made the homes we sell more affordable. However, we cannot predict whether mortgage interest rates will continue to fall, remain low or rise. If mortgage interest rates increase, the ability of prospective homebuyers to finance home purchases may be adversely affected, and, as a result, our operating results may be significantly negatively impacted. Our homebuilding activities are dependent upon the availability of mortgage financing to homebuyers, which is expected to be impacted by continued regulatory changes and fluctuations in the risk appetites of lenders. The financial documentation, down payment amounts and income to debt ratio requirements are subject to change and could become more restrictive.

The federal government has a significant role in supporting mortgage lending through its conservatorship of Federal National Mortgage Association ("Fannie Mae") and Freddie Mac, both of which purchase or insure mortgage loans and mortgage loan-backed securities, and its insurance of mortgage loans through or in connection with the Federal Housing Administration ("FHA"), the Veterans Administration ("VA") and the U.S. Department of Agriculture ("USDA"). FHA and VA backing of mortgage loans has been particularly important to the mortgage finance industry and to our business. Increased lending volume and losses insured by the FHA have resulted in a reduction of the FHA insurance fund. If either the FHA or VA raised their down payment requirements or lowered maximum loan amounts, our business could be materially affected. In addition, changes in governmental regulation with respect to mortgage lenders could adversely affect demand for housing.

The availability and affordability of mortgage loans, including mortgage interest rates for such loans, could also be adversely affected by a scaling back or termination of the federal government's mortgage loan-related programs or policies. Fannie Mae, Freddie Mac, FHA, USDA and VA backed mortgage loans have been an important factor in marketing and selling many of our homes. Given that a majority of our customers' mortgages conform with terms established by Freddie Mac and Fannie Mae and FHA, USDA and VA-backed mortgaged collectively represent approximately 30% of our homebuyers' mortgages in the year ended December 31, 2019 and approximately 38% of our homebuyers' mortgages in the nine months ended September 30, 2020, any limitations or restrictions in the availability of, or higher consumer costs for, such government-backed financing could adversely affect our business, prospects, liquidity, financial condition and results of operations. The elimination or curtailment of state bonds to assist homebuyers could materially and adversely affect our business, prospects, liquidity, financial condition and results of operations.

In addition, certain current regulations impose, and future regulations may strengthen or impose new, standards and requirements relating to the origination, securitization and servicing of residential consumer mortgage loans, which could further restrict the availability and affordability of mortgage loans and the demand for such loans by financial intermediaries and, as a result, adversely affect our home sales, financial condition

and results of operations. Further, if, due to credit or consumer lending market conditions, reduced liquidity, increased risk retention or minimum capital level obligations and/or regulatory restrictions related to certain regulations, laws or other factors or business decisions, these lenders refuse or are unable to provide mortgage loans to our homebuyers, or increase the costs to borrowers to obtain such loans, the number of homes we close and our business, prospects, liquidity, financial condition and results of operations may be materially adversely affected.

Entry-level and first-time move-up homebuyers are the primary sources of demand for our new homes. Entry-level homebuyers are generally more affected by the availability of mortgage financing than other potential homebuyers and many of our potential move-up homebuyers must sell their existing homes in order to buy a home from us. A limited availability of suitable mortgage financing could prevent customers from buying our homes and could prevent buyers of our customers' homes from obtaining mortgages they need to complete such purchase, either of which could result in potential customers' inability to buy a home from us. If potential customers or the buyers of our customers' current homes are not able to obtain suitable financing, the result could have a material adverse effect on our sales, profitability, ability to service our debt obligations and future cash flows.

Interest rate changes, and the failure to hedge against them, may adversely affect us.

We have in the past and may in the future borrow money to finance acquisitions related to land, lots, home inventories or other companies. The borrowings may bear interest at variable rates. Interest rate changes could affect our interest payments, and our future earnings, results of operations and cash flows may be adversely affected, assuming other factors are held constant.

We currently do not hedge against interest rate fluctuations. We may in the future obtain one or more forms of interest rate protection in the form of swap agreements, interest rate cap contracts or similar agreements to hedge against the possible negative effects of interest rate fluctuations. However, we cannot assure you that any hedging will adequately relieve the adverse effects of interest rate increases or that counterparties under these agreements will honor their obligations thereunder. In addition, we may be subject to risks of default by hedging counterparties. Adverse economic conditions could also cause the terms on which we borrow to be unfavorable. We could be required to liquidate one or more of our assets at times which may not permit us to receive an attractive return on our assets in order to meet our debt service obligations.

The housing market may not continue to grow at the same rate, or may decline, and any decline in our markets or for the homebuilding industry generally may materially and adversely affect our business and financial condition.

We cannot predict whether and to what extent the housing markets in the geographic areas in which we operate will continue to grow, particularly if interest rates for mortgage loans, land costs and construction costs rise. Other factors that might impact growth in the homebuilding industry include uncertainty in domestic and international financial, credit and consumer lending markets amid slow economic growth or recessionary conditions in various regions or industries around the world, including as a result of the COVID-19 pandemic, tight lending standards and practices for mortgage loans that limit consumers' ability to qualify for mortgage financing to purchase a home, including increased minimum credit score requirements, credit risk/mortgage loan insurance premiums and/or other fees and required down payment amounts, higher home prices, more conservative appraisals, changing consumer preferences, higher loan-to-value ratios and extensive buyer income and asset documentation requirements, changes to mortgage regulations, population decline or slower rates of population growth in our markets or Federal Reserve policy changes. Given these factors, we can provide no assurance that the present housing market will continue to be strong, whether overall or in our markets. Because we depend on a limited number of markets for substantially all of our home sales, if these markets experience downturns in the housing market, our business, prospects and results of operations would be adversely impacted even if conditions in the broader economy or housing market did not suffer such a decline.

If there is limited economic growth, declines in employment and consumer income, changes in consumer behavior, including as a result of the COVID-19 pandemic, and/or tightening of mortgage lending standards, practices and regulation in the geographic areas in which we operate, or if interest rates for mortgage loans or

home prices rise, there could likely be a corresponding adverse effect on our business, prospects, liquidity, financial condition and results of operations, including, but not limited to, the number of homes we sell, our average sales price of homes closed and the amount of revenues or profits we generate, and such effect may be material.

Regional factors affecting the homebuilding industry in our current markets could materially and adversely affect us.

Our business strategy is focused on the acquisition of suitable land and the design, construction and sale of primarily single-family homes in residential subdivisions, including planned communities, in Florida, Texas, Colorado, Georgia, the Washington D.C. metropolitan area, South Carolina and, following the consummation of the H&H Acquisition, North Carolina. In addition, we have land purchase contracts for the right to purchase land or lots at a future point in time in all of these areas. A prolonged economic downturn in the future in one or more of these areas, or a particular industry that is fundamental to one or more of these areas, particularly within Florida, our largest market, could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations. To the extent the oil and gas industry, which can be very volatile, is negatively impacted by declining commodity prices, climate change, legislation or other factors, a result could be a reduction in employment or other negative economic consequences, which in turn could adversely impact our home sales and activities in Austin, Texas and Denver, Colorado.

Moreover, certain insurance companies doing business in Florida and Texas have restricted, curtailed or suspended the issuance of homeowners' insurance policies on single-family homes. This has both reduced the availability of hurricane and other types of natural disaster insurance in Florida and Texas, in general, and increased the cost of such insurance to prospective purchasers of homes in Florida and Texas. Mortgage financing for a new home is conditioned, among other things, on the availability of adequate homeowners' insurance. There can be no assurance that homeowners' insurance will be available or affordable to prospective purchasers of our homes offered for sale in the Florida and Texas markets. Long-term restrictions on, or unavailability of, homeowners' insurance in the Florida and Texas markets could have an adverse effect on the homebuilding industry in such markets in general, and on our business within such markets in particular. Additionally, the availability of permits for new homes in new and existing developments has been adversely affected by the significantly limited capacity of the schools, roads and other infrastructure in such markets.

If adverse conditions in these markets develop in the future, it could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations. Furthermore, if buyer demand for new homes in these markets decreases, home prices could decline, which would have a material adverse effect on our business.

The homebuilding industry is highly competitive and, if our competitors are more successful or offer better value to our customers, our business could decline.

We operate in a very competitive environment that is characterized by competition from a number of other homebuilders and land developers in each market in which we operate. Additionally, there are relatively low barriers to entry into our business. We compete with large national and regional homebuilding companies, some of which have greater financial and operational resources than us, and with smaller local homebuilders and land developers, some of which may have lower administrative costs than us. We may be at a competitive disadvantage with regard to certain of our large national and regional homebuilding competitors whose operations are more geographically diversified than ours, as these competitors may be better able to withstand any future regional downturns in the housing market. Furthermore, our market share in certain of our markets may be lower as compared to some of our competitors. Many of our competitors also have longer operating histories and longstanding relationships with subcontractors and suppliers in the markets in which we operate or to which we may expand. This may give our competitors an advantage in marketing their products, securing materials and labor at lower prices and allowing their homes to be delivered to customers more quickly and at more favorable prices. We compete for, among other things, homebuyers, desirable land parcels, financing, raw materials and skilled management and labor resources. Our competitors may independently develop land and construct homes that are substantially similar to our products.

Increased competition could hurt our business, as it could prevent us from acquiring attractive land parcels on which to build homes or make such acquisitions more expensive, hinder our market share expansion and

cause us to increase our selling incentives and reduce our prices. An oversupply of homes available for sale or discounting of home prices could periodically adversely affect demand for our homes in certain markets and could adversely affect pricing for homes in the markets in which we operate.

If we are unable to compete effectively in our markets, our business could decline disproportionately to our competitors, and our results of operations and financial condition could be adversely affected. We can provide no assurance that we will be able to continue to compete successfully in any of our markets. Our inability to continue to compete successfully in any of our markets could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations.

Any limitation on, or reduction or elimination of, tax benefits associated with homeownership would have an adverse effect upon the demand for homes, which could be material to our business.

While tax laws generally permit significant expenses associated with homeownership, primarily mortgage interest expense and real estate taxes, to be deducted for the purpose of calculating an individual's federal and, in many cases, state taxable income, the ability to deduct mortgage interest expense and real estate taxes for federal income tax purposes is limited. The federal government or a state government may change its income tax laws by eliminating, limiting or substantially reducing these income tax benefits without offsetting provisions, which may increase the after-tax cost of owning a new home for many of our potential homebuyers. For example, the Tax Cuts and Jobs Act, which became effective January 1, 2018, contained substantial changes to the Internal Revenue Code of 1986, as amended (the "Code"), including (i) limitations on the ability of our homebuyers to deduct property taxes, (ii) limitations on the ability of our homebuyers to deduct mortgage interest and (iii) limitations on the ability of our homebuyers to deduct state and local income taxes. Any further future changes may have an adverse effect on the homebuilding industry in general. For example, the further loss or reduction of homeowner tax deductions could decrease the demand for new homes. Any such future changes could also have a material adverse impact on our business, prospects, liquidity, financial condition and results of operations.

Federal income tax credits currently available to certain builders of energy-efficient new homes may not be extended by future legislation.

On December 21, 2020, the U.S. Congress passed the Taxpayer Certainty and Disaster Tax Relief Act of 2020, which President Trump signed into law on December 27, 2020. Such act extended the availability of Code Section 45L credit for energy-efficient new homes (the "Federal Energy Credits"), which provides a tax credit of $2,000 per qualifying home to eligible homebuilders, and made the Federal Energy Credits available for homes delivered through December 31, 2021. Legislation to extend the Federal Energy Credits beyond December 31, 2021 has not been adopted, and it is uncertain whether an extension or similar tax credit will be adopted in the future. For the year ended December 31, 2019, we claimed $3.5 million of Federal Energy Credits. If legislation to extend the Federal Energy Credits for periods after December 31, 2021 is not adopted, our effective income tax rates in future periods may increase, potentially materially.

Fluctuations in real estate values may require us to write-down the book value of our real estate assets.

The homebuilding and land development industries are subject to significant variability and fluctuations in real estate values. As a result, we may be required to write-down the book value of our real estate assets in accordance with GAAP, and some of those write-downs could be material. Any material write-downs of assets could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations.

Any future government shutdowns or slowdowns may materially adversely affect our business or financial results.

Any future government shutdowns or slowdowns may materially adversely affect our business or financial results. We can make no assurances that potential home closings affected by any such shutdown or slowdown will occur after the shutdown or slowdown has ended.

Natural disasters, severe weather and adverse geologic conditions may increase costs, cause project delays and reduce consumer demand for housing, all of which could materially and adversely affect us.

Our homebuilding operations are located in many areas that are subject to natural disasters, severe weather or adverse geologic conditions. These include, but are not limited to, hurricanes, tornadoes, droughts, floods, brushfires, wildfires, prolonged periods of precipitation, landslides, soil subsidence, earthquakes and other natural

disasters. For example, we operate in a number of locations in the Mid-Atlantic and Southeast that were adversely impacted by severe weather conditions and hurricanes in 2017 and 2018. As a result, our operations in certain areas of Florida, Georgia and South Carolina experienced temporary disruptions and delays. Additionally, our corporate headquarters are located in Jacksonville, Florida, an area that is often impacted by severe weather events, and our operations may be substantially disrupted if our corporate headquarters are forced to close. The occurrence of any of these events could damage our land parcels and projects, cause delays in completion of our projects, reduce consumer demand for housing and cause shortages and price increases in labor or raw materials, any of which could affect our sales and profitability. In addition to directly damaging our land or projects, many of these natural events could damage roads and highways providing access to our assets or affect the desirability of our land or projects, thereby adversely affecting our ability to market homes or sell land in those areas and possibly increasing the costs of homebuilding completion. Furthermore, the occurrence of natural disasters, severe weather and other adverse geologic conditions has increased in recent years due to climate change and may continue to increase in the future. Climate change may have the effect of making the risks described above occur more frequently and more severely, which could amplify the adverse impact on our business, prospects, liquidity, financial condition and results of operations.

There are some risks of loss for which we may be unable to purchase insurance coverage. For example, losses associated with hurricanes, landslides, prolonged periods of precipitation, earthquakes and other weather-related and geologic events may not be insurable and other losses, such as those arising from terrorism, may not be economically insurable. A sizeable uninsured loss could materially and adversely affect our business, prospects, liquidity, financial condition and results of operations.

New and existing laws and regulations or other governmental actions may increase our expenses, limit the number of homes that we can build or delay completion of our projects.

We are subject to numerous local, state, federal and other statutes, ordinances, rules and regulations concerning zoning, development, building design, construction, accessibility, anti-discrimination and other matters, which, among other things, impose restrictive zoning and density requirements, the result of which is to limit the number of homes that can be built within the boundaries of a particular area. We may encounter issues with entitlement, not identify all entitlement requirements during the pre-development review of a project site or encounter zoning changes that impact our operations. Projects for which we have not received land use and development entitlements or approvals may be subjected to periodic delays, changes in use, less intensive development or elimination of development in certain specific areas due to government regulations. We may also be subject to periodic delays or may be precluded entirely from developing in certain communities due to building moratoriums or zoning changes. Such moratoriums generally relate to insufficient water supplies, sewage facilities, delays in utility hook-ups or inadequate road capacity within specific market areas or subdivisions. Local governments also have broad discretion regarding the imposition of development fees for projects in their jurisdiction. Projects for which we have received land use and development entitlements or approvals may still require a variety of other governmental approvals and permits during the development process and can also be impacted adversely by unforeseen health, safety and welfare issues, which can further delay these projects or prevent their development. As a result of any of these statutes, ordinances, rules or regulations, the timing of our home sales could be delayed, the number of our home sales could decline and/or our costs could increase, which could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations.

We and our subcontractors are subject to environmental, health and safety laws and regulations, which may increase our costs, result in liabilities, limit the areas in which we can build homes and delay completion of our projects.

We and our subcontractors are subject to a variety of local, state, federal and other environmental, health and safety laws, statutes, ordinances, rules and regulations, including those governing storm water and surface water management, discharge and releases of pollutants and hazardous materials into the environment, including air, groundwater, subsurface and soil, remediation activities, handling of hazardous materials such as asbestos, lead paint and mold, protection of wetlands, endangered plants and species and sensitive habitats and human health and safety. The particular environmental requirements that apply to any given site vary according to multiple factors, including the site's location and current and former uses, its environmental conditions, the presence or absence of endangered plants or species or sensitive habitats and environmental conditions at nearby

properties. There is no guarantee that we will be able to identify all of these considerations during any pre-acquisition or pre-development review of project sites or that such factors will not develop during our development and homebuilding activities. Environmental requirements and conditions may result in delays, may cause us to incur substantial compliance, remediation and other costs and can prohibit or severely restrict development and homebuilding activity in certain areas, including environmentally sensitive regions or areas contaminated by others before we commenced development. In addition, in those cases where an endangered or threatened plant or species is involved and agency rulemaking and litigation are ongoing, the outcome of such rulemaking and litigation can be unpredictable and, at any time, can result in unplanned or unforeseeable restrictions on, or the prohibition of development in, identified environmentally sensitive areas. In some instances, regulators from different governmental agencies do not concur on development, remedial standards or property use restrictions for a project, and the resulting delays or additional costs can be material for a given project.

Certain environmental laws and regulations also impose strict joint and several liability on former and current owners and operators of real property and in connection with third-party sites where parties have sent wastes. As a result, we may be held liable for environmental conditions we did not create on properties we currently or formerly owned or operated, including properties we have developed, or where we sent wastes. In addition, due to our wide range of historic and current ownership, operation, development, homebuilding and construction activities, we could be liable for future claims for damages as a result of the past or present use of hazardous materials, including building materials or fixtures known or suspected to contain hazardous materials, such as asbestos, lead paint and mold. A mitigation plan may be implemented during the construction of a home if a cleanup does not remove all contaminants of concern or to address a naturally occurring condition such as methane or radon. Some homebuyers may not want to purchase a home that is, or that may have been, subjected to a mitigation plan. In addition, we do not maintain separate insurance policies for claims related to hazardous materials, and insurance coverage for such claims under our general commercial liability insurance may be limited or nonexistent.

Pursuant to such environmental, health and safety laws, statutes, ordinances, rules and regulations, we are generally required to obtain permits and other approvals from applicable authorities to commence and conduct our development and homebuilding activities. These permits and other approvals may contain restrictions that are costly or difficult to comply with, or may be opposed or challenged by local governments, environmental advocacy groups, neighboring property owners or other interested parties, which, in turn, may result in delays, additional costs and risks of non-approval of our activities.

From time to time, the U.S. Environmental Protection Agency (the "EPA") and similar federal, state or local agencies review land developers' and homebuilders' compliance with environmental, health and safety laws, statutes, ordinance, rules and regulations, including those relating to the control of storm water discharges during construction. Failure to comply with such laws, statutes, ordinances, rules and regulations may result in civil and criminal fines and penalties, injunctions, suspension of our activities, remedial obligations, costs or liabilities, third-party claims for property or natural resource damages or personal injury, enforcement actions or other sanctions or in additional requirements for future compliance as a result of past failures. Any such actions taken with respect to us may increase our costs and result in project delays. We expect that increasingly stringent requirements will be imposed on land developers and homebuilders in the future. We cannot assure you that environmental, health and safety laws will not change or become more stringent in the future in a manner that would not have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations.

We have provided environmental indemnities to certain lenders and other parties. These indemnities obligate us to reimburse the indemnified parties for damages related to environmental matters, and, generally, there is no term or damage limitations on these indemnities.

Environmental laws and regulations relating to climate change and energy can have an adverse impact on our activities, operations and profitability and on the availability and price of certain raw materials, such as lumber, steel and concrete.

There is a growing concern from advocacy groups and the general public that the emissions of greenhouse gases and other human activities have caused, and will continue to cause, significant changes in weather patterns and temperatures and the frequency and severity of natural disasters. Government mandates, standards and regulations enacted in response to these projected climate change impacts and concerns could result in

restrictions on land development in certain areas or increased energy, transportation and raw material costs. A variety of new legislation has been and may, in the future, be enacted or considered for enactment at the federal, state and local levels relating to climate change and energy. This legislation could relate to, for example, matters such as greenhouse gas emissions control and building and other codes that impose energy efficiency standards or require energy saving construction materials. New building or other code requirements that impose stricter energy efficiency standards or requirements for building materials could significantly increase our cost to construct homes. As climate change concerns continue to grow, legislation, regulations, mandates, standards and other requirements of this nature are expected to continue to be enacted and become costlier for us to comply with. Similarly, energy-related initiatives affect a wide variety of companies throughout the United States, and, because our operations are heavily dependent on significant amounts of raw materials, such as lumber, steel and concrete, these initiatives could have an adverse impact on our operations and profitability to the extent the manufacturers and suppliers of our materials are burdened with expensive cap and trade or similar energy-related regulations or requirements.

Because of the seasonal nature of our business, our quarterly operating results fluctuate.

As discussed under "Management's Discussion and Analysis of Financial Condition and Results of Operations —Factors Affecting Our Results of Operations—Seasonality," we have historically experienced, and in the future expect to continue to experience, variability in our results of operations from quarter to quarter due to the seasonal nature of the homebuilding industry. We generally close more homes in our second, third and fourth quarters. Thus, our revenues may fluctuate on a quarterly basis, and we may have higher capital requirements in our second, third and fourth quarters in order to maintain our inventory levels. Accordingly, there is a risk that we will invest significant amounts of capital in the acquisition and development of land and construction of homes that we do not sell at anticipated pricing levels or within anticipated time frames. If, due to market conditions, construction delays or other causes, we do not complete home sales at anticipated pricing levels or within anticipated time frames, our business, prospects, liquidity, financial condition and results of operations would be adversely affected. We expect this seasonal pattern to continue over the long term, but we can make no assurances as to the degree to which our historical seasonal patterns will occur in the future.

Changes to population growth rates in certain of the markets in which we operate or plan to operate could affect the demand for homes in these regions.

Slower rates of population growth or population declines in our markets in Jacksonville, Orlando, Colorado and Austin, or other key markets in the United States that we may decide to enter in the future, especially as compared to the high population growth rates in prior years, could affect the demand for housing, cause home prices in these markets to fall and adversely affect our plans for growth, business, financial condition and operating results. Furthermore, while we have recently observed an increase in our business as a result of people moving to the suburbs during the COVID-19 pandemic, we cannot assure you that this trend will continue or not reverse.

Volatility in the credit and capital markets may impact our cost of capital and our ability to access necessary financing and the difficulty in obtaining sufficient capital could prevent us from acquiring lots for our development or increase costs and delays in the completion of our homebuilding expenditures.

If we require working capital greater than that provided by our operations and our credit facilities, we may be required to seek to increase the amount available under the facilities or to seek alternative financing, which might not be available on terms that are favorable or acceptable. If we are required to seek financing to fund our working capital requirements, volatility in credit or capital markets may restrict our flexibility to successfully obtain additional financing on terms acceptable to us, or at all. If we are at any time unsuccessful in obtaining sufficient capital to fund our planned homebuilding expenditures, we may experience a substantial delay in the completion of homes then under construction, or we may be unable to control or purchase finished building lots. Any delay could result in cost increases and could have a material adverse effect on our sales, profitability, stock performance, ability to service our debt obligations and future cash flows. Historically, we have supported our ongoing operations through the use of secured debt financing. In connection with this offering, we expect to pursue new lending arrangements, including a new syndicated, unsecured revolving credit facility. Another source of liquidity includes our ability to use letters of credit and surety bonds that are generally issued. These letters of credit and surety bonds relate to certain performance-related obligations and serve as security for certain land

option contracts. The majority of these letters of credit and surety bonds are in support of our land development and construction obligations to various municipalities, other government agencies and utility companies related to the construction of roads, sewers and other infrastructure. At September 30, 2020, we had outstanding letters of credit and surety bonds totaling $0.5 million and $19.0 million, respectively. These letters of credit and surety bonds are generally subject to certain financial covenants and other limitations. If we are unable to obtain letters of credit or surety bonds when required, or the conditions imposed by issuers increase significantly, our liquidity and results of operations could be adversely affected.

Our industry is cyclical and adverse changes in general and local economic conditions could reduce the demand for homes and, as a result, could have a material adverse effect on us.

Our business can be substantially affected by adverse changes in general economic or business conditions that are outside of our control, including changes in short-term and long-term interest rates; employment levels and job and personal income growth; housing demand from population growth, household formation and other demographic changes, among other factors; availability and pricing of mortgage financing for homebuyers; consumer confidence generally and the confidence of potential homebuyers in particular; consumer spending; financial system and credit market stability; private party and government mortgage loan programs (including changes in FHA, USDA, VA, Fannie Mae and Freddie Mac conforming mortgage loan limits, credit risk/mortgage loan insurance premiums and/or other fees, down payment requirements and underwriting standards), and federal and state regulation, oversight and legal action regarding lending, appraisal, foreclosure and short sale practices; federal and state personal income tax rates and provisions, including provisions for the deduction of mortgage loan interest payments, real estate taxes and other expenses; supply of and prices for available new or resale homes (including lender-owned homes) and other housing alternatives, such as apartments, single-family rentals and other rental housing; homebuyer interest in our current or new product designs and new home community locations; general consumer interest in purchasing a home compared to choosing other housing alternatives; interest of financial institutions or other businesses in purchasing wholesale homes; and real estate taxes. Adverse changes in these conditions may affect our business nationally or may be more prevalent or concentrated in particular submarkets in which we operate. Inclement weather, natural disasters (such as earthquakes, hurricanes, tornadoes, floods, prolonged periods of precipitation, droughts and fires), other calamities and other environmental conditions can delay the delivery of our homes and/or increase our costs. Civil unrest or acts of terrorism can also have a negative effect on our business. If the homebuilding industry experiences another significant or sustained downturn, it would materially adversely affect our business and results of operations in future years.

The potential difficulties described above can cause demand and prices for our homes to fall or cause us to take longer and incur more costs to develop the land and build our homes. We may not be able to recover these increased costs by raising prices because of market conditions. The potential difficulties described above could also lead some homebuyers to cancel or refuse to honor their home purchase contracts altogether.

Inflation could adversely affect our business and financial results.

Inflation could adversely affect our business and financial results by increasing the costs of land, raw materials and labor needed to operate our business. If our markets have an oversupply of homes relative to demand, we may be unable to offset any such increases in costs with corresponding higher sales prices for our homes. Inflation may also accompany higher interest rates, which could adversely impact potential customers' ability to obtain financing on favorable terms, thereby further decreasing demand. If we are unable to raise the prices of our homes to offset the increasing costs of our operations, our margins could decrease. Furthermore, if we need to lower the price of our homes to meet demand, the value of our land inventory may decrease. Inflation may also raise our costs of capital and decrease our purchasing power, making it more difficult to maintain sufficient funds to operate our business.

Difficulties with appraisal valuations in relation to the proposed sales price of our homes could force us to reduce the price of our homes for sale.

Each of our home sales may require an appraisal of the home value before closing. These appraisals are professional judgments of the market value of the property and are based on a variety of market factors. If our internal valuations of the market and pricing do not line up with the appraisal valuations, and appraisals are not at or near the agreed upon sales price, we may be forced to reduce the sales price of the home to complete the sale. These appraisal issues could have a material adverse effect on our business and results of operations.

If the market value of our inventory or controlled lot position declines, our profits could decrease and we may incur losses.

Inventory risk can be substantial for homebuilders. The market value of building lots and housing inventories can fluctuate significantly as a result of changing market conditions. In addition, inventory carrying costs can be significant and can result in losses in a poorly performing community or market. We must continuously seek and make acquisitions of lots for expansion into new markets, as well as for replacement and expansion within our current markets, which we generally accomplish by entering into finished lot option contracts or land bank option contracts. In the event of adverse changes in economic, market or community conditions, we may cease further building activities in certain communities, restructure existing land purchase option contracts or elect not to exercise our land purchase options. Such actions would result in our forfeiture of some or all of any deposits, fees or investments paid or made in respect of such arrangements. The forfeiture of land contract deposits or inventory impairments may result in a loss that could have a material adverse effect on our profitability, stock performance, ability to service our debt obligations and future cash flows.

A major health and safety incident relating to our business could be costly in terms of potential liabilities and reputational damage.

Building sites are inherently dangerous, and operating in the homebuilding and land development industry poses certain inherent health and safety risks. Due to health and safety regulatory requirements and the number of projects we work on, health and safety performance is critical to the success of all areas of our business.

Any failure in health and safety performance may result in penalties for non-compliance with relevant regulatory requirements or litigation, and a failure that results in a major or significant health and safety incident is likely to be costly in terms of potential liabilities incurred as a result. Such a failure could generate significant negative publicity and have a corresponding impact on our reputation and our relationships with relevant regulatory agencies, governmental authorities and local communities, which in turn could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations.

Strategic Risks Related to Our Business

We cannot make any assurances that our growth or expansion strategies will be successful, and we may incur a variety of costs to engage in such strategies, including through targeted acquisitions, and the anticipated benefits may never be realized.

We have expanded our business through selected investments in new geographic markets and by diversifying our products in certain markets. Investments in land, developed lots and home inventories can expose us to risks of economic loss and inventory impairments if housing conditions weaken or we are unsuccessful in implementing our growth strategies. Our long-term success and growth strategies depend in part upon continued availability of suitable land at acceptable prices. The availability of land, lots and home inventories for purchase at favorable prices depends on a number of factors outside of our control. We may compete for available land with entities that possess significantly greater financial, marketing and other resources. In addition, some state and local governments in markets where we operate have approved, and others may approve, slow-growth or no-growth initiatives and other ballot measures that could negatively impact the availability of land and building opportunities within those areas. Approval of these initiatives could adversely affect our ability to build and sell homes in the affected markets and/or could require the satisfaction of additional administrative and regulatory requirements, which could result in slowing the progress or increasing the costs of our homebuilding operations in these markets. Finally, our ability to begin new projects could be negatively impacted if we elect not to purchase land under our land banking option contracts.

We intend to grow our operations in existing markets, and we may expand into new markets or pursue opportunistic purchases of other homebuilders on attractive terms as, and if, such opportunities arise. We may be unable to achieve the anticipated benefits of any such growth or expansion, including through targeted acquisitions or through efficiencies that we may be unable to achieve, the anticipated benefits may take longer to realize than expected, or we may incur greater costs than expected in attempting to achieve the anticipated benefits. In such cases, we will likely need to employ additional personnel or consultants that are knowledgeable about such markets. There can be no assurance that we will be able to employ or retain the necessary personnel

to successfully implement a disciplined management process and culture with local management, that our expansion operations will be successful or that we will be able to successfully integrate any acquired homebuilder. This could disrupt our ongoing operations and divert management resources that would otherwise focus on developing our existing business.

We may develop communities in which we build townhomes in addition to single-family homes or sell homes to investors or portfolio management companies. We can give no assurance that we will be able to successfully identify, acquire or implement these new strategies in the future. Accordingly, any such expansion, including through acquisitions, could expose us to significant risks beyond those associated with operating our existing business and may adversely affect our business, prospects, liquidity, financial condition and results of operations.

We may not be able to complete or successfully integrate our recent acquisitions or any potential future acquisitions.

From time-to-time, we may evaluate possible acquisitions, some of which may be material. For example, in May 2019, we acquired Village Park Homes, in October 2020, we acquired H&H Homes, and, in November 2020, we entered into the Century Purchase Agreement, in each case to significantly expand our presence in new and existing geographic markets. See "Prospectus Summary—Recent Developments—H&H Acquisition" and "Prospectus Summary—Recent Developments—Agreement to Acquire Regional Orlando Homebuilder" in this prospectus for additional information. These and potential future acquisitions may pose significant risks to our existing operations if they cannot be successfully integrated. These acquisitions would place additional demands on our managerial, operational, financial and other resources and create operational complexity requiring additional personnel and other resources. In addition, we may not be able to successfully finance or integrate H&H Homes or any businesses that we acquire. Furthermore, the integration of any acquisition may divert management's time and resources from our core business and disrupt our operations. Moreover, even if we were successful in integrating newly acquired businesses or assets, expected synergies or cost savings may not materialize, resulting in lower than expected benefits to us from such transactions. We may spend time and money on projects that do not increase our revenue. Additionally, when making acquisitions, it may not be possible for us to conduct a detailed investigation of the nature of the business or assets being acquired due to, for instance, time constraints in making the decision and other factors. We may become responsible for additional liabilities or obligations not foreseen at the time of an acquisition. To the extent we pay the purchase price of an acquisition in cash, such an acquisition would reduce our cash reserves, and, to the extent the purchase price of an acquisition is paid with our stock, such an acquisition could be dilutive to our stockholders. To the extent we pay the purchase price of an acquisition with proceeds from the incurrence of debt, such an acquisition would increase our level of indebtedness and could negatively affect our liquidity and restrict our operations. Further, to the extent that purchase price of an acquisition is paid in the form of an earn out on future financial results, the success of such an acquisition will not be fully realized by us for a period of time as it is shared with the sellers. All of the above risks could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations.

We may not consummate the acquisition of Century LLC, which could negatively affect the trading price of our Class A common stock and our future business and financial results.

In November 2020, we entered into the Century Purchase Agreement. See "Prospectus Summary—Recent Developments—Agreement to Acquire Regional Orlando Homebuilder." Completion of the acquisition of Century LLC is subject to a number of risks and uncertainties, and we can provide no assurance that the various closing conditions to the Century Purchase Agreement will be satisfied or waived. In addition, satisfying the closing conditions to the Century Purchase Agreement may take longer than we expect. The occurrence of any of these events individually or in combination could negatively affect the trading price of our Class A common stock and our future business and financial results.

We may experience difficulties in integrating the operations of H&H Homes into our business and in realizing the expected benefits of the H&H Acquisition.

The success of the H&H Acquisition will depend in part on our ability to realize the anticipated business opportunities from combining the operations of H&H Homes with our business in an efficient and effective manner. The integration process could take longer than anticipated and could result in the loss of key employees,

the disruption of each company's ongoing businesses, tax costs or inefficiencies or inconsistencies in standards, controls, IT systems, procedures and policies, any of which could adversely affect our ability to maintain relationships with customers, employees or other third parties, or our ability to achieve the anticipated benefits of the H&H Acquisition, and could harm our financial performance. If we are unable to successfully or timely integrate the operations of H&H Homes with our business, we may incur unanticipated liabilities and be unable to realize the revenue growth, synergies and other anticipated benefits resulting from the H&H Acquisition, and our business, results of operations and financial condition could be materially and adversely affected.

We have incurred significant costs in connection with the H&H Acquisition. The substantial majority of these costs are non-recurring expenses related to the H&H Acquisition. These non-recurring costs and expenses are not reflected in the unaudited pro forma consolidated financial data included in this prospectus. We may incur additional costs in the integration of H&H Homes and may not achieve cost synergies and other benefits sufficient to offset the incremental costs of the H&H Acquisition.

Risks Related to Our Organization and Structure

We are a holding company, and we are accordingly dependent upon distributions from our subsidiaries to pay dividends, if any, taxes and other expenses.

We are a holding company and will have no material assets other than our ownership of equity interests in our subsidiaries. We have no independent means of generating revenue. Substantially all of our assets are held through subsidiaries of our predecessor, DFH LLC. DFH LLC's cash flow is dependent on cash distributions from its subsidiaries, and, in turn, substantially all of our cash flow is dependent on cash distributions from DFH LLC. The creditors of each of our direct and indirect subsidiaries are entitled to payment of that subsidiary's obligations to them, when due and payable, before distributions may be made by that subsidiary to its equity holders.

Therefore, DFH LLC's ability to make distributions to us and to the holders of the Series B preferred units and the Series C preferred units of DFH LLC depends on its subsidiaries' ability first to satisfy their obligations to their creditors and then to make distributions to DFH LLC. We intend to cause DFH LLC to make distributions to us in an amount sufficient to cover our expenses, all applicable taxes payable and dividends, if any, declared by us. The holders of the Series B preferred units and the Series C preferred units of DFH LLC are entitled to receive preferred distributions from DFH LLC before payment of distributions to us. Thus, our ability to cover our expenses, all applicable taxes payable and dividends, if any, declared by us depends on DFH LLC's ability first to satisfy its obligations to its creditors and make distributions to holders of the Series B preferred units and the Series C preferred units of DFH LLC and then to us.

In addition, our participation in any distribution of the assets of any of our direct or indirect subsidiaries upon any liquidation, reorganization or insolvency is only after the claims of such subsidiaries' creditors, including trade creditors and preferred unitholders, are satisfied. As of September 30, 2020, the aggregate liquidation preference of the Series B preferred units and the Series C preferred units of DFH LLC is $36.0 million.

Furthermore, our future financing arrangements may contain negative covenants, limiting the ability of our subsidiaries to declare or pay dividends or make distributions. To the extent that we need funds, and our subsidiaries are restricted from declaring or paying such dividends or making such distributions under applicable law or regulations, or otherwise unable to provide such funds, for example, due to restrictions in future financing arrangements that limit the ability of our operating subsidiaries to distribute funds, our liquidity and financial condition could be materially harmed.

We depend on key management personnel and other experienced employees.

Our success depends to a significant degree upon the contributions of certain key management personnel, including, but not limited to, Patrick Zalupski, our founder, President, Chief Executive Officer and Chairman of our board of directors. Although we have entered into an employment agreement with Mr. Zalupski, there is no guarantee that Mr. Zalupski will remain employed by us. Our ability to retain our key management personnel or to attract suitable replacements should any members of our management team leave is dependent on the competitive nature of the employment market. The loss of services from key management personnel or a limitation in their availability could materially and adversely impact our business, prospects, liquidity, financial

condition and results of operations. Further, such a loss could be negatively perceived in the capital markets. We have not obtained key man life insurance that would provide us with proceeds in the event of the death or disability of any of our key management personnel.

Experienced employees in the homebuilding, land acquisition, development and construction industries are fundamental to our ability to generate, obtain and manage opportunities. In particular, local knowledge and relationships are critical to our ability to source attractive land acquisition opportunities. Experienced employees working in the homebuilding, development and construction industries are highly sought after. Failure to attract and retain such personnel or to ensure that their experience and knowledge is not lost when they leave the business through retirement, redundancy or otherwise may adversely affect the standards of our service and may have an adverse impact on our business, prospects, liquidity, financial condition and results of operations.

Our current financing arrangements contain, and our future financing arrangements likely will contain, restrictive covenants.

Our current financing agreements contain, and the financing arrangements we enter into in the future likely will contain, covenants that limit our ability to do certain things. Our existing vertical construction lines of credit facilities contain covenants that, among other restrictions, limit the amount of our additional debt and our ability to make certain investments. In connection with this offering, or shortly thereafter, we intend to replace all of our vertical construction lines of credit facilities with a syndicated, unsecured revolving credit facility, which we expect will contain covenants that, among other things, require that we (i) maintain a maximum debt ratio of 65.0% in the first year, 62.5% in the second year and 60.0% thereafter; (ii) maintain an interest coverage ratio of 2.0 to 1.0; (iii) maintain a minimum liquidity equal to the ratio of (A) the sum of (1) unrestricted cash and (2) the amount immediately available but not yet drawn on the new credit facility and (B) interest incurred by us, of not less than 1.0 to 1.0; (iv) maintain a minimum tangible net worth equal to the sum of (A) 75% of the tangible net worth as of the last fiscal quarter prior to the closing date of the new credit facility, (B) 50% of net income from the last fiscal quarter prior to the closing date of the new credit facility and (C) 50% of net proceeds received from all equity issuances after the closing date of the new credit facility; (v) maintain a maximum risks assets ratio of (A) the sum of the GAAP net book value for all finished lots, lots under development, unentitled land and land held for future development to (B) tangible net worth, of no greater than 1.0 to 1.0; (vi) not allow aggregate investments in unconsolidated affiliates to exceed 15% of tangible net worth, as of the last day of any fiscal quarter; and (vii) may not incur indebtedness other than (A) the obligations under the new credit facility, (B) non-recourse indebtedness in an amount not to exceed 15% of tangible net worth, (C) our PPP Loan, (D) operating lease liabilities, finance lease liabilities and purchase money obligations for fixed or capital assets not to exceed $5.0 million in the aggregate, (E) indebtedness of financial services subsidiaries and variable interest entities and (F) indebtedness under hedge contracts entered into for purposes other than for speculative purposes. The actual terms of our new credit facility may vary from those described above.

If we fail to meet or satisfy any of these provisions, we would be in default under such financing agreement and our lenders could elect to declare outstanding amounts due and payable and terminate their commitments. A default also could limit significantly our financing alternatives, which could cause us to curtail our investment activities and/or dispose of assets when we otherwise would not choose to do so. In addition, future indebtedness we obtain may contain financial covenants limiting our ability to, for example, incur additional indebtedness, make certain investments, reduce liquidity below certain levels and pay dividends to our stockholders and otherwise affect our operating policies. If we default on one or more of our debt agreements, it could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations.

Changes in the method of determining LIBOR, or the replacement of LIBOR with an alternative reference rate, may adversely affect interest expense related to outstanding debt.

Borrowings under our existing vertical construction lines of credit facilities bear interest at the London Interbank Offered Rate (“LIBOR”) plus an applicable margin. On July 27, 2017, the Financial Conduct Authority in the United Kingdom, which regulates LIBOR, announced that it intends to phase out LIBOR as a benchmark by the end of 2021. It is unclear whether new methods of calculating LIBOR will be established such that it continues to exist after 2021. Our existing vertical construction lines of credit facilities, which, at the present time, have terms that extends beyond 2021, provide for a mechanism to amend such financing agreements to reflect the establishment of an alternate rate of interest upon the occurrence of certain events

related to the phase-out of any applicable interest rate. However, we have not yet pursued any amendments or other contractual alternatives to address this matter and are currently evaluating the potential impact of the eventual replacement of LIBOR on our existing vertical construction lines of credit facilities. In addition, the overall financial markets may be disrupted as a result of the phase-out or replacement of LIBOR. Uncertainty as to the nature of such potential phase-out and alternative reference rates or disruption in the financial market could have a material adverse effect on our cost of capital, financial condition, cash flows and results of operations.

Interest expense on debt we incur may limit our cash available to fund our growth strategies.

As of September 30, 2020, we had total outstanding borrowings of $251.2 million under our existing vertical construction lines of credit facilities, and we could borrow an additional $249.0 million under such financing arrangements. As of September 30, 2020, borrowings under the various financing agreements bore interest at rates ranging from 3.0% plus 30-day LIBOR to 9.5% per annum. In connection with this offering, or shortly thereafter, we intend to replace all of our vertical construction lines of credit facilities with a syndicated, unsecured revolving credit facility, with an expected borrowing base of $450.0 million and an accordion feature that allows the facility to expand to a borrowing base of up to $750.0 million. The new facility is expected to bear interest at rates ranging from 3.50% to 4.50%, depending upon our debt to capitalization ratio. In addition, as of September 30, 2020, we had outstanding $11.0 million aggregate principal amount of non-recourse notes payable in relation to projects in our joint venture arrangements, which bear interest at rates ranging from 5.0% to 12.5%, and $7.2 million Paycheck Protection Program loan. If our operations do not generate sufficient cash from operations at levels currently anticipated, we may seek additional capital in the form of debt financing. Our current indebtedness includes, and any additional indebtedness we subsequently incur may have, a floating rate of interest. Higher interest rates could increase debt service requirements on our current floating rate indebtedness, and on any floating rate indebtedness we subsequently incur, and could reduce funds available for operations, future business opportunities or other purposes. If we need to repay existing indebtedness during periods of rising interest rates, we could be required to refinance our then-existing indebtedness on unfavorable terms or liquidate one or more of our assets to repay such indebtedness at times that may not permit realization of the maximum return on such assets and could result in a loss. The occurrence of either such event or both could materially and adversely affect our cash flows and results of operations.

We have identified material weaknesses in our internal control over financial reporting. If our remediation of these material weaknesses is not effective, or if we identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our Class A common stock.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. As of December 31, 2019, our management has determined that the following control deficiencies constitute material weaknesses.

We did not document the design or operation of an effective control environment commensurate with the financial reporting requirements of an SEC registrant. Specifically, we did not design and maintain adequate formal documentation of certain policies and procedures, controls over the segregation and duties within our financial reporting function and the preparation and review of journal entries. In addition, we did not design or maintain effective control activities that contributed to the following additional material weaknesses:

- We did not design control activities to adequately address identified risks, evidence of performance, or operate at a sufficient level of precision that would identify material misstatements to our financial statements.
- We did not design and maintain effective controls over certain IT general controls for information systems that are relevant to the preparation of our consolidated financial statements. Specifically, we did not design and maintain:
    - program change management controls to ensure that IT program and data changes affectingfinancial IT applications and underlying accounting records are identified, tested, authorized and implemented appropriately;

- user access controls to ensure appropriate segregation of duties and that adequately restrict userand privileged access to financial applications, programs and data to appropriate Company personnel;
- computer operations controls to ensure that critical batch jobs are monitored and data backups are authorized and monitored; and
- testing and approval controls for program development to ensure that new software development is aligned with business and IT requirements.

These IT deficiencies did not result in a material misstatement in our financial statements; however, the deficiencies, when aggregated, could impact maintaining effective segregation of duties, as well as the effectiveness of IT-dependent controls (such as automated controls that address the risk of material misstatement to one or more assertions, along with the IT controls and underlying data that support the effectiveness of system-generated data and reports) that could result in misstatements potentially impacting all financial statement accounts and disclosures that would not be prevented or detected. Accordingly, management has determined that these deficiencies in the aggregate constitute a material weakness.

Each of the above material weaknesses did not result in material misstatements in our financial statements; however, they could result in misstatements of our account balances or disclosures that would result in material misstatements of our annual or interim financial statements that would not be prevented or detected.

We are in the process of taking steps intended to address the underlying causes of the control deficiencies in order to remediate the material weaknesses. Our efforts to date have included: (i) formalization of our remediation plan and timelines to fully address the control deficiencies and segregation of duties controls and (ii) development of formal policies around general computer controls, including scheduled formal trainings prior to implementation of an IT general controls framework that addresses risks associated with user access and security, application change management and IT operations to help sustain effective control operations and comprehensive remediation efforts relating to strengthen user access controls and security.

While we believe these efforts will improve our internal controls and address the underlying causes of the material weaknesses, such material weaknesses will not be remediated until our remediation plan has been fully implemented, and we have concluded that our controls are operating effectively for a sufficient period of time.

We cannot be certain that the steps we are taking will be sufficient to remediate the control deficiencies that led to our material weaknesses in our internal control over financial reporting or prevent future material weaknesses or control deficiencies from occurring. In addition, we cannot be certain that we have identified all material weaknesses in our internal control over financial reporting or that in the future we will not have additional material weaknesses in our internal control over financial reporting.

In addition, neither our management nor an independent registered public accounting firm has performed an evaluation of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act because no such evaluation has been required. Had we or our independent registered public accounting firm performed an evaluation of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act, additional material weaknesses may have been identified. If we fail to effectively remediate the material weaknesses in our internal control over financial reporting, or if we identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls when required to do so in the future, we may be unable to accurately or timely report our financial condition or results of operations. In addition, if we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, when required, investors may lose confidence in the accuracy and completeness of our financial reports, we may face restricted access to the capital markets and our stock price could be adversely affected.

Risks Related to this Offering and Ownership of Our Class A Common Stock

There is currently no public market for shares of our Class A common stock, a trading market for our Class A common stock may never develop following this offering and our Class A common stock price may be volatile and could decline substantially following this offering.

Prior to this offering, there has been no market for shares of our Class A common stock. Although we have applied to list the shares of our Class A common stock on the Nasdaq Global Select Market, an active trading market for the shares of our Class A common stock may never develop, or if one develops, it may not be sustained following this offering. Accordingly, no assurance can be given as to the following:

- the likelihood that an active trading market for shares of our Class A common stock will develop or be sustained,
- the liquidity of any such market,
- the ability of our stockholders to sell their shares of Class A common stock or
- the price that our stockholders may obtain for their Class A common stock.
- If an active market does not develop or is not maintained, the market price of our Class A common stock may decline, and you may not be able to sell your shares of our Class A common stock. Even if an active trading market develops for our Class A common stock subsequent to this offering, the market price of our Class A common stock may be highly volatile and subject to wide fluctuations. Our financial performance, government regulatory action, tax laws, interest rates and market conditions in general could have a significant impact on the future market price of our Class A common stock.
- Furthermore, in recent years, the stock market has experienced significant price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in our industry. The changes frequently appear to occur without regard to the operating performance of the affected companies. Hence, the price of our Class A common stock could fluctuate based upon factors that have little or nothing to do with our operations, and these fluctuations could materially reduce the price of our Class A common stock and materially affect the value of your investment in our Class A common stock.
- The requirements of being a public company, including compliance with the reporting requirements of the Exchange Act and the requirements of the Sarbanes-Oxley Act, may strain our resources, increase our costs and distract management, and we may be unable to comply with these requirements in a timely or cost-effective manner.
- As a public company, we will need to comply with new laws, regulations and requirements, certain corporate governance provisions of the Sarbanes-Oxley Act, related regulations of the SEC, including filing quarterly and annual financial statements, and the requirements of the Nasdaq, with which we are not required to comply as a private company. Complying with these statutes, regulations and requirements will occupy a significant amount of time of our board of directors and management and will significantly increase our costs and expenses. We will need to:
- institute a more comprehensive compliance function, including for financial reporting and disclosures;
- continue to prepare and distribute periodic public reports in compliance with our obligations under federal securities laws;
- comply with rules promulgated by Nasdaq;
- continue to prepare and distribute periodic public reports in compliance with our obligations under federal securities laws;
- enhance our investor relations function;
- establish new internal policies, such as those relating to insider trading; and
- involve and retain to a greater degree outside counsel and accountants in the above activities.

The changes necessitated by becoming a public company require a significant commitment of resources and management oversight that has increased, and may continue to increase, our costs and might place a strain on our systems and resources. Such costs could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, while we generally must comply with Section 404 of the Sarbanes-Oxley Act for our fiscal year ending December 31, 2020, we are not required to have our independent registered public accounting firm attest to the effectiveness of our internal control over financial reporting until our first annual report subsequent to our ceasing to be an "emerging growth company" within the meaning of Section 2(a)(19) of the Securities Act. Accordingly, we may not be required to have our independent registered public accounting firm attest to the effectiveness of our internal control over financial reporting until as late as our annual report for the fiscal year ending December 31, 2025. Once it is required to do so, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed, operated or reviewed. Compliance with these requirements may strain our resources, increase our costs and distract management, and we may be unable to comply with these requirements in a timely or cost-effective manner.

In addition, we expect that being a public company subject to these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as executive officers. We are currently evaluating these rules, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs.

The initial public offering price of our Class A common stock may not be indicative of the market price of our Class A common stock after this offering. In addition, an active, liquid and orderly trading market for our Class A common stock may not develop or be maintained, and our stock price may be volatile.

Prior to this offering, our Class A common stock was not traded on any market. An active, liquid and orderly trading market for our Class A common stock may not develop or be maintained after this offering. Active, liquid and orderly trading markets usually result in less price volatility and more efficiency in carrying out investors' purchase and sale orders. The market price of our Class A common stock could vary significantly as a result of a number of factors, some of which are beyond our control. In the event of a drop in the market price of our Class A common stock, you could lose a substantial part or all of your investment in our Class A common stock. The initial public offering price will be negotiated between us and representatives of the underwriters, based on numerous factors and may not be indicative of the market price of our Class A common stock after this offering. See "Underwriting" in this prospectus for additional information. Consequently, you may not be able to sell shares of our Class A common stock at prices equal to or greater than the price paid by you in this offering.

The following factors could affect our stock price:

- the impact of the COVID-19 pandemic on us and the national and global economies;
- our operating and financial performance;
- quarterly variations in the rate of growth of our financial indicators, such as net income per share, net income and revenues;
- the public reaction to our press releases, our other public announcements and our filings with the SEC;
- strategic actions by our competitors;
- changes in revenue or earnings estimates, or changes in recommendations or withdrawals of research coverage, by equity research analysts;
- market and industry perception of our success, or lack thereof, in pursuing our growth strategies;
- introductions or announcements of new products offered by us or significant acquisitions, strategic partnerships, joint ventures or capital commitments by us or our competitors and the timing of such introductions or announcements;
- our ability to effectively manage our growth;

- speculation in the press or investment community;
- the failure of research analysts to cover our Class A common stock;
- whether investors or securities analysts view our stock structure unfavorably, particularly our dual-class structure and the significant voting control of our executive officers, directors and their affiliates;
- our ability or inability to raise additional capital through the issuance of equity or debt or other arrangements and the terms on which we raise it;
- additional shares of our Class A common stock being sold into the market by us or our existing stockholders, or the anticipation of such sales, including if existing stockholders sell shares into the market when applicable "lock-up" periods end;
- changes in accounting principles, policies, guidance, interpretations or standards;
- additions or departures of key management personnel;
- actions by our stockholders;
- changes in operating performance and stock market valuations of companies in our industry, including our vendors and competitors;
- trading volume of our Class A common stock;
- price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole and those resulting from natural disasters, severe weather events, terrorist attacks and responses to such events;
- lawsuits threatened or filed against us;
- domestic and international economic, legal and regulatory factors unrelated to our performance; and
- the realization of any risks described under this "Risk Factors" section.

The stock markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our Class A common stock. Securities class action litigation has often been instituted against companies following periods of volatility in the overall market and in the market price of a company's securities. Such litigation, if instituted against us, could result in very substantial costs, divert our management's attention and resources and harm our business, operating results and financial condition.

Investors in this offering will experience immediate and substantial dilution of $10.77 per share.

Based on an assumed initial public offering price of $13.50 per share (the midpoint of the price range set forth on the cover of this prospectus), purchasers of our Class A common stock in this offering will experience an immediate and substantial dilution of $10.77 per share in the as adjusted net tangible book value per share of Class A common stock from the initial public offering price, and our adjusted pro forma net tangible book value as of September 30, 2020 after giving effect to this offering would have been $2.73 per share. This dilution is due in large part to earlier investors having paid less than the initial public offering price when they purchased their shares. See "Dilution" in this prospectus for additional information.

Mr. Zalupski will have the ability to direct the voting of a majority of the voting power of our common stock, and his interests may conflict with those of our other stockholders.

Upon consummation of this offering, our common stock will consist of two classes: Class A and Class B. Holders of Class A common stock are entitled to one vote per share, and holders of Class B common stock are entitled to three votes per share. Holders of Class A common stock and Class B common stock will vote together as a single class on all matters presented to our stockholders for their vote or approval, except as otherwise required by applicable law or our certificate of incorporation. Upon completion of this offering (assuming no exercise of the underwriters' option to purchase additional shares of our Class A common stock and after the transactions described herein under "Corporate Reorganization"), Mr. Zalupski, our founder, President, Chief Executive Officer and Chairman of our board of directors, will own, through personal holdings and an entity that he controls, 100% of our Class B common stock (representing 85.4% of the total combined voting power of our Class A common stock and Class B common stock).

As a result, Mr. Zalupski will be able to control matters requiring stockholder approval, including the election and removal of directors, changes to our organizational documents and significant corporate transactions, including any merger, consolidation or sale of all or substantially all of our assets. This concentration of ownership makes it unlikely that any holder or group of holders of our Class A common stock will be able to affect the way we are managed or the direction of our business. The interests of Mr. Zalupski with respect to matters potentially or actually involving or affecting us, such as future acquisitions, financings and other corporate opportunities and attempts to acquire us, may conflict with the interests of our other stockholders. Mr. Zalupski would have to approve any potential acquisition of us. The existence of significant stockholders may have the effect of deterring hostile takeovers, delaying or preventing changes in control or changes in management or limiting the ability of our other stockholders to approve transactions that they may deem to be in our best interests. Mr. Zalupski's concentration of stock ownership may also adversely affect the trading price of our Class A common stock to the extent investors perceive a disadvantage in owning stock of a company with significant stockholders.

Participation in this offering by entities affiliated with BOC DFH, LLC could reduce the public float for our Class A common stock.

Certain entities affiliated with BOC DFH, LLC, a holder of more than 5% of our Class A common stock and a wholly owned subsidiary of Boston Omaha Corporation (Nasdaq: BOMN), have indicated an interest in purchasing an aggregate of at least 1,851,850 shares of our Class A common stock (based on the midpoint of the price range set forth on the cover page of this prospectus) in this offering at the initial public offering price. Because these indications of interest are not binding agreements or commitments to purchase, such entities may elect to purchase fewer or no shares of our Class A common stock in this offering, or the underwriters may elect to sell fewer or no shares of our Class A common stock in this offering to such entities.

If these entities purchase all or a portion of the shares of our Class A common stock in which they have indicated an interest in this offering, such purchase could reduce the available public float for our Class A common stock if such entities hold these shares long-term.

Certain of our directors have significant duties with, and spend significant time serving, entities that may compete with us in seeking acquisitions and business opportunities and, accordingly, may have conflicts of interest in pursuing business opportunities.

Certain of our directors hold positions of responsibility with other entities whose businesses are involved in certain aspects of the real estate industry, including in DF Capital, with which we partner for certain land banking opportunities. These directors may become aware of business opportunities that may be appropriate for presentation to us, as well as to the other entities with which they are or may become affiliated. Due to these existing and potential future affiliations, they may present potential business opportunities to other entities prior to presenting them to us, which could cause additional conflicts of interest. They may also decide that certain opportunities are more appropriate for other entities with which they are affiliated, and, as a result, they may elect not to present those opportunities to us. These conflicts of interest may not be resolved in our favor. For additional discussion of our directors' business affiliations and the potential conflicts of interest of which our stockholders should be aware, see "Management" and "Certain Relationships and Related Party Transactions."

Our amended and restated certificate of incorporation will designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents.

Our amended and restated certificate of incorporation will provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law (the "DGCL"), our amended and restated certificate of incorporation or our bylaws or (iv) any action asserting a claim against us that is governed by the internal affairs doctrine, in each such case subject to such Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. Any person or entity purchasing or otherwise acquiring any interest in

shares of our capital stock will be deemed to have notice of, and consented to, the provisions of our amended and restated certificate of incorporation described in the preceding sentence. This choice of forum provision may limit a stockholders' ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and such persons. Alternatively, if a court were to find these provisions of our amended and restated certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition or results of operations.

We do not intend to pay cash dividends on our Class A common stock in the foreseeable future. Consequently, your only opportunity to achieve a return on your investment is if the price of our Class A common stock appreciates.

We do not plan to declare cash dividends on shares of our Class A common stock in the foreseeable future. Consequently, your only opportunity to achieve a return on your investment in us will be if you sell your Class A common stock at a price greater than you paid for it. There is no guarantee that the price of our Class A common stock that will prevail in the market will ever exceed the price that you pay in this offering.

Sales of substantial amounts of our Class A common stock in the public markets, or the perception that they might occur, could reduce the price that our Class A common stock might otherwise attain and may dilute your voting power and your ownership interest in us.

Sales of a substantial number of shares of our Class A common stock in the public market after this offering, particularly sales by our directors, executive officers and significant stockholders, or the perception that these sales could occur, could adversely affect the market price of our Class A common stock and may make it more difficult for you to sell your Class A common stock at a time and price that you deem appropriate. Upon completion of this offering, we will have 30,855,329 shares of Class A common stock outstanding and 60,226,153 shares of Class B common stock outstanding, assuming no exercise by the underwriters of their option to purchase additional shares of our Class A common stock.

All of the shares of Class A common stock sold in this offering will be freely tradable without restrictions or further registration under the Securities Act, except for any shares held by our affiliates as defined in Rule 144 under the Securities Act ("Rule 144").

We are offering 9,600,000 shares of our Class A common stock as described in this prospectus (excluding the underwriters' option to purchase up to 1,440,000 additional shares of our Class A common stock). Upon the completion of this offering, certain members of our management team will be granted equity awards covering an aggregate of 37,037 shares of Class A common stock and 444,444 shares of Class B common stock (based upon the midpoint of the price range set forth on the cover page of this prospectus) pursuant to our 2021 Equity Incentive Plan. The actual number of equity awards will be based upon the price at which the shares are sold to the public in this offering. In connection with this offering, we intend to file a registration statement on Form S-8 to register the total number of shares of our Class A common stock that may be issued under our 2021 Equity Incentive Plan, including the equity awards to be granted to certain members of our management team described above upon the completion of this offering pursuant to our 2021 Equity Incentive Plan.

Subject to certain exceptions, we, our officers and directors and record holders of substantially all of our Class A common stock and Class B common stock have agreed not to offer, sell or agree to sell, directly or indirectly, any shares of capital stock without the permission of BofA Securities, Inc. on behalf of the underwriters, for a period of 180 days from the date of this prospectus. See "Underwriting" for more information on these agreements. When such lock-up period expires, we and our securityholders will be able to sell our Class A common stock, subject to the limitations set forth in the lock-up agreements, in the public market. In addition, BofA Securities, Inc. may, in its sole discretion, release all or some portion of the shares subject to the lock-up agreements prior to the expiration of the lock-up period. See "Shares Eligible for Future Sale" for more information. Sales of a substantial number of our Class A common stock upon expiration of the lock-up agreements, or the perception that such sales may occur, or early release of the lock-up agreements, could cause our market price to fall or make it more difficult for you to sell your Class A common stock at a time and price that you deem appropriate.

We may also issue our shares of Class A common stock or securities convertible into shares of our Class A common stock from time to time in connection with a financing, acquisition, investment or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and cause the market price of our Class A common stock to decline.

The underwriters of this offering may waive or release parties to the lock-up agreements entered into in connection with this offering, which could adversely affect the price of our Class A common stock.

We, our officers and directors and holders of substantially all our Class A common stock have entered or will enter into lock-up agreements pursuant to which we and they will be subject to certain restrictions with respect to the sale or other disposition of our Class A common stock for a period of 180 days following the date of this prospectus. The representative of the underwriters, at any time and without notice, may release all or any portion of the Class A common stock subject to the foregoing lock-up agreements. See "Underwriting" for more information on these agreements. If the restrictions under the lock-up agreements are waived, then the Class A common stock, subject to compliance with the Securities Act or exceptions therefrom, will be available for sale into the public markets, which could cause the market price of our Class A common stock to decline and impair our ability to raise capital.

Provisions in our charter documents or Delaware law, as well as Mr. Zalupski's beneficial ownership of all of our outstanding Class B common stock, could discourage acquisition bids or merger proposals, which may adversely affect the market price of our Class A common stock.

Some provisions of our amended and restated certificate of incorporation and amended and restated bylaws could make it more difficult for a third party to acquire control of us, even if the change of control would be beneficial to our stockholders, including:

- providing that the board of directors is expressly authorized to determine the size of our board of directors;
- limiting the ability of our stockholders to call special meetings;
- establishing advance notice provisions for stockholder proposals and nominations for elections to the board of directors to be acted upon at meetings of stockholders;
- providing that the board of directors is expressly authorized to adopt, or to alter or repeal, our bylaws; and
- establishing advance notice and certain information requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings.

Upon consummation of this offering, Mr. Zalupski, through his beneficial ownership of all of our outstanding Class B common stock, will control approximately 85.4% of the total combined voting power of our outstanding Class A common stock and Class B common stock, which will give him the ability to prevent a potential takeover of our company. If a change of control or change in management is delayed or prevented, the market price of our Class A common stock could decline.

In addition, some of the restrictive covenants contained in our various financing agreement may delay or prevent a change in control.

Under certain circumstances, the Series B preferred units of DFH LLC and the Series C preferred units of DFH LLC may be converted into shares of our Class A common stock, which could dilute your voting power and your ownership interest in us, and such a conversion or the perceived possibility of such a conversion could reduce the price that our Class A common stock might otherwise attain.

Under certain circumstances, the Series B preferred units of DFH LLC and the Series C preferred units of DFH LLC may be converted into shares of our Class A common stock. Any such conversion could result in substantial dilution to our existing stockholders and cause the market price of our Class A common stock to decline. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Series B Preferred Units'' and "—Series C Preferred Units" for a description of the Series B preferred units and the Series C preferred units of DFH LLC.

The Series C preferred units of DFH LLC have certain protective covenants, which could limit our ability to engage in certain business combinations, recapitalizations or other fundamental changes.

The Series C preferred units of DFH LLC have certain protective covenants. DFH LLC may not engage in a fundamental change, including a recapitalization, a merger and a sale of all or substantially all of its assets, without the consent of holders of the Series C preferred units of DFH LLC. These provisions could increase the cost of any such fundamental change transaction, which may discourage a merger, combination or change in control that might involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interests. In addition, so long as the Series C preferred units of DFH LLC remain outstanding, DFH LLC must comply with certain financial covenants. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Series C Preferred Units" for a description of the Series C preferred units of DFH LLC.

Even though we may want to redeem the Series B preferred units and/or the Series C preferred units of DFH LLC, we may not have the ability to redeem the Series B preferred units and/or the Series C preferred units of DFH LLC, as the case may be.

DFH LLC has the right to redeem the Series B preferred units and the Series C preferred units from time to time on or prior to September 30, 2022 and December 31, 2021 (which can be extended to June 30, 2022 at the option of DFH LLC), respectively. As of September 30, 2020, the redemption price for all of the outstanding Series B preferred units of DFH LLC was $9.1 million and for all of the outstanding Series C preferred units of DFH LLC was $26.9 million. Any decision we may make at any time regarding whether to redeem the Series B preferred units and/or the Series C preferred units of DFH LLC will depend upon a wide variety of factors, including our evaluation of our capital position, our capital requirements, the potential convertibility of the Series C preferred units of DFH LLC and general market conditions at that time. Even though we may want to redeem the Series B preferred units and/or the Series C preferred units of DFH LLC, we may be restricted from doing so by our debt agreements or we might not have sufficient cash available to redeem such preferred units.

Non-U.S. holders may be subject to U.S. federal income tax on gain realized on the sale or disposition of shares of our Class A common stock.

Because of our anticipated holdings in U.S. real property interests following the completion of the Corporate Reorganization and this offering, we believe we will be and will remain a "United States real property holding corporation" for U.S. federal income tax purposes. As a result, a non-U.S. holder (as defined in "Material U.S. Federal Income Tax Consequences to Non-U.S. Holders") generally will be subject to U.S. federal income tax on any gain realized on a sale or disposition of shares of our Class A common stock unless our Class A common stock is regularly traded on an established securities market and such non-U.S. holder did not actually or constructively hold more than 5% of our Class A common stock at any time during the shorter of (a) the five-year period preceding the date of the sale or disposition and (b) the non-U.S. holder's holding period in such stock. In addition, if our Class A common stock is not regularly traded on an established securities market, a purchaser of the stock generally will be required to withhold and remit to the IRS 15% of the purchase price. A non-U.S. holder also will be required to file a U.S. federal income tax return for any taxable year in which it realizes a gain from the disposition of our Class A common stock that is subject to U.S. federal income tax. We anticipate that our Class A common stock will be regularly traded on an established securities market following this offering. However, no assurance can be given in this regard, and no assurance can be given that our Class A common stock will remain regularly traded in the future. Non-U.S. holders should consult their tax advisors concerning the consequences of disposing of shares of our Class A common stock.

We expect to be a "controlled company" within the meaning of the Nasdaq Global Select Market rules and, as a result, will qualify for, and intend to rely on exemptions from certain corporate governance requirements.

Upon completion of this offering, Mr. Zalupski will beneficially own a majority of our outstanding voting interests. As a result, we expect to be a "controlled company" within the meaning of the Nasdaq corporate governance standards. Under the Nasdaq rules, a company of which more than 50% of the voting power is held by another person or group of persons acting together is a "controlled company" and may elect not to comply with certain Nasdaq corporate governance requirements, including the requirements that:

- a majority of such company's board of directors consist of independent directors;

- such company have a nominating and governance committee that is composed entirely of independent directors with a written charter addressing such committee's purpose and responsibilities;
- such company have a compensation committee that is composed entirely of independent directors with a written charter addressing such committee's purpose and responsibilities; and
- such company conduct an annual performance evaluation of the nominating and governance and compensation committees.

These requirements will not apply to us as long as we remain a controlled company. For at least some period following this offering, we intend to utilize certain of these exemptions. Accordingly, you may not have the same protections afforded to stockholders of companies that are subject to all of the Nasdaq corporate governance requirements. See "Management" in this prospectus for additional information.

For as long as we are an emerging growth company, we will not be required to comply with certain reporting requirements, including those relating to accounting standards and disclosure about our executive compensation, that apply to other public companies.

We are classified as an "emerging growth company" under the JOBS Act. For as long as we are an emerging growth company, which may be up to five full fiscal years, unlike other public companies, we will not be required to, among other things: (i) provide an auditor's attestation report on management's assessment of the effectiveness of our system of internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act; (ii) comply with any new requirements adopted by the PCAOB requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer; (iii) provide certain disclosure regarding executive compensation required of larger public companies; or (iv) hold nonbinding advisory votes on executive compensation. We will remain an emerging growth company for up to five years, although we will lose that status sooner if we have more than $1.07 billion of revenues in a fiscal year, have more than $700.0 million in market value of our Class A common stock held by non-affiliates, or issue more than $1.0 billion of non-convertible debt over a three-year period.

To the extent that we rely on any of the exemptions available to emerging growth companies, you will receive less information about our executive compensation and internal control over financial reporting than issuers that are not emerging growth companies. If some investors find our Class A common stock to be less attractive as a result, there may be a less active trading market for our Class A common stock and our stock price may be more volatile.

The dual class structure of our common stock may adversely affect the trading market for our Class A common stock.

In July 2017, S&P Dow Jones Indices and FTSE International Limited announced changes to their eligibility criteria for the inclusion of shares of public companies on certain indices, including the Russell 2000, the S&P 500, the S&P MidCap 400 and the S&P SmallCap 600, to exclude companies with multiple classes of shares of common stock from being added to these indices. As a result, our dual class capital structure would make us ineligible for inclusion in any of these indices, and mutual funds, exchange-traded funds and other investment vehicles that attempt to passively track these indices will not be investing in our stock. Furthermore, we cannot assure you that other stock indices will not take a similar approach to S&P Dow Jones or FTSE Russell in the future. Exclusion from indices could make our Class A common stock less attractive to investors, and, as a result, the market price of our Class A common stock could be adversely affected.

The historical and pro forma financial information in this prospectus may make it difficult to accurately predict our costs of operations in the future.

The historical financial information in this prospectus does not reflect the added costs we expect to incur as a public company or the resulting changes that will occur in our capital structure and operations. In preparing our pro forma financial information we have given effect to, among other items, the H&H Acquisition. The estimates we used in our pro forma financial information may not be similar to our actual experience as a public company. For more information on our historical financial information and pro forma financial information, see "Unaudited Pro Forma Financial Information," "Selected Historical and Pro Forma Financial and Operating Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Corporate Reorganization" and our consolidated financial statements included elsewhere in this prospectus.

Mr. Zalupski and Mr. Moyer will have personal interests in the completion of this offering, which may conflict with those of our other stockholders.

Mr. Zalupski, our founder, President, Chief Executive Officer and Chairman of our board of directors, and Mr. Moyer, our Senior Vice President and Chief Financial Officer, are expected to receive special bonuses payable upon the completion of this offering. See "Executive Compensation—Special Bonuses" in this prospectus for more information. The payment of each such bonus will have an impact on our results of operations, cash flow and funds available for business operations. Consequently, the special bonuses could cause the market price of our Class A common stock to decline. Mr. Zalupski is expected to receive a special bonus in the form of an equity award in or related to a number of shares of our Class B common stock with an aggregate value of $6.0 million. Mr. Moyer is expected to receive a special bonus in the form of an equity award in or related to a number of shares of our Class A common stock with an aggregate value of $0.5 million. Both Mr. Zalupski's and Mr. Moyer's special bonuses will vest in three equal annual installments over a three-year period commencing on the completion of this offering. Each such vesting of Mr. Zalupski's and Mr. Moyer's special bonuses will cause dilution of our existing stockholders and could cause the market price of our Class A common stock to decline. We will record a greater amount of compensation expense in conjunction with the payment of these special bonuses, which could cause the market price of our Class A common stock to decline. Mr. Zalupski is also expected to receive a cash bonus equal to $4.0 million, which will be paid in cash in recognition of DF Homes LLC's 2020 performance. In light of the bonuses described herein, Mr. Zalupski and Mr. Moyer have an incentive to complete this offering.

General Risk Factors

We are subject to litigation, arbitration or other claims which could materially and adversely affect us.

We are subject to litigation and we may in the future be subject to enforcement actions, such as claims relating to our operations, securities offerings and otherwise in the ordinary course of business. Some of these claims may result in significant defense costs and potentially significant judgments against us, some of which are not, or cannot be, insured against. Although we have established warranty, claim and litigation reserves that we believe are adequate, we cannot be certain of the ultimate outcomes of any claims that may arise in the future, and legal proceedings may result in the award of substantial damages against us beyond our reserves. Resolution of these types of matters against us may result in our having to pay significant fines, judgments or settlements, which, if uninsured or in excess of insured levels, could adversely impact our earnings and cash flows, thereby materially and adversely affecting us. Furthermore, plaintiffs may in certain of these legal proceedings seek class action status with potential class sizes that vary from case to case. Class action lawsuits can be costly to defend, and if we were to lose any certified class action suit, it could result in substantial liability for us. Certain litigation or the resolution thereof may affect the availability or cost of some of our insurance coverage, which could materially and adversely impact us, expose us to increased risks that would be uninsured, and materially and adversely impact our ability to attract directors and officers.

Failure to comply with laws and regulations may adversely affect us.

We and our subcontractors are required to comply with laws and regulations governing many aspects of our business, such as land acquisition and development, home construction and sales and employment practices. Despite our oversight, contractual protections and other mitigation efforts, our employees or subcontractors could violate some of these laws or regulations, as a result of which we may incur fines, penalties or other liabilities, and our reputation with governmental agencies, customers, vendors or suppliers could be damaged.

We may suffer uninsured losses or material losses in excess of insurance limits.

We could suffer physical damage to property and liabilities resulting in losses that may not be fully recoverable by insurance. Insurance against certain types of risks, such as terrorism, earthquakes, floods or personal injury claims, may be unavailable, available in amounts that are less than the full market value or replacement cost of investment or underlying assets or subject to a large deductible or self-insurance retention amount. In addition, there can be no assurance that certain types of risks that are currently insurable will continue to be insurable on an economically feasible basis. Should an uninsured loss or a loss in excess of insured limits occur or be subject to deductibles or self-insurance retention, we could sustain financial loss or lose capital invested in the affected property, as well as anticipated future income from that property. Furthermore, we could be liable to repair damage or meet liabilities caused by risks that are uninsured or subject to deductibles. We may also be liable for any debt or other financial obligations related to affected property.

Information system failures, cyber incidents or breaches in security could adversely affect us.

We rely on accounting, financial, operational, management and other information systems to conduct our operations. Our information systems are subject to damage or interruption from power outages, computer and telecommunication failures, computer viruses, security breaches, including malware and phishing, cyberattacks, natural disasters, usage errors by our employees and other related risks. Any cyber incident or attack or other disruption or failure in these information systems, or other systems or infrastructure upon which they rely, could adversely affect our ability to conduct our business and could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations. Furthermore, any failure or security breach of information systems or data could result in a violation of applicable privacy and other laws, significant legal and financial exposure, damage to our reputation or a loss of confidence in our security measures, which could harm our business and could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations. Although we have implemented systems and processes intended to secure our information systems, there can be no assurance that our efforts to maintain the security and integrity of our information systems will be effective or that future attempted security breaches or disruptions would not be successful or damaging.

Our business is subject to complex and evolving U.S. laws and regulations regarding privacy and data protection.

As part of our normal business activities, we collect and store certain information, including information specific to homebuyers, customers, employees, vendors and suppliers. We may share some of this information with third parties who assist us with certain aspects of our business. The regulatory environment surrounding data privacy and protection is constantly evolving and can be subject to significant change. Laws and regulations governing data privacy and the unauthorized disclosure of confidential information pose increasingly complex compliance challenges and potentially elevate our costs. Any failure, or perceived failure, by us to comply with applicable data protection laws could result in proceedings or actions against us by governmental entities or others, subject us to significant fines, penalties, judgments and negative publicity, require us to change our business practices, increase the costs and complexity of compliance and adversely affect our business. As noted above, we are also subject to the possibility of cyber incidents or attacks, which themselves may result in a violation of these laws. Additionally, if we acquire a company that has violated or is not in compliance with applicable data protection laws, we may incur significant liabilities and penalties as a result.

Acts of war or terrorism may seriously harm our business.

Acts of war, any outbreak or escalation of hostilities between the United States and any foreign power or acts of terrorism may cause disruption to the U.S. economy, or the local economies of the markets in which we operate, cause shortages of building materials, increase costs associated with obtaining building materials, result in building code changes that could increase costs of construction, result in uninsured losses, affect job growth and consumer confidence or cause economic changes that we cannot anticipate, all of which could reduce demand for our homes and adversely impact our business, prospects, liquidity, financial condition and results of operations.

Negative publicity could adversely affect our reputation as well as our business, financial results and stock price.

Unfavorable media related to our industry, company, brands, marketing, personnel, operations, business performance or prospects may affect our stock price and the performance of our business, regardless of its accuracy or inaccuracy. The speed at which negative publicity can be disseminated has increased dramatically with the capabilities of electronic communication, including social media outlets, websites, blogs, newsletters and other digital platforms. Our success in maintaining, extending and expanding our brand image depends on our ability to adapt to this rapidly changing media environment. Adverse publicity or negative commentary from any media outlets could damage our reputation and reduce the demand for our homes, which would adversely affect our business.

Changes in accounting rules, assumptions and/or judgments could materially and adversely affect us.

Accounting rules and interpretations for certain aspects of our financial reporting are highly complex and involve significant assumptions and judgment. These complexities could lead to a delay in the preparation and dissemination of our financial statements. Furthermore, changes in accounting rules and interpretations or in our

accounting assumptions and/or judgments, such as those related to asset impairments, could significantly impact our financial statements. In some cases, we could be required to apply a new or revised standard retroactively, resulting in restating prior period financial statements. Any of these circumstances could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations

Access to financing sources may not be available on favorable terms, or at all, especially in light of current market conditions, which could adversely affect our ability to maximize our returns.

Our access to additional third-party sources of financing will depend, in part, on:

- general market conditions;
- the duration and effects of the COVID-19 pandemic;
- the market's perception of our growth potential;
- with respect to acquisition and/or development financing, the market's perception of the value of the land parcels to be acquired and/or developed;
- our current debt levels;
- our current and expected future earnings;
- our cash flow; and
- the market price per share of our common stock.

The global credit and equity markets and the overall economy can be extremely volatile, which could have a number of adverse effects on our operations and capital requirements. For the past decade, the domestic financial markets have experienced a high degree of volatility, uncertainty and, during certain periods, tightening of liquidity in both the high yield debt and equity capital markets, resulting in certain periods when new capital has been both more difficult and more expensive to access. If we are unable to access the credit markets, we could be required to defer or eliminate important business strategies and growth opportunities in the future. In addition, if there is prolonged volatility and weakness in the capital and credit markets, potential lenders may be unwilling or unable to provide us with financing that is attractive to us or may increase collateral requirements or may charge us prohibitively high fees in order to obtain financing. Consequently, our ability to access the credit market in order to attract financing on reasonable terms may be adversely affected. Investment returns on our assets and our ability to make acquisitions could be adversely affected by our inability to secure additional financing on reasonable terms, if at all.

Depending on market conditions at the relevant time, we may have to rely more heavily on additional equity financings or on less efficient forms of debt financing that require a larger portion of our cash flow from operations, thereby reducing funds available for our operations, future business opportunities and other purposes. We may not have access to such equity or debt capital on favorable terms at the desired times, or at all.

We may change our operational policies, investment guidelines and our business and growth strategies without stockholder consent, which may subject us to different and more significant risks in the future.

Our board of directors will determine our operational policies, investment guidelines and our business and growth strategies. Our board of directors may make changes to, or approve transactions that deviate from, those policies, guidelines and strategies without a vote of, or notice to, our stockholders. This could result in us conducting operational matters, making investments or pursuing different business or growth strategies than those contemplated in this prospectus. Under any of these circumstances, we may expose ourselves to different and more significant risks in the future, which could have a material adverse effect on our business, prospects, liquidity, financial condition and results of operations.

We have broad discretion to use the proceeds from this offering, and our investment of those proceeds may not yield a favorable return.

Our management has broad discretion to spend the proceeds from this offering in ways with which you may not agree. The failure of our management to apply these funds effectively could result in unfavorable returns. This could harm our business and could cause the price of our common stock to decline.

Future offerings of debt securities, which would rank senior to our Class A common stock upon our bankruptcy or liquidation, and future offerings of equity securities that may be senior to our Class A common stock for the purposes of dividend and liquidation distributions, may adversely affect the market price of our Class A common stock.

In the future, we may attempt to increase our capital resources by making offerings of debt securities or additional offerings of equity securities. Upon bankruptcy or liquidation, holders of our debt securities and shares of preferred stock and lenders with respect to other borrowings will receive a distribution of our available assets prior to the holders of our Class A common stock. Additional equity offerings may dilute the holdings of our existing stockholders or reduce the market price of our Class A common stock, or both. Our preferred stock will have a preference on liquidating distributions and dividend payments, which could limit our ability to make a dividend distribution to the holders of our Class A common stock. Our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control. As a result, we cannot predict or estimate the amount, timing or nature of our future offerings, and purchasers of our Class A common stock in this offering bear the risk of our future offerings reducing the market price of our Class A common stock and diluting their ownership interest in our company.

If securities or industry analysts do not publish research or reports about our business, they adversely change their recommendations regarding our Class A common stock or our operating results do not meet their expectations, our stock price could decline.

The trading market for our Class A common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. Moreover, if one or more of the analysts who cover our company downgrades our Class A common stock, or if our operating results do not meet their expectations, our stock price could decline.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The information in this prospectus includes "forward-looking statements." Many statements included in this prospectus are not statements of historical fact, including statements concerning our expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions. Actual results may differ materially from those expressed or implied by these statements. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Certain, but not necessarily all, of such forward-looking statements can be identified by the use of forward-looking terminology, such as "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "goal," "intend," "may," "objective," "plan," "predict," "projection," "should" or "will" or the negative thereof or other comparable terminology. These forward-looking statements include, but are not limited to, statements about:

- our market opportunity and the potential growth of that market;
- the expected impact of the COVID-19 pandemic;
- our strategy, expected outcomes and growth prospects;
- trends in our operations, industry and markets;
- our future profitability, indebtedness, liquidity, access to capital and financial condition;
- our integration of H&H Homes' operations; and
- the acquisition of Century LLC upon the closing of the transactions contemplated by the Century Purchase Agreement.

We have based these forward-looking statements on our current expectations and assumptions about future events based on information available to our management at the time the statements were made, including those set forth in the JBREC market study. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. Therefore, we cannot assure you that actual results will not differ materially from those expressed or implied by our forward-looking statements. The following factors, among others, may cause actual results to differ materially from those expressed or implied in our forward-looking statements:

- adverse effects of the COVID-19 pandemic on our business, financial conditions and results of operations and our suppliers and trade partners;
- adverse effects of the COVID-19 pandemic and other economic changes either nationally or in the markets in which we operate, including, among other things, increases in unemployment, volatility of mortgage interest rates and inflation and decreases in housing prices;
- a slowdown in the homebuilding industry or changes in population growth rates in our markets;
- volatility and uncertainty in the credit markets and broader financial markets;
- the cyclical and seasonal nature of our business;
- our future operating results and financial condition;
- our business operations;
- changes in our business and investment strategy;
- the success of our operations in recently opened new markets and our ability to expand into additional new markets;
- our ability to continue to leverage our asset-light and capital efficient lot acquisition strategy;
- our ability to develop our projects successfully or within expected timeframes;
- our ability to identify potential acquisition targets and close such acquisitions;
- our ability to successfully integrate H&H Homes and any future acquired businesses with our existing operations;
- availability of land to acquire and our ability to acquire such land on favorable terms, or at all;
- availability, terms and deployment of capital and ability to meet our ongoing liquidity needs;

- restrictions in our debt agreements that limit our flexibility in operating our business;
- disruption in the terms or availability of mortgage financing or an increase in the number of foreclosures in our markets;
- decline in the market value of our inventory or controlled lot positions;
- shortages of, or increased prices for, labor, land or raw materials used in land development and housing construction, including due to changes in trade policies;
- delays in land development or home construction resulting from natural disasters, adverse weather conditions or other events outside our control;
- uninsured losses in excess of insurance limits;
- the cost and availability of insurance and surety bonds;
- changes in, liabilities under, or the failure or inability to comply with, governmental laws and regulations, including environmental laws and regulations;
- the timing of receipt of regulatory approvals and the opening of projects;
- the degree and nature of our competition;
- decline in the financial performance of our joint ventures, our lack of sole decision-making authority thereof and maintenance of relationships with our joint venture partners;
- negative publicity or poor relations with the residents of our projects;
- existing and future warranty and liability claims;
- existing and future litigation, arbitration or other claims;
- availability of qualified personnel and third-party contractors and subcontractors;
- information system failures, cyber incidents or breaches in security;
- our ability to retain our key personnel;
- our ability to maintain an effective system of internal control and produce timely and accurate financial statements or comply with applicable regulations;
- our leverage and future debt service obligations;
- the impact on our business of any future government shutdown;
- the impact on our business of acts of war or terrorism;
- our reliance on dividends, distributions and other payments from our subsidiaries to meet our obligations;
- our status as an emerging growth company;
- other risks and uncertainties inherent in our business; and
- other factors we discuss under the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

We caution you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond our control, incident to the operation of our business. These risks include, but are not limited to, the risks described under “Risk Factors” in this prospectus. Should one or more of the risks or uncertainties described in this prospectus occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements.

All forward-looking statements, expressed or implied, included in this prospectus are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue.

Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this prospectus.

USE OF PROCEEDS

We expect the net proceeds from this offering to be approximately $117.5 million, assuming an initial public offering price of $13.50 per share (the midpoint of the price range set forth on the cover page of this prospectus) (or approximately $135.6 million if the underwriters' option to purchase additional shares of our Class A common stock is exercised in full) and after deducting estimated underwriting discounts and commissions and estimated offering expenses of approximately $3.0 million, in the aggregate, which are payable by us.

We intend to use the net proceeds from this offering, cash on hand and borrowings under our syndicated, unsecured revolving credit facility that we intend to enter into in connection with this offering, or shortly thereafter, to repay all borrowings under our existing secured vertical construction lines of credit facilities and upon such repayment terminate such facilities. As of September 30, 2020, we had 17 vertical construction lines of credit facilities with cumulative maximum availability of $504.0 million, and an aggregate outstanding balance of approximately $251.2 million. As of September 30, 2020, borrowings under our vertical construction lines of credit facilities bore interest at rates ranging from 3.85% to 10.47% per annum. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Credit Facilities, Letters of Credit, Surety Bonds and Financial Guarantees" in this prospectus for additional information. We intend to use our cash on hand and borrowings under our syndicated, unsecured revolving credit facility to fund deposits to control finished lots and for other general corporate purposes, including home construction and other related purposes.

DIVIDEND POLICY

We do not anticipate declaring or paying any cash dividends on shares of our common stock for the foreseeable future. We currently intend to retain future earnings, if any, to finance the growth of our business. Any determination to declare or pay dividends on shares of our common stock will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements, restrictions contained in any financing instruments and such other factors as our board of directors deems relevant in its discretion.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of September 30, 2020:

- on an actual basis;
- on an as adjusted basis to give effect to (i) the Corporate Reorganization and (ii) the H&H Acquisition; and
- on an as further adjusted basis to give effect to (i) our receipt of estimated net proceeds from the sale of shares of our Class A common stock in this offering at an assumed initial offering price of $13.50 per share (the midpoint of the price range set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses, (ii) planned distributions to the owners of the entities comprising our predecessor for estimated federal income taxes on earnings of our predecessor (which was a pass-through entity for tax purposes) for the period from July 1, 2020 through the effective date of Corporate Reorganization and (iii) the replacement of all of our vertical construction lines of credit facilities with a syndicated, unsecured revolving credit facility

You should read the following table in conjunction with "Unaudited Pro Forma Financial Information," "Selected Historical and Pro Forma Financial and Operating Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Corporate Reorganization" and our consolidated financial statements and related notes appearing elsewhere in this prospectus.

	As of September 30, 2020		
	Actual	As adjusted	As further adjusted
	(In thousands, except unit/share and per share data)		
Cash and Cash Equivalents	$ 42,082	$ 41,839	$ 25,000
Total Debt:			
Construction lines of credit, net	$251,235	$368,129	—
New syndicated, unsecured revolving credit facility[1]	—	—	$233,762
Notes payable	10,953	30,953	30,953
Total debt	$262,187	$399,082	$264,716
Member's Equity:			
Common units – 73,123 units authorized and issued, actual; 73,123 units outstanding, actual; no units authorized, issued or outstanding, pro forma and pro forma as adjusted	$ 72,027	$ 72,027	—
Non-voting common units – 100,000 units authorized, actual; 10,543 units issued and outstanding, actual; no units authorized, issued or outstanding, pro forma and pro forma as adjusted	22,582	22,582	—
Series A preferred units – 15,400 units authorized and issued, actual; 15,400 units outstanding, actual; no units authorized, issued or outstanding, pro forma and pro forma as adjusted	18,677	18,677	—
Series B preferred units – 7,143 units authorized and issued, actual; 7,143 units outstanding, actual; no units authorized, issued or outstanding, pro forma and pro forma as adjusted	6,150	6,150	$ 6,150
Series C preferred units – 27,000 units authorized and issued, actual; 26,000 units outstanding, actual; no units authorized, issued or outstanding, pro forma and pro forma as adjusted	25,531	25,531	25,531
Non-controlling interests	32,361	32,361	32,361
Total members' equity[2]	$177,329	$177,329	$ 64,042

	As of September 30, 2020		
	Actual	As adjusted	As further adjusted
	(In thousands, except unit/share and per share data)		
Stockholders' Equity:			
Preferred stock, par value $0.01 per share – no shares authorized, issued or outstanding, actual; 5,000,000 shares authorized and no shares issued or outstanding, pro forma and pro forma as adjusted	—	—	—
Class A common stock, par value $0.01 per share – no shares authorized, issued or outstanding, actual; 289,000,000 shares authorized, 30,855,329 shares issued and outstanding, pro forma; 289,000,000 shares authorized, 30,855,329 shares issued and outstanding, pro forma as adjusted	—	—	309
Class B common stock, par value $0.01 per share – no shares authorized, issued or outstanding, actual; 61,000,000 shares authorized, 60,226,153 shares issued and outstanding, pro forma; 61,000,000 shares authorized, 60,226,153 shares issued and outstanding, pro forma as adjusted	—	—	602
Additional paid-in capital	—	—	220,532
Total stockholders' equity	—	—	$285,484
Total Capitalization	$439,516	$576,411	$550,200

(1) In connection with this offering, or shortly thereafter, we intend to replace all of our vertical construction lines of credit facilities with a syndicated, unsecured revolving credit facility with an expected borrowing base of $450.0 million and an accordion feature that allows the facility to expand to a borrowing base of up to $750.0 million.

(2) In connection with the Corporate Reorganization, the equity in DFH LLC will be recapitalized. See "Corporate Reorganization" in this prospectus for additional information.

The information presented above assumes no exercise of the underwriters' option to purchase additional shares of our Class A common stock.

DILUTION

If you invest in our Class A common stock, your ownership interest in us will be diluted to the extent of the difference between the initial public offering price in this offering per share of our Class A common stock and the pro forma as adjusted net tangible book value per share of our common stock upon consummation of this offering. Pro forma net tangible book value per share represents the book value of our total tangible assets less the book value of our total liabilities divided by the total number of shares of common stock then issued and outstanding, on a pro forma basis after giving effect to the Corporate Reorganization and the H&H Acquisition.

Pro forma net tangible book value as of September 30, 2020 was $141.0 million, or $1.73 per share based on 81,481,482 shares of our common stock outstanding. After giving effect to our sale of 9,600,000 shares of Class A common stock in this offering, at an assumed initial public offering price of $13.50 per share (the midpoint of the price range set forth on the cover page of this prospectus), and after deducting assumed underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of September 30, 2020 would have been $249.1 million, or $2.73 per share (assuming no exercise of the underwriters' option to purchase additional shares of our Class A common stock) after accounting for the $9.4 million increase in taxes payable assuming treatment as a C corporation. This amount represents an immediate increase in pro forma net tangible book value of $1.00 per share of Class A common stock to our existing investors before this offering and an immediate dilution of $10.77 per share to new investors purchasing Class A common stock in this offering. The following table illustrates this dilution per share:

Assumed initial public offering price per share		$13.50
Pro forma net tangible book value per share as of September 30, 2020	$1.73	
Increase in pro forma net tangible book value per share attributable to this offering	$1.00	
Pro forma as adjusted net tangible book value per share after giving effect to this offering		$ 2.73
Dilution in pro forma as adjusted net tangible book value per share to new investors in this offering		$10.77

If the underwriters exercise in full their option to purchase 1,440,000 additional shares of our Class A common stock in this offering, our pro forma as adjusted net tangible book value per share after this offering would be $2.88, and the dilution in pro forma as adjusted net tangible book value per share to new investors purchasing Class A common stock in this offering would be $1.88, assuming no change in the initial public offering price per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The following table summarizes, on a pro forma as adjusted basis as of September 30, 2020, the differences between the number of shares of Class A common stock purchased from us, the total consideration paid and the average price per share paid by existing investors and to be paid by the new investors purchasing shares of Class A common stock in this offering, at an assumed initial public offering price of $13.50 per share (the midpoint of the price range set forth on the cover page of this prospectus), before deducting the underwriting discounts and commissions and offering expenses payable by us in connection with this offering.

	Shares Purchased		Total Consideration		
	Number	Percent	Amount (in millions)	Percent	Average Price Per Share
Existing investors(1)	81,481,482	89.5%	$ 27.2	17.4%	$ 0.33
New investors	9,600,000	10.5%	129.6	82.6%	13.50
Total	91,081,482	100.0%	$156.8	100.0%	$ 1.70

(1) Does not include 9,100,000 shares of Class A common stock reserved for issuance pursuant to our 2021 Equity Incentive Plan.

The data in the table excludes 9,100,000 shares of Class A common stock initially reserved for issuance under our 2021 Equity Incentive Plan.

A $1.00 increase (decrease) in the assumed initial public offering price of $13.50 per share (the midpoint of the price range set forth on the cover page of this prospectus) would increase (decrease) the total consideration paid by new investors in this offering by $9.6 million and, in the case of an increase, would increase the percentage of total consideration paid by new investors by 7.4% and, in the case of a decrease, would decrease the percentage of total consideration paid by new investors by 7.4%, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and before deducting the underwriting discounts and commissions and offering expenses payable by us in connection with this offering. An increase (decrease) of 1.0 million shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase (decrease) the total consideration paid by new investors by $13.5 million and, in the case of an increase, would increase the percentage of total consideration paid by new investors by 10.4% and, in the case of a decrease, would decrease the percentage of total consideration paid by new investors by 9.7%, assuming no change in the assumed initial public offering price per share and before deducting the underwriting discounts and commissions and offering expenses payable by us in connection with this offering.

The table above assumes no exercise of the underwriters' option to purchase additional shares of our Class A common stock in this offering. If the underwriters' option to purchase additional shares of our Class A common stock is fully exercised, the number of shares of our common stock held by existing investors would be reduced to 88.1% of the total number of shares of our common stock outstanding after this offering, and the number of shares of Class A common stock held by new investors purchasing common stock in this offering would be increased to 11.9% of the total number of shares of our common stock outstanding after this offering.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma consolidated balance sheets as of September 30, 2020 and the unaudited pro forma statements of comprehensive income for the nine months ended September 30, 2020 and for the year ended December 31, 2019 present our financial position and results of operations after giving pro forma effect to (i) the Corporate Reorganization described under "Corporate Reorganization," (ii) the H&H Acquisition, (iii) this offering and the receipt of net proceeds therefrom, and (iv) the replacement of all of our vertical construction lines of credit facilities with a syndicated, unsecured revolving credit facility (such transactions collectively, the "Transaction Accounting Adjustments"), as if each of the Transaction Accounting Adjustments had been completed as of September 30, 2020 with respect to the unaudited pro forma consolidated balance sheets as of September 30, 2020 and as of January 1, 2019 with respect to the unaudited pro forma statements of comprehensive income for the nine months ended September 30, 2020 and the year ended December 31, 2019.

The unaudited pro forma consolidated financial statements reflect the following:

- The H&H Acquisition and the application of purchase accounting, including:
  - Recording the net tangible assets of H&H Homes, subject to certain assets and liabilities that were on the H&H LLC balance sheet as of September 30, 2020 but not acquired in the H&H Acquisition. Net tangible assets of $7.6 million were not acquired. We estimate we will adjustH&H Homes' book value of real estate inventory by a credit of $1.0 million to the September 30, 2020 historical balance. The amortization of this adjustment was reflected in the unaudited pro forma statements of comprehensive income for the year ended December 31, 2019. We estimated the book value of H&H Homes' construction lines of credit to approximate fair value, as the interest rates are variable and the duration is short term;
  - Recording goodwill of $24.2 million, based on an acquisition price of approximately $49.9 million, including a $29.5 million payment at the closing of the H&H Acquisition and estimated earn out payments with a fair value of $20.4 million, and considering assets and liabilities not acquired and purchase accounting valuation adjustments;
  - Recording adjustments to the historical financial statements of H&H Homes to conform its accounting policies with our accounting policies; and
  - Recording a short-term bridge note of $20.0 million (the "H&H Acquisition Note") to fund aportion of the purchase price of the H&H Acquisition. The H&H Acquisition Note has a term of seven months beginning on October 1, 2020 and bears a fixed interest rate of 14%. We are required to pay interest on the H&H Acquisition Note on the first business day of every month and repay the H&H Acquisition Note on May 1, 2021. The interest on the H&H Acquisition Note is shown in the unaudited pro forma statements of comprehensive income for the year ended December 31, 2019. There were no material issuance costs associated with the H&H Acquisition Note.
- This offering and related transactions, including:
  - The Corporate Reorganization;
  - The previously unrecognized compensation expense of $1.6 million associated with membership units granted to certain members of our management team. Based on the terms of the grants, these DFH LLC membership units will immediately vest upon the closing of this offering and the Corporate Reorganization;
  - The issuance of 444,444 shares of Class B common stock assuming an initial offering price of $13.50 per share (the midpoint of the price range set forth on the cover page of this prospectus,with the actual amount equal to $6.0 million divided by the initial public offering price) to be issued to Mr. Zalupski, our founder, President, Chief Executive Officer and Chairman of our board of directors;
  - The issuance of 37,037 shares of Class A common stock assuming an initialoffering price of $13.50 per share (the midpoint of the price range set forth on the cover page of this prospectus, with the actual amount equal to $0.5 million divided by the initial public offering price per share)to be issued to Mr. Moyer, our Chief Financial Officer;

- The recognition of income taxes related to the Corporate Reorganization, including:
  - Recording deferred income taxes related to our reorganization into a taxable entity;
  - Our taxation as a corporate entity. We estimated our effective tax rate as 25.0%, which is the 21% Federal tax rate applicable to C Corporations partially offset by a 1.5% 45L New Energy Efficient Home Tax Credit, plus a 5.5% state tax rate;
- Adjustments to account for the difference in cost of funds between our existing verticalconstruction lines of credit facilities and our new syndicated, unsecured revolving credit facility;
- Distributions to the owners of the entities comprising our predecessor for estimated federal income taxes of approximately $5.4 million on earnings of our predecessor (which was a pass-throughentity for tax purposes) for the period from January 1, 2020 through June 30, 2020. We intend tomake further distributions to the owners of the entities comprising our predecessor for estimatedfederal income taxes for the period July 1, 2020 through the effective date of the CorporateReorganization based on earnings of our predecessor;
- The issuance and sale of shares of our Class A common stock to the public in this offering;
- Reserving 9,100,000 shares of Class A common stockfor issuance pursuant to our2021 Equity Incentive Plan, which we plan to adopt in connection with this offering; and
- The use of the proceeds from this offeringand cash on hand to (i) pay underwriting discounts and commissions and other expenses of this offering and (ii) repay borrowings under our existing secured vertical construction lines of credit facilites.

The unaudited pro forma statements of comprehensive income and the unaudited pro forma consolidated balance sheet were derived by adjusting the historical consolidated financial statements of our predecessor, DFH LLC, and the financial statements of H&H LLC.

The pro forma adjustments are based on currently available information and certain estimates and assumptions. Our management believes that the assumptions provide a reasonable basis for presenting the significant effects of the Transaction Accounting Adjustments, as contemplated, and the pro forma adjustments give appropriate effect to those assumptions. The pro forma statements of comprehensive income do not include an adjustment for the estimated additional selling, general and administrative expense that we anticipate we will incur as a result of being a public company. All pro forma adjustments and their underlying assumptions are described more fully in the notes to our unaudited pro forma consolidated balance sheets and our unaudited pro forma statements of comprehensive income. The purchase accounting related to the H&H Acquisition is not complete at this time and the final recorded amounts could differ from the amounts shown below. While no intangible assets have been identified to date, we may allocate purchase price to identifiable intangible assets when we complete our purchase accounting, which we expect to finalize during the second quarter of 2021.

We estimate the fair value of H&H LLC's communities using expected gross margin of the unit less other costs to be incurred to sell the units. The historical performance of each community, as well as current trends in the market and economy impacting, the community are evaluated for each of the estimates above.

The following unaudited pro forma financial information is included for illustrative purposes only and does not purport to reflect our results of operations or financial position that would have occurred had the Transaction Accounting Adjustments been consummated during the periods presented or to project our results of operations or financial position for any future period. The unaudited pro forma financial information has been prepared in accordance with Article 11 of Regulation S-X, as amended by the SEC during 2020, and should be read in conjunction with the sections of this prospectus captioned "Use of Proceeds," "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations," the audited and unaudited consolidated financial statements of our predecessor, DFH LLC, and related notes, and the audited and unaudited financial statements of H&H LLC, and related notes, each included elsewhere in this prospectus.

DREAM FINDERS HOMES, INC.
UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2020

	Dream Finders Holdings LLC (Predecessor)	H&H Constructors of Fayetteville, LLC	Transaction Accounting Adjustments		DFH LLC Pro Forma for H&H and Transaction Accounting Adjustments	Adjustments New Company Offering		Dream Finders Homes, Inc. Pro Forma
ASSETS								
Cash and cash equivalents	$ 42,081,890	$ 9,253,903	$ (9,496,723)	(a)	$ 41,839,070	$ (16,839,070)		$ 25,000,000
Restricted cash	33,244,211	—			33,244,211			33,244,211
Inventories:								
Construction in progress and finished homes	348,474,374	123,828,268	(3,624,816)	(b)	468,677,826			468,677,826
Joint venture owned land and lots	39,465,422				39,465,422			39,465,422
Company owned land and lots	20,531,240	24,263,623		(b)	44,794,863			44,794,863
Lot deposits	32,688,115	3,911,511			36,599,626			36,599,626
Equity method investments	1,586,194	—			1,586,194			1,586,194
Property and equipment, net	3,789,080	—		(b)	3,789,080			3,789,080
Operating lease right-of-use assets	12,816,336	1,613,754			14,430,090			14,430,090
Finance lease right-of-use assets	375,380	—			375,380			375,380
Goodwill	12,208,783	—	24,182,457	(a)	36,391,240			36,391,240
Other assets	25,219,793	7,779,502	(5,032,457)	(b)	27,966,838			27,966,838
Total assets	$572,480,818	$170,650,561	$ 6,028,461	(a)	$749,159,840	$ (16,839,070)		$732,320,770
LIABILITIES								
Accounts payable	$ 36,251,297	$ 15,232,095			$ 51,483,392	9,372,606	(c)	$ 60,855,998
Accrued expenses	47,382,769	2,509,036			49,891,805			49,891,805
Customer deposits	30,064,738	1,631,866			31,696,604			31,696,604
Construction lines of credit	251,234,557	116,894,907		(b)	368,129,464	(134,367,070)	(e)	233,762,394
Notes payable	10,953,159		20,000,000	(a)	30,953,159			30,953,159
Operating lease liabilities	12,961,236	—			12,961,236			12,961,236
Finance lease liabilities	384,056	—			384,056			384,056
Contingent Consideration	5,920,311	—	20,411,118	(a)	26,331,429			26,331,429
Total liabilities	$395,152,123	$136,267,904	$ 40,411,118	(a)	$571,831,145	$(124,994,464)		$446,836,681
Commitments and contingencies								
Equity:								
Mezzanine Equity								
Preferred members' equity	$ 50,358,098	—		(a), (b)	$ 50,358,098	$ (18,677,309)	(d),(f)	$ 31,680,789
Common members' equity	19,102,846	—			19,102,846	(19,102,846)		0
Total Mezzanine Equity	69,460,944	—			69,460,944	(37,780,155)		31,680,789
Common members' equity	75,506,849	34,382,657	(34,382,657)	(a), (b)	75,506,849	(75,506,849)	(d),(f)	0
Class A and B Common Stock						221,442,398		221,442,398
Total members' equity	—	34,382,657	(34,382,657)	(a), (b)	—	145,442,398	(d),(f)	221,442,398
Non-controlling interests	32,360,902	—			32,360,902			32,360,902
Total equity	177,328,695	34,382,657	(34,382,657)	(a), (b)	177,328,695	108,155,394	(d),(f)	285,484,089
Total liabilities, mezzanine equity and equity	$572,480,818	$170,650,561	6,028,461	(a), (b)	$749,159,840	$ (16,839,070)	(d),(f)	$732,320,770

(a) Reflects the acquisition of H&H Homes. The anticipated purchase price is $49.9 million, which includes $9.5 million of cash on hand, $20.0 million funded by the H&H Acquisition Note and $20.4 million of contingent consideration for the former principal of H&H Homes. The resulting goodwill from the H&H Acquisition after allocating purchase price to the assets and liabilities acquired is $24.2 million. The contingent consideration estimate is based on the current pre-tax estimates provided by H&H Homes. The former owners of H&H Homes are entitled to receive 20% of pre-tax earnings for the four year period following the acquisition date, subject to meeting certain thresholds in each of the annual periods. The gross cash flow estimates were discounted back to present value using a weighted average cost of capital.

(b) Reflects a day one adjustment to the book basis of certain of assets and liabilities held by H&H Homes but not acquired by us. The net equity of the assets and liabilities that were not acquired in the H&H Acquisition was $7.6 million as of September 30, 2020. This entry also includes a $2.4 million increase in real estate inventory to reflect the estimated fair value of the acquired homes completed and under construction based on their stage of construction. We used H&H Homes' historic gross margin and applied a market participant's expectation of selling, general and administrative expense that would be required to complete construction of the homes. We also factored into the adjustment the stage of completion for homes under construction. This entry also includes a deduction in the book value of inventory for H&H Homes capitalized indirect costs of $3.4 million. Our accounting policy is to expense the supervision of construction as incurred.

(c) Reflects the taxes payable by DFH LLC, our predecessor, of $9.4 million on earnings through September 30, 2020.

(d) Reflects the application of the net proceeds of this offering of $117.5 million (assuming the issuance of 9,600,000 shares of Class A common stock at an initial public offering price of $13.50 per share (the midpoint of the price range set forth on the cover page of this prospectus), and after deducting underwriting discounts and commissions and expenses related to this offering), together with cash on hand and borrowing under our syndicated, unsecured revolving credit facility, to repay borrowings under our existing vertical construction lines of credit facilities.

(e) Reflects $134.4 million paydown of our existing vertical construction lines of credit facilities.

(f) Gives effect to conversion of 15,400 Series A preferred units of DFH LLC and classified in mezzanine equity into Class A common stock.

DREAM FINDERS HOMES, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA STATEMENTS OF COMPREHENSIVE INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2020

	Dream Finders Holdings LLC (Predecessor)	H&H Constructors of Fayetteville, LLC	Transaction Accounting Adjustments		DFH LLC Pro Forma for H&H and Transaction Accounting Adjustments	Adjustments New Company Offering		Dream Finders Homes, Inc. Pro Forma
Revenues	$672,706,388	$170,932,095			$843,638,483			$843,638,483
Cost of sales	575,683,384	144,877,181			720,560,565	(219,798)	(c)	720,340,767
Selling, general and administrative expense	54,958,949	18,911,899	799,327	(d)	74,670,175			74,670,175
Income from equity in earnings of unconsolidated entities	(4,843,649)	—			(4,843,649)			(4,843,649)
Gain on sale of assets	(53,006)	—			(53,006)			(53,006)
Other income	(1,171,675)	(61,745)			(1,233,420)			(1,233,420)
Other expense	3,669,048	—			3,669,048			3,669,048
Interest expense	$ 124,026	—			$ 124,026			$ 124,026
Income before income taxes	$ 44,339,311	$ 7,204,760	$799,327		$ 50,964,542			$ 50,964,542
Income tax expense						11,872,606	(a)	11,872,606
Net and Comprehensive income	$ 44,339,311	$ 7,204,760	$799,327		$ 50,744,744	$11,652,809	(a)	$ 39,091,935
Net and comprehensive income attribute to noncontrolling interests	(3,474,116)	—			(3,474,116)			(3,474,116)
Net and comprehensive income attributable to Dream Finders	$ 40,865,195	$ 7,204,760	$799,327		$ 47,270,628	$11,652,809	(a)	$ 35,617,819
Earnings per share								
Basic	$ 377.86							$ 0.35
Diluted	$ 376.79							$ 0.35
Weighted average number of common shares								
Basic	99,065					91,081,482	(b)	91,081,482
Diluted	99,841					91,081,482	(b)	91,081,482

(a) Reflects the pro forma federal and state income taxes attributable to reflect the change in DFH LLC's, our predecessor, taxable status to a C Corporation as a result of the Corporate Reorganization. Certain states require pass-through entities to pay corporate income taxes when the parent is a taxable entity for federal income tax purposes. The federal and incremental state income taxes resulting from our change to a taxable entity were calculated using an estimated 25% effective tax rate.

(b) Gives effect to the conversion of certain of the DFH LLC members' equity into common stock of DFH Inc. as though the conversion had occurred as of the beginning of the period presented. See "Corporate Reorganization" in this prospectus for additional information.

(c) Gives effect to interest expense recognized as a result of the new interest rate associated with our new syndicated, unsecured revolving credit facility. A 0.125% increase or decrease in the variable rate facility will increase or decrease cost of sales by $219,798, respectively.

(d) Represents the expected expense associated with accreting the day one fair value of contingent consideration to the projected gross cash outflow.

The unaudited pro forma statements of comprehensive income for the nine months ended September 30, 2020 do not reflect an increase in the cost of sales associated with the changes in the value of the real estate inventory because it will be amortized into the unaudited pro forma statements of comprehensive income for the year ended December 31, 2019. The unaudited pro forma statements of comprehensive income for the nine months ended September 30, 2020 do not reflect additional interest from the H&H Acquisition Note as the duration of the Note is seven months and would be repaid in 2019 if the H&H Acquisition was consummated on January 1, 2019.

DREAM FINDERS HOMES, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA STATEMENTS OF COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2019

	Dream Finders Holdings LLC (Predecessor)	H&H Constructors of Fayetteville, LLC	Transaction Accounting Adjustments		DFH LLC Pro Forma for H&H and Transaction Accounting Adjustments	Adjustments New Company Offering		Dream Finders Homes, Inc. Pro Forma
Revenues	$744,292,323	$232,269,124			$976,561,447			$976,561,447
Cost of sales	641,340,496	200,854,833	2,424,001	(d)	844,619,330	(238,050)	(c)	844,381,280
Selling, general and administrative expense	58,733,781	23,209,177	1,060,231	(d)	83,003,189			83,003,189
Income from unconsolidated joint ventures	(2,208,182)	—			(2,208,182)			(2,208,182)
Gain on sale of assets	(28,652)	—			(28,652)			(28,652)
Other income	(2,447,879)	(23,166)			(2,471,045)			(2,471,045)
Other expense	3,783,526	—			3,783,526	1,589,308	(e)	5,372,834
Interest expense	221,449	—	1,225,000	(f)	1,446,449			1,446,449
Income before income taxes	$ 44,897,784	$ 8,228,280	$4,709,233	(d)	$ 48,416,832	$ 1,351,258	(c),(e)	$ 47,065,574
Income tax expense						10,339,764	(a)	10,339,764
Net and comprehensive income	$ 44,897,784	$ 8,228,280	$4,709,233	(d)	$ 48,416,832	$11,691,022	(a),(c), (e)	$ 36,725,810
Net and comprehensive income attribute to noncontrolling interests	(5,706,518)	—			(5,706,518)	—		
Net and comprehensive income attributable to Dream Finders	$ 39,191,266	$ 8,228,280	$4,709,233	(d)	$ 42,710,314	$11,691,022	(a),(c), (e)	$ 31,019,292
Earnings per share								
Basic	$ 353.40							$ 0.29
Diluted	$ 353.40							$ 0.29
Weighted average number of common shares								
Basic	97,830						(b)	90,065,106
Diluted	97,830						(b)	90,065,106

(a) Reflects income tax adjustments as if DFH LLC were a taxable entity as of the beginning of the period assuming a 25% effective tax rate.

(b) Gives effect to the conversion of certain of the DFH LLC members' equity into common stock of DFH Inc. as though the conversion had occurred as of the beginning of the period presented. See "Corporate Reorganization" in this prospectus for additional information

(c) Gives effect to lower interest expense recognized as a result of the new interest rate and amount associated with our new syndicated, unsecured revolving credit facility. Also gives effect to extinguishment of debt issuance costs as a result of the refinancing of our vertical construction lines of credit facilities. A 0.125% increase or decrease in the variable rate facility will increase or decrease cost of sales by $238,050, respectively.

(d) Gives effect to the results of H&H LLC as of the beginning of the fiscal years presented after adjusting the operating results reflecting additional amortization that would have been recorded assuming the fair value adjustments to assets had been applied as of January 1, 2019 and to the accretion of the contingent consideration during the year.

(e) Gives effect to stock compensation expense recognized as a result of unrecognized expense associated with membership units grants in DFH LLC vesting upon this offering.

(f) Gives effect to the increased interest expense associated with the H&H Acquisition Note utilized to finance the H&H Acquisition.

SELECTED HISTORICAL AND PRO FORMA FINANCIAL AND OPERATING DATA

Historically, our business has been operated through DFH LLC. DFH Inc. was incorporated in September 2020 and does not have historical financial operating results. The following table shows selected historical and pro forma consolidated financial and operating data for the periods and as of the dates indicated. The selected historical consolidated financial data of our predecessor, DFH LLC, as of and for the years ended December 31, 2019 and 2018 was derived from the audited historical consolidated financial statements of our predecessor included elsewhere in this prospectus. The selected historical unaudited condensed consolidated financial data of our predecessor as of September 30, 2020 and for the nine months ended September 30, 2020 and 2019 was derived from the unaudited condensed consolidated financial statements of our predecessor included elsewhere in this prospectus. The selected historical unaudited condensed consolidated financial data of our predecessor has been prepared on a consistent basis with the audited historical consolidated financial statements of our predecessor. In the opinion of management, such summary historical unaudited condensed consolidated financial data reflects all adjustments (consisting of normal recurring adjustments) considered necessary to fairly state our financial position for the periods presented. The results of operations for the interim periods are not necessarily indicative of the results that may be expected for the full year.

The selected unaudited pro forma condensed consolidated financial data has been derived from our unaudited pro forma condensed consolidated financial statements included elsewhere in this prospectus. The selected unaudited pro forma condensed statements of comprehensive income for the nine months ended September 30, 2020 and the year ended December 31, 2019 have been prepared to give pro forma effect to the Adjustment Transactions, as if each of the Adjustment Transactions had been completed as of September 30, 2020 with respect to the unaudited pro forma balance sheet as of September 30, 2020, and as of January 1, 2019 with respect to the unaudited pro forma statements of comprehensive income for the nine months ended September 30, 2020 and the year ended December 31, 2019. The selected unaudited pro forma condensed consolidated financial data are presented for informational purposes only and should not be considered indicative of actual results of operations that would have been achieved had the Adjustment Transactions been consummated on the dates indicated and do not purport to be indicative of statements of financial position or results of operations as of any future date or for any future period.

Our historical results are not necessarily indicative of future operating results. You should read the following table in conjunction with "Unaudited Pro Forma Financial Information," "Use of Proceeds," "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Corporate Reorganization" and the historical consolidated financial statements of our predecessor and accompanying notes included elsewhere in this prospectus.

	DFH Inc. Pro Forma		Predecessor Historical			
	Nine Months Ended September 30, 2020	Year Ended December 31, 2019	Nine Months Ended September 30,		Year Ended December 31,	
			2020	2019	2019	2018
	(unaudited)		(unaudited)			
	(in thousands, except per share data and average sales price of homes closed)					
Consolidated Statements of Comprehensive Income Data:						
Revenues	$843,638	$976,561	$672,706	$490,900	$744,292	$522,258
Cost of sales	720,341	844,381	575,683	425,016	641,340	454,403
Selling, general and administrative expense[1]	74,670	83,003	54,959	40,391	58,734	43,545
Income from equity in earnings of unconsolidated entities	(4,844)	(2,208)	(4,844)	(1,426)	(2,208)	(1,271)
Gain on sale of assets	(53)	(29)	(53)	(29)	(29)	(3,293)
Other income	(1,233)	(2,471)	(1,172)	(1,731)	(2,448)	(3,016)
Other expense	3,669	3,784	3,669	2,132	3,784	7,948
Interest expense	124	1,446	124	144	221	682
Income tax expense	11,873	10,340	—	—	—	—
Net and comprehensive income	$ 35,618	$ 36,726	$ 44,339	$ 26,402	$ 44,898	$ 23,261
Net and comprehensive income attributable to noncontrolling interests	$ (3,474)	$ (5,707)	$ (3,474)	$ (3,580)	$ (5,707)	$ (5,939)
Net and comprehensive income attributable to Dream Finders	$ 35,618	$ 31,019	$ 40,865	$ 22,822	$ 39,191	$ 17,322

	DFH Inc. Pro Forma		Predecessor Historical			
	Nine Months Ended September 30, 2020	Year Ended December 31, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019	Year Ended December 31, 2019	Year Ended December 31, 2018
	(unaudited)		(unaudited)			
	(in thousands, except per share data and average sales price of homes closed)					
Earnings per share (unit for predecessor):						
Basic	$ 0.35	$ 0.29	$ 377.86	$ 199.57	$ 353.40	$ 170.92
Diluted	0.35	0.29	376.79	199.57	353.40	170.92
Weighted average number of shares (units for predecessor):						
Basic	91,081	90,065	99	98	98	98
Diluted	91,081	90,065	100	98	98	98
Consolidated Balance Sheets Data (at period end):						
Cash and cash equivalents	$ 25,000		$ 42,082	$ 12,989	$ 44,007	$ 19,809
Total assets	732,320		572,481	507,991	514,919	375,446
Long-term debt, net	264,715		262,188	253,555	232,013	175,876
Total stockholders' (members' for predecessor) equity	285,484		177,329	147,489	161,491	91,434
Other Financial and Operating Data (unaudited):						
Active communities at end of period[2]	121	140	79	70	85	53
Home closings[3]	2,419	2,851	1,817	1,297	2,048	1,408
Average sales price of homes closed	$347,190	$344,394	$365,843	$352,872	$362,728	$361,860
Net new orders	3,712	2,955	2,799	1,659	2,139	1,349
Cancellation rate	13.1%	15.4%	12.9%	13.9%	15.6%	15.8%
Backlog (at period end) - homes	2,374	1,082	1,836	1,123	854	636
Backlog (at period end) - value	$841,930	$405,703	$683,743	$389,629	$334,783	$249,672
Gross margin[4]	$111,573	$114,520	$ 93,293	$ 62,718	$ 98,405	$ 64,650
Gross margin %[5]	13.3%	11.8%	14.0%	12.9%	13.3%	12.5%
Adjusted gross margin[6]	$176,619	$192,091	$145,367	$ 99,252	$156,344	$103,974
Adjusted gross margin %[5][6]	21.1%	19.8%	21.7%	20.4%	21.1%	20.0%
EBITDA[6]	$ 78,181	$ 84,025	$ 66,001	$ 41,691	$ 70,522	$ 37,179
EBITDA margin %[6][7]	9.3%	8.6%	9.8%	8.5%	9.5%	7.1%
Adjusted EBITDA[6]	$ 78,878	$ 86,873	$ 66,698	$ 42,287	$ 71,417	$ 38,075
Adjusted EBITDA margin %[6][7]	9.3%	8.9%	9.9%	8.6%	9.6%	7.3%

(1) When compared to the DFH Inc. Pro Forma Consolidated Statements of Comprehensive Income Data for the nine months ended September 30, 2020 and December 31, 2019, our Adjusted Gross Margin calculation includes a reclassification of $7.9 million and $13.1 million from selling, general and administrative expense to cost of sales for each period presented. These expenses relate to commissions and interest, which H&H Homes historically classified as selling, general and administrative expense; we classify these expenses in cost of sales.

(2) A community becomes active once the model is completed or the community has its fifth sale. A community becomes inactive when it has fewer than five units remaining to sell.

(3) Home closings for the twelve months ended December 31, 2019 do not include the 131 home closings of Village Park Homes between January and May of 2019 prior to the closing of our acquisition of Village Park Homes on May 31, 2019.

(4) Gross margin is home sales revenue less cost of sales.

(5) Calculated as a percentage of home sales revenue.

(6) Adjusted gross margin, EBITDA and adjusted EBITDA are non-GAAP financial measures. For definitions of adjusted gross margin, EBITDA and adjusted EBITDA and a reconciliation to our most directly comparable financial measures calculated and presented in accordance with GAAP, see "—Non-GAAP Financial Measures."

(7) Calculated as a percentage of revenues.

Non-GAAP Financial Measures

Adjusted Gross Margin

Adjusted gross margin is a non-GAAP financial measure used by management as a supplemental measure in evaluating operating performance. We define adjusted gross margin as gross margin excluding the effects of capitalized interest, amortization included in the cost of sales (including adjustments resulting from the application of purchase accounting in connection with acquisitions) and commission expense. Our management believes this information is meaningful because it isolates the impact that capitalized interest, amortization

(including purchase accounting adjustments) and commission expense have on gross margin. However, because adjusted gross margin information excludes capitalized interest, amortization (including purchase accounting adjustments) and commission expense, which have real economic effects and could impact our results of operations, the utility of adjusted gross margin information as a measure of our operating performance may be limited. We include commission expense in cost of sales, not selling, general and administrative expense, and therefore commission expense is taken into account in gross margin. As a result, in order to provide a meaningful comparison to the public company homebuilders that include commission expense below the gross margin line in selling, general and administrative expense, we have excluded commission expense from adjusted gross margin. In addition, other companies may not calculate adjusted gross margin information in the same manner that we do. Accordingly, adjusted gross margin information should be considered only as a supplement to gross margin information as a measure of our performance.

The following table presents a reconciliation of adjusted gross margin to the GAAP financial measure of gross margin for each of the periods indicated (unaudited and in thousands, except percentages).

	DFH Inc. Pro Forma		Predecessor Historical			
	Nine Months Ended September 30, 2020	Year Ended December 31, 2019	Nine Months Ended September 30,		Year Ended December 31,	
			2020	2019	2019	2018
Revenues	$843,638	$976,561	$672,706	$490,900	$744,292	$522,258
Other revenue	4,810	4,547	3,730	3,166	4,547	3,205
Home sales revenues	$838,828	$972,014	$668,976	$487,734	$739,745	$519,053
Cost of sales	727,255	857,494	575,683	425,016	641,340	454,403
Gross margin[1]	$111,573	$114,520	$ 93,293	$ 62,718	$ 98,405	$ 64,650
Interest expensed in cost of sales	24,659	28,154	19,562	12,051	21,055	16,364
Amortization in cost of sales[2]	3,054	9,247	3,054	4,600	7,119	550
Commission expense	37,333	40,170	29,458	19,883	29,765	22,410
Adjusted gross margin	$176,619	$192,091	$145,367	$ 99,252	$156,344	$103,974
Gross margin %[3]	13.3%	11.8%	14.0%	12.9%	13.3%	12.5%
Adjusted gross margin %[3]	21.1%	19.8%	21.7%	20.4%	21.1%	20.0%

(1) Gross margin is home sales revenue less cost of sales.

(2) Includes purchase accounting adjustment, as applicable.

(3) Calculated as a percentage of home sales revenues.

EBITDA and Adjusted EBITDA

EBITDA and adjusted EBITDA are not measures of net income as determined by GAAP. EBITDA and adjusted EBITDA are supplemental non-GAAP financial measures used by management and external users of our consolidated financial statements, such as industry analysts, investors, lenders and rating agencies. We define EBITDA as net income before (i) interest income, (ii) capitalized interest expensed in cost of sales, (iii) interest expense, (iv) income tax expense and (v) depreciation and amortization. We define adjusted EBITDA as EBITDA before stock-based compensation expense.

Management believes EBITDA and adjusted EBITDA are useful because they allow management to more effectively evaluate our operating performance and compare our results of operations from period to period without regard to our financing methods or capital structure or other items that impact comparability of financial results from period to period. EBITDA and adjusted EBITDA should not be considered as alternatives to, or more meaningful than, net income or any other measure as determined in accordance with GAAP. Our computations of EBITDA and adjusted EBITDA may not be comparable to EBITDA or adjusted EBITDA of other companies. We present EBITDA and adjusted EBITDA because we believe they provide useful information regarding the factors and trends affecting our business.

The following table presents a reconciliation of EBITDA and adjusted EBITDA to the GAAP financial measure of net income for each of the periods indicated (unaudited and in thousands, except percentages).

	DFH Inc. Pro Forma		Predecessor Historical			
	Nine Months Ended September 30, 2020	Year Ended December 31, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019	Year Ended December 31, 2019	Year Ended December 31, 2018
Net income	$35,618	$31,019	$40,865	$22,822	$39,191	$17,322
Interest income	(38)	(105)	(38)	(55)	(99)	(9)
Interest expense in cost of sales	24,659	25,446	19,562	12,051	21,055	16,364
Interest expense	124	4,155	124	144	221	682
Income tax expense	11,873	10,340	—	—	—	—
Depreciation and amortization	5,945	13,171	5,488	6,729	10,154	2,820
EBITDA	$78,181	$84,025	$66,001	$41,691	$70,522	$37,179
Stock-based compensation expense	697	2,848	697	597	895	896
Adjusted EBITDA	$78,878	$86,873	$66,698	$42,287	$71,417	$38,075
EBITDA margin %(1)	9.3%	8.6%	9.8%	8.5%	9.5%	7.1%
Adjusted EBITDA margin %(1)	9.3%	8.9%	9.9%	8.6%	9.6%	7.3%

(1) Calculated as a percentage of revenues.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the information presented in "Unaudited Pro Forma Financial Information," "Selected Historical and Pro Forma Financial and Operating Data," "Corporate Reorganization" and the accompanying financial statements and related notes included elsewhere in this prospectus. In addition to historical information, the following discussion contains forward-looking statements that reflect our future plans, estimates, beliefs and expected performance. The forward-looking statements are dependent upon events, risks and uncertainties that may be outside our control. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in the sections titled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" included elsewhere in this prospectus.

Overview

We are one of the nation's fastest growing private homebuilders by revenue and home closings since 2014. We design, build and sell homes in high-growth markets, including Jacksonville, Orlando, Denver, the Washington D.C. metropolitan area and Austin, and, with the H&H Acquisition in October 2020, Charlotte and Raleigh. We employ an asset-light lot acquisition strategy with a focus on the design, construction and sale of single-family entry-level, first-time move-up and second-time move-up homes. To fully serve our homebuyer customers and capture ancillary business opportunities, we also offer title insurance and mortgage banking solutions.

Our asset-light lot acquisition strategy enables us to generally purchase land in a "just-in-time" manner with reduced up-front capital commitments, which in turn has increased our inventory turnover rate, enhanced our strong returns on equity and contributed to our impressive growth. In addition, we believe our asset-light model reduces our balance sheet risk relative to other homebuilders that own a higher percentage of their land supply. As of September 30, 2020, 99% of our owned and controlled lots were controlled through finished lot option contracts and land bank option contracts compared to the average among the public company homebuilders of 46%. This 99% includes finished lot option contracts that we have entered into with our consolidated and non-consolidated joint ventures. We believe that our asset-light model has been instrumental in our generation of attractive returns on equity of 41% for the twelve months ended September 30, 2020 and 34% for the year ended December 31, 2019, substantially exceeding the average returns on equity among the public company homebuilders of 15% and 13%, respectively, for the same periods. We intend to continue to leverage our proven asset-light strategy in furtherance of our growth and stockholder returns objectives.

We are committed to providing exemplary customer service and have a proven expertise in understanding the design needs of our homebuyers. We have received numerous industry awards for architectural and customer service excellence, and we believe our commitment to high quality design and customer satisfaction has contributed to our successful track record. Since breaking ground on our first home on January 1, 2009 during an unprecedented downturn in the U.S. homebuilding industry, we have closed over 9,100 home sales through September 30, 2020, have been profitable every year since inception and have never taken an inventory impairment. For the twelve months ended September 30, 2020, pro forma for our acquisition of H&H Homes, we closed 3,399 homes. After just over a decade of operations, we were, according to *Professional Builder's* 2020 Housing Giants list, the 18th largest private homebuilder in the United States based on 2019 revenues and, pro forma for the H&H Acquisition, we would have been the 11th largest private homebuilder based on 2019 revenues of $976.6 million. In addition, our nine most successful months since our inception, as measured by volume of net new orders, were recorded in February, May, June, July, August, September, October, November and December 2020, with net new orders of 319, 293, 363, 368, 448, 343, 567, 435 and 384 homes, respectively, as compared to 141, 174, 195, 273, 159, 154, 150, 158 and 172 homes for the same months in 2019.

We select the geographic markets in which we operate our homebuilding business through a rigorous selection process based on our evaluation of positive population and employment growth trends, favorable migration patterns, attractive housing affordability, low state and local income taxes and desirable lifestyle and weather characteristics. Recently, we believe these favorable factors have been amplified by a general migration from urban areas to nearby suburbs in which we build homes, a trend that has increased further as a result of the COVID-19 pandemic. Over 70% of all U.S. migration from 2010 through 2018 was into states in which we currently operate. For example, according to the LinkedIn Workforce Report, between April and August 2020, Jacksonville recorded an 11% increase in net population migration, the largest increase among the top 20

metropolitan areas tracked by LinkedIn. In addition, we have experienced an increase in entry-level homebuyers, who we believe are motivated to move out of their apartments or confined living areas and into more spacious homes in anticipation of spending more time at home with the increasing prevalence of remote-working arrangements as a result of the COVID-19 pandemic.

We operate an asset-light and capital efficient lot acquisition strategy and generally seek to avoid engaging in land development, which requires significant capital expenditures and can take several years to realize returns on the investment. Our strategy is intended to avoid the financial commitments and risks associated with direct land ownership and land development by allowing us to control a significant number of lots for a relatively low capital cost. We primarily employ two variations of our asset-light land financing strategy, finished lot option contracts and land bank option contracts, pursuant to which we secure the right to purchase finished lots at market prices from various land sellers and land bank partners, including through our joint ventures, by paying deposits based on the aggregate purchase price of the finished lots (typically 10% or less in the case of finished lot option contracts and 15% or less in the case of land bank option contracts). These option contracts generally allow us, at our option, to forfeit our right to purchase the lots controlled by these option contracts for any reason, and our sole legal obligation and economic loss as a result of such forfeitures is limited to the amount of the deposits paid pursuant to such option contracts and, in the case of land bank option contracts, any related fees paid to the land bank partner. As of September 30, 2020, we owned and controlled 10,394 lots through finished lot option contracts and land bank option contracts, representing 99% of our total owned and controlled lots. Furthermore, as of September 30, 2020, we have signed contracts covering 4,763 additional lots with respect to which we are still in the due diligence and investigation period and for which our earnest money deposits are still refundable. Pro forma for the H&H Acquisition, we owned and controlled 15,330 lots as of September 30, 2020.

Our operations are currently organized into six geographical divisions: Jacksonville, Orlando, Capital (consisting primarily of our homebuilding operations in the Washington D.C. metropolitan area), Colorado, Other (consisting primarily of our title operations and our homebuilding operations in Austin, Savannah and Village Park Homes markets) and Jet Home Loans (consisting of our mortgage banking joint venture). See “Note 13. Segment Reporting” to our consolidated financial statements included elsewhere in this prospectus. Pro forma for the H&H Acquisition, which we intend to organize under a new geographical division, our existing geographical divisions accounted for 32%, 9%, 10%, 10%, 17% and 3%, respectively, of our consolidated total revenues, plus revenue from our equity method investment under our Jet Home Loans segment, for the nine months ended September 30, 2020, respectively, and the H&H Homes segment accounted for the remaining 20% of our consolidated total revenues for the nine months ended September 30, 2020. See “Prospectus Summary—Recent Developments—H&H Acquisition” in this prospectus for additional information. Our Jacksonville segment primarily consists of our Jacksonville, Florida homebuilding operations. Our Orlando segment primarily consists of our Orlando, Florida homebuilding operations. Our Capital segment primarily consists of our homebuilding operations in the greater Washington D.C. metropolitan area. Our Colorado segment primarily consists of our greater Denver homebuilding operations. Our Other segment primarily consists of our Austin, Texas, Hilton Head and Bluffton, South Carolina and Savannah, Georgia homebuilding operations and our title insurance brokerage business, DF Title, LLC d/b/a Golden Dog Title & Trust (“DF Title”). Our Jet Home Loans segment consists of our mortgage operations conducted through our joint venture, Jet LLC. Following the consummation of the H&H Acquisition, our seventh geographical division, H&H Homes, will primarily consist of homebuilding operations in Charlotte, Fayetteville, Raleigh, the Triad (consisting of Greensboro, High Point and Winston-Salem, North Carolina) and Wilmington, North Carolina, and Myrtle Beach, South Carolina. See “Prospectus Summary—Recent Developments—H&H Acquisition” in this prospectus for additional information.

We increased our revenues from $490.9 million for the nine months ended September 30, 2019 to $672.7 million for the nine months ended September 30, 2020, and, pro forma for the H&H Acquisition, $843.6 million for the nine months ended September 30, 2020. We increased our revenues from $522.3 million for the year ended December 31, 2018 to $744.3 million for the year ended December 31, 2019, and, pro forma for the H&H Acquisition, $976.6 million for the year ended December 31, 2019.

For the nine months ended September 30, 2020, we generated gross margin of 14.0%, adjusted gross margin of 21.7%, net income of $40.9 million and EBITDA margin of 9.8% and, pro forma for the H&H Acquisition, gross margin of 13.3%, adjusted gross margin of 21.1%, net income of $47.3 million and EBITDA margin of 9.2%.

Adjusted gross margin, EBITDA and adjusted EBITDA are not financial measures under GAAP. See "Selected Historical and Pro Forma Financial and Operating Data—Non-GAAP Financial Measures" for an explanation of how we compute these non-GAAP financial measures and for their reconciliations to the most directly comparable GAAP financial measure, including an explanation of the pro forma amounts.

Factors Affecting Our Results of Operations

We believe that our future performance will depend on many factors, including those described below and in the sections titled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" included elsewhere in this prospectus.

Availability of Finished Lots

Our sourcing of finished lots is affected by changes in the general availability of finished lots in the markets in which we operate, the willingness of land sellers to sell finished lots at competitive prices, competition for available finished lots and other market conditions. If the supply of finished lots is limited because of these or other factors, we may build and sell fewer homes as a result. To the extent that we are unable to acquire finished lots at competitive prices, or at all, our revenues, margins and other results of operations could be negatively impacted.

Availability of Mortgages; Applicable Interest Rates

Approximately 83% of our homebuyers in 2019 obtained a mortgage to purchase their home. As a result, the availability of mortgages on terms that make purchases of our homes affordable to a broad base of consumers has a significant impact on our business. The availability and accessibility of mortgages can depend in part on current interest rates and down payment requirements, which are not within our control. The majority of our customers that obtain mortgages obtain loans that conform with the terms established by Freddie Mac and Fannie Mae. Interest rates available to homebuyers obtaining conforming loans are driven by Freddie Mac's and Fannie Mae's ability to package and sell loans into the secondary market. Disruptions in this supply chain could impact our business significantly if our homebuyers are unable to obtain mortgages on terms that are acceptable, or at all.

Costs of Building Materials and Labor

Our cost of sales includes the acquisition and finance costs of home sites or lots, municipality fees, the costs associated with obtaining building permits, materials and labor to construct the home, interest rates for construction loans, internal and external realtor commissions and other miscellaneous closing costs. Home site costs range from 20-25% of the average cost of a home. Building materials range from 40-50% of the average cost to build the home, labor ranges from 30-40% of the average cost to build the home and interest, commissions and closing costs range from 4% to 10% of the average cost to build the home.

In general, the cost of building materials fluctuates with overall trends in the underlying prices of raw materials. The cost of certain of our building materials, such as lumber and oil-based products, fluctuates with market-based pricing curves. We often obtain volume discounts and/or rebates with certain suppliers of our building materials, which in turn reduces our cost of sales. However, increases in the cost of building materials may reduce gross margin to the extent that market conditions prevent the recovery of increased costs through higher home sales prices. The price changes that most significantly influence our operations are price increases in commodities, including lumber. Significant price increases of these materials may negatively impact our cost of sales and, in turn, our net income. For example, in the last 18 months, the cost of lumber has been volatile due to the U.S. government-imposed tariffs on imports of Canadian lumber and the supply-chain disruptions caused by the closing of lumber mills in response to the COVID-19 pandemic. Because we secure rates with our lumber suppliers on a quarterly basis, our business has not yet been adversely affected by this price volatility. However, the recent increases in lumber commodity prices may result in the renewal of our lumber contracts at more expensive rates, which may significantly impact the cost to construct our homes and our business. If the current lumber shortage, and related pricing impacts, continue, our cost of sales and, in turn, our net income could be negatively impacted.

Changes in Price and Availability of Land

Acquiring home sites or finished lots in desirable geographic areas with prices and acquisition terms that drive profitable home delivery is an important component of our business. Our infrastructure is designed to build

a certain number of homes each year and an adequate lot supply is crucial to meeting our business objectives. Lot value appreciation or depreciation varies across the markets in which we operate. Our acquisition costs associated with finished lots have increased in certain of our markets where job and population growth are outpacing lot supply.

Historically, we have utilized joint ventures to finance the acquisition and development of finished lots. We consolidate the assets, liabilities and income from certain of these joint ventures under GAAP. The revenues and cost of sales associated with homes closed from these consolidated joint ventures are recognized under the "revenues" and "cost of sales" line items, respectively, on our statements of comprehensive income contained in our consolidated financial statements included elsewhere in this prospectus. The portion of income that is due and the equity that is attributable to our joint venture partners is recognized under the "net and comprehensive income attributable to noncontrolling interests" line item on our statements of comprehensive income contained in our consolidated financial statements included elsewhere in this prospectus. In the future, our primary financing strategy for controlling finished lots will be through the utilization of land bank relationships. Land bank relationships may result in a higher cost of sales, but we will not be required to share home closing gross margin with our land bank partners. This may reduce the net and comprehensive income attributable to noncontrolling interests and gross margin.

Changes in Product Mix

We sell four series of products: the Dream Series, the Designer Series, the Platinum Series and the Custom Series. See "Business—Our Products and Customers—Our Homes and Homebuyers" in this prospectus for additional information. Each of our series has several floor plans to meet customer demands, a range of lot sizes and varying lot coverage restrictions. Beginning in 2018 with the launch of the Dream Series, we implemented a strategy to secure lots that can meet the increasing supply and demand gap for entry-level and first-time move-up homebuyers. The average selling price point for these homebuyers varies across our markets, as shown in the table below:

	Homebuyer Profile		
Market	**Entry-level**	**First-time Move-Up**	**Second-time Move-Up[1]**
Austin, Texas	$250,000 – 300,000	$300,000 – 500,000	$500,000 and up
Charlotte, North Carolina	$190,000 – 300,000	$300,000 – 400,000	$400,000 and up
Washington D.C. metro	$250,000 – 450,000	$450,000 – 600,000	$600,000 and up
Denver, Colorado	$250,000 – 450,000	$450,000 – 600,000	$600,000 and up
Fayetteville, North Carolina[2]	$190,000 – 300,000	$300,000 – 400,000	$400,000 and up
Jacksonville, Florida	$190,000 – 300,000	$300,000 – 450,000	$450,000 and up
Orlando, Florida	$190,000 – 300,000	$300,000 – 450,000	$400,000 and up
Raleigh, North Carolina[3]	$250,000 – 300,000	$300,000 – 500,000	$500,000 and up
Savannah, Georgia[4]	$190,000 – 300,000	$300,000 – 450,000	$400,000 and up

(1) Includes all customers not categorized as entry-level or first-time move-up homebuyers, including active adult customers and buyers of our custom homes.

(2) Includes Wilmington, North Carolina and Myrtle Beach, South Carolina, which we entered upon the completion of our acquisition of H&H Homes.

(3) Includes the Triad (consisting of Greensboro, High Point and Winston-Salem, North Carolina) and Durham, North Carolina, which we entered upon the completion of our acquisition of H&H Homes.

(4) Includes Village Park Homes markets, including Hilton Head and Bluffton, South Carolina.

Housing Supply and Demand

When the supply of new homes exceeds new home demand, new home prices may generally be expected to decline. Although the COVID-19 pandemic initially caused a sharp decline in our homebuilding business in March and April 2020, the decline was followed by a sharp increase in sales beginning in May 2020. As a result of the COVID-19 pandemic, we have observed an increase in demand from entry-level homebuyers, our primary customer focus, seeking to move out of apartments and into more spacious homes in anticipation of spending more time at home with remote-working arrangements increasing in prevalence. The U.S. housing market is

expected to weather the COVID-19 pandemic relatively well given supply dynamics and lack of distressed home sales. Recent job losses are more concentrated in lower income bands, impacting apartment rentals more than for sale housing. We expect housing market conditions to remain relatively healthy for the remainder of 2020.

Seasonality

In all of our markets, we have historically experienced similar variability in our results of operations and capital requirements from quarter to quarter due to the seasonal nature of the homebuilding industry. We generally close more homes and record higher sales in our second, third and fourth quarters. As a result, our revenue may fluctuate on a quarterly basis and we may have higher capital requirements in our second, third and fourth quarters in order to maintain our inventory levels. Our revenue and capital requirements are generally similar across our second, third and fourth quarters.

As a result of seasonal activity, our quarterly results of operations and financial position at the end of a particular quarter, especially the first quarter, are not necessarily representative of the results we expect at year end. We expect this seasonal pattern to continue in the long term.

Non-GAAP Measures

In addition to our financial results reported in accordance with GAAP, we have provided information in this prospectus relating to "adjusted gross margin," "EBITDA" and "adjusted EBITDA." For definitions of adjusted gross margin, EBITDA and adjusted EBITDA and a reconciliation to our most directly comparable financial measures calculated and presented in accordance with GAAP, see "Selected Historical and Pro Forma Financial and Operating Data—Non-GAAP Financial Measures."

Factors Affecting the Comparability of Our Financial Condition and Results of Operations

Our historical financial condition and results of operations for the periods presented may not be comparable, either from period to period or going forward, for the following reasons:

H&H Acquisition

On October 5, 2020 we consummated the H&H Acquisition and acquired 100% of the membership interests of H&H LLC, thereby acquiring H&H Homes. We paid $29.5 million in cash at the closing of the transaction (which was equal to 110% of book equity shown on H&H LLC's most recent balance sheet), subject to customary purchase price adjustments, and we will pay contingent consideration, if any, payable pursuant to an "earn out" arrangement. Such earn out payments, if any, will be payable upon H&H Homes meeting certain financial metrics during the following periods: (i) the period from the closing of the transaction through December 31, 2020, (ii) the fiscal years ending December 31, 2021, 2022 and 2023 and (iii) the period from January 1, 2024 through the 48-month anniversary of the closing of the transaction (each such period, an "earn out period"). We will be entitled to 100% of the pre-tax income of H&H Homes, inclusive of a 1% of revenue overhead charge, up to a specified threshold for each earn out period (the "earn out threshold"), which earn out thresholds escalate with each subsequent earn out period. For each earn out period, H&H Seller will be entitled to 100% of the pre-tax income of H&H Homes above the applicable earn out threshold until the cumulative earn out pre-tax income of H&H Homes for such earn out period has been split 80% to us and 20% to H&H Seller. Any additional pre-tax income for such earn out period will be allocated 80% to us and 20% to H&H Seller. See "Prospectus Summary—Recent Developments—H&H Acquisition" and "Unaudited Pro Forma Financial Information" in this prospectus for additional information.

We funded a portion of the H&H Acquisition costs with the H&H Acquisition Note. The H&H Acquisition Note accrues interest at 14% per annum and will mature on May 1, 2021. Beginning on February 1, 2021, we will be required to pay equal monthly installments in an amount of principal and interest to fully amortize all unpaid and outstanding principal and interest to fully pay off the indebtedness at maturity. At any time we can prepay all or a portion of the H&H Acquisition Note at an amount equal to 100% of the principal amount prepaid plus any interest that would have been paid on such amount if not paid prior to the maturity date.

H&H Homes is one of the largest homebuilders in the Carolinas and was ranked 61st on the 2020 Builder 100 list, which ranks U.S. homebuilders by number of closings. H&H Homes closed 602, 803 and 716 units

during the nine months ended September 30, 2020 and the years ended December 31, 2019 and 2018, respectively, and had pre-tax income of $7.2 million, $8.2 million and $3.4 million for the nine months ended September 30, 2020 and the years ended December 31, 2019 and 2018, respectively.

We will record the fair value of contingent consideration as a liability on the acquisition date. The estimated earn out payments are subsequently remeasured to fair value each reporting date based on our estimated future earnings, and the liability and expenses are adjusted accordingly, which may result in us recording increased liabilities and expenses relating to the H&H Acquisition or other acquisitions after the acquisition date.

Corporate Reorganization

The historical consolidated financial statements included in this prospectus are based on the consolidated financial statements of our predecessor, DFH LLC, prior to our reorganization in connection with this offering as described in "Corporate Reorganization." As a result, the historical consolidated financial data may not give you an accurate indication of what our actual results would have been if the transactions described in "Corporate Reorganization" had been completed at the beginning of the periods presented or of what our future results of operations are likely to be.

Income Taxes

Prior to this offering, we are composed of various pass-through entities that are all treated as partnerships for federal income tax purposes but are subject to certain minimal taxes and fees; however, income taxes on taxable income or losses realized by our predecessor, DFH LLC, are generally the obligation of the individual members or partners. Following the consummation of this offering, we will be a corporation and subject to corporate-level taxes, our future income taxes will be dependent upon our future taxable income and our net income in future periods will reflect such taxes. We will recognize the financial statement impacts of GAAP and tax timing differences on a quarterly basis. See "Unaudited Pro Forma Financial Information" for further clarity on the comparability differences between our current and future financial statements.

Selling, General and Administrative Expense

Our selling, general and administrative expense will increase as a result of the H&H Acquisition and the initial and on-going compliance costs associated with being a public company, including certain provisions of the Sarbanes-Oxley Act and related SEC regulations, and the requirements associated with our common stock being approved for listing on Nasdaq. As a result of being a public company, we will need to increase our operating expenses in order to pay our employees, legal counsel and accountants to assist us in, among other things, external reporting, instituting and monitoring a more comprehensive compliance and board governance function, establishing and maintaining internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act and preparing and distributing periodic public reports in compliance with our obligations under applicable federal securities laws. We may need to hire additional employees to perform this compliance and reporting function. We will also need to recognize the acceleration of certain of our predecessor's, DFH LLC, costs, such capitalized debt issue costs and unvested stock compensation, which vests at the date of this offering.

Equity Incentive Plan

To incentivize individuals providing services to us or our affiliates, our board of directors intends to adopt our 2021 Equity Incentive Plan prior to the completion of this offering. We anticipate that our 2021 Equity Incentive Plan will provide for the grant, from time to time, at the discretion of our board of directors or a committee thereof, of stock options, stock appreciation rights, restricted stock, restricted stock units, stock awards, dividend equivalents, other stock-based awards, cash awards, substitute awards and performance awards. Any individual who is our officer or employee or an officer or employee of any of our affiliates, and any other person who provides services to us or our affiliates, including our directors, will be eligible to receive awards under our 2021 Equity Incentive Plan at the discretion of our board of directors or the compensation committee of our board of directors. In connection with this offering, we will issue equity awards covering 444,444 shares of Class B common stock and 37,037 shares of Class A common stock (each, based on the midpoint of the price range on the cover page of this prospectus), which will vest over 3 years, to certain of our officers. See "Shares Eligible for Future Sale —Equity Plans" in this prospectus for additional information. We expect that we will recognize equity compensation expenses aggregating up to $2.2 million per year over the 3 year vesting term.

Components of Our Operating Results

Below are general definitions of the income statement line items set forth in our period over period changes in results of operations.

Revenues

Revenues include the proceeds from the closing of homes sold to our customers, as well as fees from our wholly-owned title insurance business, DF Title. Revenues from home sales are recorded at the time each home sale is closed, title and possession are transferred to the buyer and there is no significant continuing involvement with the home. For home sales on a homesite that the customer owns, we recognize revenue based on the percentage of completion of the home. Proceeds from home sales are generally received within a few days after closing. Home sales are reported net of sales discounts and incentives granted to homebuyers, which are primarily seller-paid closing costs. The pace of net new orders, average home sales price, the level of incentives provided to the customer and the amount of upgrades or options selected all impact our recorded revenues in a given period.

Cost of Sales

Cost of sales includes the lot purchase and carrying costs associated with each lot, construction costs of each home, capitalized interest, lot option fees, building permits, internal and external realtor commissions and warranty costs (both incurred and estimated to be incurred). Land, development and other allocated costs, including interest, lot option fees and property taxes, incurred during development and home construction are capitalized and expensed to cost of sales when the home is closed and revenue is recognized. We adjust the cost of lots remaining in a community on a pro rata basis, when changes to estimated total development costs occur, including lot option fees and community costs. Indirect costs such as maintenance of communities, signage and supervision are expensed as incurred.

Selling, General and Administrative Expense

Selling, general and administrative expense consists of corporate and marketing overhead expenses such as payroll, insurance, IT, office expenses, advertising, outside professional services and travel expenses. Selling, general and administrative expense also includes maintaining model homes and sales centers, including the rent associated with any model homes or sales centers that we have sold and leased to a third party. We recognize these costs in the period they are incurred.

Income from Equity in Earnings of Unconsolidated Entities

Income from equity in earnings of unconsolidated entities consists primarily of income earned from minority interests in our unconsolidated mortgage banking joint venture, Jet LLC, which underwrites and originates home mortgages across our geographic footprint. Our 49% minority interest in Jet LLC is accounted for under the equity investment method and is not consolidated in our consolidated financial statements, as we do not control, and are not deemed the primary beneficiary of, Jet LLC's income.

Other Income

Other income consists of interest income and management fees we earn for managing certain joint ventures. In general, we earn four to six percent of the sales price of homes built by us on behalf of the joint ventures.

Other Expense

Other expense consists primarily of payments made to a land developer on homes closed in certain communities in our Colorado segment, as well as required payments to certain of our unconsolidated joint ventures and stock based compensation expense. For the year ended December 31, 2018, other expense also includes profits due to former partners in unconsolidated joint ventures where we build homes in our name and were contractually required to share profits based on ownership percentages.

Net and Comprehensive Income Attributable to Noncontrolling Interests

Net and comprehensive income attributable to noncontrolling interests consists of income attributable to partners in our consolidated joint ventures. In certain of our joint ventures, we agree to split the profits from home closings with our joint venture partners. Net and comprehensive income attributable to noncontrolling interests shows our joint venture partners' share of homebuilding profits, less any community costs shared with our joint venture partners.

In addition, certain of our joint ventures own lots and from time to time we may record impairment charges relating to such lots. In such cases, we would typically record an impairment charge relating to our proportionate ownership of the joint venture, and the remaining impairment would be reflected through a decrease in income attributable to noncontrolling interests.

Net and Comprehensive Income Attributable to DFH LLC

Net and comprehensive income attributable to DFH LLC is revenues less cost of sales, selling, general and administrative expense, income from equity in earnings of unconsolidated entities, gain on sale of assets, other income, other expense, interest expense and net and comprehensive income attributable to noncontrolling interests.

Earnings per Participating Share

Earnings per participating share is net income less preferred unit accrued distributions for the period divided by our participating shares outstanding at the end of the period. Participating shares are equity interests that receive a pro rata share of our net income.

Returns on Equity

Returns on equity is pre-tax net and comprehensive income attributable to DFH LLC tax effected for our anticipated 25% federal and state blended tax rate less accrued preferred unit distributions divided by average total participating equity.

Net New Orders

Net new orders is a key performance metric for the homebuilding industry and is an indicator of future revenues and cost of sales. Depending on whether net new orders are associated with a joint venture, they can also be an indicator of future net and comprehensive income attributable to noncontrolling interests. Net new orders for a period are gross sales less any customer cancellations received during the same period. Sales are recognized when a customer signs a contract and we approve such contract and collect any deposit from the customer required by such contract.

Cancellation Rate

We record a cancelation when a customer notifies us that he or she does not wish to purchase a home. Increasing cancellations are a negative indicator of future performance and can be an indicator of decreased revenues, cost of sales and net income. When a cancellation occurs, we generally retain the customer deposit and resell the home to a new customer. Cancellations can occur due to customer credit issues or changes to the customer's desires. The cancellation rate is the total number of new sales purchase contracts during the period divided by the total new gross sales for homes during the period.

Backlog (at period end)

Backlog (at period end) is the number of homes in backlog from the previous period plus the number of net new orders generated during the current period minus the number of homes closed during the current period. Backlog at period end includes homes currently under construction and homes that are sold where construction has not commenced.

Gross Margin

Gross margin is home sales revenue less cost of sales for the reported period.

Adjusted Gross Margin

Adjusted gross margin is gross margin less capitalized interest expensed in cost of sales, commission expense, and amortization in cost of sales (including purchase accounting adjustments).

Predecessor Consolidated Results of Operations

Nine Months Ended September 30, 2020 Compared to Nine Months Ended September 30, 2019

The following table presents summary consolidated results of operations for the periods indicated:

	Nine Months Ended September 30,		Amount Changed	% Change
	2020	2019		
	($ in thousands, except average sales price of homes closed)			
Consolidated Statements of Comprehensive Income Data:				
Revenues	$672,706	$490,900	$181,806	37.0%
Cost of sales	575,683	425,016	150,668	35.4%
Selling, general and administrative expense	54,959	40,391	14,568	36.1%
Income from equity in earnings of unconsolidated entities	(4,844)	(1,426)	(3,418)	(239.8)%
Gain on sale of assets	(53)	(29)	(24)	(85.0)%
Other income	(1,172)	(1,731)	559	32.3%
Other expense	3,669	2,132	1,537	72.1%
Interest expense	124	144	(20)	(14.2)%
Income before income taxes	44,339	26,402	17,937	67.9%
Income tax expense	—	—	—	—
Net and comprehensive income	$ 44,339	$ 26,402	$ 17,937	67.9%
Net and comprehensive income attributable to noncontrolling interests	$ (3,474)	$ (3,580)	$ 106	(3.0)%
Net and comprehensive income attributable to DFH LLC	$ 40,865	$ 22,822	$ 18,043	79.1%
Other Financial and Operating Data:				
Active communities at end of period[1]	79	70	9	12.9%
Home closings	1,817	1,297	520	40.1%
Average sales price of homes closed	$365,843	$352,872	$ 12,971	3.7%
Net new orders	2,799	1,659	1,140	68.7%
Cancellation rate	12.9%	13.9%	(1.0)%	(7.3)%
Backlog (at period end) - homes	1,836	1,123	713	63.5%
Backlog (at period end) - value	$683,743	$389,629	$294,114	75.5%
Gross margin[2]	$ 93,293	$ 62,718	$ 30,575	48.8%
Gross margin %[3]	14.0%	12.9%	1.1%	8.5%
Adjusted gross margin[4]	$145,367	$ 99,252	$ 46,115	46.5%
Adjusted gross margin %[3]	21.7%	20.4%	1.3%	6.4%
EBITDA[4]	$ 66,001	$ 41,691	$ 24,310	58.3%
EBITDA margin %[4][5]	9.8%	8.5%	1.3%	15.3%

(1) A community becomes active once the model is completed or the community has its fifth sale. A community becomes inactive when it has fewer than five units remaining to sell.

(2) Gross margin is home sales revenue less cost of sales.

(3) Calculated as a percentage of home sales revenues.

(4) Adjusted gross margin and EBITDA are non-GAAP financial measures. For definitions of adjusted gross margin and EBITDA and a reconciliation to our most directly comparable financial measures calculated and presented in accordance with GAAP, see "Selected Historical and Pro Forma Financial and Operating Data—Non-GAAP Financial Measures."

(5) Calculated as a percentage of revenues.

Revenues. Revenues for the nine months ended September 30, 2020 were $672.7 million, an increase of $181.8 million, or 37.0%, from $490.9 million for the nine months ended September 30, 2019. The increase in revenues was primarily attributable to an increase in the number of home closings and an increase of 3.7% in the average sales price of homes closed. We closed 1,817 homes during the nine months ended September 30, 2020, an increase of 520 home closings, or 40.1%, as compared to 1,297 homes closed during the nine months ended September 30, 2019. Because we only include home closings for an acquired business after consummation of the

acquisition, this increase in home closings was partially attributable to our recording of 190 home closings for Village Park Homes for the nine months ended September 30, 2020, as compared to 94 home closings during the months of June, July, August and September 2019, following the closing of our acquisition of Village Park Homes on May 31, 2019. The average sales price of homes closed for the nine months ended September 30, 2020 was $365,843, an increase of $12,971, or 3.7%, from the average sales price of homes closed of $352,872 for the nine months ended September 30, 2019. The increase in average sales price of homes closed was attributable to the year to year price appreciation in our various markets.

Cost of Sales and Gross Margin. Cost of sales for the nine months ended September 30, 2020 was $575.7 million, an increase of $150.7 million, or 35.4%, from $425.0 million for the nine months ended September 30, 2019. Cost of sales increased due to the increase in homes closed to customers during the nine months ended September 30, 2020. Gross margin for the nine months ended September 30, 2020 was $93.3 million, an increase of $30.6 million, or 48.8%, from $62.7 million for the nine months ended September 30, 2019. The increase in gross margin was primarily driven by increased closing volume. Gross margin as a percentage of home sales revenue was 14.0% for the nine months ended September 30, 2020, an increase of 1.1 percentage points, or 8.5%, as compared to 12.9% for the nine months ended September 30, 2019. The increase in gross margin as a percentage of home sales revenue was primarily attributable to increased margins in our newer markets due to improved labor and material pricing and decreased average build times, which lower the financing costs of each home.

Adjusted Gross Margin. Adjusted gross margin for the nine months ended September 30, 2020 was $145.4 million, an increase of $46.1 million, or 46.5%, as compared to $99.3 million for the nine months ended September 30, 2019. The increase in adjusted gross margin was primarily attributable to the increased home closing volume for the nine months ended September 30, 2020. Adjusted gross margin as a percentage of homesales revenue for the nine months ended September 30, 2020 was 21.7%, an increase of 1.3 percentage points, or 6.4%, as compared to 20.4% for the nine months ended September 30, 2019. The adjusted gross margin as apercentage of home sales revenue increase was primarily attributable to lower direct build costs and decreased purchase price amortization for the nine months ended September 30, 2020. Adjusted gross margin is a non-GAAP financial measure. For the definition of adjusted gross margin and a reconciliation to our most directly comparable financial measure calculated and presented in accordance with GAAP, see “Selected Historical and Pro Forma Financial and Operating Data—Non-GAAP Financial Measures.”

Selling, General and Administrative Expense. Selling, general and administrative expense for the nine months ended September 30, 2020 was $55.0 million, an increase of $14.6 million, or 36.1%, from $40.4 million for the nine months ended September 30, 2019. The increase in selling, general and administrative expense wasprimarily attributable to the inclusion of expenses attributable to Village Park Homes for the nine months ended September 30, 2020 and an increase in payroll and related expenses associated with our growth.

Income from Equity in Earnings of Unconsolidated Entities. Income from equity in earnings of unconsolidated entities for the nine months ended September 30, 2020 was $4.8 million, an increase of $3.4 million, or 239.8%, as compared to $1.4 million for the nine months ended September 30, 2019. The increase in income from equity in earnings of unconsolidated entities was attributable to an increase in mortgage loan fundings closed by Jet LLC for the nine months ended September 30, 2020.

Other Income. Other income for the nine months ended September 30, 2020 was $1.2 million, a decrease of $0.6 million, or 32.3%, as compared to $1.7 million for the nine months ended September 30, 2019. The decrease in other income was primarily attributable to a decrease in the number of joint venture closings in the nine months ended September 30, 2020 as compared to the nine months ended September 30, 2019 as we continue to transition away from the joint venture financing structure to land banking.

Other Expense. Other expense for the nine months ended September 30, 2020 was $3.7 million, an increase of $1.5 million, or 72.1%, as compared to $2.1 million for the nine months ended September 30, 2019. The increase in other expense was primarily attributable to an increase in the number of home closings in one community in Colorado where we agreed to evenly share the homebuilding profits and expenses in the community with the land developer.

Net and Comprehensive Income Attributable to Noncontrolling Interests. Net and comprehensive income attributable to noncontrolling interests for the nine months ended September 30, 2020 was $3.5 million, a

decrease of $0.1 million, or 3.0%, as compared to $3.6 million for the nine months ended September 30, 2019. The decrease in net and comprehensive income attributable to noncontrolling interests decreased due to fewer home closings from consolidated joint ventures during the nine months ended September 30, 2019.

Net and Comprehensive Income. Net and Comprehensive income for the nine months ended September 30, 2020 was $44.3 million, an increase of $17.9 million, or 67.9%, from $26.4 million for the nine months ended September 30, 2019. The increase in net and comprehensive income was primarily attributable to an increase in gross margin of $30.6 million, or 48.8%, during the nine months ended September 30, 2020 as compared to the nine months ended September 30, 2019.

Net and Comprehensive Income Attributable to DFH LLC. Net and comprehensive income attributable to DFH LLC for the nine months ended September 30, 2020 was $40.9 million, an increase of $18.0 million, or 79.1%, from $22.8 million for the nine months ended September 30, 2019. The increase in net and comprehensive income attributable to DFH LLC was primarily attributable to an increase in home closings and in average sales price of homes closed, partially offset by an increase in cost of sales and selling, general and administrative expense.

Backlog. Backlog at September 30, 2020 was 1,836 homes valued at approximately $683.7 million, an increase of 713 homes and $294.1 million, respectively, or 63.5% and 75.5%, respectively, as compared to 1,123 homes valued at approximately $389.6 million at September 30, 2019. The increase in backlog was attributable to an increase in active communities of 9 communities, or 12.9%, for the nine months ended September 30, 2020, as well as an increase in the average absorption rate in active communities for the nine months ended September 30, 2020. For the nine months ended September 30, 2020, the average home closings per community was 3.5 home closings per community, an increase of 0.8, or 30.0%, as compared to the average home closings per community of 2.7 for the nine months ended September 30, 2019.

Year Ended December 31, 2019 Compared to Year Ended December 31, 2018

The following table presents summary consolidated results of operations for the periods presented:

	Year Ended December 31,		Amount Change	% Change
	2019	2018		
	($ in thousands, except average sales price of homes closed)			
Consolidated Statements of Comprehensive Income Data:				
Revenues	$744,292	$522,258	$222,034	42.5%
Cost of sales	641,340	454,403	186,938	41.1%
Selling, general and administrative expense	58,734	43,545	15,189	34.9%
Income from equity in earnings of unconsolidated entities	(2,208)	(1,271)	(937)	(73.7)%
Gain on sale of assets	(29)	(3,293)	3,265	99.1%
Other income	(2,448)	(3,016)	568	18.8%
Other expense	3,784	7,948	(4,200)	(52.8)%
Interest expense	221	682	(461)	(67.5)%
Income before income taxes	44,898	23,261	21,636	93.0%
Income tax expense	—	—	—	—
Net and comprehensive income	$ 44,898	$ 23,261	$ 21,636	93.0%
Net and comprehensive income attributable to noncontrolling interests	$ (5,707)	$ (5,939)	$ 232	(3.9)%
Net and comprehensive income attributable to DFH LLC.	$ 39,191	$ 17,322	$ 21,869	126.2%

	Year Ended December 31,		Amount Change	% Change
	2019	2018		
	($ in thousands, except average sales price of homes closed)			
Other Financial and Operating Data (unaudited):				
Active communities at end of period[1]	85	53	32	60.4%
Home closings	2,048	1,408	640	45.5%
Average sales price of homes closed	$362,728	$361,860	$ 868	0.2%
Net new orders	2,139	1,349	790	58.6%
Cancellation rate	15.6%	15.8%	(0.2)%	(1.3)%
Backlog (at period end) - homes	854	636	218	34.3%
Backlog (at period end) - value	$334,783	$249,672	$85,111	34.1%
Gross margin[2]	$ 98,405	$ 64,650	$33,755	52.2%
Gross margin %[3]	13.3%	12.5%	0.8%	6.4%
Adjusted gross margin[4]	$156,344	$103,974	$52,370	50.4%
Adjusted gross margin %[3]	21.1%	20.0%	1.1%	5.5%
EBITDA[4]	$ 70,522	$ 37,179	$33,343	89.7%
EBITDA margin %[4][5]	9.5%	7.1%	2.4%	33.8%

(1) A community becomes active once the model is completed or the community has its fifth sale. A community becomes inactive when it has fewer than five units remaining to sell.

(2) Gross margin is home sales revenue less cost of sales.

(3) Calculated as a percentage of home sales revenue.

(4) Adjusted gross margin and EBITDA are a non-GAAP financial measures. For definitions of adjusted gross margin and EBITDA and a reconciliation to our most directly comparable financial measures calculated and presented in accordance with GAAP, see "Selected Historical and Pro Forma Financial and Operating Data—Non-GAAP Financial Measures."

(5) Calculated as a percentage of revenues.

Revenues. Revenues for the year ended December 31, 2019 were $744.3 million, an increase of $222.0 million, or 42.5%, from $522.3 million for the year ended December 31, 2018. The increase in revenueswas primarily attributable to an increase in home closings of 640 homes, or 45.5%, during the year ended December 31, 2019 as compared to the year ended December 31, 2018. The increase in home closings was primarily attributable to a 60.4% increase in active communities from 53 at December 31, 2018 to 85 at December 31, 2019. Average sales price of homes closed remained consistent year over year as our shift to a higher proportionate share of first time and move up homebuyers with lower price points was offset by an increasing proportionate share of home closings from our operating segments with higher price points such as Capital and Colorado.

Cost of Sales and Gross Margin. Cost of sales for the year ended December 31, 2019 was $641.3 million,an increase of $186.9 million, or 41.1%, from $454.4 million for the year ended December 31, 2018. The increase in the cost of sales is primarily due to more homes closed in 2019 as compared to 2018. Gross margin for the year ended December 31, 2019 was $98.4 million, an increase of $33.8 million, or 52.2%, from $64.7 million for the year ended December 31, 2018. Gross margin as a percentage of home sales revenue was 13.3% for the year ended December 31, 2019, an increase of 0.8 percentage points, or 6.4%, from 12.5% for the year ended December 31, 2018. The increases in gross margin and gross margin as a percentage of home sales revenue were primarily attributable to increased margins in our newer markets, decreased cost of labor, decreased price of materials and decreased average build times during the year ended December 31, 2019 as compared to the year ended December 31, 2018.

Adjusted Gross Margin. Adjusted gross margin for the year ended December 31, 2019 was $156.3 million, an increase of $52.4 million, or 50.4%, from $104.0 million for the year ended December 31, 2018. Adjustedgross margin as a percentage of home sales revenue for the year ended December 31, 2019 was 21.1%, an increase of 1.1 percentage points, or 5.5%, from 20.0% for the year ended December 31, 2018. The increases inadjusted gross margin and adjusted gross margin as a percentage of home sales revenue were primarily attributable to a decrease in the average cost of interest expense charged to cost of sales, decreased labor and material costs as a percentage of average sales price of homes closed and lower internal and external

commissions expense charged to costs of sales in the year ended December 31, 2019 as compared to the year ended December 31, 2018. The increase in adjusted gross margin was also attributable to an increase in the amount of purchase accounting premium adjustments that were added back for the year ended December 31, 2019 as compared to the year ended December 31, 2018. Adjusted gross margin is a non-GAAP financial measure. For the definition of adjusted gross margin and a reconciliation to our most directly comparable financial measure calculated and presented in accordance with GAAP, see "Selected Historical and Pro Forma Financial and Operating Data—Non-GAAP Financial Measures."

Selling, General and Administrative Expense. Selling, general and administrative expense for the year ended December 31, 2019 was $58.7 million, an increase of $15.2 million, or 34.9%, from $43.5 million for the year ended December 31, 2018. The increase in selling, general and administrative expense was primarily attributable to the inclusion of expenses attributable to Village Park Homes, an increase in payroll as we continue to grow in scale and other expenses associated with the increase in average community count.

Income from Equity in Earnings of Unconsolidated Entities. Income from equity in earnings of unconsolidated entities for the year ended December 31, 2019 was $2.2 million, an increase of $0.9 million, or 73.7%, as compared to $1.3 million for the year ended December 31, 2018. The increase in income from equity in earnings of unconsolidated entities was attributable to an increase in mortgage loan fundings in the year ended December 31, 2019.

Other Income. Other income for the year ended December 31, 2019 was $2.4 million, a decrease of $0.6 million, or 18.8%, as compared to $3.0 million for the year ended December 31, 2018. The decrease in other income was primarily attributable to a decrease in the number of joint venture home closings in the year ended December 31, 2019 as compared to the year ended December 31, 2018.

Other Expense. Other expense for the year ended December 31, 2019 was $3.8 million, a decrease of $4.2 million, or 52.8%, as compared to $7.9 million for the year ended December 31, 2018. The decrease in other expense was primarily attributable to our purchase of the membership interests of a former joint venture partner in 2018 and corresponding elimination of the requirement to share profits with this joint venture partner from home closing as of December 17, 2018.

Net and Comprehensive Income . Net and comprehensive income for the year ended December 31, 2019 was $44.9 million, an increase of $21.6 million, or 93.0%, from $23.3 million for the year ended December 31, 2018. The increase in operating income was primarily attributable to an increase in gross margin on homes closed of $33.8 million, or 52.2%, during the year ended December 31, 2019 as compared to the year ended December 31, 2018.

Net and Comprehensive Income Attributable to DFH LLC. Net income for the year ended December 31, 2019 was $39.2 million, an increase of $21.9 million, or 126.2%, from $17.3 million for the year ended December 31, 2018. The increase was primarily attributable a significant increase in homes closed and gross margin. We closed 2,048 homes for the year ended December 31, 2019, an increase of 640 units, or 45.5%, from the 1,408 homes closed for the year ended December 31, 2018. Gross margin for the year ended December 31, 2019 was $98.4 million, an increase of $33.8 million, or 52.2%, from $64.7 million for the year ended December 31, 2018.

Net and Comprehensive Income Attributable to Noncontrolling Interests. Net and comprehensive income attributable to noncontrolling interests for the year ended December 31, 2019 was $5.7 million, a decrease of $0.2 million, or 3.9%, as compared to $5.9 million for the year ended December 31, 2018.

Backlog. Backlog at December 31, 2019 was 854 homes valued at approximately $334.8 million, an increase of 218 homes and $85.1 million, respectively, or 34.3% and 34.1%, respectively, as compared to 636 homes valued at approximately $249.7 million at December 31, 2018. The increase in backlog was primarily attributable to an increase in active communities of 32, or 60.4%, during the year ended December 31, 2019.

Non-GAAP Financial Measures

Adjusted Gross Margin

Adjusted gross margin is a non-GAAP financial measure used by management as a supplemental measure in evaluating operating performance. We define adjusted gross margin as gross margin excluding the effects of capitalized interest, amortization included in the cost of sales (including adjustments resulting from the

application of purchase accounting in connection with acquisitions) and commission expense. Our management believes this information is meaningful because it isolates the impact that capitalized interest, amortization (including purchase accounting adjustments) and commission expense have on gross margin. However, because adjusted gross margin information excludes capitalized interest, amortization (including purchase accounting adjustments) and commission expense, which have real economic effects and could impact our results of operations, the utility of adjusted gross margin information as a measure of our operating performance may be limited. We include commission expense in cost of sales, not selling, general and administrative expense, and therefore commission expense is taken into account in gross margin. As a result, in order to provide a meaningful comparison to the public company homebuilders that include commission expense below the gross margin line in selling, general and administrative expense, we have excluded commission expense from adjusted gross margin. In addition, other companies may not calculate adjusted gross margin information in the same manner that we do. Accordingly, adjusted gross margin information should be considered only as a supplement to gross margin information as a measure of our performance.

The following table presents a reconciliation of adjusted gross margin to the GAAP financial measure of gross margin for each of the periods indicated (unaudited and in thousands, except percentages).

	Nine Months Ended September 30,		Year Ended December 31,	
	2020	2019	2019	2018
Revenues	$672,706	$490,900	$744,292	$522,258
Other revenue	3,730	3,166	4,547	3,205
Home sales revenues	$668,976	$487,734	$739,745	$519,053
Cost of sales	575,683	425,016	641,340	454,403
Gross margin[1]	$ 93,293	$ 62,719	$ 98,405	$ 64,650
Interest expensed in cost of sales	19,562	12,051	21,055	16,364
Amortization in cost of sales[3]	3,054	4,600	7,119	550
Commission expense	29,458	19,883	29,765	22,410
Adjusted gross margin	$145,367	$ 99,252	$156,344	$103,974
Gross margin %[2]	14.0%	12.9%	13.3%	12.5%
Adjusted gross margin %[2]	21.7%	20.4%	21.1%	20.0%

(1) Gross margin is home sales revenue less cost of sales.

(2) Calculated as a percentage of home sales revenues.

(3) Includes purchase accounting adjustment, as applicable.

EBITDA and Adjusted EBITDA

EBITDA and adjusted EBITDA are not measures of net income as determined by GAAP. EBITDA and adjusted EBITDA are supplemental non-GAAP financial measures used by management and external users of our consolidated financial statements, such as industry analysts, investors, lenders and rating agencies. We define EBITDA as net income before (i) interest income, (ii) capitalized interest expensed in cost of sales, (iii) interest expense, (iv) income tax expense and (v) depreciation and amortization. We define adjusted EBITDA as EBITDA before stock-based compensation expense.

Management believes EBITDA and adjusted EBITDA are useful because they allow management to more effectively evaluate our operating performance and compare our results of operations from period to period without regard to our financing methods or capital structure or other items that impact comparability of financial results from period to period. EBITDA and adjusted EBITDA should not be considered as alternatives to, or more meaningful than, net income or any other measure as determined in accordance with GAAP. Our computations of EBITDA and adjusted EBITDA may not be comparable to EBITDA or adjusted EBITDA of other companies. We present EBITDA and adjusted EBITDA because we believe they provide useful information regarding the factors and trends affecting our business.

The following table presents a reconciliation of EBITDA and adjusted EBITDA to the GAAP financial measure of net income for each of the periods indicated (unaudited and in thousands, except percentages).

	Nine Months Ended September 30,		Year Ended December 31,	
	2020	2019	2019	2018
Net income	$40,865	$22,822	$39,191	$17,322
Interest income	(38)	(55)	(99)	(9)
Interest expensed in cost of sales	19,562	12,051	21,055	16,364
Interest expense	124	144	221	682
Income tax expense	—	—	—	—
Depreciation and amortization	5,488	6,729	10,154	2,820
EBITDA	$66,001	$41,691	$70,522	$37,179
Stock-based compensation expense	697	597	895	896
Adjusted EBITDA	$66,698	$42,287	$71,417	$38,075
EBITDA margin %(1)	9.8%	8.5%	9.5%	7.1%
Adjusted EBITDA margin %(1)	9.9%	8.6%	9.6%	7.3%

(1) Calculated as a percentage of revenues.

Liquidity and Capital Resources

Overview

We believe we have a prudent strategy for company-wide cash management, including controls related to cash outflows for lot deposits, land-bank development arrangements, lot purchases and vertical construction lines of credit. We believe we are conservative, yet flexible in order to capitalize on potential opportunities to increase controlled lots in our desirable locations. As of September 30, 2020, we had $42.1 million in cash and cash equivalents (excluding $33.2 million of restricted cash), a decrease of $1.9 million, or 4.8%, from $44.0 million as of December 31, 2019. We intend to generate cash from the sale of our inventory net of loan release payments on our vertical construction lines of credit facilities, and we intend to re-deploy the net cash generated from the sale of inventory to acquire and control land and further grow our operations over the next three years.

Our principal uses of capital are land deposits and purchases, vertical home construction, operating expenses and the payment of routine liabilities. We also use cash to make distributions on certain of our preferred units and to pay contingent consideration liabilities in connection with certain acquisitions. We use funds generated by operations and available borrowings to meet our short-term working capital requirements. We are focused on generating high margins in our homebuilding operations and acquiring desirable land positions while maintaining our asset-light land financing strategy that strengthens our balance sheet and maximizes returns on equity.

Cash flows generated by our projects can differ materially from our results of operations, as these depend upon the stage in the life cycle of each project. The majority of our projects begin at the land acquisition stage when we enter into finished lot option contracts by placing a deposit with a land seller or developer. Our lot deposits are an asset on our balance sheets, and these cash outflows are not recognized in our results of operations. Early stages in our communities require material cash outflows relating to finished rolling option lot purchases, entitlements and permitting, construction and furnishing of model homes, roads, utilities, general landscaping and other amenities, as well as ongoing association fees and property taxes. These costs are capitalized within our real estate inventory and are not recognized in our operating income until a home sale closes. As such, we incur significant cash outflows prior to the recognition of earnings. In later stages of the life cycle of a community, cash inflows could significantly exceed our results of operations, as the cash outflows associated with land purchase and home construction and other expenses were previously incurred.

We actively enter into finished lot option contracts by placing deposits with land sellers of typically 10% or less of the aggregate purchase price of the finished lots. When entering into these contracts, we also agree to

purchase finished lots at pre-determined time frames and quantities that match our expected selling pace in the community. The majority of these future lot purchases are financed within our fully collateralized vertical construction lines of credit facilities. Therefore, our cash outflow represents a small proportion of the land purchase price.

From time to time, we also enter into land development arrangements with land sellers, land developers and land bankers. We typically provide a lot deposit of 10% or less, or 15% or less in the case of land bank option contracts, of the total investment required to develop lots that we will have the option to acquire in the future. In these transactions, we also incur lot option fees that have historically been less than or up to 20% of the outstanding capital balance held by the land banker. The initial investment and lot option fees require our ability to allocate liquidity resources to projects that will be not materialize into cash inflows or operating income in the near term.

The above cash strategies are designed to allow us to maintain adequate lot supply in our existing markets and support ongoing growth and profitability. Our active selling communities and future projects are strategically located around major metropolitan areas with specific demographic and economic characteristics, including consistent population and job growth. We are also focused on specific market segments and on our average home sales prices and product lines remaining affordable and desirable to entry-level and first-time move-up buyers. Our national footprint covers major metropolitan areas, including Jacksonville and Orlando in Florida; Denver in Colorado; Austin in Texas; and the greater Washington D.C. metropolitan area.

Price increases in commodities influence our cost of operations. Significant price increases of these materials may negatively impact our cost of sales and, in turn, our net income. The cost of lumber has recently been impacted by government-imposed tariffs, as well as supply-chain disruptions caused by the closing of lumber mills due to the COVID-19 pandemic. Lumber commodity prices fell sharply in early 2020 during the COVID-19 pandemic to their lowest levels since early 2016 but have since increased over 150% from this low to reach all-time highs in August 2020. Because we lock-in rates with our lumber suppliers on a quarterly basis, our business has not yet been adversely affected by this price volatility. However, the recent increases in lumber commodity prices may result in our renewal of our lumber contracts at more expensive rates, which would negatively impact the cost to construct our homes and our business.

As we continue to operate in a low interest rate environment, with consistent increase in the demand for new homes and constrained lot supply compared to population and job growth trends, we intend to continue to re-invest our earnings into our business and focus on expanding our operations. In addition, as the opportunity to purchase finished lots in desired locations becomes increasingly more limited and competitive, we are committed to allocating additional liquidity to land-bank deposits on land development projects, as this strategy mitigates the risks associated with holding undeveloped land on our balance sheet, while allowing us to control adequate lot supply in our key markets to support forecasted growth. As of September 30, 2020, our lot deposits were $39.1 million, including lot option purchase contracts, land bank equity investments and, to a lesser extent, joint venture investments. We expect that lot deposits and land-bank equity investments will be a material component of our cash outflows in the last quarter of 2020, and such cash outflows may outpace our cash inflows and earnings for such period. For the nine months ended September 30, 2020, we closed 1,817 homes, acquired 2,655 lots and started construction on 2,353 homes.

We employ both secured debt and equity financing as part of our ongoing financing strategy, and we fully redeploy our cash flows generated from continuing operations. Our leverage is generally 70% of our work-in-progress inventory, as we draw cash available under our fully collateralized vertical construction lines of credit facilities based on the actual progress on our inventory. Our existing indebtedness is fully collateralized by our homes under construction and, to a much smaller extent, finished lots. We anticipate that future indebtedness under a syndicated revolving credit facility will be unsecured and guaranteed by substantially all of our existing and future subsidiaries that own our assets and operations.

Our executive management considers a number of factors when evaluating our financing strategies and sources of capital, including the purchase price of lots to be acquired, the estimated market value and the cash flows expected to be generated by underlying projects. As a means of sustaining our long-term financial stability and limiting our exposure to unforeseen disruptions in the debt and financing markets, we currently expect to remain conservatively capitalized. Our organizational documents do not contain any limitation on the amount of debt we may incur or equity we may issue; however, we are bound by the financial covenants in our vertical

construction lines of credit facilities regarding liquidity, leverage ratios and tangible net worth. We expect that our new syndicated, unsecured revolving credit facility will also include financial covenants regarding liquidity, leverage ratios and tangible net worth. Additionally, while the Series C preferred units of DFH LLC remain outstanding, DFH LLC is bound by certain financial covenants. We expect to remain in compliance with all covenants over the next twelve months.

We intend to finance future land acquisitions and developments with the most advantageous source of capital available to us at the time of the transaction, which may include a combination of common and preferred equity, secured and unsecured corporate level debt, property level debt and mortgage financing and other public, private or bank debt.

Cash Flows

Nine Months Ended September 30, 2020 Compared to Nine Months Ended September 30, 2019

The following table summarizes our cash flows for the periods indicated:

	Nine Months Ended September 30,	
	2020	**2019**
	($ in thousands)	
Net cash provided by (used in) operating activities	$3,171	$(26,106)
Net cash provided by (used in) investing activities	4,127	(20,966)
Net cash provided by (used in) financing activities	(700)	50,788

Net cash provided by operating activities was $3.2 million for the nine months ended September 30, 2020, an increase of $29.3 million, as compared to $26.1 million of net cash used in operating activities for the nine months ended September 30, 2019. The increase in net cash provided by operating activities was primarily attributable to the additional net income generated during the nine months ended September 30, 2020 and the timing of the cash receipts on accounts receivable at each of the respective period ends.

Net cash provided by investing activities was $4.1 million for the nine months ended September 30, 2020, an increase of $25.1 million, as compared to $21.0 million of net cash used in investing activities for the nine months ended September 30, 2019. The increase in net cash provided by investing activities was primarily due to the $13.0 million used to acquire VPH in the nine months ended September 30, 2019 and the additional cash generated by our investment in Jet Home Loans during the nine months ended September 30, 2020.

Net cash used in financing activities was $0.7 million for the nine months ended September 30, 2020, an increase of $51.5 million, as compared to $50.8 million of net cash provided by financing activities for the nine months ended September 30, 2019. The increase in net cash used in financing activities was primarily attributable to a $12.0 million decrease in member capital contributions, an increase in tax distributions and the redemption of $13.0 million of preferred stock, in each case, in the nine months ended September 30, 2020.

Year Ended December 31, 2019 Compared to Year Ended December 31, 2018

The following table summarizes our cash flows for the periods indicated:

	Year Ended December 31,	
	2019	**2018**
	($ in thousands)	
Net cash provided by (used in) operating activities	$ 23,839	$(2,510)
Net cash provided by (used in) investing activities	(17,820)	2,630
Net cash provided by (used in) financing activities	26,077	(2,421)

Net cash provided by operating activities was $23.8 million for the year ended December 31, 2019, an increase of $26.3 million, as compared to $2.5 million of net cash used in operating activities for the year ended December 31, 2018. The increase in net cash provided by operating activities was primarily attributable to a lower amount of cash used for homebuilding inventory and the timing of payments made on seller financing.

Net cash used in investing activities was $17.8 million for the year ended December 31, 2019, a decrease of $20.4 million, as compared to $2.6 million of cash provided by investing activities for the year ended December 31, 2018. The increase in net cash used in investing activities was primarily attributable to a $13.0 million increase in business combinations, net of cash acquired.

Net cash provided by financing activities was $26.1 million for the year ended December 31, 2019, an increase of $28.5 million, as compared to $2.4 million of cash used in financing activities for the year ended December 31, 2018. The increase in net cash provided by financing activities was primarily attributable to an increase in construction draws on our vertical construction lines of credit facilities.

Credit Facilities, Letters of Credit, Surety Bonds and Financial Guarantees

As of September 30, 2020, we had 17 vertical construction lines of credit facilities with cumulative maximum availability of $504.0 million and an aggregate outstanding balance of $251.2 million. As of December 31, 2019 and 2018, we had 19 vertical construction lines of credit facilities with cumulative maximum availability of $457.8 million and $357.5 million, respectively, and aggregate outstanding balances of $217.7 million and $163.2 million, respectively. Our vertical construction lines of credit facilities are fully collateralized by finished lots and homes under construction and are personally guaranteed by Patrick Zalupski, our founder, President, Chief Executive Officer and Chairman of our board of directors. In connection with this offering, or shortly thereafter, we intend to replace all of our vertical construction lines of credit facilities with a syndicated, unsecured revolving credit facility, with an expected borrowing base of $450.0 million and an accordion feature that allows the facility to expand to a borrowing base of up to $750.0 million.

Our vertical construction lines of credit facilities are renewed annually upon the completion of due diligence procedures performed by our lenders. Rather than hard maturity dates, these lines of credit have customary wind-down features that allow us to gradually unwind the collateral over a pre-determined period of time (generally 12 months), in potential occurrences of non-renewal. Because of the renewal mechanics, we did not classify any debt as short term for the nine months ended September 30, 2020 or for the years ended December 31, 2019 and 2018.

Our vertical construction lines of credit facilities consisted of the following for the periods indicated:

		As of September 30		As of December 31			
Renewal Date	Payment Terms	2020	2020 Effective Rate	2019	2019 Effective Rate	2018	2018 Effective Rate
November 30, 2019	Interest payable monthly, at the greater of Prime rate or 4.25%.	$ 1,635,950	4.25%	$ 5,035,871	5.58%	$13,073,828	5.04%
November 30, 2019	Interest is payable monthly at the greater of the Prime rate plus 1.0% or 5.5%.	569,000	5.50%	1,279,973	2.81%	—	—
July 24, 2020	Interest is payable monthly at the greater of the Prime rate plus 1.0% or 5.0%.	15,798,498	5.00%	6,611,634	5.93%	—	—
August 25, 2020	Interest is payable monthly at the Prime rate plus 0.75%.	2,293,271	3.88%	2,710,314	4.72%	—	—
October 5, 2020	Interest is payable monthly at 3.0% plus 30-day LIBOR.	17,042,669	4.24%	6,587,896	6.04%	5,429,080	6.79%
October 20, 2020	Interest is payable monthly at the greater of 4.0% or 2.75% plus three-month LIBOR.	16,307,136	4.47%	13,475,208	5.62%	9,850,357	7.05%
October 25, 2020	Interest is payable monthly at the Prime rate plus 0.5%.	1,167,571	4.99%	1,137,662	5.86%	—	—
December 31, 2020	Interest is payable monthly at 9.0%.	2,464,378	10.48%	3,454,858	13.73%	—	—
December 31, 2020	Interest is payable monthly at 9.5%.	259,158	10.48%	689,295	13.73%	—	—
February 9, 2021	Interest is payable monthly at 3.40% plus 30-day LIBOR.	835,650	3.91%	2,690,590	5.01%	3,822,081	7.90
March 31, 2021	Interest is payable monthly at 9.5%.	1,404,529	10.48%	2,673,608	13.73%	—	—
June 12, 2021	Interest is payable monthly at 3.0% plus three-month LIBOR.	15,714,075	3.85%	11,816,036	4.92%	—	—
June 30, 2021	Interest is payable monthly at the greater of 3.5% plus 30-day LIBOR or 4.5%.	24,681,062	4.75%	19,765,772	6.06%	22,102,329	7.19%
September 30, 2021	Interest is payable monthly at 3.0% plus three-month LIBOR.	74,264,605	4.08%	75,077,458	5.58%	70,716,479	5.60%
April 1, 2022	Interest is payable monthly at 9.5%	112,000	10.48%	—	—	—	—
April 30, 2022	Interest is payable monthly at 9.5%.	3,117,479	9.50%	—	—	—	—
June 19, 2023	Interest is payable monthly at the greater of 4.0% or 2.75% plus three-month LIBOR.	18,157,705	4.05%	16,097,623	5.20%	13,621,774	6.75%
June 19, 2023	Interest is payable monthly at the greater of 4.25% or the Prime rate plus 0.5%.	37,800,130	4.94%	31,994,366	6.01%	19,356,913	6.12%
Various	Interest is payable monthly at the greater of the Prime rate or 5.0%.	18,086,592	5.02%	13,624,409	5.76%	—	—

Renewal Date	Payment Terms	As of September 30 2020	2020 Effective Rate	As of December 31 2019	2019 Effective Rate	2018	2018 Effective Rate
Lines of credit paid in full during 2020		—	—	3,531,646	6.21-8.12%	—	—
Lines of credit paid in full during 2019		—	—	—	—	5,862,909	4.65%-12.53%
Total lines of credit outstanding		$251,711,458		$218,254,219		$163,835,750	
Loss: Debt issuance costs from lines of credit		(476,901)		(586,875)		(622,569)	
Lines of credit, net of discount		$251,234,557		$217,667,344		$163,213,181	

All lines of credit paid in full during 2020 and 2019 are no longer active, and we do not intend to renew these facilities. The outstanding balance on the vertical construction lines of credit facilities is payable upon the delivery of the collateralized individual homes to end buyers.

On an annual basis and in the ordinary course of business, we may renegotiate the underlying terms of our vertical construction lines of credit facilities. In addition, our lenders may modify the financial or qualitative covenants within the loan agreements. As a result, it is not unusual for the terms on our vertical construction lines of credit facilities to change year over year. These changes may include, but are not limited to, increases to commitment or funding limits, revisions to unit-level maturity periods, higher speculative inventory ratios, increased tangible net worth requirements and increases/decreases in renewal fees. As of September 30, 2020 and for the years ended December 31, 2019 and 2018, there were no material changes to the terms of our vertical construction lines of credit facilities, with the exception of commitment and funding limits. As of September 30, 2020, we saw an increase in overall commitment availability of $46.3 million from December 31, 2019 due to increases in individual credit facilities negotiated in the ordinary course of business, partially offset by the winding down of VPH's lines of credit post-acquisition.

Our vertical construction lines of credit facilities contain various restrictive covenants and financial covenants. The most restrictive of our vertical construction lines of credit facilities require that we (i) maintain an adjusted tangible net worth of $65 million *plus* 50% of annual pre-tax profit; (ii) maintain a consolidated tangible net worth of $85 million; (iii) maintain minimum liquidity of $5 million; (iv) maintain a maximum debt ratio of 3.0 to 1.0; (v) maintain a minimum interest coverage of 2.0 to 1.0; (vi) sustain no more than two consecutive quarters of net losses; (vii) maintain a maximum ratio of land plus lots to tangible net worth of 1.10 to 1.0; (viii) maintain a maximum 20% of total houses owned by us which are: (a) not presold homes, (b) no longer sold homes because the sales contract has been cancelled and not replaced or (c) not model homes; and (ix) restrictions on the issuance of unsecured debt. We were in compliance with all debt covenants for the nine months ended September 30, 2020 and for the years ended December 31, 2019 and 2018. We expect to remain in compliance with all debt covenants over the next twelve months. The new syndicated, unsecured revolving credit facility is expected to require that we (i) maintain a maximum debt ratio of 65.0% in the first year, 62.5% in the second year and 60.0% thereafter; (ii) maintain an interest coverage ratio of 2.0 to 1.0; (iii) maintain a minimum liquidity equal to the ratio of (A) the sum of (1) unrestricted cash and (2) the amount immediately available but not yet drawn on the new facility and (B) interest incurred by us, of not less than 1.0 to 1.0; (iv) maintain a minimum tangible net worth equal to the sum of (A) 75% of the tangible net worth as of the last fiscal quarter prior to the closing date of the new facility, (B) 50% of net income from the last fiscal quarter prior to the closing date of the new facility and (C) 50% of net proceeds received from all equity issuances after the closing date of the new facility; (v) maintain a maximum risks assets ratio of (A) the sum of the GAAP net book value for all finished lots, lots under development, unentitled land and land held for future development to (B) tangible net worth, of no greater than 1.0 to 1.0; (vi) not allow aggregate investments in unconsolidated affiliates to exceed 15% of tangible net worth as of the last day of any fiscal quarter; and (vii) may not incur indebtedness other than (A) the obligations under the new facility, (B) non-recourse indebtedness in an amount not to exceed 15% of tangible net worth, (C) our PPP Loan, (D) operating lease liabilities, finance lease liabilities and purchase money obligations for fixed or capital assets not to exceed $5.0 million in the aggregate, (E) indebtedness of financial services subsidiaries and variable interest entities and (F) indebtedness under hedge contracts entered into other than for speculative purposes. The actual terms of our new syndicated, unsecured revolving credit facility may vary from those described above.

We enter into surety bonds and letter of credit arrangements with local municipalities, government agencies and land developers. These arrangements relate to certain performance-related obligations and serve as security for certain land option agreements. At September 30, 2020, we had outstanding letters of credit and surety bonds totaling $0.5 million and $19.0 million, respectively.

Contractual Obligations, Commitments and Contingencies

A summary of the contractual obligations for our predecessor, DFH LLC, as of December 31, 2019 is provided in the following table.

	Predecessor						
	Payments Due by Period For the Year Ended December 31,						
	2020	2021	2022	2023	2024	Thereafter	Total
	(in thousands)						
Long-term debt, including current portion	$223,581	$ —	$ 9,035	$ —	$ —	$ —	$232,616
Interest on long-term debt	12,428	—	—	—	—	—	12,428
Operating lease obligations	3,675	2,271	1,510	1,313	1,305	11,354	21,429
Capital lease obligations	176	167	151	41	—	—	535
Village Park Homes acquisition contingent consideration[1]	1,235	1,660	1,888	2,149			
Total	$241,095	$4,098	$12,584	$3,503	$1,305	$11,354	$267,008

(1) Such acquisition contingent consideration payments, if any, will be equal to 25% of pre-tax earnings for the fiscal years ending December 31, 2020, 2021 and 2022, inclusive of 1% corporate overhead charge.

Please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting the Comparability of Our Financial Condition and Results of Operations—H&H Acquisition" in this prospectus for a description of the contingent consideration payments, if any, relating to the H&H Acquisition. Since the H&H Acquisition closed after December 31, 2019, such contingent consideration payments are not set forth in the table above.

Series B Preferred Units

Following the Corporate Reorganization and upon completion of this offering, the Series B Investors will continue to hold the Series B preferred units of DFH LLC. As such, they will have certain rights and preferences with regard to DFH LLC that investors in this offering will not have.

In the event that the sole manager of DFH LLC elects, from time to time, to make distributions, the holders of the Series B preferred units are entitled to receive distributions until the holders of each outstanding Series B preferred unit have received distributions equaling the Series B Preferred Return, which accrues quarterly. Once the holders of each Series B preferred unit have received distributions equaling the Series B Preferred Return, they are thereafter entitled to $1,000 per Series B preferred unit. Additionally, holders of the Series B preferred units are entitled to receive tax distributions sufficient to fund their federal and state income tax liabilities attributable to the taxable income on their Series B preferred units, if any. All rights of the holders of the Series B preferred units to receive distributions and tax distributions are subordinated to that of the holders of the Series C preferred units. The Series B preferred units shall be deemed cancelled once they have received distributions totaling their initial capital contribution plus the Series B Preferred Return.

DFH LLC may not, without the prior approval of the holders of the Series B preferred units, issue or sell equity securities ranking senior to or pari passu with the Series B preferred units.

Holders of Series B preferred units have the right to vote on all matters submitted to a vote of the members of DFH LLC but do not have the right to convert their Series B preferred units into our common stock. Any Series B Investor desiring to transfer their Series B preferred units to a non-affiliated third party must either (i) obtain approval from the sole manager of DFH LLC or (ii) must first offer such units to DFH LLC (or the Series C Investors, should the sole manager of DFH LLC decline) at the same price that the proposed third-party transferee would have paid or, in certain cases, at fair market value.

At any time on or prior to September 30, 2022, DFH LLC has the right to redeem some or all of the outstanding Series B preferred units at a price equal to the sum of (i) the difference of (A) $1,000 and (B) the amount of previous distributions having already been paid towards each such unit and (ii) unreturned capital

contributions for such unit plus the Series B Preferred Return (the "Series B Redemption Price"). See "Risk Factors —Risks Related to this Offering and Ownership of Our Class A Common Stock—Even though we may want to redeem the Series B preferred units and/or the Series C preferred units, we may not have the ability to redeem the Series B preferred units and/or the Series C preferred units, as the case may be" in this prospectus for additional information.

If the Series B preferred units have not been redeemed by September 30, 2022, each holder of the Series B preferred units has the right to convert all of such holder's Series B preferred units to an aggregate amount of Class A common stock equal to the quotient obtained by dividing (x) the sum of the unpaid Series B Preferred Return and the unreturned Series B preferred unit capital contribution with respect to the Series B preferred units to be converted by (y) the "fair market value" of the Class A common stock, where the "fair market value" is the average reported last sale price of the Class A common stock for the thirty trading days ending on the trading day immediately prior to the date the holder of such Series B preferred units elects to convert such Series B preferred units into shares of Class A common stock. See "Risk Factors—Under certain circumstances, the Series B preferred units of DFH LLC and the Series C preferred units of DFH LLC may be converted into shares of our Class A common stock, which could dilute your voting power and your ownership interest in us, and such a conversion or the perceived possibility of such a conversion could reduce the price that our Class A common stock might otherwise attain" in this prospectus for additional information.

In the event of a liquidation or dissolution of DFH LLC, the holders of Series B preferred units shall have preference over our membership interest in DFH LLC. Further, in the event of (i) a sale of substantially all of DFH LLC's assets or (ii) a merger or reorganization resulting in the members of DFH LLC immediately prior to such transaction no longer beneficially owning at least 50% of the voting power of DFH LLC (collectively, a "Sale of DFH LLC"), the holders of the Series B preferred units may demand redemption of their Series B preferred units at a price equal to the Series B Redemption Price.

Series C Preferred Units

Following the Corporate Reorganization and upon completion of this offering, the Series C Investors will continue to hold the Series C preferred units of DFH LLC. As such, they will have certain rights and preferences with regard to DFH LLC that investors in this offering will not have.

The holders of the Series C preferred units are entitled to the Required Quarterly Series C Payments equal to the sum of (i) the Series C Preferred Return and (ii) all proceeds from lot sales by ANT JV OWNER, LLC, HM7 JV OWNER, LLC and PS JV OWNER, LLC (each, a "Project Entity" and collectively, the "Project Entities") not previously distributed to the holders of the Series C preferred units. The Series C Preferred Return accrues daily and is compounded quarterly.

In the event the sole manager of DFH LLC elects, from time to time, to make distributions, the holders of the Series C preferred units are entitled to receive such distributions until the holders of each Series C preferred unit have received any unpaid amount necessary to provide such holders with their Series C Preferred Return. Once each such holder has received his, her or its Series C Preferred Return, he, she or it are entitled to distributions totaling his, her or its initial capital contribution. Additionally, holders of the Series C preferred units are entitled to receive tax distributions sufficient to fund their federal and state income tax liabilities attributable to the taxable income on their Series C preferred units, if any. All rights of the holders of the Series C preferred units to receive distributions are superior to that of the holders of the Series B preferred units. The Series C preferred units shall be deemed cancelled once the holders of the Series C preferred units have received distributions totaling their initial capital contribution plus the Series C Preferred Return.

DFH LLC may not, and may not permit any Project Entity to, without the prior approval of the holders of the Series C preferred units, (i) sell substantially all of a Project Entity's assets, (ii) amend or modify the DFH LLC operating agreement or articles of organization in a manner that adversely impacts the holders of the Series C preferred units, (iii) issue or sell equity securities ranking senior to or pari passu with the Series C preferred units, (iv) incur any indebtedness other than to finance vertical construction or (v) materially alter the nature, character or scope of the business of any Project Entity (collectively, the "Series C Restrictive Covenants"). Additionally, so long as any Series C preferred unit is outstanding, DFH LLC must (i) maintain net assets for the Project Entities on a consolidated basis of not less than the unreturned capital contribution for the Series C preferred units, (ii) maintain total liabilities to total equity of not greater than 3-to-1, (iii) maintain a ratio of total liabilities to total assets of not greater than 0.83-to-1.00, (iv) maintain a ratio of total liabilities to

trailing 12-month EBITDA of not greater than 7-to-1 for the year ending December 31, 2020 or 6.5-to-1 for the year ending December 31, 2021, (v) ensure that all sales of lots by the Project Entities to DFH LLC during a given quarter shall be at a purchase price of not less than (A) $130,950 for Sanctuary at Hamlin, (B) $110,479 for Preserve at St. John's and (C) $126,500 for Antigua Single Family Homes, (vi) maintain in the Project Entities all proceeds from lot sales and home closing and use such proceeds solely for the construction of Project Entity homes, payment of the Required Quarterly Series C Payments and redemption of the Series C preferred units, (vii) meet the quarterly closing requirements of (A) 15 homes when three Project Entities are active, (B) 12 homes when two Project Entities are active and (C) eight homes when one Project Entity is active and (viii) allow speculative homes to constitute more than 50% of all homes built but not sold and homes in process (collectively, together with the Series C Restrictive Covenants, the "Series C Covenants"). DFH LLC may not, without the prior approval of the holders of the Series C preferred units, make any decisions or undertake any courses of action that would reasonably be expected to have a material and adverse impact on the Project Entities. See "Risk Factors—Risks Related to this Offering and Ownership of Our Class A Common Stock—The Series C preferred units of DFH LLC have certain protective covenants, which could limit our ability to engage in certain business combinations, recapitalizations or other fundamental changes."

At any time on or prior to December 31, 2021, DFH LLC has the right to redeem all outstanding Series C preferred units at a price equal to the sum of (i) the difference of (A) $1,000 and (B) the amount of previous distributions having already been paid towards each such unit, (ii) unreturned capital contributions for such unit plus the Series C Preferred Return and (iii) such additional amount (if any) necessary for such holders of the Series C preferred units to receive a multiple of 1.2x of the capital contribution for each such unit as of May 30, 2019 (the "Series C Redemption Price"). On December 31, 2021, or June 30, 2022 if DFH LLC exercises its right to extend such deadline (the "Series C Preferred Redemption Date"), DFH LLC shall redeem all outstanding Series C preferred units at a price equal to the Series C Redemption Price. Additionally, in the event of a Sale of DFH LLC, DFH LLC shall redeem all outstanding Series C preferred units at a price equal to the Series C Redemption Price.

Each holder of the Series C preferred units will have the right to convert all of such holder's Series C preferred units into shares of Class A common stock (i) after the Series C Preferred Redemption Date in the event that DFH LLC fails to redeem all outstanding Series C preferred units by the Series C Preferred Redemption Date or (ii) at any time in the event of (1) a default under the Pledge and Security Agreement by and among the Series C Investors, DFH-ANT, LLC, DFRC, LLC and DFRC-Hamlin, LLC, dated December 31, 2018 (the "Pledge Agreement"), (2) fraud, felony indictment or willful misconduct by a manager of DFH LLC related to any Project Entity, (3) the bankruptcy of DFH LLC, DF Homes LLC or any Project Entity, (4) the liquidation or dissolution of any Project Entity, (5) the bankruptcy of Patrick Zalupski, our founder, President, Chief Executive Officer and Chairman of our board of directors, (6) the discovery that any representations or warranties in the Pledge Agreement or the Series C Preferred Membership Unit Purchase Agreement by and among DFH LLC and the Series C Investors, dated December 31, 2018, are materially untrue or incorrect, (7) any uncured default under any loan documents secured by assets of the Project Entities, (8) DFH LLC's uncured failure to make a Required Quarterly Series C Payment or (9) DFH LLC's breach of any of the protective covenants of the Series C preferred units, in each case in an amount equal to the quotient obtained by dividing (x) the sum of the unpaid Series C Preferred Return and the unreturned Series C preferred unit capital contribution with respect to the Series C preferred units to be converted by (y) our book value per share of common stock as of the most recent quarter end prior to such conversion. See "Risk Factors—Under certain circumstances, the Series B preferred units of DFH LLC and the Series C preferred units of DFH LLC may be converted into shares of our Class A common stock, which could dilute your voting power and your ownership interest in us, and such a conversion or the perceived possibility of such a conversion could reduce the price that our Class A common stock might otherwise attain" in this prospectus for additional information.

In the event DFH LLC breaches and fails to cure a Series C Covenant, the holders of the Series C preferred units may force DFH LLC to redeem all outstanding Series C preferred units at a price equal to the sum of (i) 110% of the difference of (A) $1,000 and (B) the amount of previous distributions having already been paid towards each such unit, (ii) 110% of the unreturned capital contributions for such unit plus the Series C Preferred Return and (iii) such additional amount (if any) necessary for such holders of the Series C preferred units to receive a multiple of 1.2x of the capital contributions for such unit as of May 30, 2019.

In the event of a liquidation or dissolution of DFH LLC, the holders of Series C preferred units shall have preference over the holders of the Series B preferred units and our membership interest in DFH LLC. Further, in the event a Sale of DFH LLC occurs, the holders of the Series C preferred units may demand redemption of their units at a price equal to the Series C Redemption Price. As of September 30, 2020, the Series B preferred units and the Series C preferred units have, in the aggregate, a liquidation preference of $9.1 million and $26.9 million, respectively.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with GAAP. Our critical accounting policies are those that we believe have the most significant impact to the presentation of our financial position and results of operations and that require the most difficult, subjective or complex judgments. In many cases, the accounting treatment of a transaction is specifically dictated by GAAP without the need for the application of judgment.

In certain circumstances, however, the preparation of consolidated financial statements in conformity with GAAP requires us to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting period.

While our significant accounting policies are more fully described in "Note 1. Nature of Business and Significant Accounting Policies" to our consolidated financial statements included elsewhere in this prospectus, we believe the following topics reflect our critical accounting policies and our more significant judgment and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition

We recognize revenue in two ways. In accordance with Accounting Standards Codification ("ASC") 2014-09, revenues from home sales with respect to homes that we construct on homesites that we own title are recorded at the time each home sale is closed and title and possession are transferred to the buyer. In accordance with ASC 2014-09, revenues from home sales in which the buyer retains title to the homesite while we build the home are recognized based on the percentage of completion of the home construction, which is measured on a quarterly basis.

Real Estate Inventory and Cost of Home Sales

Inventories include the cost of direct land acquisition, land development, construction, capitalized interest, real estate taxes and direct overhead costs incurred related to land acquisition and development and home construction. Indirect overhead costs are charged to selling, general and administrative expense as incurred.

Land and development costs are typically allocated to individual residential lots on a pro-rata basis based on the number of lots in the development, and the costs of residential lots are transferred to construction work in progress when home construction begins. Sold units are expensed on a specific identification basis as cost of contract revenues earned. Cost of contract revenues earned for homes closed includes the specific construction costs of each home and all applicable land acquisition, land development and related costs allocated to each residential lot.

Inventories are carried at the lower of accumulated cost or net realizable value. We periodically review the performance and outlook of our inventories for indicators of potential impairment. No impairments were recognized during the nine months ended September 30, 2020 or the years ended December 31, 2019 and 2018.

Investments in Unconsolidated Entities and Variable Interest Entities

We participate in joint ventures from time to time that conduct land acquisition, land development and/or other homebuilding activities in various markets where our homebuilding operations are located. Our investments in these joint ventures may create a variable interest in a VIE, depending on the contractual terms of the arrangement. Additionally, we, in the ordinary course of business, enter into contracts with third parties and unconsolidated entities for the ability to acquire rights to land for the construction of homes. Under these contracts, we typically make a specified payment or earnest money deposit in consideration for the right to purchase land in the future, usually at a predetermined price. Consideration paid for these contracts are recorded as lot deposits on the consolidated balance sheets.

Pursuant to the Financial Accounting Standards Board ASC 810 and subtopics related to the consolidation of VIEs, we analyze our joint ventures under the variable interest model to determine if such are required to be consolidated in our consolidated financial statements. The accounting standard requires a VIE to be consolidated by a company if that company is determined to be the primary beneficiary. The primary beneficiary is defined as the entity having both of the following characteristics: (1) the power to direct the activities that most significantly impact the VIE's performance and (2) the obligation to absorb losses and rights to receive the returns from the VIE that would be significant to the VIE. See "Note 11. Variable Interest Entities and Investments in Other Entities" to our consolidated financial statements included elsewhere in this prospectus for a description of our joint ventures, including those that were determined to be VIEs, and the related accounting treatment.

Joint ventures for which we are not identified as the primary beneficiary are accounted for as equity method investments. We and our unconsolidated joint venture partners make initial and/or ongoing capital contributions to these unconsolidated joint ventures, typically on a pro rata basis, according to each party's respective equity interests. The obligations to make capital contributions are governed by each such unconsolidated joint venture's respective operating agreement and related governing documents. Partners in these unconsolidated joint ventures are unrelated homebuilders, land developers or other real estate entities.

We typically obtain rights to acquire portions of the land held by the unconsolidated joint ventures in which we currently participate. When an unconsolidated joint venture sells land to us, we defer recognition of our share of such unconsolidated joint venture's earnings (losses) until we recognize revenues on the corresponding home sale. At that time, we account for the earnings (losses) as a reduction (increase) to the cost of purchasing the land from the unconsolidated joint venture.

We share in the earnings (losses) of these unconsolidated joint ventures generally in accordance with our respective equity interests. In some instances, however, we recognize earnings (losses) that differ from our equity interest in the unconsolidated joint venture. This typically arises from our deferral of the unconsolidated joint venture's earnings (losses) from land sales to us.

Warranty Reserves

We establish warranty reserves to provide for estimated future expenses as a result of construction and product defects, product recalls and litigation incidental to our homebuilding business. Estimates are determined based on management's judgment considering factors such as historical spend and the most likely current cost of corrective action.

Recent Accounting Pronouncements

See "Note 1. Nature of Business and Significant Accounting Policies" to our consolidated financial statements included elsewhere in this prospectus.

Internal Controls and Procedures

We are not currently required to comply with the SEC's rules implementing Section 404 of the Sarbanes-Oxley Act and are therefore not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. Upon becoming a public company, we will be required to comply with the SEC's rules implementing Section 302 of the Sarbanes Oxley Act, which will require our management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of our internal control over financial reporting. Though we will be required to disclose material changes made to our internal controls and procedures on a quarterly basis, we will not be required to make our first annual assessment of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act until the year following our first annual report required to be filed with the SEC. We will not be required to have our independent registered public accounting firm attest to the effectiveness of our internal control over financial reporting until our first annual report subsequent to our ceasing to be an "emerging growth company" within the meaning of Section 2(a)(19) of the Securities Act.

As of December 31, 2019, we identified three material weaknesses in our internal control over financial reporting. We did not document the design or operation of an effective control environment commensurate with the financial reporting requirements of an SEC registrant. Specifically, we did not design and maintain adequate

formal documentation of certain policies and procedures, controls over the segregation and duties within our financial reporting function and the preparation and review of journal entries. In addition, we did not design or maintain effective control activities that contributed to the following additional material weaknesses; we did not design control activities to adequately address identified risks, evidence of performance, or operate at a sufficient level of precision that would identify material misstatements to our financial statements and we did not design and maintain effective controls over certain IT general controls for information systems that are relevant to the preparation of our financial statements. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. See "Risk Factors—We have identified material weaknesses in our internal control over financial reporting. If our remediation of these material weaknesses is not effective, or if we identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal control, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our Class A common stock."

Each of the material weaknesses described above involve control deficiencies that could result in a misstatement of one or more account balances or disclosures that would result in a material misstatement to our annual or interim consolidated financial statements that would not be prevented or detected, and, accordingly, we determined that these control deficiencies constitute material weaknesses.

We are currently in the process of implementing measures and taking steps to address the underlying causes of these material weaknesses. Our efforts to date have included the following:

- Formalization of our remediation plan and timelines to fully address the individual control deficiencies and segregation of duties issues.
- Development of formal policies around general computer controls, including scheduled formal trainings prior to implementation of an IT general controls framework that addresses risks associated with user access and security and application change management and IT operations to help sustain effective control operations and comprehensive remediation efforts relating to segregation of duties to strengthen user access controls and security.

While we believe these efforts will improve our internal control over financial reporting and address the underlying causes of the material weaknesses, such material weaknesses will not be remediated until our remediation plan has been fully implemented, and we have concluded that our controls are operating effectively for a sufficient period of time.

We cannot be certain that the steps we are taking will be sufficient to remediate the control deficiencies that led to our material weaknesses in our internal control over financial reporting or prevent future material weaknesses or control deficiencies from occurring. In addition, we cannot be certain that we have identified all material weaknesses in our internal control over financial reporting or that in the future we will not have additional material weaknesses in our internal control over financial reporting.

Inflation

Inflation in the United States has been relatively low in recent years and did not have a material impact on our results of operations for the nine months ended September 30, 2020 or years ended December 31, 2019 and 2018. Although the impact of inflation has been insignificant in recent years, it is still a factor in the U.S. economy, and we tend to experience inflationary pressure on wages and raw materials.

Off-Balance Sheet Arrangements

Asset-Light Lot Acquisition Strategy

We operate an asset-light and capital efficient lot acquisition strategy and generally seek to avoid engaging in land development. We primarily employ two variations of our asset-light land financing strategy, finished lot option contracts and land bank option contracts, pursuant to which we secure the right to purchase finished lots at market prices from various land sellers and land bank partners, including through our joint ventures, by paying deposits based on the aggregate purchase price of the finished lots. The deposits required are typically 10% or less in the case of finished lot option contracts and 15% or less in the case of land bank option contracts.

Our asset-light and capital efficient lot acquisition strategy is intended to avoid the financial commitments and risks associated with direct land ownership and land development by allowing us to control a significant number of lots for a relatively low capital cost. These option contracts generally allow us, at our option, to forfeit our right to purchase the lots controlled by these option contracts for any reason, and our sole legal obligation and economic loss as a result of such forfeitures is limited to the amount of the deposits paid pursuant to such option contracts and, in the case of land bank option contracts, any related fees paid to the land bank partner. We do not have any financial guarantees or completion obligations, and we typically do not guarantee lot purchases on a specific performance basis under these agreements.

As of September 30, 2020, all of our 8,276 controlled lots were controlled through finished lot option contracts and land bank option contracts, with a remaining aggregate purchase price of approximately $499.4 million. This includes finished lot option contracts entered into with our consolidated and non-consolidated joint ventures. As of December 31, 2019 and September 30, 2020, we controlled 1,026 and 778 lots, respectively, through our consolidated and non-consolidated joint ventures, representing 10.9% as of December 31, 2019 and 7.5% as of September 30, 2020 of our total owned and controlled lots of 10,394. As of September 30, 2020, we have placed deposits and made investments of $39.1 million, including: (1) $32.7 million of refundable ($1.0 million) and non-refundable ($31.7 million) lot deposits in finished lot and land bank option contracts as reported on the face of the consolidated balance sheets; (2) $5.9 million of investments in joint ventures, which are fully eliminated in consolidation ($2.3 million of which are in investments in joint ventures with Fund I); and (3) $0.6 million of investments in unconsolidated equity method investments, which are included within our non-controlling interests on the face of the consolidated balance sheets. The joint ventures in (2) above and the investments in (3) above own lots and some of them provide us with land bank financing. Pro forma for the H&H Acquisition, as of September 30, 2020, we owned and controlled 15,330 lots through finished lot option contracts and land bank option contracts, representing 99% of our total owned and controlled lots. Our entire risk of loss pertaining to the aggregate purchase price of contractual commitments resulting from our non-performance under our finished lot option contracts and land bank option contracts is limited to approximately $38.1 million in deposits and investments made as of September 30, 2020—$39.1 million of lot deposits, net of $1.0 million refundable lot deposits pertaining to deals that are still in the due diligence inspection period.

Surety Bonds and Letters of Credit

We enter into letter of credit and surety bond arrangements with local municipalities, government agencies and land developers. These arrangements relate to certain performance-related obligations and serve as security for certain land option agreements. At September 30, 2020, we had outstanding letters of credit and surety bonds totaling $0.5 million and $19.0 million, respectively. We believe we will fulfill our obligations under the related arrangements and do not anticipate any material losses under these letters of credit or surety bonds.

Quantitative and Qualitative Disclosure About Market Risk

Our operations are interest rate sensitive. As overall housing demand is adversely affected by increases in interest rates, a significant increase in interest rates may negatively affect the ability of homebuyers to secure adequate financing. Higher interest rates could adversely affect our revenues, gross margins and net income. We do not enter into, nor do we intend to enter into in the future, derivative financial instruments for trading or speculative purposes to hedge against interest rate fluctuations.

Change in Registered Public Accounting Firm

On July 25, 2019, we dismissed RSM US LLP as our independent auditor. We engaged PricewaterhouseCoopers LLP on July 25, 2019 as our independent public accounting firm to audit our consolidated financial statements for the year ended December 31, 2019, and to re-audit our consolidated financial statements for the year ended December 31, 2018, which had previously been audited by RSM US LLP. We were not an SEC filer at the time of RSM US LLP's replacement by PricewaterhouseCoopers LLP. The audited financial statements included in this prospectus for the years ended December 31, 2018 and 2019 have been audited by PricewaterhouseCoopers LLP.

During the fiscal year ended December 31, 2018, and through July 25, 2019, there were no disagreements with RSM US LLP on any matter of accounting principles or practices, financial statement disclosure or auditing

scope or procedure, which disagreements, if not resolved to the satisfaction of RSM US LLP, would have caused them to make reference thereto in their report on our financial statements for the year ended December 31, 2018. The report of RSM US LLP on our financial statements for the year ended December 31, 2018 did not contain an adverse opinion or disclaimer of opinion, and was not qualified or modified as to uncertainty, audit scope or accounting principle.

During the fiscal year ended December 31, 2018 and through July 25, 2019, there were no reportable events, as defined in Item 304(a)(1)(v) of Regulation S-K, except that RSM US LLP identified a material weakness regarding our controls over the review of accounting for certain non-routine transactions.

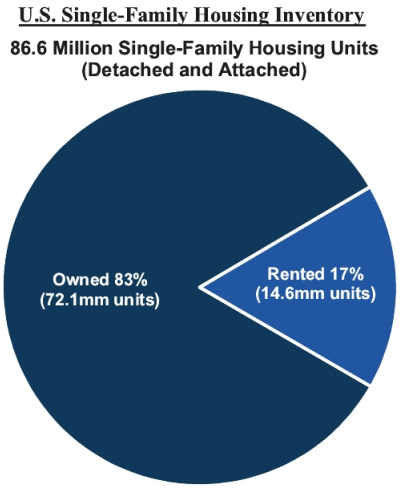
We provided RSM US LLP with a copy of the foregoing disclosure and requested that RSM US LLP provide a letter addressed to the SEC stating whether it agrees with the above facts and, if not, stating the respects in which it does not agree. A copy of RSM US LLP's letter, dated December 22, 2020, provided in response to that request, is filed as Exhibit 16.1 to the Registration Statement of which this prospectus forms a part.

MARKET OPPORTUNITY

Unless otherwise indicated, information in this section is derived from a market study dated August 2020 prepared for us in connection with this offering by John Burns Real Estate Consulting, LLC ("JBREC"), for which we have agreed to pay JBREC a fee of $37,500, plus an amount charged at an hourly rate for additional information we may require from JBREC from time to time in connection with that market study. Founded in 2001, JBREC is an independent research provider and consulting firm focused on the housing industry. The following information contains forward-looking statements which are subject to uncertainty and you should review the information under the headings "Cautionary Note Regarding Forward-Looking Statements" as well as "Risk Factors—Risks Related to Our Business" and the other information in "Risk Factors." The estimates, forecasts and projections relating to our markets prepared by JBREC are based upon numerous assumptions and have not been independently verified by us.

National Housing Market

Housing is the largest real estate asset class in the U.S., with 125 million occupied housing units and a total value of $30.3 trillion, according to the Federal Reserve's Flow of Funds report for the first quarter of 2020. Based on U.S. Census Bureau information as of March 31, 2020, JBREC estimates that the U.S. housing market included 86.7 million single-family homes (detached and attached), 83% of which were owner-occupied and 17% of which were renter-occupied.



Sources: U.S. Census Bureau, JBREC. (Data as of March 31, 2020).
Note: Single-family homes include detached and attached units. Percentages are rounded.

The single-family housing market is the most liquid U.S. real estate asset class, with an average of 6.0 million new and existing combined home sales per year from 2000-2019. JBREC expects annual resale home sales volume to decrease slightly and new home sales volume to increase in 2020. Overall, JBREC forecasts total home sales volume of 5.9 million in 2020, similar to the total home sales volume of 6.0 million sales achieved in 2019.

Pre-COVID-19

Before the COVID-19 pandemic, the U.S. housing market was strong, existing home supply was tight, and homebuilders were raising prices. Solid income growth and 3.5% 30-year fixed mortgage rates also contributed to the affordability of housing. Compared to previous cycles, the housing industry had not overbuilt and mortgage lending was much more constrained.

Post-COVID-19 Response

On March 27, 2020, the U.S. Congress passed the CARES Act in response to the COVID-19 pandemic and the resulting economic turmoil, which included $2.2 trillion in fiscal stimulus to boost the economy during

shelter-in-place mandates. The Federal Reserve took a series of further actions designed to alleviate credit market dysfunction, ensuring liquidity in the financial system. In June, the Federal Reserve announced that they expect to keep rates at zero through 2022.

Despite the COVID-19 pandemic, home prices and sales since March 2020 were resilient following lifting of stay-at-home orders in most markets. Consumer demand for more personal household space due to the necessity or ability to work from home and inability to use shared communal spaces typical of condos, apartments and high-density urban dwellings has bolstered demand for single-family homes during this time. As a result, both new and existing home prices have remained firm, coupled with healthy new home sales volumes during the first half of 2020.

Outlook

The U.S. housing market is expected to weather the impacts from the COVID-19 pandemic relatively well given limited supply and lack of distressed home sales. Recent job losses are more concentrated in lower income bands, impacting apartment rentals to a greater extent than housing sales. In a relatively quick time, housing is on the path to a short-term V-recovery, with homes sales lost during the initial COVID shutdowns in March and April being unlocked in May and June. While JBREC does not anticipate this sharp rate of growth to continue, they expect that housing market conditions should remain relatively healthy in 2020.

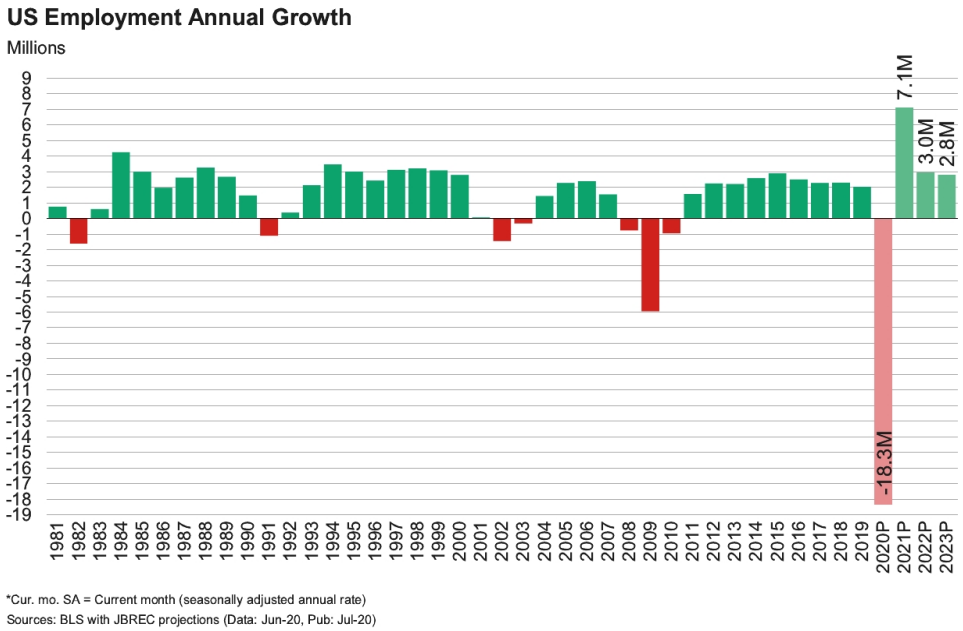
The success of all housing projects depends partially on factors beyond the control of the builder, such as the economy, interest rates, and government policies. On a national basis, JBREC forecasts that single-family home permits issued will increase 5% in 2020 and fall just 1% in 2021, due largely to high unemployment and builder hesitancy to acquire land in such an uncertain backdrop. Land buying will likely moderate until there is more clarity on the economy. JBREC estimates a 6.8% new home price appreciation in 2020, as supply remains low and distress due to forbearance is pushed out until 2021. They further expect that new home price appreciation will slow to 3.4% in 2021 and 1.1% in 2022 as the government will likely pull back from economic stimulus and support experienced in 2020, increased distressed home sales as forbearance is lifted.

JBREC's primary assumptions and conclusions are:

- mortgage rates below 3% will continue for the next few years;
- the high unemployment rate will gradually recede over many years; and
- government assistance will continue with modest economic repercussions.

Housing Demand

Prior to the COVID-19 pandemic, annual job growth had remained positive since 2010 and household formation was accelerating. As of December 31, 2019, more than 20 million total new jobs have been created since the 2008 financial crisis ceased in 2010, equating to 2.3 million jobs per year on average (1.6% annual job growth). The COVID-19 pandemic had a significant impact on employment in the U.S. JBREC forecasts employment losses in 2020 will total approximately 18 million jobs. As many of these losses are classified as temporary layoffs, JBREC notes that the job recovery has begun in 2020. However, the total number of jobs in the U.S. economy will remain well below peak levels beyond 2023. JBREC projects a gain of 7.1 million jobs in 2021, 3.0 million jobs in 2022 and 2.8 million jobs in 2023.

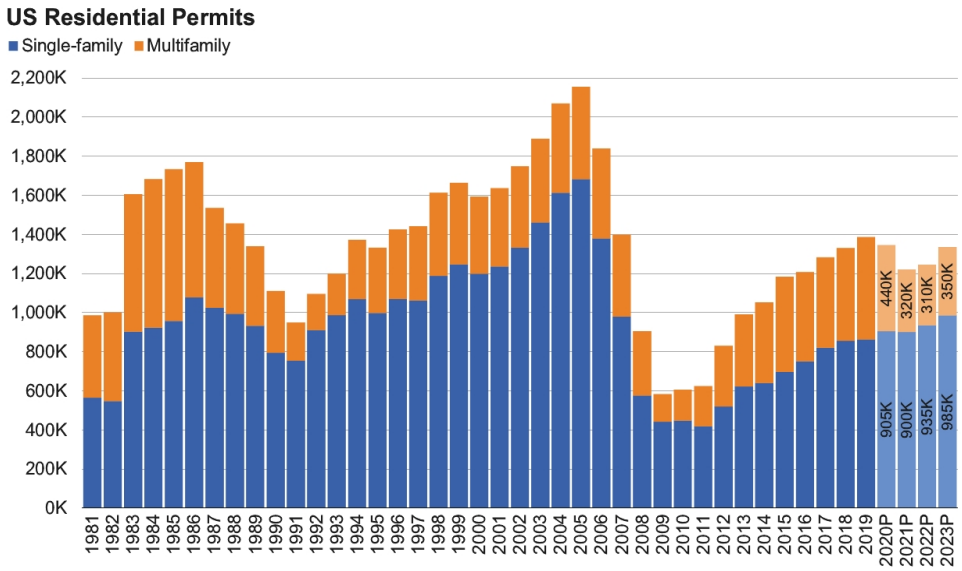


*Cur. mo. SA = Current month (seasonally adjusted annual rate)
Sources: BLS with JBREC projections (Data: Jun-20, Pub: Jul-20)

Over the long-term, JBREC forecasts an annual average of 1.2 million net new households through 2025, due largely to shifting demographics in the U.S. This pace is similar to that experienced in other post-recessionary periods. A substantial portion of this net growth in households is expected to be owner households, which should strengthen demand for new for-sale housing. Demographic trends also will contribute to this future household growth. According to the U.S. Census Bureau, demographic shifts will increase the 35-44-year-old cohort, a primary driver of household formation, by 4.6 to 5.7 million people from 2020-2030, with this range influenced by immigration trends. Additionally, entry-level household formation continues to benefit from the combination of the large number of people who were born during the 1990s who are coming of adult age, and the continued unfurling of pent-up household formation from slightly older young adults born in the 1980s. While most of these newly-formed households tend to rent first, most say they aspire to homeownership, which should continue to fuel the demand for entry-level owned homes. The largest five-year age group in the country today is 26 to 30 years old, and over the next several years these people will approach the typical ages of first-time home buyers.

New Home Supply

Unlike the prior cycle, when new home inventory reached nearly double its historical average, the new home construction industry has been more disciplined with supply. As of March 31, 2020, new home inventory of 329,000 units only slightly exceeded its long-term average, but was still only 58% of peak levels recorded in mid-2006. The number of single-family home permits issued has gradually risen to 895,900 for the twelve months ended March 31, 2020, which is 4% below the 1980-2019 average. Accordingly, just prior to the COVID-19 pandemic, there was limited new housing supply. More recently, single-family home permits issued fell to 834,000 for the twelve months ended June 30, 2020. JBREC is forecasting decreased new home permits and slower new residential construction activity in 2020, with a 5% increase in single-family and 16% decrease in multifamily permit activity.



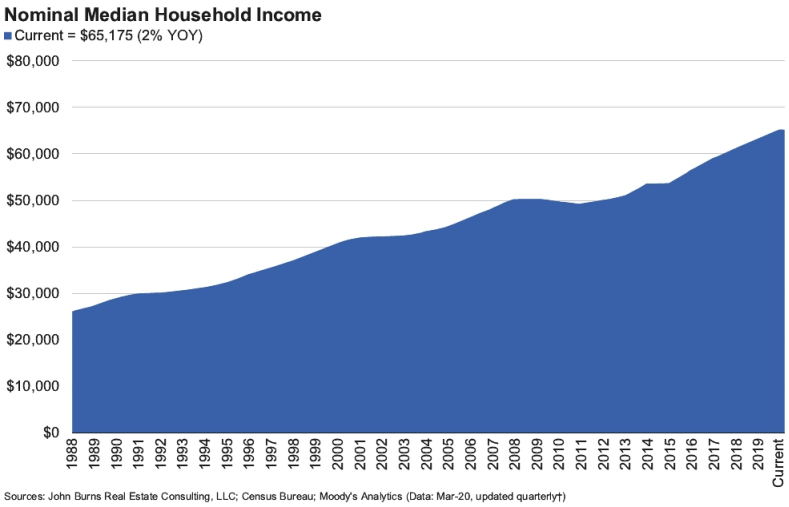
*Cur. mo. SA = Current month (seasonally adjusted annual rate)

Sources: U.S. Census Bureau; John Burns Real Estate Consulting, LLC forecasts (Data: May-20, Pub: Jul-20)

Household Income

Household income growth helps support home sales and fuel rising home prices. As of March 31, 2020, median household income was $65,175, a 2% increase from March 31, 2019. The average year-over-year income change is 2.9% over the past 30 years.

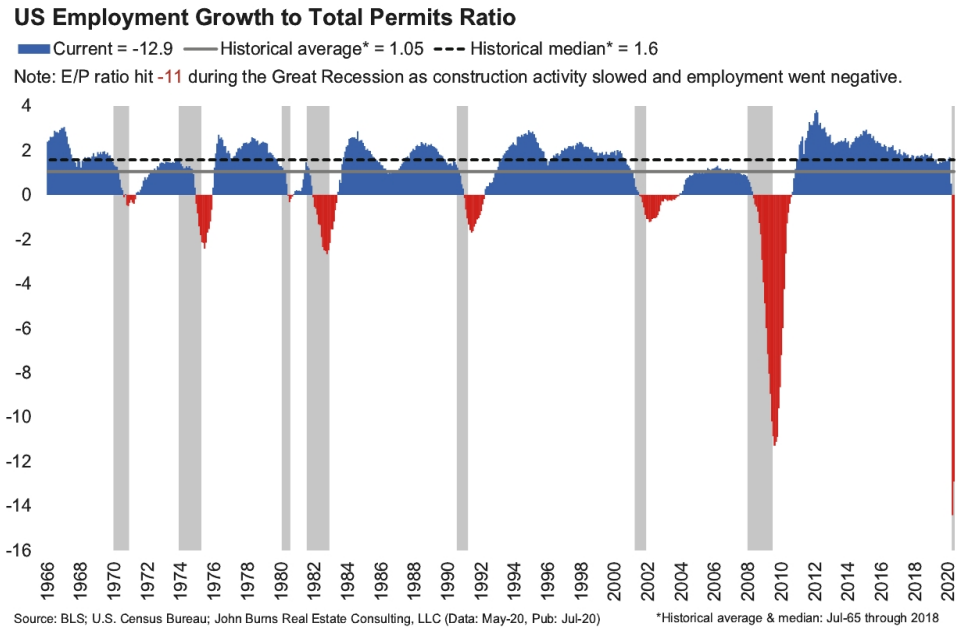
As of March 31, 2020, inflation-adjusted average household income was $59,000, a 2% increase from March 31, 2019. For perspective, when adjusting for inflation, middle-class households have higher incomes than they did during the prior peak in 2000.



Sources: John Burns Real Estate Consulting, LLC; Census Bureau; Moody's Analytics (Data: Mar-20, updated quarterly†)

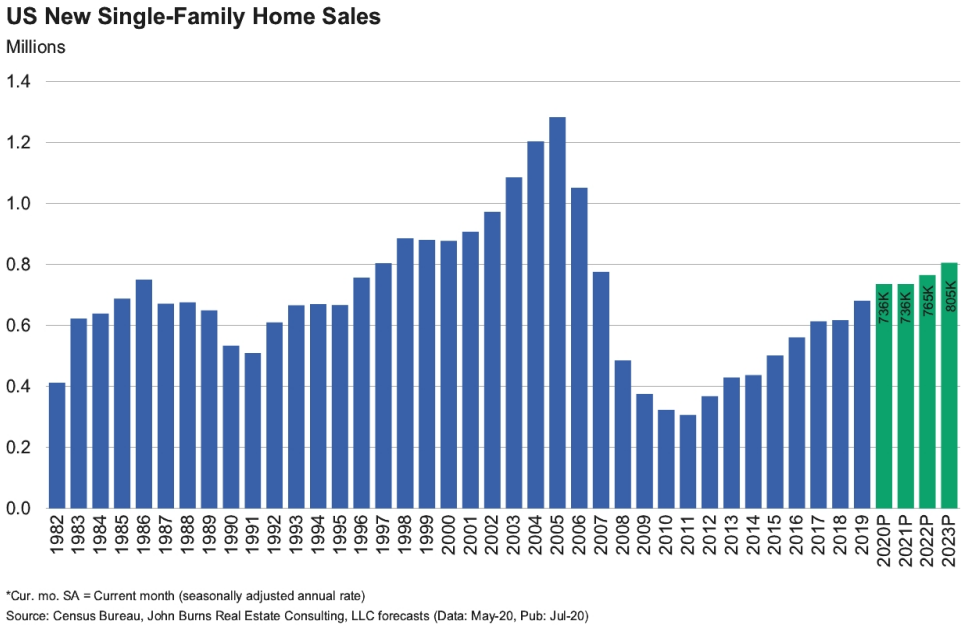
Employment to Housing Permit Ratio

Before the COVID-19 pandemic, according to data compiled by the U.S. Census Bureau and the U.S. Bureau of Labor Statistics, there were 1.6 jobs being created for each new-unit permit as of January 31, 2019. A balanced ratio in a stable market relates approximately one new housing permit issued for every 1.1 to 1.5 jobs created. After declining significantly during the 2008-2009 global financial crisis when employment growth was negative, the job growth to permits ratio had increased and remained above a 1.5-to-1 ratio every month since 2011, due to a rise in employment growth and historically low homebuilding permit levels. Over time, the relative excess of job growth to homebuilding permits has put upward pressure on new and existing home prices. Significant employment losses as a result of the COVID-19 pandemic will likely cause this employment growth to housing permit ratio to be negative for the next several years.



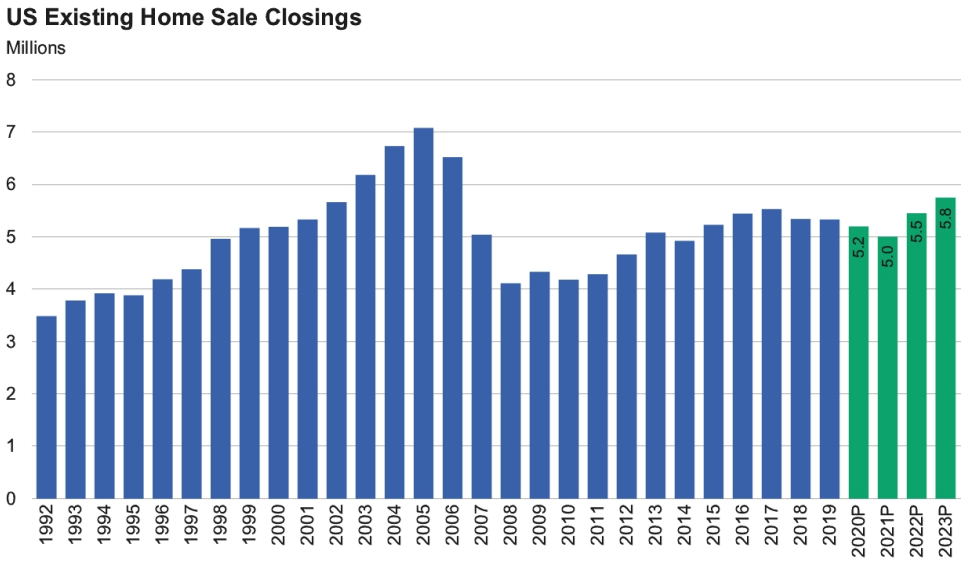
New and Existing Housing Market Sales

JBREC's projected employment changes through 2023 support an increase in sales of the anticipated new home supply, which was still coming off of historical lows prior to COVID-19. On a non-seasonally adjusted basis, new home sales reached 681,000 transactions in the twelve months ended December 31, 2019. As measured by the U.S. Census Bureau, 800,000 annual new single-family home sales represents a 65% recovery from the trough. JBREC estimates 800,000 transactions to represent a stable level based on historical new home sales activity. According to the U.S. Census Bureau and JBREC forecasts, new home sales will increase from approximately 681,000 sales in 2019 to 736,000 sales in 2020 and 2021 before increasing to 805,000 sales in 2023.



*Cur. mo. SA = Current month (seasonally adjusted annual rate)
Source: Census Bureau, John Burns Real Estate Consulting, LLC forecasts (Data: May-20, Pub: Jul-20)

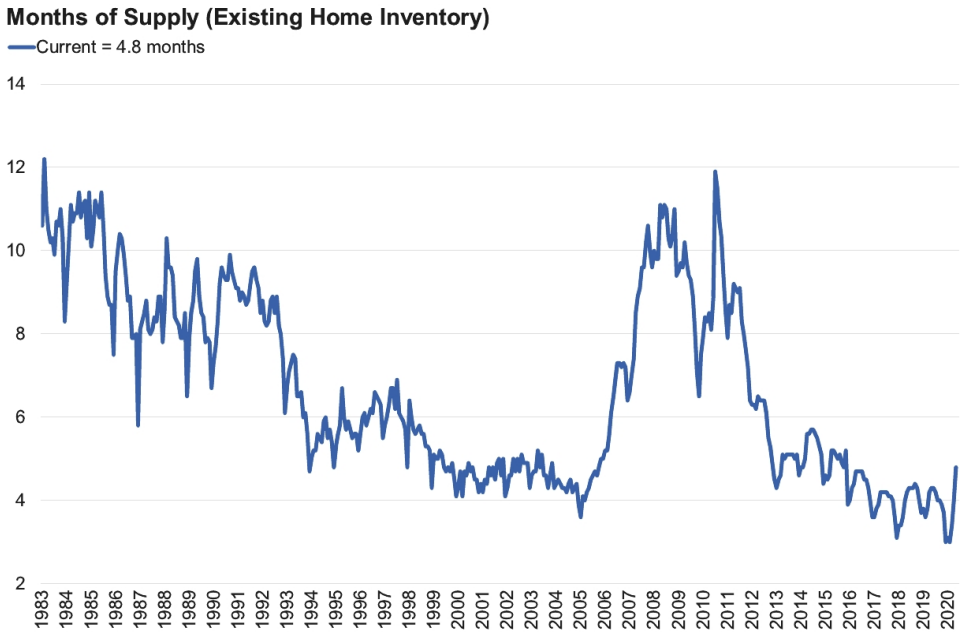
After decreasing to 4.0 million existing home sales transactions in 2011 from a peak of nearly 7.1 million transactions in 2005, non-seasonally adjusted existing home sales slightly exceeded 5.3 million transactions through the twelve months ended December 31, 2019 according to the National Association of Realtors. JBREC expects the resale sales volume to fall to 5.0 million in 2021 before rebounding to 5.8 million in 2023.



*Cur. mo. SA = Current month (seasonally adjusted annual rate)

Sources: ©2020 National Association of REALTORS®; John Burns Real Estate Consulting, LLC (Data: May-20, Pub: Jul-20)

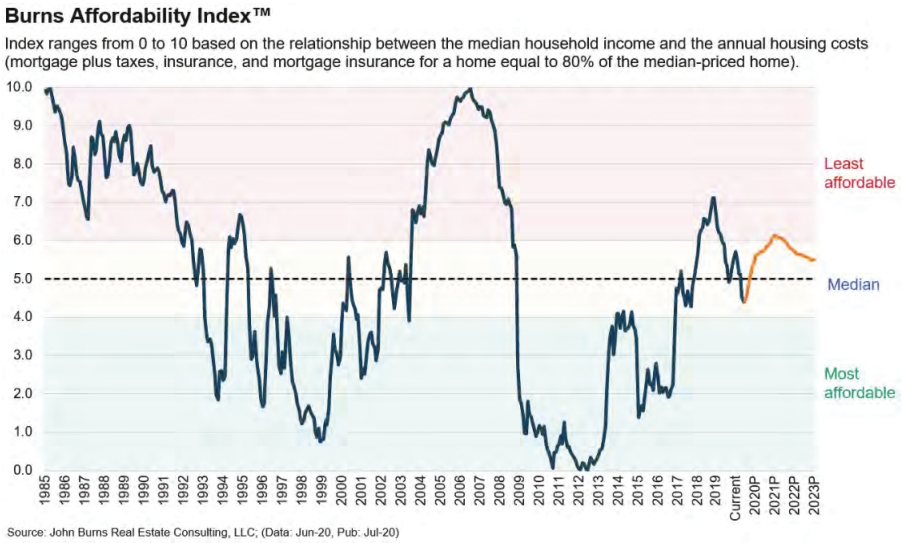
From 2014 through 2019 a major contributing factor to the low level of existing home sales has been the lack of existing homes listed for sale. The 4.8 average months of supply of existing homes for sale for the twelve months ended May 31, 2020 was 28% below the 1983-2019 average of 6.7 months and close to record-low levels.



Sources: NAR; John Burns Real Estate Consulting, LLC (Data: May-20; Pub: Jul-20)

Affordability

As of June 30, 2020, national affordability in the existing home market is comparable to the historical normal level. The ratio of annual housing costs for owning the median priced resale home compared to the median household income reached a 30+ year low in 2012. Due to rising mortgage interest rates, coupled with home price appreciation and offset by weak income growth, affordability conditions started to weaken nationally in the second half of 2013, and in 2018 affordability reached its weakest level since mid-2008. More recently, however, due to income growth and lower mortgage interest rates, affordability has returned to its historical median (4.4 on JBREC's 0 to 10 scale), an improvement from a recent high of 7.1 on JBREC's index in late 2018. The improved affordability provides more house-buying power to buyers and may entice some potential homebuyers to purchase. JBREC expects affordability will remain near the index's historical norm through 2023 as a moderate increase in income growth and decreasing mortgage interest rates and home prices maintain affordability.



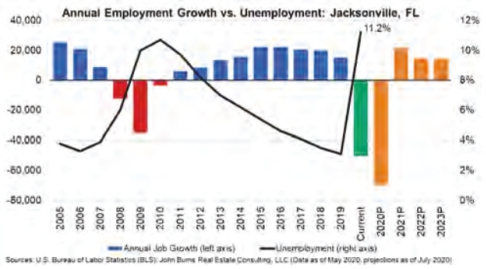
Jacksonville, Florida MSA ("Jacksonville")

Jacksonville Economic Overview

According to JBREC, the Jacksonville Metropolitan Statistical Area ("MSA") grew to a population of approximately 1.6 million people in 2019, making it the 48th-largest metro area in the U.S. by population. Jacksonville has grown by an average of 22,400 people each year since 2005 and grew at even higher rates in recent years. The average growth rate over the last five years has been 1.9%, which is above the national average of 0.6% annually for the same period. The population of Jacksonville is forecasted to grow 1.7% each year from 2020 to 2023, reaching a population of nearly 1.7 million people in 2023.

Annual Employment Growth and Unemployment Rate

Employment growth in Jacksonville was positive from 2011 through 2019. A total of 144,500 new jobs were added in Jacksonville during that nine-year period. The Jacksonville MSA averaged about 9,900 jobs created annually from 2005 to 2019. As of May 31, 2020, the Jacksonville MSA had lost 50,500 jobs compared to May 31, 2019. The unemployment rate declined from 10.7% in 2010 to 3.1% in 2019. Unemployment increased significantly during the first half of 2020 to 11.2% as of May 31, 2020. JBREC forecasts employment in Jacksonville to decline by 69,900 jobs in 2020 before growing by an average of 16,900 jobs annually from 2021 through 2023, an average annual growth rate of 2.5%.

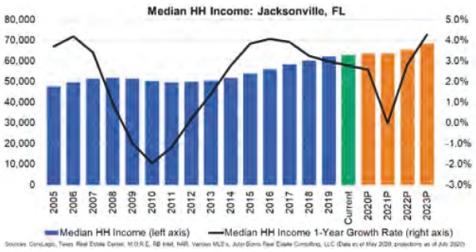


Metro Economy

Jacksonville's economy has concentrations of banking and financial services, as well as a logistics and military and defense industry with the presence of Jacksonville's sizeable deep-water port. Tourism is a major economic driver for Jacksonville with visitors contributing billions of dollars to businesses in the area. Jacksonville is home to four Fortune 500 companies' headquarters, including Fidelity National Information Services, Inc. and CSX Corporation. There are also several medical related employers in Jacksonville, including Baptist Health and Mayo Clinic.

Median Household Income

The median household income in Jacksonville rose from $47,700 in 2005 to $62,900 as of May 31, 2020. Median household income declined from 2009 through 2011, but has since experienced a high growth rate, having increased by an annual average of 3.6% over the past five years. JBREC estimates the median household income in Jacksonville will increase by 2.4% annually on average through 2023, bringing the average household income to $68,300 in 2023.



Jacksonville Housing Market Overview

According to the 2018 ACS, the total market size of housing units in Jacksonville was approximately 665,000 homes. About 320,150 were owner occupied single-family homes, accounting for 48.8% of the total housing stock.

Supply and Demand Dynamics

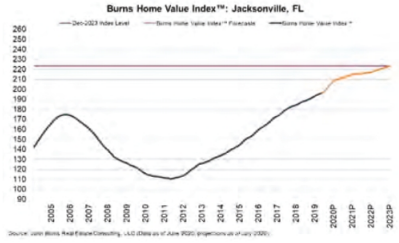
During the previous recession, annual household growth in Jacksonville fell to 3,100 households formed in 2009 and 2010. By 2014, household growth had increased to more than 9,000 households formed annually. As of May 31, 2020, the number of households increased 1.7% from May 31, 2019 to reach about 615,000 total households in the Jacksonville MSA. Approximately 35,500 households are forecasted to be added to the Jacksonville MSA from 2020 to 2023. Similar to household formation trends, total permits experienced a steep decline during the previous recession, falling to about 3,600 permits issued annually in 2010. The number of permits issued each year since then has steadily increased to reach nearly 14,690 permits issued in 2019. The number of total permits issued annually through 2023 is expected to slow slightly but remain close to 2019 levels. JBREC forecasts approximately 57,750 permits will be issued from 2020 through 2023, higher than the 54,864 total residential permits issued over the past four years.

New Home Sales Volume and Price Trends

New home sales fell significantly from its peak in 2006 of 17,746 sales to 3,297 sales in 2011. From 2012 to 2019, new home sales volume experienced strong annual growth by an average of 13.0%. Jacksonville had 8,728 new home sales in the twelve months ended May 2020. JBREC forecasts another year of strong growth in new home sales in 2020, increasing by 12% and reaching 9,500 sales. JBREC anticipates new home sales to decrease slightly to 9,300 in 2021 and 2022, before climbing to 9,800 in 2023. Similar to new homes sales volume, the median price of new homes within Jacksonville experienced strong appreciation from 2011 to 2019 with an annual average increase in median price of 5.9%. In 2019, the median new home price was $307,600, up 2.2% from 2018. New home prices in Jacksonville are anticipated to appreciate 7.5% in 2020 and then increase by an average of 2.3% per year from 2021 through 2023.

Existing Home Price Appreciation

According to JBREC's proprietary home value index (the "Burns Home Value Index"), home values have increased annually by an average of 7.1% since 2011. Jacksonville home values as of May 31, 2020 increased 4.8% from May 31, 2019 and are forecasted to change at an average annual rate of 3.7% from 2020 to 2023, according to the Burns Home Value Index. The median resale price for a detached home was $238,100 as of May 31, 2020, up 1.7% from May 31, 2019, following continued growth since 2013. From 2008 to 2019, existing home sales volume followed an upwards trend, reaching a volume of 31,867 transactions in 2019.



Burns Affordability Index

According to JBREC's proprietary affordability index, the Burns Affordability Index ("BAI"), Jacksonville is currently a slightly less affordable market with a score of 5.9, compared to the market's historical average. The index ranges from 0 to 10 based on the relationship between the median household income and the annual housing costs, measured by mortgage plus one-seventh of the down payment, for the median-priced home. A BAI value of 5.0 is a historically balanced market. Jacksonville is forecasted to continue to be a less affordable market through 2023, reaching an index value of 6.7 in 2021 and marginally declining to 6.3 in 2023.

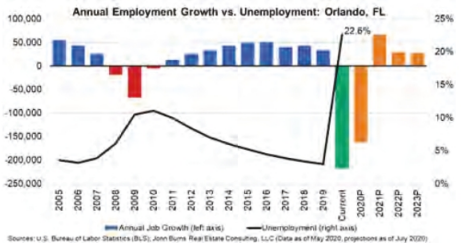
Orlando–Kissimmee-Sanford, Florida MSA ("Orlando")

Orlando Economic Overview

According to JBREC, the Orlando MSA's population increased to approximately 2.6 million people in 2019, making it the 24th-largest metro area in the U.S. by population. Over the past five years, Orlando has experienced strong average annual population growth of 2.3%, significantly higher than the national average of 0.6%. Orlando's population is expected to experience an average population growth of 1.0% from 2020 to 2023, reaching 2.7 million people in 2023.

Annual Employment Growth and Unemployment Rate

Employment growth was positive in Orlando from 2011 to 2019, with 33,900 jobs added during 2019. By comparison, the metro area had averaged roughly 24,600 jobs added annually from 2005 to 2019. As of May 31, 2020, Orlando had lost 217,000 jobs from May 31, 2019 due to the shutdown of many industries caused by the COVID-19 pandemic. The unemployment rate declined from 11.1% in 2010 to 3.0% in 2019 but spiked in May 2020 to 22.6%. JBREC forecasts employment in Orlando to decline by 162,500 jobs over the course of 2020. JBREC expects a recovery will occur from 2021 to 2023 with an average of about 41,600 jobs added annually, resulting in a net decrease of 37,800 jobs from 2020 to 2023.



Metro Economy

Orlando's growing economy, driven largely by tourists attracted to the warm weather and world-renowned amusement parks, has been expanding rapidly, becoming the top tourist destination in the U.S. with 75 million visitors in 2018. In addition to tourism, Orlando is a major industrial and hi-tech center, nationally recognized digital media, agricultural technology, aviation, aerospace and software design. Florida has an attractive tax and legal environment for business, with a 5.5% corporate income tax and no personal income tax. The metro is home to the headquarters of two Fortune 1000 companies—Darden Restaurants, Inc. and Tupperware Brands Corporation—as well as 15 major amusement parks from companies like Disney, Universal, and SeaWorld. The successful reopening and timing of the opening of amusement parks will have an influence on the Orlando economy and housing market.

Median Household Income

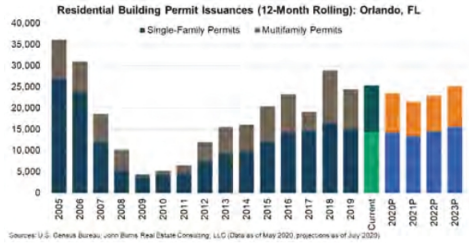
After decreasing from 2008 through 2011, the median household income in Orlando increased at a high rate, rising by an annual average of 3.3%. Median income has risen to $61,900 as of May 31, 2020. JBREC estimates the median income in Orlando will rise to $61,300 by the end of 2020, which would be a 1.7% annual increase over 2019. JBREC forecasts continued growth in Orlando's median income, rising to $65,600 by 2023.

Orlando Housing Market Overview

According to the 2018 ACS, the total market size of housing units in Orlando was approximately 1.1 million homes. About 475,000 were owner occupied single-family homes, accounting for 45.2% of the total housing stock.

Supply and Demand Dynamics

Orlando's household growth accelerated in the years following the previous recession, surpassing 20,000 new households formed annually in 2015 and 2016 as a result of 2.4% and 2.3% annual growth rates, respectively. Household growth of 2.0% in 2019 resulted in 18,700 newly formed households within the Orlando MSA. From 2020 through 2023, JBREC forecasts annual average household growth of about 16,300. Total permits began climbing from 2012 lows following a large uptick in household growth. Since then, annual permits issued had grown in conjunction with consistently strong household growth. Permit levels in 2019 declined from 2018 and are expected to decline through 2021 before growing in 2022 and 2023. An estimated 93,000 permits are expected to be issued from 2020 through 2023.

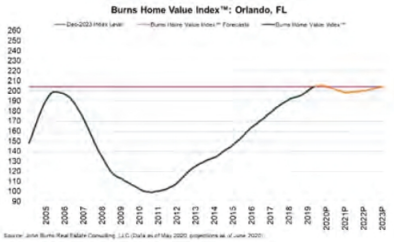


New Home Sales Volume and Price Trends

New home sales fell significantly from its peak in 2006 of 34,078 sales to 4,543 sales in 2011. From 2011 to 2019, both new home sales volume and the median price of new homes within Orlando experienced strong growth. From 2011 to 2019, new home sales increased by an annual average of 15.8% and the median new home price appreciated by an annual average of 6.9% from 2011 to 2019. Orlando had 13,472 new home sales in the twelve months ended May 31, 2020. As of May 31, 2020, the median new home price was $341,400, up 8.7% from the median price as of May 31, 2019. New home prices in Orlando are anticipated to appreciate 6.5% throughout 2020 and then increase by an average of 1.7% from 2021 through 2023. The volume of new home sales within Orlando is anticipated to ease slightly in 2020 and 2021 before experiencing annual growth of 8% in the following two years to reach 15,300 new home sales in 2023.

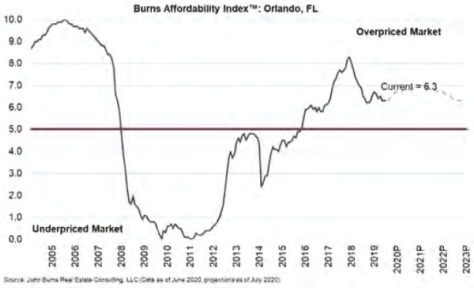
Existing Home Price Appreciation

According to the Burns Home Value Index, home values in Orlando took a major hit during the previous recession, falling 49% from 2006 to 2011. From 2012 to 2019, home values experienced an annual average increase of 9.1% to return to prior home value levels of 2006. As of May 31, 2020, Orlando home values increased 6.6% from May 31, 2019. According to the Burns Home Value Index, home values in the Orlando metro area are forecasted to rise by 7.5% in 2020 and by an average annual rate of 1.7% from 2021 to 2023. The median resale price for a detached home was $277,700 as of May 31, 2020, up 6.6% from May 31, 2019 and above the historic resale price appreciation of about 4.3% annually over the past 15 years. Since 2015, existing home sales volume has been steady, reaching a volume of 50,310 transactions in 2019.



Burns Affordability Index

According to JBREC's BAI, Orlando is currently a slightly less affordable market with a rating of 6.3, compared to the market's historical average. The index ranges from 0 to 10 based on the relationship between the median household income and the annual housing costs, measured by mortgage plus one-seventh of the down payment, for the median-priced home. A BAI value of 5.0 is a historically balanced market. Affordability within Orlando is anticipated to worsen through 2021, when the index is forecasted to hit 7.0, but is projected to become more affordable than current levels by 2023.



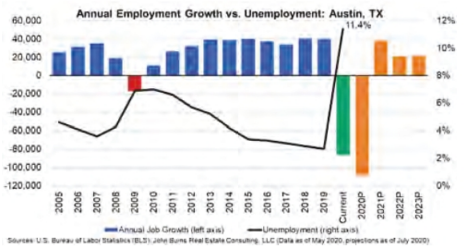
Austin, Texas MSA ("Austin")

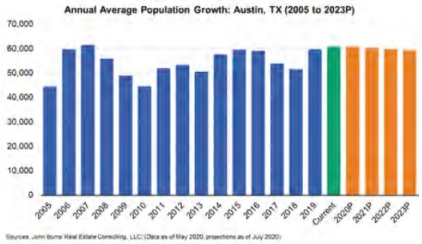
Austin Economic Overview

According to JBREC, the Austin MSA expanded to a total population of about 2.3 million people in 2019, making it the 33rd-largest metro area in the U.S. by population. Austin has experienced strong annual population growth of 2.8% since 2015, better than the national average of 0.6%. JBREC forecasts Austin will grow by 2.6% annually from 2020 to 2023, reaching a population of approximately 2.5 million people in 2023.

Annual Employment Growth and Unemployment Rate

Employment growth had been positive in Austin since 2010, with about 40,000 jobs added during 2018 and 2019. By comparison, the metro area averaged 29,100 jobs added annually from 2005 to 2019. As of May 31, 2020, Austin had lost 86,300 jobs compared to May 31, 2019 due to the COVID-related shutdown of many industries, resulting in a total workforce of 1.0 million employees. The unemployment rate reached a low of 2.7% in 2019 before increasing to 11.4% as of May 31, 2020. JBREC forecasts employment in Austin to decline by 108,700 jobs over the course of 2020. However, JBREC expects renewed growth to occur from 2021 to 2023 with an average of roughly 27,000 jobs added annually.



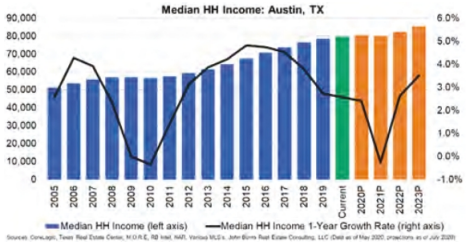


Metro Economy

Austin's economy is fueled by its technology sector, which led to the region's nickname, "Silicon Hills." Tech companies among the largest employers in Austin include Dell, IBM Corp, Amazon, Apple, and Applied Materials. Software development, hardware manufacturing and research are the primary tech sectors found in Austin. Austin is also emerging as a hub for pharmaceutical and biotechnology companies. The local economy and employers benefit from The University of Texas at Austin, the nation's seventh-largest university by enrollment. Austin is often found on lists of the most popular places to live and work in America.

Median Household Income

With the exception of one year, the median household income growth in Austin has been positive every year since 2005, rising by an annual average of 3.1%. Median income rose to $79,700 as of May 31, 2020. JBREC estimates the median income in Austin will rise to $80,600 by the end of 2020, a 2.4% increase from 2019. JBREC forecasts a slight decline in 2021 but continued growth by a 3.1% average annual increase in 2022 and 2023, pushing the median household income to $85,400 in 2023.



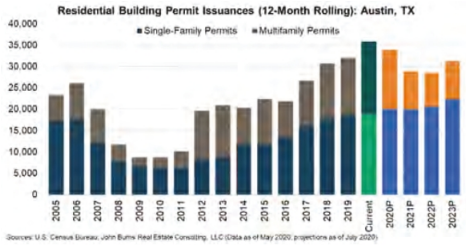
Austin Housing Market Overview

According to the 2018 ACS, the total market size of housing units in Austin was approximately 854,000 homes. About 417,000 were owner occupied single-family homes, accounting for 48.9% of the total housing stock.

Supply and Demand Dynamics

Annual household growth in Austin has averaged approximately 21,200 households per year since 2005. Annual household growth experienced a steady decline from 2007 through 2010 but accelerated thereafter to reach a new historic high in 2016 with an annual growth of 26,000 new households. Annual household growth of 2.6% in 2019 resulted in the formation of 21,900 new households, slightly above the prior 15-year historic average annual growth of 21,200 households but below the average annual growth rate of 3.1% for that period. The annual household growth rate is expected to increase to 3.3% in 2020 before moderating to 2.5% in 2023. From 2020 to 2023, approximately 100,300 new households are anticipated to be added, which would push the total households in Austin to 957,400. Total permits began a strong upward growth trend in 2012, reaching 32,037 in 2019. Total permits issued each of the past three years exceeded the prior historical peaks of just over

26,000 permits in 2005. JBREC forecasts a decline in the number of permits issued annually through 2023 compared to current levels. An estimated 122,700 total permits are expected to be issued from 2020 through 2023, higher than the 111,268 permits issued from 2016 through 2019.

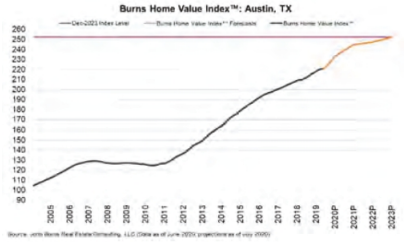


New Home Sales Volume and Price Trends

New home sales fell significantly from 2006's peak of 17,745 sales to 6,757 sales in 2011. From 2012 to 2019, new home sales volume experienced strong annual growth by an average of 13%. The median price of new homes within Austin experienced strong appreciation from 2012 to 2019 with an annual average increase in median price of 5.1%. Austin had 18,906 new home sales in the twelve months ended May 31, 2020. As of May 31, 2020, the median new home price was $321,900, up 3.1% from May 31, 2019. New home prices in Austin are anticipated to appreciate 6.0% throughout 2020 and then increase by an average of 2.3% from 2021 through 2023. The volume of new home sales within Austin is anticipated to increase by 11% in 2020 before increasing by an annual average of 3% from 2021 to 2023, eventually reaching 21,900 new home sales in 2023.

Existing Home Price Appreciation

According to the Burns Home Value Index, home values in Austin have experienced an annual average increase of 5.1% since 2005. Home values declined slightly in 2008 and 2010 due to impacts of the previous recession, significantly better than other metros during that time. The metro experienced the highest appreciation in value from 2012 to 2016 when the lowest annual percentage increase was 7.4%. In total, home values in Austin grew 93.9% from 2005 to 2019. As of May 31, 2020, Austin home values had increased 4.7% from May 31, 2019 and are forecasted to increase by an average annual rate of 3.7% from 2020 through 2023, according to the Burns Home Value Index. The median resale price for a detached home was $329,892 as of May31, 2020, up 0.7% from May 31, 2019 compared to the historic resale price appreciation of 5.0% annually over the past 15 years. Since 2011, existing home sales volume has been on an upward trend, reaching a volume of 35,696 transactions in 2019.



Burns Affordability Index

According to JBREC's BAI, Austin is currently a less affordable market with a score of 7.2, compared to the market's historical average. The index ranges from 0 to 10 based on the relationship between the median household income and the annual housing costs, measured by mortgage plus one-seventh of the down payment, for the median-priced home. A BAI value of 5.0 is a historically balanced market. Austin is forecasted to be an even less affordable market through 2023, reaching an index value of 8.7 in 2021 and marginally declining to 8.4 in 2023.

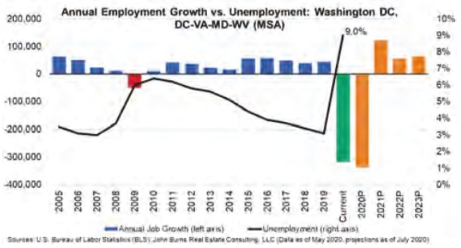
Washington-Arlington-Alexandria, DC-VA-MD-WV MSA ("Washington D.C.")

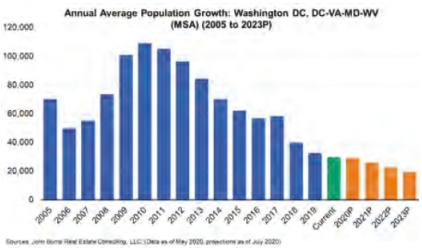
Washington D.C. Economic Overview

According to JBREC, the Washington D.C. MSA grew to a population of 6.3 million people in 2019, positioning it as the fifth largest metro area in the U.S. by population. Washington D.C. has experienced declining annual population growth rates since 2010. Washington D.C.'s population has increased by an average rate of 0.8% since 2015, similar to the national average population growth rate of 0.6% during the same period. JBREC forecasts continued declines in the population growth rate from 2020 to 2023, resulting in an average annual increase of 0.4%, or 24,375 people.

Annual Employment Growth and Unemployment Rate

Employment growth in Washington D.C. was positive from 2011 to 2019. With 40,200 jobs added during 2018 and 44,600 jobs added during 2019, employment growth slipped below the 50,000 jobs a year mark seen from 2015 through 2017. As of May 31, 2020, Washington D.C. had lost 317,000 jobs compared to May 31, 2019 due to the shutdown of many industries caused by the COVID-19 pandemic. The unemployment rate declined from 6.4% in 2010 to 3.1% in 2019, but increased to 9.0% as of May 31, 2020. JBREC forecasts employment in Washington D.C. to decline by 338,300 jobs over the course of 2020. However, regrowth is expected to occur from 2021 to 2023 with an average of about 82,100 jobs added annually, resulting in a net decrease of 92,100 jobs from 2020 to 2023.



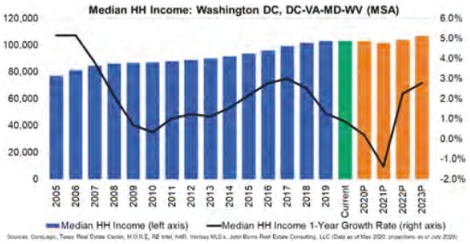


Metro Economy

Washington's diverse economy comprises government, professional and business services, life sciences and biotechnology, cybersecurity and technology, education, health care and tourism. The Northern Virginia portion of the region hosts many defense contractors, housing the corporate headquarters of BAE Systems, SCS, SAIC, General Dynamics and Booz Allen. The Maryland side of the region focuses on life sciences due to its proximity to the National Institutes of Health in Bethesda and the Food and Drug Administration. The Washington D.C. MSA employs the highest concentration of cybersecurity positions in the county and provides local collaboration with the U.S. Cyber Command at Fort Meade, the National Security Agency, the Federal Bureau of Investigation and the Central Intelligence Agency. The region has ranked third on CBRE Group, Inc.'s Tech Talent Scorecard (the "Tech Talent Scorecard") with 8% of total employment stemming from tech jobs according to CBRE Group, Inc. The Tech Talent Scorecard is determined based on 13 unique metrics, including tech talent supply, growth, concentration, cost, completed tech degrees, industry outlook for job growth, and market outlook for office and apartment rent cost growth. Northern Virginia's Loudoun County is home to the world's largest concentration of data centers, with over 70% of the world's internet traffic passing through its digital infrastructure.

Median Household Income

The median household income in Washington D.C. has increased each year since 2005, rising by an annual average of 2.3%. Median household income had risen to $103,400 as of May 31, 2020. JBREC estimates the median income in Washington D.C. will be $103,200 by the end of 2020, which would be a 0.2% annual increase from 2019. JBREC forecasts Washington D.C.'s median income to fall in 2021 before growing in the next two years to $107,000 in 2023.

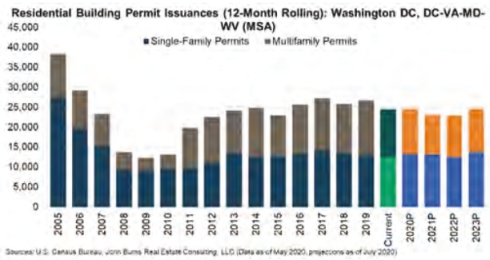


Washington D.C. Housing Market Overview

According to the 2018 ACS, the total market size of housing units in Washington D.C. was approximately 2.4 million homes. About 1.27 million were owner occupied single-family homes, accounting for 53.5% of the total housing stock.

Supply and Demand Dynamics

As of May 31, 2020, Washington D.C. consists of approximately 2.4 million households. Washington D.C. has averaged around 28,200 new households added annually since 2005, an average annual growth rate of 1.3%. The household growth rate for the twelve months ended May 31, 2020 was 1.0%. JBREC forecasts that approximately 60,700 new households will be added to the Washington D.C. metro area from 2020 to 2023. Total permits fell from 2005 to 2009, when only 12,407 total permits were issued. Beginning in 2010, total permits trended upwards to 24,804 units in 2014 and leveled off around 25,000 permits for the next five years through 2019. JBREC forecasts a decline in the number of permits issued annually from 2020 to 2023 compared to current levels. Approximately 95,200 total permits are anticipated to be issued from 2020 through 2023.

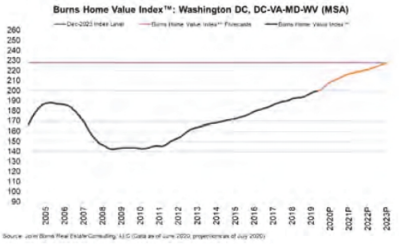


New Home Sales Volume and Price Trends

New home sales fell significantly from its peak in 2005 of 31,610 sales to 9,464 sales in 2011. From 2012 to 2019, new home sales volume remained relatively flat, ranging roughly from 10,000 to 13,000 sales per year. The median price of new homes within Washington D.C. experienced moderately strong appreciation from 2010 to 2018 with an annual average increase in median price of 3.3%. Washington D.C. had 11,477 new home sales in the twelve months ended May 31, 2020. As of May 31, 2020, the median new home price was $543,700, up 3.4% from May 31, 2019. New home prices in Washington D.C. are anticipated to appreciate 5.5% throughout 2020 and then increase by an average of 3.0% from 2021 through 2023. The volume of new home sales within Washington D.C. is anticipated to increase by 6% in 2020 and is then expected to increase by an annual average of 1% from 2021 to 2023, eventually reaching 12,800 new home sales in 2023.

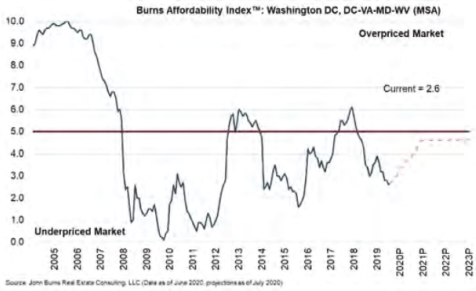
Existing Home Price Appreciation

According to the Burns Home Value Index, home values in Washington D.C. experienced a total increase of 5.3% from 2005 to 2019. Washington D.C. home values as of May 31, 2020 increased 3.8% from May 31, 2019 and are forecasted to change at an average annual rate of 3.6% from 2020 to 2023, according to the Burns Home Value Index. The median resale price for a detached home was $503,100 as of May 31, 2020, up 1.8% from May 31, 2019. Existing home sales volume has remained slightly above 80,000 sales each year since 2016, having appreciated 10.3% from 2016 to 2019. Since 2016, existing home sales volume was steady with a volume of 83,256 transactions in 2019.



Burns Affordability Index

According to JBREC's BAI, Washington D.C. is currently an affordable market with a score of 2.6, compared to the market's historical average. The index ranges from 0 to 10 based on the relationship between the median household income and the annual housing costs, measured by mortgage plus one-seventh of the down payment, for the median-priced home. A BAI value of 5.0 is a historically balanced market. Washington D.C. is forecasted to become a more balanced market through 2023, reaching an index value of 4.6 in 2021 and staying at that level through 2023.



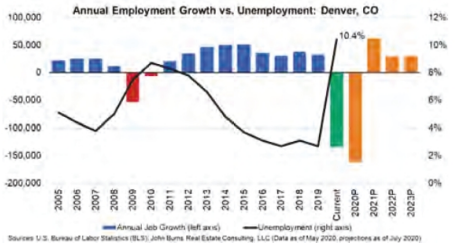
Denver-Aurora-Lakewood, Colorado MSA ("Denver")

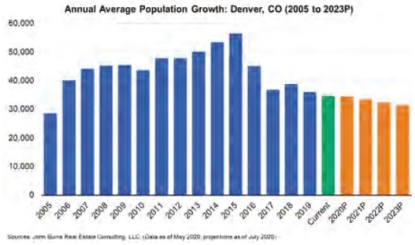
Denver Economic Overview

According to JBREC, the population of the Denver MSA reached approximately 3.0 million people in 2019, making it the 17th-largest metro area in the U.S. by population. Denver has grown by an average of 44,000 people each year since 2005. The average growth rate over the last five years has been 1.5%, which is above national average of 0.6% annually for the same period. JBREC forecasts continued annual population growth by an annual average of 1.1% from 2020 to 2023, increasing the population of Denver by about 131,800 people.

Annual Employment Growth and Unemployment Rate

Employment growth in Denver was strong from 2011 through 2019. During that time, a total of 342,100 new jobs were added within Denver. The Denver MSA averaged about 24,567 jobs created annually from 2005 to 2019. As of May 31, 2020, the Denver MSA had lost 134,400 jobs compared to May 31, 2019 due to the shutdown of many industries caused by COVID-19. The unemployment rate reached an all-time low of 2.7% in 2017 and 2019, before it increased sharply to 10.4% as of May 31, 2020. JBREC forecasts employment in Denver to decline by 161,800 jobs in 2020 before growing by an average of 40,600 jobs annually from 2021 through 2023, resulting in a forecasted net decrease of 39,900 jobs from 2020 to 2023.



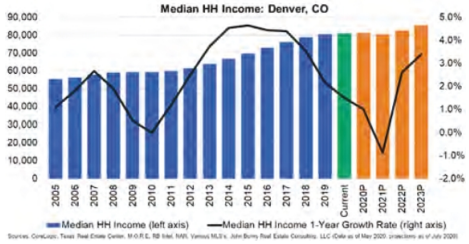


Metro Economy

The Denver economy is diversified and attracts industries such as aerospace, aviation, energy, financial services, healthcare, and IT. The Metro Denver Economic Development Corporation (the "Metro Denver EDC") indicates Denver has the highest private-sector aerospace employment concentration, with 26,620 aerospace workers in 180 companies. Additionally, the healthcare and wellness industry employs over 222,000 people through 21,160 companies, according to the Metro Denver EDC. Denver is home to ten Fortune 500 companies, including companies like Arrow Electronics, DaVita, Qurate Retail, and DISH Network. Denver International Airport is the second-largest airport in the world by size and the fifth-busiest airport in the U.S. in 2019, an attractive selling point for residents and businesses located in Denver. Although the COVID-19 pandemic has impacted air travel, JBREC anticipates that air travel will gradually return to pre-COVID-19 levels. Colorado's corporate tax rate is a flat 4.63%, assessed on net income, with franchise or privilege tax generally applicable to businesses, unlike many other states.

Median Household Income

The median household income in Denver rose from $55,400 in 2005 to $81,100 as of May 31, 2020. Denver's median household income annual growth rate has fluctuated over the past 15 years from 0.0% to 4.6% with an average of 2.6%. JBREC estimates the median income in Denver will increase by 1.0% in 2020. JBREC forecasts continued growth in median income from 2021 to 2023, rising to $89,700.

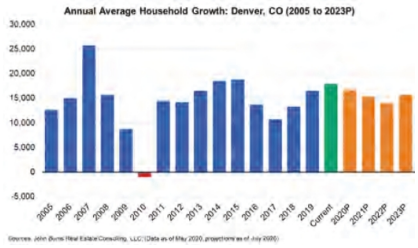


Denver Housing Market Overview

According to the 2018 ACS, the total market size of housing units in Denver was approximately 1.2 million homes. About 643,000 were owner occupied single-family homes, accounting for 53.8% of the total housing stock.

Supply and Demand Dynamics

Annual household growth in Denver has historically been steady except for a strong year in 2007 that preceded a decline of 1,000 household in 2010. Since 2005, the number of households in Denver has increased by an average annual rate of 1.4%, or 14,200 household. This is in line with household growth the past few years as well as forecasted growth from 2020 through 2023. As of May 31, 2020, the number of households increased 1.6% from May 31, 2019 to reach just below 1.2 million households in the Denver MSA. From 2020 to 2023, an estimated 61,700 new households will be added to the Denver MSA. Total permits issued within Denver have increased considerably from levels during the previous recession, when annual permit levels fell below 5,000. After 2009, the number of total permits issued each year increased by an annual average of 26.9% to reach a peak of 22,735 in 2017. The number of total permits issued declined to 19,308 permits issued in 2019. JBREC forecasts total permits to decline through 2021 with an average of 15,600 permits issued each year from 2020 through 2023. The majority of this decline in total permits is expected due to an anticipated decrease in multifamily permits.

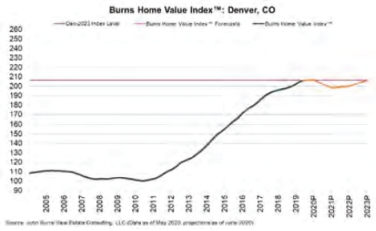


New Home Sales Volume and Price Trends

New home sales fell significantly from its peak in 2005 of 18,159 sales to 4,074 sales in 2011. From 2011 to 2019, both new home sales volume and the median price of new homes within Denver experienced strong growth. New home sales increased by an annual average of 15.8% and the median new home price appreciated by an annual average of 6.3% from 2011 to 2019. Denver had 9,755 new home sales in the twelve months ended May 31, 2020. As of May 31, 2020, the median new home price was $513,200, up 1.5% from the median price as of May 31, 2019. New home prices in Denver are anticipated to appreciate 6.0% throughout 2020 and then increase by an average of 2.0% from 2021 through 2023. The volume of new home sales within Denver is anticipated to remain steady in in 2020 before experiencing growth at an increasing rate from 2021 to 2023, reaching 11,900 new home sales in 2023.

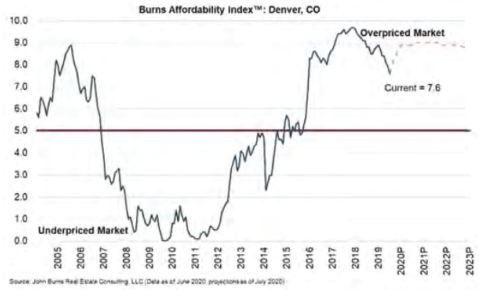
Existing Home Price Appreciation

According to the Burns Home Value Index, home values in Denver experienced slight declines from 2006 to 2008 and in 2010. Since then, home values have increased annually by an average of 8.1%. Denver home values as of May 31, 2020 increased 3.8% from May 31, 2019 and are forecasted to increase by a total of 7.5% throughout 2020. Home values are forecasted to increase by an average annual rate of 2.0% from 2021 to 2023, according to the Burns Home Value Index. The median resale price for a detached home was $453,500 as of May 31, 2020, up 0.5% from May 31, 2019 following steady increases since 2011. Since 2015, existing home sales volume has trended slightly downwards, reaching a volume of 58,407 transactions in 2019.



Burns Affordability Index

According to JBREC's BAI, Denver is currently an unaffordable market with a score of 7.6, compared to the market's historical average. The index ranges from 0 to 10 based on the relationship between the median household income and the annual housing costs, measured by mortgage plus one-seventh of the down payment, for the median-priced home. A BAI value of 5.0 is a historically balanced market. Denver is forecasted to continue to be unaffordable market through 2023, reaching an index value of 9.0 in 2021 and marginally declining to 8.8 in 2023.



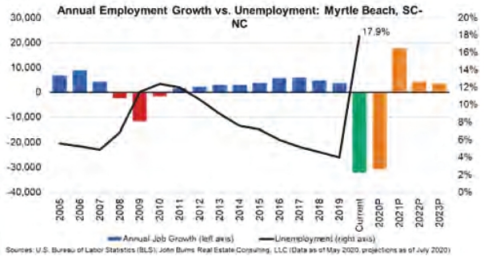
Myrtle Beach, NC-SC MSA ("Myrtle Beach")

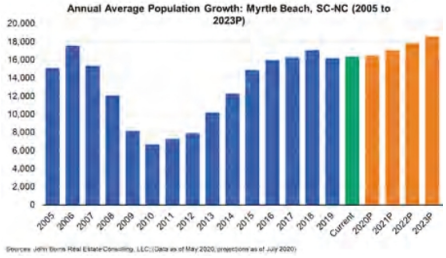
Myrtle Beach Economic Overview

According to JBREC, the Myrtle Beach MSA grew to a population of approximately 511,000 people in 2019, making it the 118th-largest metro area in the U.S. by population. Myrtle Beach has grown by an average of 12,900 people each year since 2005 and grew at even higher rates in recent years. The average growth rate over the last five years has been 3.6%, which is significantly above the national average of 0.6% annually for the same period. The population of Myrtle Beach is forecasted to grow by an average of 3.4% each year from 2020 to 2023, reaching a population of 566,400 people in 2023.

Annual Employment Growth and Unemployment Rate

Employment growth in Myrtle Beach was positive from 2011 through 2019. A total of 34,200 new jobs were added in Myrtle Beach during that period. The Myrtle Beach MSA averaged about 2,600 jobs created annually from 2005 to 2019. As of May 31, 2020, the Myrtle Beach MSA had lost 32,100 jobs compared to May 31, 2019. The unemployment rate declined from 12.4% in 2010 to 4.0% in 2019. As of May 31, 2020, unemployment had increased significantly to 17.9% from December 31, 2019. JBREC forecasts employment in Myrtle Beach to decline by 30,800 jobs in 2020 before growing by an average of 8,500 jobs annually from 2021 through 2023, or an average annual growth of 5.7%.



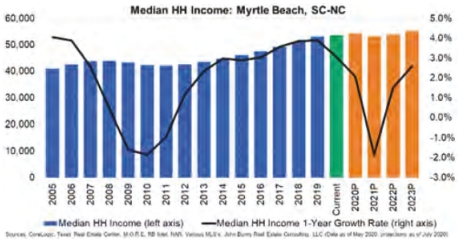


Metro Economy

Myrtle Beach's economy is dominated by the tourist industry. Warm subtropical climate and extensive beaches attract an estimated 20 million visitors annually. Hotels, motels, resorts, restaurants, attractions, and retail developments exist in abundance to serve visitors. For multiple years in a row, Myrtle Beach has ranked the second-fastest growing metropolitan area (by percentage) in the U.S. per the U.S. Census. This growth continues to strengthen the economy and spur economic diversity. Top industries in Myrtle Beach include hospitality, retail, construction, healthcare and education.

Median Household Income

The median household income in Myrtle Beach rose from $41,100 in 2005 to $53,800 as of May 31, 2020. Median household income declined in 2010 and 2011 but has since experienced a high growth rate, having increased by an average of 3.5% over the past five years. JBREC estimates the median income in Myrtle Beach will increase by 2.1% in 2020 and fall 1.8% in 2021. JBREC forecasts growth in the median income from 2022 to 2023, rising to $55,500 by 2023.

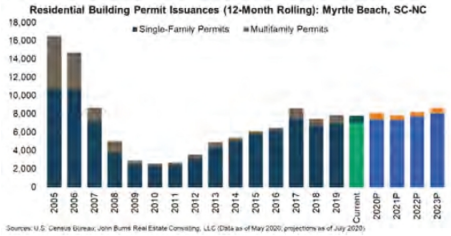


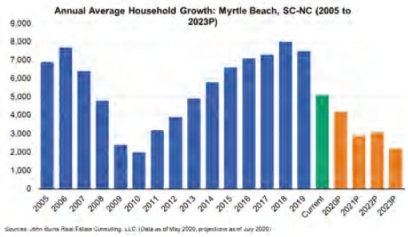
Myrtle Beach Housing Market Overview

According to the 2018 ACS, the total market size of housing units in Myrtle Beach was approximately 303,000 homes. About 104,000 were owner occupied single-family homes, accounting for 37.7% of the total housing stock.

Supply and Demand Dynamics

During the previous recession, annual household growth in Myrtle Beach fell to just 2,400 households formed in 2009. Post-recessionary period, household growth accelerated with consecutive years of strong growth rates, reaching a peak in annual household growth of 8,000 households in 2018. As of May 31, 2020, the number of households increased 2.4% from May 31, 2019 to reach about 217,800 total households in the Myrtle Beach MSA. Approximately 12,400 households are forecasted to be added to the Myrtle Beach MSA from 2020 to 2023. Similar to household formation trends, total permits experienced a steep decline during the previous recession, falling from 16,538 permits issued in 2005 to 2,587 permits issued in 2010. The number of permits issued each year since then has slowly but steadily climbed to reach just over 7,800 permits issued in 2019. The number of permits issued annually through 2023 is expected to grow from 2019 levels. JBREC forecasts approximately 32,800 permits will be issued from 2020 through 2023, comparable to the 30,398 total residential permits issued over the past four years.



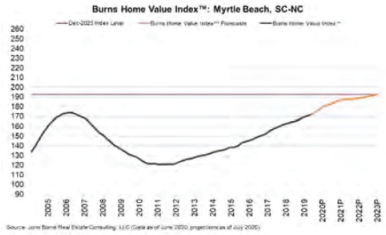


New Home Sales Volume and Price Trends

New home sales fell significantly from its peak in 2006 of 13,245 sales to 2,286 sales in 2011. New home sales volume experienced strong annual growth by an average of 16% from 2012 to 2015, leveling off around 4,000 annual new home sales in the following years. The median price of new homes within Myrtle Beach experienced strong appreciation from 2017 to 2019, increasing by an average rate of 7.2%. Myrtle Beach had 4,178 new home sales in the twelve months ended May 31, 2020. As of May 31, 2020, the median new home price was $251,300, down 1.3% from the median price as of May 31, 2019. New home prices in Myrtle Beach are anticipated to appreciate 6.0% throughout 2020 and then increase by an average of 2.3% from 2021 through 2023. The volume of new home sales within Myrtle Beach is anticipated to fall from by an average 5% from 2020 to 2022 before increasing by 8% in 2023 to 3,900 sales.

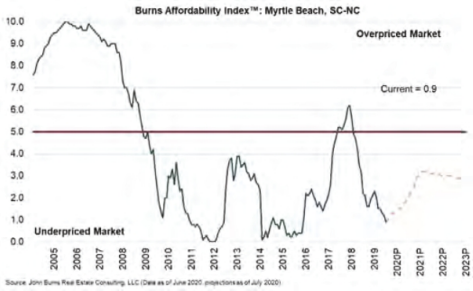
Existing Home Price Appreciation

According to the Burns Home Value Index, home values in Myrtle Beach experienced a strong decline of 30.3% from 2006 to 2011. Since 2012, home values have increased annually by an average of 4.3%. Myrtle Beach home values as of May 31, 2020 increased 4.7% from May 31, 2019 and are forecasted to change at an average annual rate of 3.2% from 2020 to 2023, according to the Burns Home Value Index. The median resale price for a detached home was $239,100 as of May 31, 2020, up 7.0% from May 31, 2019, following steady increases since 2012. Since 2011, existing home sales volume has been on an upward trend, reaching a volume of 35,696 transactions in 2019. Since 2008, existing home sales volume has been on an upward trend, reaching a volume of 14,822 transactions in 2019.



Burns Affordability Index

According to JBREC's BAI, Myrtle Beach is currently an extremely affordable market with a score of 0.9, compared to the market's historical average. The index ranges from 0 to 10 based on the relationship between the median household income and the annual housing costs, measured by mortgage plus one-seventh of the down payment, for the median-priced home. A BAI value of 5.0 is a historically balanced market. Myrtle Beach is forecasted to shift closer to a more balanced market through 2023, reaching an index value of 3.2 in 2021 and marginally declining to 2.7 in 2023.



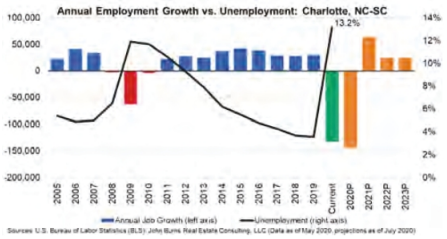
Charlotte-Concord-Gastonia, NC-SC MSA ("Charlotte")

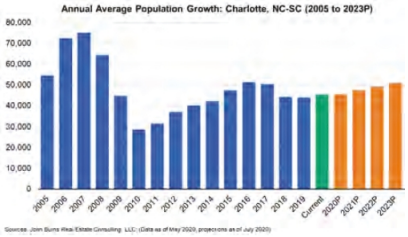
Charlotte Economic Overview

According to JBREC, the Charlotte MSA grew to a population of approximately 2.6 million people in 2019, positioning it as the 23rd-largest metro area in the U.S. by population. Charlotte has grown by an average of about 48,600 people each year since 2005. The average growth rate over the last five years has been 1.9%, which is above the national average of 0.6% annually for the same period. The population of Charlotte is forecasted to grow by an annual average of 48,400 people from 2020 to 2023, reaching 2.8 million people by 2023.

Annual Employment Growth and Unemployment Rate

Employment growth in Charlotte was positive from 2011 through 2019. During that time, a total of 281,600 new jobs were added in Charlotte. The Charlotte MSA averaged about 20,800 jobs created annually from 2005 to 2019. As of May 31, 2020, the Charlotte MSA had lost 132,600 jobs compared to May 31, 2019. The unemployment rate declined from 11.9% in 2009 to an all-time low of 3.6% in 2019. Unemployment increased significantly during the first few months of 2020 to 13.2% as of May 31, 2020. JBREC forecasts employment in Charlotte to decline by 143,200 jobs in 2020 before a regrowth in employment from 2021 to 2023 by an average of 37,700 jobs each year, an annual average growth rate of 3.4%.



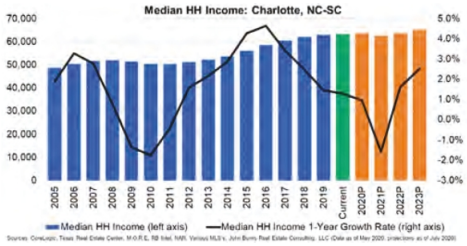


Metro Economy

In 2019, there were 14 Fortune 1,000 companies and 6 Fortune 500 companies with headquarters in the Charlotte MSA, including some national employers like Bank of America and Lowe's. 200 Fortune 500 companies have one or more facilities within Charlotte. The industries supporting the most jobs in the Charlotte MSA and their respective percentages are local government with 11.4%, administrative and waste services with 7.4% and professional technical services with 6.5%. Among states with a corporate income tax, North Carolina has the lowest at 2.5%, thus making Charlotte an appealing location for many companies.

Median Household Income

The median household income in Charlotte rose from $48,700 in 2005 to $63,400 as of May 31, 2020. Median household income declined from 2009 to 2011 but has since experienced positive annual growth rates, ranging from 1.6% to 4.6% over the past five years. JBREC estimates the median income in Charlotte will increase by 1.0% in 2020, fall by 1.6% in 2021, and increase again in subsequent years, rising to $65,200 by 2023.

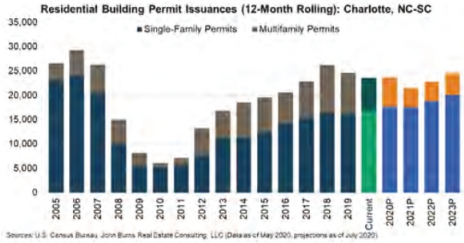


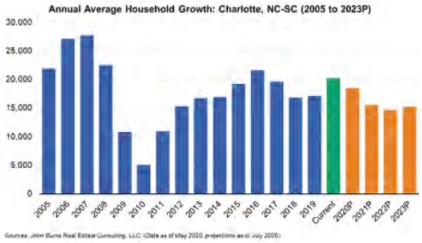
Charlotte Housing Market Overview

According to the 2018 ACS, the total market size of housing units in Charlotte was approximately 1.0 million homes. About 580,000 were owner occupied single-family homes, accounting for 55.2% of the total housing stock.

Supply and Demand Dynamics

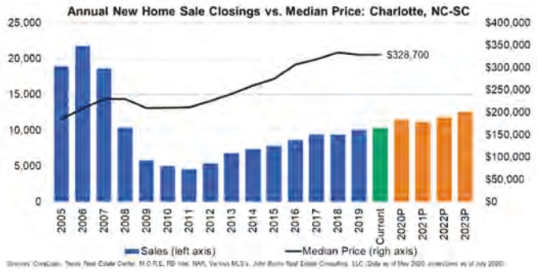
Over the last 15 years, Charlotte has expanded by an average of about 18,000 households each year. Household growth picked up following the previous recession to return near the historic 15-year average annual household growth. As of May 31, 2020, the total number of households increased 2.0%, or 20,200 households from May 31, 2019 to reach about 1.0 million households in the Charlotte MSA. Continued household growth at slightly slowing rates is forecasted for 2020 through 2023, resulting in about 63,900 new households formed. From 2005 to 2019, on average there were 18,737 permits issued each year. Total permits issued declined to a low of 6,102 permits in 2010 during the previous recession. The number of new permits issued annually over the past four years has been strong with an annual average of 23,561. However, due to a decrease in multifamily permits, total permits are expected to drop below current levels through 2022. JBREC forecasts average annual permit levels to decline to 19,875 permits from 2020 through 2023 with an anticipated total of 92,550 permits issued.





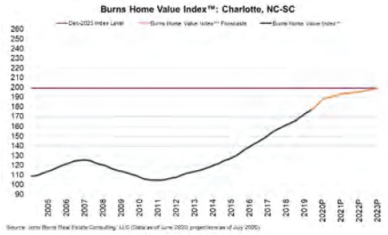
New Home Sales Volume and Price Trends

New home sales fell 79% from its peak in 2006 of 21,793 sales to 4,561 sales in 2011. From 2012 to 2019, both new home sales volume and the median price of new homes within Charlotte experienced strong growth. New home sales increased by an annual average of 10.7% and the median new home price appreciated by an annual average of 5.7% from 2011 to 2019. Charlotte had 10,286 new home sales in the twelve months ended May 31, 2020. As of May 31, 2020, the median new home price was $328,700, down 1.9% from the median price as of May 31, 2019. New home prices in Charlotte are anticipated to appreciate 8.5% throughout 2020 and then increase by an average of 2.3% from 2021 through 2023. The volume of new home sales within Charlotte is anticipated to rise 13.8% in 2020 and fall by 2.2% in 2021 before experiencing growth at an increasing rate from 2022 to 2023, reaching 12,600 new home sales in 2023.



Existing Home Price Appreciation

According to the Burns Home Value Index, home values in Charlotte experienced a slight decline from 2007 to 2011 of only 16%, a more muted decline than in many other markets during that time. Since then, home values have increased annually by an average of 6.4%. Charlotte home values as of May 31, 2020 increased 7.4% from May 31, 2019 and are forecasted to change at an average annual rate of 3.7% from 2020 to 2023, according to the Burns Home Value Index. The median resale price for a detached home was $269,100 as of May 31, 2020, up 1.9% from May 31, 2019, following continued appreciation since 2009. Since 2011, existing home sales volume has been on an upward trend, reaching a volume of 37,183 transactions in 2019.



Burns Affordability Index

According to JBREC's BAI, Charlotte is currently a balanced market with a score of 5.0, level with the market's historical average. The index ranges from 0 to 10 based on the relationship between the median household income and the annual housing costs, measured by mortgage plus one-seventh of the down payment, for the median-priced home. A BAI value of 5.0 is a historically balanced market. Charlotte is forecasted to shift to a somewhat less affordable market through 2023, reaching an expected index value of 7.5 in 2021 and marginally declining to 7.2 in 2023.

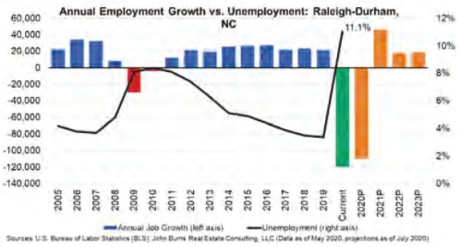
Raleigh-Durham, NC-SC MSA ("Raleigh-Durham")

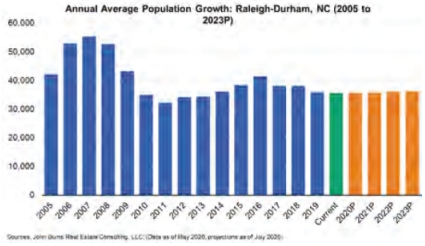
Raleigh-Durham Economic Overview

According to JBREC, the Raleigh-Durham MSA grew to approximately 2.0 million people in 2019, making it the 40th-largest metro area in the U.S. by population. Raleigh-Durham has grown by an average of roughly 40,700 people each year since 2005. The average growth rate over the last five years has been 2.1%, which is more than three times the national average of 0.6% annually for the same period. The Raleigh-Durham population is forecasted to grow to 2.1 million people by 2023.

Annual Employment Growth and Unemployment Rate

Employment growth in Raleigh-Durham was positive from 2011 through 2019. During that time, a total of 201,800 new jobs were added within Raleigh-Durham. The Raleigh-Durham MSA averaged about 17,800 jobs created annually from 2005 to 2019. As of May 31, 2020, the Raleigh-Durham MSA had lost 119,800 jobs compared to May 31, 2019. The unemployment rate declined from 8.4% in 2010 to 3.4% in 2019. Unemployment increased significantly to 11.1% as of May 31, 2020. JBREC forecasts employment in Raleigh-Durham to decline by 109,800 jobs in 2020 before growing by an average of about 27,900 jobs annually from 2021 through 2023, resulting in a net decrease of 26,000 jobs from 2020 to 2023.



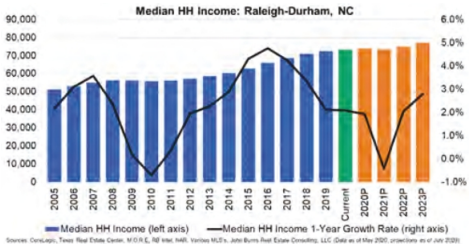


Metro Economy

The Raleigh-Durham metro area is home to a highly educated population, with over 40% holding a bachelor's degree or higher, well above both the North Carolina and national levels. This educated population facilitates strong employment in the "Research Triangle," one of the country's largest and most successful business parks with an estimated 300 companies and 55,000 people in fields such as electronics, telecommunications, biotechnology, chemicals, pharmaceuticals, and environmental sciences.

Median Household Income

The median household income in Raleigh-Durham rose from $51,500 in 2005 to $73,300 as of May 31, 2020. Median household income declined slightly in 2010 but has otherwise experienced a strong growth rate, increasing by an average of 2.5% from 2005 to 2019 and 3.8% over the past five years. JBREC estimates the median income in Raleigh-Durham will increase by 1.9% in 2020. JBREC forecasts a slight dip in 2021 followed by growth in the median income in 2022 and 2023, rising to $77,200 by 2023.



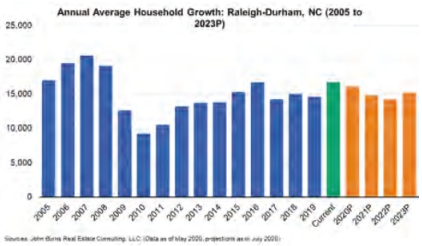
Raleigh-Durham Housing Market Overview

According to the 2018 ACS, the total market size of housing units in Raleigh-Durham was approximately 779,000 homes. About 421,000 were owner occupied single-family homes, accounting for 54.0% of the total housing stock.

Supply and Demand Dynamics

Annual household growth in Raleigh-Durham declined from 20,600 new households formed in 2007 to 9,300 households added in 2010. Household growth has picked back up since then but not reached the same growth levels seen from 2005 to 2007. As of May 31, 2020, the number of households increased 2.2% from May 31, 2019 to reach about 780,000 total households in the Raleigh-Durham MSA. The household growth rate is expected to decline from 2.1% in 2020 to 1.8%% in 2022, resulting in a total increase of 60,300 homes from 2020 to 2023. Total permits experienced a severe decline during the previous recession, falling to about 7,000 permits issued annually. The number of permits issued each year since then has increased significantly, gaining

an average of 15% per year to reach 21,366 permits issued in 2018. The number of permits issued annually through 2023 is expected to remain below 2018 levels but rise about the number of permits issued in 2019. JBREC forecasts approximately 78,300 permits to be issued from 2020 through 2023 similar to the 77,140 total residential permits issued over the past four years.

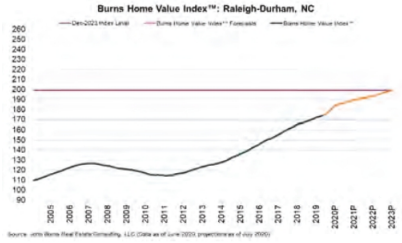


New Home Sales Volume and Price Trends

New home sales fell significantly from its peak in 2006 of 16,344 sales to 5,780 sales in 2011. From 2012 to 2019, new home sales volume experienced strong annual growth by an average of 11%. New homes within Raleigh-Durham experienced strong appreciation from 2012 to 2019 with an annual average increase in median price of 4.1%. Raleigh-Durham had 13,359 new home sales in the twelve months ended May 31, 2020. As of May 31, 2020, the median new home price was $346,100, down 0.3% from the median price as of May 31, 2019. New home prices in Raleigh-Durham are anticipated to appreciate 6.0% throughout 2020 and then increase by an average of 2.0% from 2021 through 2023. The volume of new home sales within Raleigh-Durham is anticipated to increase by 11% in 2020 before changing by an annual average of 4.0% from 2021 to 2023, eventually reaching 16,400 new home sales in 2023, which would break the previous historic peak from 2006.

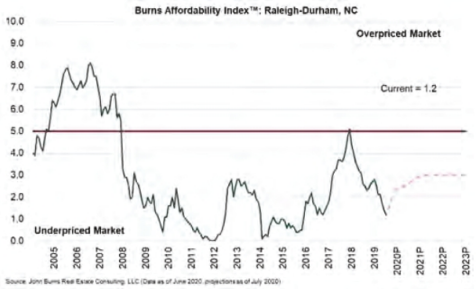
Existing Home Price Appreciation

According to the Burns Home Value Index, home values in Raleigh-Durham experienced a slight decline of 9.5% from 2008 to 2011, exhibiting significant resilience during the housing crash and previous recession than other markets. Since then, home values have increased annually by an average of 5.2%. Raleigh-Durham home values as of May 31, 2020 increased 4.0% from May 31, 2019 and are forecasted to rise at an average annual rate of 3.7% from 2020 to 2023, according to the Burns Home Value Index. The median resale price for a detached home was $296,100 as of May 31, 2020, up 5.8% from May 31, 2019 following recurring price appreciation since 2010. Existing home sales volume has been strong the past four years with sales volumes higher than the prior historic peak of 27,422 existing home sales in 2006. In 2019, existing home sales volume reached 30,878 transactions.



Burns Affordability Index

According to JBREC's BAI, Raleigh-Durham is currently an affordable market with a score of 1.2, compared to the market's historical average. The index ranges from 0 to 10 based on the relationship between the median household income and the annual housing costs, measured by mortgage plus one-seventh of the down payment, for the median-priced home. A BAI value of 5.0 is a historically balanced market. Raleigh-Durham is forecasted to shift closer to a balanced market through 2023, reaching an index value of 3.0 in 2021 and remaining there through 2023.



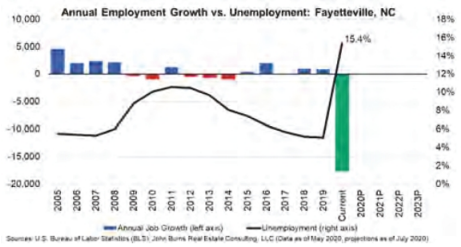
Fayetteville, NC MSA ("Fayetteville")

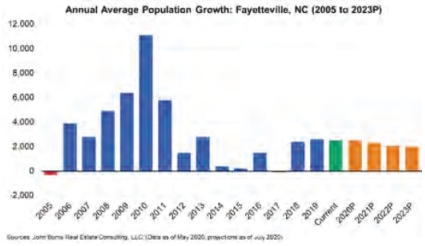
Fayetteville Economic Overview

According to JBREC, the Fayetteville MSA was the 149th-largest metro area in the U.S. with a population of approximately 392,800 people in 2019. Fayetteville has experienced average annual population growth of 0.3% for the past five years, lower than the national average of 0.6%. JBREC forecasts the Fayetteville population to grow by 0.6% annually from 2020 to 2023, reaching a population of 399,500 in 2023.

Annual Employment Growth and Unemployment Rate

Employment growth had been positive in Fayetteville since 2015, with about 1,000 jobs added annually in 2018 and 2019. By comparison, the metro area averaged 880 jobs added annually from 2005 to 2019. As of May 31, 2020, Fayetteville had lost 17,700 jobs compared to May 31, 2019 due to the shutdown of many industries caused by COVID-19. The unemployment rate declined from 10.6% in 2010 to 5.1% in 2019 but increased to 15.4% as of May 31, 2020.



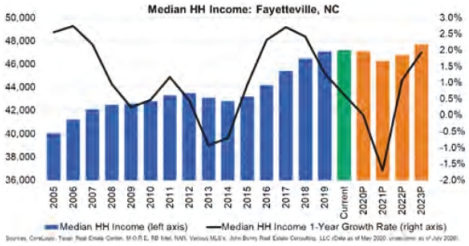


Metro Economy

Fayetteville is located 65 miles south of Raleigh and along a major north-south corridor that links large east coast cities. Fort Bragg and Pope Army Airfield are within the Fayetteville MSA, contributing significantly to the economy. The economy is diverse with the health care and social assistance sectors employing the highest number of people. Other leading industries include retail trade, public administration, educational services, accommodation and food services and manufacturing.

Median Household Income

The median household income in Fayetteville has risen by an annual average of 1.9% since 2015. Median income rose to $47,200 as of May 31, 2020. JBREC estimates the median income in Fayetteville will rise to remain relatively unchanged throughout 2020 and fall in 2021. Growth in the median income is expected to resume in 2022 and 2023, reaching $47,700 by the end of 2023.

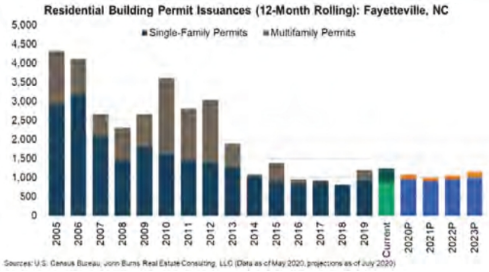


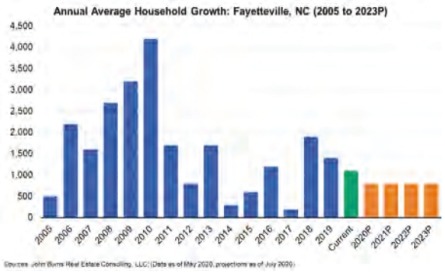
Fayetteville Housing Market Overview

According to the 2018 ACS, the total market size of housing units in Fayetteville was approximately 168,000 homes. About 68,000 were owner occupied single-family homes, accounting for 40.6% of the total housing stock.

Supply and Demand Dynamics

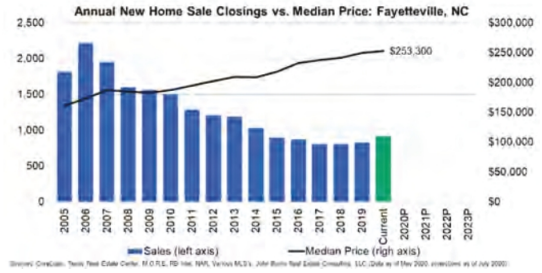
Fayetteville has grown by an average of about 1,600 new households each year, an annual growth rate of 1.2%, since 2005. The household growth rate has been slower the past five years with an average annual household growth rate of 0.7% from 2015 to 2019, resulting in an average annual formation of 1,060 households. The annual household growth as of May 31, 2020 remained around this level, pushing total households in the Fayetteville MSA to 153,000. Household growth is forecasted to decline slightly from current levels with Fayetteville growing by 3,200 households, or an average of 0.5%, from 2020 to 2023. Total permits have generally followed a downward trend over the past 15 years from 4,325 permits in 2005 to a low of 819 total permits in 2018. With the help of a spike in multifamily permits from 16 in 2018 to 292 in 2019, total permits increased 47% in 2019. JBREC forecasts a slight decline in the number of permits issued annually through 2021, followed by growth in 2022 and 2023. Approximately 4,300 total permits are anticipated to be issued from 2020 through 2023.





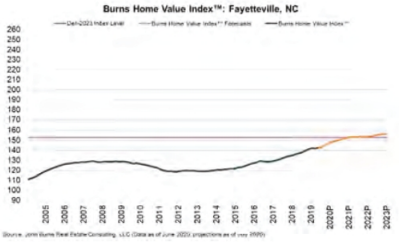
New Home Sales Volume and Price Trends

New home sales fell gradually from its peak in 2006 of 2,224 sales to 804 sales in 2017. During this period new home sales volume experienced annual declines by an average of 8.7%. New homes within Fayetteville experienced a 3.2% average increase in the median price from 2010 to 2019. Fayetteville had 919 new home sales in the twelve months ended May 31, 2020. As of May 31, 2020, the median new home price was $253,300, down 0.3% from the median price as of May 31, 2019. New home prices in Fayetteville are anticipated to appreciate 5.0% throughout 2020 and then increase by an average of 2.0% from 2021 through 2023.



Burns Home Value Index

According to the Burns Home Value Index, home values in Fayetteville have experienced seven straight years of appreciation with an annual average increase of 2.6%. Among existing homes, Fayetteville was much more resilient during the previous recession than other markets. Fayetteville's home values declined only 7.6% from 2010 to 2012. Over the past 15 years, home values increased 19%. Home values in the Fayetteville metro area are forecasted to change by an average annual rate of 2.5% from 2020 through 2023, according to the Burns Home Value Index. The median resale price for a detached home was $152,500 as of May 31, 2020, up 1.1% from May 31, 2019 compared to the historic resale price appreciation of about 2.8% annually over the past 15 years. From 2006 through 2019, existing home sales volume followed a steady U-shaped trend, reaching just under 6,000 sales in 2019.



Burns Affordability Index

According to JBREC's BAI, Fayetteville is currently an extremely affordable market with a score of 0.7, compared to the market's historical average. The index ranges from 0 to 10 based on the relationship between the median household income and the annual housing costs, measured by mortgage plus one-seventh of the down payment, for the median-priced home. A BAI value of 5.0 is a historically balanced market. Fayetteville is forecasted to shift slightly towards a more balanced market, rising to an index value of 2.1 in 2021 and marginally declining to 2.0 in 2022 and 2023.

BUSINESS

Our Company

We are one of the nation's fastest growing private homebuilders by revenue and home closings since 2014. We design, build and sell homes in high growth markets, including Jacksonville, Orlando, Denver, the Washington D.C. metropolitan area and Austin, and, with the acquisition of H&H Homes in October 2020, Charlotte and Raleigh. We employ an asset-light lot acquisition strategy with a focus on the design, construction and sale of single-family entry-level, first-time move-up and second-time move-up homes. To fully serve our homebuyer customers and capture ancillary business opportunities, we also offer title insurance and mortgage banking solutions.

Our asset-light lot acquisition strategy enables us to generally purchase land in a "just-in-time" manner with reduced up-front capital commitments, which in turn has increased our inventory turnover rate, enhanced our strong returns on equity and contributed to our impressive growth. In addition, we believe our asset-light model reduces our balance sheet risk relative to other homebuilders that own a higher percentage of their land supply. As of September 30, 2020, 99% of our owned and controlled lots were controlled through finished lot option contracts and land bank option contracts including those entered into with our consolidated and non-consolidated joint ventures, compared to the average among the public company homebuilders of 46%. We believe that our asset-light model has been instrumental in our generation of attractive returns on equity of 41% for the twelve months ended September 30, 2020 and 34% for the year ended December 31, 2019, substantially exceeding the average returns on equity among the public company homebuilders of 15% and 13%, respectively, for the same periods. We intend to continue to leverage our proven asset-light strategy in furtherance of our growth and stockholder returns objectives.

We are committed to providing exemplary customer service and have a proven expertise in understanding the design needs of our homebuyers. We have received numerous industry awards for architectural and customer service excellence and we believe our commitment to high quality design and customer satisfaction has contributed to our successful track record. Since breaking ground on our first home on January 1, 2009 during an unprecedented downturn in the U.S. homebuilding industry, we have closed over 9,100 home sales through September 30, 2020, have been profitable every year since inception and have never taken an inventory impairment. After just over a decade of operations, we were, according to *Professional Builder's* 2020 Housing Giants list, the 18th largest private homebuilder in the United States based on 2019 revenues and, pro forma for the H&H Acquisition, we would have been the 11th largest private homebuilder based on 2019 revenues of $976.6 million. In addition, our nine most successful months since our inception, as measured by volume of net new orders, were recorded in February, May, June, July, August, September, October, November and December 2020, with net new orders of 319, 293, 363, 368, 448, 343, 567, 435 and 384 homes, respectively, as compared to 141, 174, 195, 273, 159, 154, 150, 158 and 172 homes for the same months in 2019.

We select the geographic markets in which we operate our homebuilding business through a rigorous selection process based on our evaluation of positive population and employment growth trends, favorable migration patterns, attractive housing affordability, low state and local income taxes and desirable lifestyle and weather characteristics. Recently, we believe these favorable factors have been amplified by a general migration from urban areas to nearby suburbs in which we build homes, a trend that has increased further as a result of the COVID-19 pandemic. Over 70% of all U.S. migration from 2010 through 2018 was into states in which we currently operate. For example, according to the LinkedIn Workforce Report, between April and August 2020, Jacksonville recorded an 11% increase in net population migration, the largest increase among the top 20 metropolitan areas tracked by LinkedIn. In addition, we have experienced an increase in entry-level homebuyers, who we believe are motivated to move out of their apartments or confined living areas and into more spacious homes in anticipation of spending more time at home with the increasing prevalence of remote-working arrangements as a result of the COVID-19 pandemic.

We operate an asset-light and capital efficient lot acquisition strategy and generally seek to avoid engaging in land development, which requires significant capital expenditures and can take several years to realize returns on the investment. Our strategy is intended to avoid the financial commitments and risks associated with direct land ownership and land development by allowing us to control a significant number of lots for a relatively low capital cost. We primarily employ two variations of our asset-light land financing strategy, finished lot option contracts and land bank option contracts, pursuant to which we secure the right to purchase finished lots at market prices from various land sellers and land bank partners, including through our joint ventures, by paying

deposits based on the aggregate purchase price of the finished lots (typically 10% or less in the case of finished lot option contracts and 15% or less in the case of land bank option contracts). These option contracts generally allow us, at our option, to forfeit our right to purchase the lots controlled by these option contracts for any reason, and our sole legal obligation and economic loss as a result of such forfeitures is limited to the amount of the deposits paid pursuant to such option contracts and, in the case of land bank option contracts, any related fees paid to the land bank partner. Pro forma for the H&H Acquisition, as of September 30, 2020, we owned and controlled 15,330 lots through finished lot option contracts and land bank option contracts, representing 99% of our total owned and controlled lots. Furthermore, as of September 30, 2020, we have signed contracts covering 4,763 additional lots with respect to which we are still in the due diligence and investigation period and for which our earnest money deposits are still refundable.

Our operations are currently organized into six geographical divisions: Jacksonville, Orlando, Capital (consisting primarily of our homebuilding operations in the Washington D.C. metropolitan area), Colorado, Other (consisting primarily of our title operations and our homebuilding operations in Austin, Savannah and Village Park Homes markets) and Jet Home Loans (consisting of our mortgage banking joint venture). See "Note 14. Segment Reporting" to our consolidated financial statements included elsewhere in this prospectus. Pro forma for the H&H Acquisition, which we intend to organize under a new geographical division, our existing geographical divisions accounted for 32%, 9%, 10%, 10%, 17% and 3%, respectively, of our consolidated total revenues, plus revenue from our equity method investment under our Jet Home Loans segment, for the nine months ended September 30, 2020, respectively, and the H&H Homes segment accounted for the remaining 20% of our consolidated total revenues for the nine months ended September 30, 2020. See "Prospectus Summary—Recent Developments—H&H Acquisition" in this prospectus for additional information. Our Jacksonville segment primarily consists of our Jacksonville, Florida homebuilding operations. Our Orlando segment primarily consists of our Orlando, Florida homebuilding operations. Our Capital segment primarily consists of our homebuilding operations in the greater Washington D.C. metropolitan area. Our Colorado segment primarily consists of our greater Denver homebuilding operations. Our Other segment primarily consists of our Austin, Texas, Hilton Head and Bluffton, South Carolina and Savannah, Georgia homebuilding operations and our title insurance brokerage business, DF Title. Our Jet Home Loans segment consists of our mortgage operations conducted through our joint venture, Jet HomeLoans, LLC ("Jet LLC"). Following the consummation of our acquisition of H&H Homes, our seventh geographical division, H&H Homes, will primarily consist of homebuilding operations in Charlotte, Fayetteville, Raleigh, the Triad (consisting of Greensboro, High Point and Winston-Salem, North Carolina) and Wilmington, North Carolina, and Myrtle Beach, South Carolina. See "Prospectus Summary—Recent Developments—H&H Acquisition" in this prospectus for additional information.

We increased our revenues from $490.9 million for the nine months ended September 30, 2019 to $672.7 million for the nine months ended September 30, 2020, and, pro forma for the H&H Acquisition, $843.6 million for the nine months ended September 30, 2020. We increased our revenues from $522.3 million for the year ended December 31, 2018 to $744.3 million for the year ended December 31, 2019, and, pro forma for the H&H Acquisition, $976.6 million for the year ended December 31, 2019.

For the nine months ended September 30, 2020, we generated gross margin of 14.0%, adjusted gross margin of 21.7%, net income of $40.9 million and EBITDA margin of 9.5% and, pro forma for the H&H Acquisition, gross margin of 13.3%, adjusted gross margin of 21.1%, net income of $47.3 million and EBITDA margin of 9.2%.

Adjusted gross margin, EBITDA and adjusted EBITDA are not financial measures under GAAP. See "Selected Historical and Pro Forma Financial and Operating Data—Non-GAAP Financial Measures" for an explanation of how we compute these non-GAAP financial measures and for their reconciliations to the most directly comparable GAAP financial measure, including an explanation of the pro forma amounts.

Our Competitive Strengths

Our primary business objective is to create long-term, above industry average, risk adjusted returns for our stockholders through our commitment to utilizing an asset-light operating model and to building high quality homes at affordable prices for our customers. We believe that the following strengths differentiate us from the public company homebuilders and position us well to execute our business strategy and capitalize on opportunities across our footprint:

Proven Ability to Generate Market-Leading Returns on Equity

Enabled by our asset-light land financing strategy and our disciplined operating model, we have demonstrated a proven ability to generate market-leading returns on equity. Returns on equity is a financial metric that we prioritize throughout our business and it serves as a key factor in our land acquisition process, our capitalization strategy and is an important component of our incentive compensation plans for executive management. We generated returns on equity of 41% for the twelve months ended September 30, 2020 and 34% for the year ended December 31, 2019, substantially exceeding the average returns on equity among the public company homebuilders of 15% and 13%, respectively, for the same periods. We believe that our strong relationships with local land owners, officials, subcontractors and suppliers in our core operating markets position us to achieve economies of scale and continue our proven ability to deliver significant returns on equity, which we believe best aligns the interests of our executive management team with performance for our shareholders.

Asset-light and Capital Efficient Operating Platform

We employ an asset-light land financing strategy, providing us optionality to purchase lots on a "just-in-time" for construction basis and affording us flexibility to acquire lots at a rate that matches the expected sales pace in a given community. We believe this approach helps protect us in economic downcycles and allows us to avoid the financial commitments and risks associated with direct land ownership and land development. We typically execute this strategy through the purchase of finished lot option contracts and land bank option contracts. These option contracts allow us to optimize our allocation of capital by minimizing up-front acquisition costs while maximizing long-term risk adjusted returns relative to conventional acquisition strategies utilized by many of the public company homebuilders. Pro forma for the H&H Acquisition, as of September 30, 2020, we owned and controlled 15,330 lots through finished lot option contracts and land bank option contracts, representing 99% of our total owned and controlled lots. As a result of these capital efficient arrangements, we have been able to operate at high inventory turnover multiples. Our inventory turnover was 2.0x for the nine months ended September 30, 2020 and 2.0x for the year ended December 31, 2019, compared to the average inventory turnover of 1.2x and 1.3x, respectively, among the public company homebuilders for the same periods.

Strong Revenue Growth

Since breaking ground on our first home on January 1, 2009, we have become one of the nation's fastest growing homebuilders by revenue. Ranked as the 80th largest private homebuilder in our inaugural appearance on *Professional Builder's* Housing Giants list in 2015 based on 2014 revenues, we continued to rapidly ascend that publication's annual list of U.S. homebuilders ranked by revenue, ranking as the 18th largest private homebuilder on the 2020 Housing Giants list based on 2019 revenues and, pro forma for the H&H Acquisition, we would have been the 11th largest private homebuilder based on 2019 revenues. Our revenue increase over this period represents a compound annual growth rate of approximately 43%.

Established Presence in High-Growth Markets

Our focused geographic footprint positions us to capitalize on strong demographic and economic trends and favorable demand dynamics. We target markets in regions that are generally characterized by high job growth, increasing populations and favorable tax policies and cost of living relative to other regions in the country, which create strong demand for new housing, particularly among our core customer base: entry-level and first-time move-up homebuyers. Pro forma for the H&H Acquisition, the markets in which we operate include Jacksonville, Orlando, Austin, Denver, the greater Washington D.C. metropolitan area, Savannah, Hilton Head, Myrtle Beach, Charlotte, Raleigh-Durham and Fayetteville, each of which is generally benefiting from positive population trends, favorable migration patterns, attractive housing affordability and/or desirable lifestyle and weather characteristics. Toward the end of the second quarter of 2020, we began experiencing an increase in sales to entry-level homebuyers. We believe that these homebuyers are motivated to move out of their apartments and into more spacious homes in anticipation of spending more time at home with the increasing prevalence of remote-working arrangements as a result of the COVID-19 pandemic. We believe these prevailing trends align with the interests of our customers of primary focus, entry-level and first-time move-up homebuyers, and position us to take advantage of the favorable supply and demand dynamics in the markets in which we operate. Recently, we have seen substantial migration from urban areas to nearby suburbs in which we design, build and sell our homes, which has further increased as a result of the COVID-19 pandemic.

Expertise in Sourcing Land and Partnering with Land Developers

Our ability to identify, acquire and, if necessary, manage or arrange for the development of land in desirable locations and on favorable terms is one of the hallmarks of our success and is driven by our company-wide emphasis on continually developing new and existing relationships with land sellers and developers. Our management team leads by example in fostering our culture of external relationship-building by taking an active and personal role in communications with land sellers and developers, an approach we believe differentiates us from other homebuilders. When we identify an attractive land acquisition opportunity, we move decisively to enter into option contracts to control the lots in order to maintain an adequate pipeline of lots for our expected construction needs. We believe our flat management structure allows us to be quicker and more creative and to act with greater flexibility in submitting competitive bids than many of our larger competitors. We believe our experience and top-down emphasis on relationship-building with land market participants enable us to efficiently source land and secure options to control and close acquisitions of lots to meet our growth needs. In addition, we have a 49% ownership interest in DF Capital, an investment manager focused on investments in land banks and land development joint ventures to deliver finished lots to us and other homebuilders for the construction of new homes. We believe our relationship with DF Capital allows us to act quickly as lot acquisition opportunities are presented because DF Capital generally provides for faster closings and is not subject to the time delays that we historically have experienced when seeking financing for each project. As of December 31, 2019, and September 30, 2020, we controlled 1,404 and 1,316 lots, respectively, through DF Capital managed funds, representing 14.9%, as of December 31, 2019, and 12.7%, as of September 30, 2020, of our total owned and controlled lots. In addition to continuing to build our relationship with DF Capital, we also expect to grow existing, and form new, partnerships with unaffiliated investment managers and land developers to provide our company with additional asset-light lot opportunities.

Demonstrated Ability to Grow Through Organic Expansion and Targeted Acquisitions

We select the geographic markets in which we operate our homebuilding business through a rigorous process overseen by our applicable regional management and approved by our executive land management committee. Since we began operations, we have organically expanded from Jacksonville, Florida to Savannah, Georgia; Denver, Colorado; Austin, Texas; Orlando, Florida; and the greater Washington D.C. metropolitan area. We have also demonstrated our ability to grow externally through our expansion into Hilton Head, South Carolina with our 2019 acquisition and successful integration of Village Park Homes. As we evaluate corporate acquisition opportunities in the future, we expect to continue to place significant importance on specific acquisition criteria including: (i) markets that we believe to have the most opportune long-term housing fundamentals and that can accommodate our asset-light operating model; (ii) established businesses with strong leadership who may be interested in staying with the business post-transaction; (iii) companies with attractive lot pipelines that we believe can grow larger and faster with the benefit of our significant capital resources; and (iv) situations where our purchasing power, back-office administration and our disciplined land acquisition process can capture cost synergy benefits for future margin expansion. We have experienced consistent growth in each of the markets into which we have expanded, including a trend of increasing revenues and profitability after reaching a critical mass of operating leverage through our development of relationships with developers, suppliers and local authorities and our familiarization with local operating dynamics. We believe these successes demonstrate our team's efficacy at identifying and capitalizing on new market opportunities, which we expect to build upon with our entrance into North Carolina following the H&H Acquisition.

Focus on Modern, Well-Designed, Energy-Efficient and Technology-Enabled Homes

We build high quality homes at affordable prices with an emphasis on unique, open floor plan designs, and many popular technology features including wireless internet throughout the home, mobile controls for areas such as lights, door locks, garage access and temperature, and other new technologies popular with the emerging 72 million person Millennial demographic, the largest demographic in U.S. history. Our architectural design team monitors customer buying trends in each of our markets and works with our land team to secure lots that permit the building of floor plans that we believe will appeal to our target customers. We are intently focused on customer satisfaction and tailoring our products to the desires of our homebuyers, and we empower our customers with the flexibility to personalize their homes at our design studios in collaboration with our dedicated design consultants. We engineer our homes for energy-efficiency, which is aimed at reducing the impact on the environment and lowering energy costs to our homebuyers. Our dedication to superior product design has earned

us numerous accolades and honors, including over 30 Parade of Homes awards, the MAME Award for Architectural Design of an Attached Home in 2015 and Northeast Florida's Builder Association's Builder of the Year Award in 2016. By providing a more customized product mix of floor plans, amenities and design options in our homes and focusing on our target customers' priorities, we believe we can continue growing, increasing profitability and earning attractive returns for our stockholders.

Strong Balance Sheet Flexibility and Liquidity

We are well-positioned with a strong balance sheet and ample liquidity with which to support our ongoing operations, expand our market share in our existing markets and, on an opportunistic basis, explore expansion into new markets through organic growth or acquisition, and service our debt obligations. We believe our asset-light lot acquisition strategy reduces our balance sheet risk relative to other homebuilders that own a higher percentage of their land supply. At September 30, 2020, we had $269.4 million in outstanding indebtedness and a net debt-to-net book capitalization of 56%. At September 30, 2020, our outstanding indebtedness was comprised of $251.2 million in fully collateralized vertical construction lines of credit facilities, $11.0 million in non-recourse notes payable for projects in our joint venture arrangements and $7.2 million in our PPP Loan. Also at September 30, 2020, we had $42.1 million of cash and cash equivalents and $33.2 million of restricted cash. In connection with this offering, or shortly thereafter, we intend to replace all of our secured vertical construction lines of credit facilities with a syndicated, unsecured revolving credit facility, with an expected borrowing base of $450.0 million and an accordion feature that allows the facility to expand to a borrowing base of up to $750.0 million. We expect the borrower under the facility to be DFH Inc. and its obligations thereunder to be guaranteed by all existing and future subsidiaries of DFH Inc., including DFH LLC and DF Homes. Pro forma for this offering and entry into the new credit facility, we expect to have $25.0 million of cash and $375.0 million of borrowing availability under our new credit facility. We believe that the consolidation of our indebtedness into a single credit facility and the expected terms of the facility will reduce our financing costs, create operating efficiencies and enhance returns.

Highly Experienced, Aligned and Proven Management Team

We benefit from a highly experienced management team that has demonstrated the ability to adapt to constantly changing market conditions while generating sustained growth and positive financial results and achieving profitability every year since our inception despite commencing operations in an unprecedented economic downturn. Our executive officers and key employees have over 100 years of cumulative experience in the homebuilding industry, including specifically in land acquisition and development, entitlements, construction, marketing, sale and management of an array of residential and mixed use projects, such as single-family homes and townhomes, and the acquisition and integration of homebuilding companies, in a variety of markets at both public and private companies. To further incentivize our management team, we employ an executive compensation structure designed to align our executive officers' financial interests with our own interests. Upon the completion of this offering, our management team as a group will beneficially own approximately 9.3% of our outstanding shares of Class A common stock, without giving effect to any purchases that certain of these holders may make through the reserved share program, and Mr. Zalupski will beneficially own 100% of our outstanding Class B common stock. We believe our management team's extensive industry experience, combined with our incentivized executive compensation structure, have been critical to our track-record of sustained profitability and returns on equity and will allow us to continue this success moving forward.

Our Strategy

We intend to achieve our primary business objectives through successful execution of the following strategies:

Continued Execution of Asset-light Capital Efficient Structure

We are focused on controlling a capital efficient land pipeline sufficient to meet our growth objectives. We believe our asset-light land financing strategy represents a capital efficient platform that allows us to effectively capitalize on growth opportunities in both new and existing markets. Our culture of building and developing external relationships with land sellers, developers and land finance partners enhances our success in both sourcing and executing finished lot and land bank option contracts that are fundamental to this strategy. We believe these arrangements reduce our exposure to economic downcycles and risks associated with direct land ownership and land development, and increase optionality to effectively manage our pipeline of finished lots. We intend to continue to emphasize the development of strong external relationships and execute on our asset-light land financing strategy to take advantage of the proven capital efficiencies this strategy provides.

Capture Market Share in Our High-Growth Markets

Despite our rapid growth since our inception, we believe that there are significant opportunities to profitably expand our market share in our existing high-growth markets and we are keenly focused on efficiently capturing this potential. We continually review the dynamics in our markets based on both aggregate economic and demographic information and our own operating results, and we use the results of these analyses to re-allocate our investments across and within our markets with a view to maximize our profitability and returns on equity. In addition, our demonstrated expertise in effectively building homes across product offerings from entry-level through first- and second-time move-up housing provides us with a balanced mix of customers, allowing us to opportunistically tailor our product-focus within each of our markets to target the customer-base that we believe provides the most growth potential. For example, in 2019, we expanded into the growing active adult sector to target consumers that are at least 55 years old and are, or will soon be, "empty nesters." While we have generally sought to grow organically within our established markets, we also closely monitor the results and growth potential of competing homebuilders and, from time to time, may opportunistically pursue targeted acquisitions within our established markets. We intend to leverage our familiarity with our existing markets to optimize our resources to capture additional market share.

Opportunistically Enter New Markets

Since our first geographic expansion into Savannah, Georgia in 2013, we have been and remain diligent in evaluating and capitalizing on attractive prospects for geographic expansion. This focus led to our successful entry into high-growth markets across the United States, organically expanding our geographic footprint to include Denver, Colorado; Austin, Texas; the greater Washington D.C. metropolitan area and an increased presence in Florida with our entry into Orlando. In addition to our proven ability to organically establish operations in new markets, both our 2019 acquisition of Village Park Homes, one of the leading builders in Beaufort County, South Carolina which retained a market share of approximately 22% in 2018 according to Smart Real Estate Data, and our acquisition of H&H Homes, demonstrate our ability to source and execute expansions into new, high-growth markets through targeted acquisitions. We continually evaluate expansion opportunities in markets that align with our profit and return objectives, and we expect to use the expertise gained from our recent new market acquisitions to effectuate opportunistic expansion into additional new metropolitan areas, whether organically or through targeted acquisitions of established homebuilders.

Drive Improvements in Margins

We believe we benefit from having highly scalable operations in each of our markets. We strive to quickly develop familiarity with the dynamics of each new market that we enter in order to effectively react to the local trends and identify the leading supply and demand drivers. This has generally allowed us to reduce costs in new markets, and our historical results reflect a realization of positive inflection points for our net margins in newly-entered markets once we achieve economies of scale. For example, we entered the Denver, Colorado market in 2015 and recorded nine home closings with a gross margin of 10.3%. In 2019, we recorded 217 home closings in Denver with a gross margin of 16.8%. For the nine months ended September 30, 2020, our gross margin in Denver increased to 19.4%. We pursue opportunities more aggressively in our markets that are generating the greatest returns and act more cautiously in divisions where operational efficiency has yet to be reached and we intend to continue this strategy in order to maximize our profitability.

Deliver an Exceptional Customer Experience

We are focused on customer satisfaction and ensuring that each customer's experience exceeds his or her expectations. We seek to maximize customer satisfaction by providing attentive one-on-one customer service throughout the home buying process, empowering our customers with flexibility to personalize their homes and actively soliciting feedback from all of our customers. Our emphasis on adapting to meet potential homebuyer needs led to increased use of our virtual home tours beginning in April 2020, which has become an increasingly popular and effective marketing strategy following the outbreak of the COVID-19 virus in March 2020. In addition, we launched our "Stay Home & Buy a Home" program in April 2020 as another means for customers to safely and efficiently purchase a new home without leaving their current home. We believe these efforts have been crucial to our ability to sell homes during the COVID-19 pandemic, and we have recorded increasing monthly net new orders totals since April 2020, relative to our historical results. Our net new orders totaled 293, 363, 368, 448, 343, 567, 435 and 384 homes in each of May, June, July, August, September, October, November and December 2020, representing increases

over the prior year periods of 68%, 86%, 35%, 182%, 123%, 278%, 175% and 123%, respectively, and, together with our 319 net new orders in February 2020, were our nine most successful months since our inception, as measured by net new orders. Ultimately, the willingness of our customers to refer friends and family to us as homebuyers is a direct result of customer satisfaction, and we will continue to strive to ensure that each of our customers will make such referrals without reservation.

Maximize Capture and Profitability with our Mortgage Banking Joint Venture

Our mortgage banking joint venture, Jet LLC, offers financing to our homebuyers and helps us more effectively convert backlog into home closings. We believe Jet LLC provides a distinct competitive advantage relative to homebuilders without holistic mortgage solutions for clients, as many of our homebuyers seek an integrated home buying experience. Jet LLC allows us to use mortgage finance as an additional sales tool, it helps ensure and enhance our customer experience, it allows us to prequalify buyers early in the home buying process and it provides us better visibility in converting our sales backlog into closings. For the year ended December 31, 2019, Jet LLC originated and funded 1,606 home loans with an aggregate principal amount of approximately $436 million and generated net income of approximately $4.5 million. We believe that Jet LLC will continue to be a meaningful source of incremental revenues and profitability for us, and we have the ability to acquire our partner's 51% interest in Jet LLC in the future at our option.

Maintaining a Prudent Capital Structure

We carefully manage our liquidity by continuously monitoring cash flow, capital spending and debt capacity. Our focus on maintaining our financial strength and flexibility provides us with the ability to execute our strategies through economic downcycles and other potential headwinds. In furtherance of this focus, in connection with this offering, or shortly thereafter, we intend to replace all of our vertical construction lines of credit facilities with a syndicated, unsecured revolving credit facility. We intend to maintain a conservative approach to managing our balance sheet which, together with our asset-light land acquisition strategy, we believe will preserve our operational and strategic flexibility.

Our History

We broke ground on our first home on January 1, 2009 in Jacksonville, Florida following the formation of DF Homes LLC in 2008 by Patrick Zalupski, our founder, President, Chief Executive Officer and Chairman of our board of directors. Mr. Zalupski led the Company in achieving substantial growth in its early years, despite the backdrop of an unprecedented economic downturn. Since our inception, we have grown both organically and through targeted acquisitions to establish a presence in core growth markets. We were ranked as the third fastest growing private building company in the United States in 2012 by *Inc. 500*; we ranked as the second fastest growing private homebuilder in the United States in 2016 by *Professional Builder*; and, pro forma for the H&H Acquisition, we would have been the 11th largest private homebuilder on the *Professional Builder's* 2020 Housing Giants list based on 2019 revenues.

We surpassed 1,000 cumulative home closings in 2013 and began to establish our national presence in the homebuilding industry with our organic expansion into the Savannah, Georgia market in the same year, followed just one year later in 2014 by our entry into the Denver, Colorado market. Our expansion into new markets continued in 2015 with the launch of our homebuilding operations in Austin, Texas and the increase of our presence in Florida with our entrance into the Orlando market. Throughout this period of opportunistically expanding our geographic footprint, we continued our rapid growth in our home market of Jacksonville, where the *Jacksonville Business Journal* has ranked us as a top-three homebuilder by volume each year since 2015. In 2016, we were awarded the title of Builder of the Year by the Northeast Florida Builders Association for our distinguished homebuilding operations in the Jacksonville market, and our rapid growth was recognized on the national stage as *Professional Builder* awarded us the title of the second fastest growing private homebuilder in the United States. In 2017, we entered the greater Washington D.C. metropolitan area, with a particular focus on the Northern Virginia and Maryland markets. In addition to our proven track record of effective organic expansion, we have demonstrated our ability to identify and execute targeted acquisitions. In May 2019, we acquired Village Park Homes, a homebuilder with operations primarily in the Hilton Head and Bluffton, South Carolina markets, for an aggregate consideration of $14.5 million, net of contingent consideration. The acquisition significantly expanded our existing presence in South Carolina, adding to our homebuilding business Village Park Homes' leading market share in the Hilton Head, South Carolina market of 22% during 2018

according to Smart Real Estate Data. Additionally, in 2019, we expanded into the active adult sector of the homebuilding industry. The active adult sector of the population consists of consumers that are at least 55 years old and are, or will soon be, "empty nesters." This group generates high sales per community, and based on demographic trends, as "baby boomers" age into this sector we expect it to continue to grow. We believe that our markets are, and will continue to be, popular destinations for this segment of the population. During the nine months ended September 30, 2020, we recorded 20 sales and started construction on 36 homes in the active adult sector. We closed our first three active adult home sales in July 2020.

In 2019, just six years after closing our 1,000th home sale, Jacksonville became our first market to account for over 1,000 home closings in a calendar year, with 1,054 home closings, a 23% increase year over year. In addition, our homebuilding operations in our markets outside of Jacksonville have developed further efficiencies in recent years and have matured beyond the initial period of significant financial and time investment required to effectively expand organically into a new market. As a result, our homebuilding operations in these markets have recorded impressive growth in revenues and pre-tax profits, particularly since 2017, and we believe these operations are scalable and that additional near-term future growth will not require considerable additional overhead. We are confident that these results across our established markets are a reflection of our ability to realize operational efficiencies and economies of scale in both our existing markets and those that we may enter in the future, including those in the Carolinas where we expect to begin operating later this year.

On October 5, 2020, we acquired H&H Homes. See "Prospectus Summary—Recent Developments—H&H Acquisition" in this prospectus for additional information. H&H Homes is a leading builder of single-family homes, townhomes and mixed-use condominium buildings in Charlotte, Fayetteville, Raleigh, the Triad (consisting of Greensboro, High Point and Winston-Salem, North Carolina) and Wilmington, North Carolina and Myrtle Beach, South Carolina. Founded over 30 years ago, H&H Homes has an established presence in the Carolinas and a focus on utilizing an efficient, asset-light strategy that is strongly aligned with our own asset-light strategy. As of September 30, 2020, H&H Homes owned and controlled 4,936 lots. H&H Homes targets entry-level and first-time move-up homebuyers, with a proven dedication to providing high-levels of livability, sustainability and value to its customers. We believe H&H Homes' asset-light strategy, principles and customer focuses align well with our operational philosophy, culture and core customer focuses and allows us to enter the North Carolina market with momentum to achieve significant scale with greater efficiency.

In November 2020, we entered into the Century Purchase Agreement. See "Prospectus Summary—Recent Developments—Agreement to Acquire Regional Orlando Homebuilder" in this prospectus for additional information. Century Homes is a leading builder of single-family homes in Orlando, Florida.

Moving forward, we intend to capitalize on our demonstrated operational experience to grow our market share within our existing markets and to opportunistically expand into new markets where we identify strong economic and demographic trends that provide opportunities to build homes that meet our profit and return objectives.

Our Markets

We select the geographic markets in which we operate our homebuilding business through a rigorous process involving both regional and executive management and a focus on demographics, population trends and economic factors. Our existing markets are generally characterized by strong momentum in housing demand drivers, including positive population and employment growth trends, favorable migration patterns, general housing affordability, including state and local tax considerations, and desirable lifestyle and weather characteristics. Pro forma for the H&H Acquisition, the markets and metropolitan areas in which we operate include Jacksonville, Orlando, Austin, Denver, the greater Washington D.C. metropolitan area, Savannah, Hilton Head, Myrtle Beach, Charlotte, Raleigh-Durham and Fayetteville.

For a more detailed review of each of our markets, see "Market Opportunity."

Our Products and Customers

Our Homes and Homebuyers

We offer a range of single-family homes in each of our markets, with a core focus on entry-level and first-time move-up homebuyers and offerings for second-time move-up and luxury homebuyers. Our homebuilding business is driven by our commitment to building high quality homes at affordable prices in

attractive locations while delivering excellent customer service that empowers our customers with the flexibility to personalize our desirable open floor plans with a wide array of finishes and upgrades to best fit their distinctive tastes and unique needs.

We offer four series of single family attached and detached homes: the Dream Series, the Designer Series, the Platinum Series and the Custom Series. Our Dream Series homes are targeted towards entry-level homebuyers and provide our customers with an economical path to home ownership. For the year ended December 31, 2019, our Dream Series homes represented 15% of homes closed. Our Designer Series homes are marketed to entry-level and first-time move-up homebuyers and provide our customers the opportunity to select and upgrade features in their homes. For the year ended December 31, 2019, our Designer Series homes represented 65% of homes closed. Our Platinum Series homes are targeted towards first- and second-time move-up homebuyers and generally provide higher end finishes with the ability to upgrade additional features. For the year ended December 31, 2019, our Platinum Series homes represented 6% of homes closed. Our Custom Series homes, which are currently available in Jacksonville and South Carolina, are built to the size and specifications desired by luxury homebuyers with prices starting at $1 million. Additionally, in 2019, we expanded into the active adult sector of the homebuilding industry. The active adult sector of the population consists of consumers that are at least 55 years of age and are, or will soon be, “empty nesters.” This group generates high sales per community, and, based on demographic trends, as “baby boomers” age into this sector we expect it to continue to grow. We believe that our markets are, and will continue to be, popular destinations for this segment of the population. During the nine months ended September 30, 2020, we recorded 20 sales and started construction on 36 homes in the active adult sector. We closed our first three active adult home sales in July 2020.

The following table sets forth the approximate price ranges of our homes by homebuyer profile in each of our markets, including the markets we entered upon the completion of our acquisition of H&H Homes.

	Homebuyer Profile		
Market	**Entry-level**	**First-time Move-Up**	**Second-time Move-Up[1]**
Jacksonville, Florida	$190,000 – 300,000	$300,000 – 450,000	$450,000 and up
Orlando, Florida	$190,000 – 300,000	$300,000 – 450,000	$400,000 and up
Denver, Colorado	$250,000 – 450,000	$450,000 – 600,000	$600,000 and up
Austin, Texas	$250,000 – 300,000	$300,000 – 500,000	$500,000 and up
Washington D.C. metropolitan area	$250,000 – 450,000	$450,000 – 600,000	$600,000 and up
Savannah, Georgia[2]	$190,000 – 300,000	$300,000 – 450,000	$400,000 and up
Fayetteville, North Carolina[3]	$190,000 – 300,000	$300,000 – 400,000	$400,000 and up
Charlotte, North Carolina	$190,000 – 300,000	$300,000 – 400,000	$400,000 and up
Raleigh, North Carolina[4]	$250,000 – 300,000	$300,000 – 500,000	$500,000 and up

(1) Includes all customers not categorized as entry-level or first-time move up homebuyers, including active adult customers and buyers of our custom homes.

(2) Includes Village Park Homes markets, including Hilton Head and Bluffton, South Carolina.

(3) Includes Wilmington, North Carolina and Myrtle Beach, South Carolina.

(4) Includes the Triad (consisting of Greensboro, High Point and Winston-Salem, North Carolina) and Durham, North Carolina.

The following table presents our home closings by homebuyer profile, pro forma for the H&H Acquisition, for the nine months ended September 30, 2020 and the year ended December 31, 2019.

	Nine Months Ended September 30, 2020		Year Ended December 31, 2019[1]	
Homebuyer Profile	**Number of Home Closings**	**% of Total**	**Number of Home Closings**	**% of Total**
Entry-level	1,277	53%	1,435	48%
First-time Move-Up	870	36%	1,164	39%
Second-time Move-Up[2]	272	11%	383	13%
Total	2,419	100%	2,982	100%

(1) Includes 131 Village Park Homes home closings completed prior to the consummation of our acquisition of Village Park Homes on May 31, 2019.

(2) Includes 14 and 11 custom home closings for the nine months ended September 30, 2020 and the year ended December 31, 2019, respectively.

The following table presents our home closings by homebuyer profile in each of our markets, pro forma for the H&H Acquisition, for the nine months ended September 30, 2020 and the year ended December 31, 2019.

	Homebuyer Profile							
	Nine Months Ended September 30, 2020				Year Ended December 31, 2019			
Market	Entry-level	First-time Move-Up	Second-time Move-Up[1]	Total	Entry-level	First-time Move-Up	Second-time Move-Up[1]	Total
Jacksonville	498	296	101	895	521	444	100	1,065
Orlando	113	39	54	206	197	35	108	340
Colorado	104	72	7	183	63	99	55	217
Austin	60	72	9	141	36	72	9	117
Washington D.C. metropolitan area	42	55	51	148	29	28	19	76
Savannah	15	37	2	54	6	38	15	59
Village Park Homes[2]	100	60	30	190	143	121	41	305
Fayetteville	176	66	1	243	237	53	1	291
Charlotte	9	46	9	64	10	76	10	96
Raleigh	30	52	0	82	41	80	0	121
Triad	5	19	0	24	2	26	0	28
Wilmington	51	29	1	81	27	38	7	72
Myrtle Beach	74	27	7	108	108	46	15	169
Charleston[3]	—	—	—	—	15	8	3	26
Total	1,277	870	272	2,419	1,435	1,164	383	2,982

(1) Includes 14 and 11 custom home closings for the nine months ended September 30, 2020 and the year ended December 31, 2019, respectively, all of which were in the Jacksonville market.

(2) Includes all markets in which Village Park Homes operates, including Hilton Head and Bluffton, South Carolina. Year ended December 31, 2019 numbers include home closings completed prior to the consummation of our acquisition of Village Park Homes on May 31, 2019.

(3) H&H Homes' operations in Charleston ceased in 2019.

Our Active Communities

As of September 30, 2020, we had 79 active communities, a year over year increase of 9, or 12.9%, for our active community count. Average monthly sales per community for the nine months ended September 30, 2020 were 3.5, an increase of 0.8, or 30.0%, from 2.7 average monthly sales per community during the nine months ended September 30, 2019.

The following table presents our active community count as of September 30, 2020 and 2019 and December 31, 2019 and 2018.

Period	Active Communities
As of September 30, 2020	79
As of December 31, 2019	85
As of September 30, 2019	70
As of December 31, 2018	53

Our Title Insurance Business

Our wholly owned subsidiary, DF Title, is a licensed title insurance agency that provides closing, escrow and title insurance services. Our philosophy is to maintain a systematic approach to workflow management with a high level of care and communication during the closing process, thereby aiming to deliver an exceptional experience to each of our customers. DF Title is involved primarily in residential real estate transactions, including newly built homes, resale transactions and refinancings.

DF Title operates seven closing offices: four located in Florida: Jacksonville, Fleming Island, Amelia Island and Orlando; two located in Colorado: Longmont and Littleton; and one in our newest market, Bluffton, South Carolina. DF Title's staff includes attorneys, state licensed title agents, escrow officers and experienced support

staff with over 200 years of collective closing experience. Closing, escrow and title insurance is primarily regulated at a state level, requiring that operations be conducted by skilled attorneys and/or licensed title insurance agents. Expansion of title operations into other markets is ongoing and consideration of new markets is driven by unit volume, average sales price for homes sold in the market and difficulty in regulatory compliance.

Unit volume and sale price are key factors in generating revenue for a title agency. Fees are collected for closing services, and risk premiums, based incrementally on unit price, and are shared by agent and underwriter. DF Title began operations in August 2014 and, since such date, has insured approximately $3.6 billion in real estate, generating over $18.8 million in risk premiums. For the year ended December 31, 2019, the total value of the risk premiums written was $4.8 million, with $1.7 million remitted to the underwriter. During the year ended December 31, 2019, DF Title generated a total of $4.5 million in gross revenue through all channels of products and services. DF Title's historical net profit margin year over year for its six years of operation is 31%, and its compound annual growth rate for its six years of operation is approximately 91%. DF Title's remittance and loss ratio for the year ended December 31, 2019 was 0.0029%. As a result, DF Title is in the top 1% of title agencies for the nation's top underwriter insurer.

Our Mortgage Banking Business

Our joint venture, Jet LLC, underwrites and originates home mortgages across our geographic footprint. We own a 49% interest in Jet LLC, and our joint venture partner, FBC Mortgage, LLC, an Orlando-based mortgage lender, owns the remaining 51% interest and performs a number of back office functions, such as accounting, compliance and secondary marketing activities. Prior to October 1, 2020, our joint venture partner was Prime Lending Corp., a Dallas-based mortgage lender.

Jet LLC has been approved by the FHA, VA and USDA to originate mortgages that are insured and/or guaranteed by these entities. In addition, Jet LLC has been approved by Fannie Mae and Freddie Mac as a seller and servicer of mortgages and as a Government National Mortgage Association ("Ginnie Mae") issuer. Jet LLC originates conforming and non-conforming mortgages for our homebuyers, as well as customers purchasing homes from third-party sellers. Jet LLC loan officers assist customers in identifying various loan options that meet their home financing goals, and Jet LLC underwriters assess borrowers' ability to meet repayment options of various loans. When customers elect to finance the purchase of their home with a mortgage, Jet LLC has historically captured 60-70% of loan originations.

For the year ended December 31, 2019, Jet LLC originated and funded 1,606 home loans with an aggregate principal amount of approximately $436 million as compared to 1,047 home loans with an aggregate principal amount of approximately $293 million for the year ended December 31, 2018. For the years ended December 31, 2019 and 2018, respectively, Jet LLC had net income of approximately $4.5 million and $2.5 million. Our interest in Jet LLC is accounted for under the equity investment method and is not consolidated in our consolidated financial statements, as we do not control, and are not deemed the primary beneficiary of, the VIE. See "Note 11. Variable Interest Entities and Investments in Other Entities" to our consolidated financial statements included elsewhere in this prospectus for a description of our joint ventures, including those that were determined to be VIEs, and the related accounting treatment.

Land Acquisition Strategy and Development Process

Locating and analyzing attractive land positions is a critical challenge for any homebuilder. We generally remain focused on controlling as many quality land positions as possible while minimizing up-front capital outlay. Our land selection process begins with key economic drivers: population, demographic trends and employment growth, and we generally pursue opportunities more aggressively in our markets that generate the greatest returns while proceeding more cautiously in our markets where we continue to hone our operational efficiencies.

While our land selection process is driven mainly by the local division leadership, the land sourcing process, including final approval to move forward with a project, is a collaboration involving both the local division and corporate leadership, including our President and Chief Executive Officer. This team effort, complimented by our company-wide emphasis on continually developing new and existing relationships with land sellers and developers, ensures that we leverage experience and resources throughout the organization for a thoughtful and strategic execution of every new land acquisition. Our management team leads by example in fostering our culture of external relationship-building by taking an active, personal role in communications with land sellers

and developers, an approach that we believe differentiates us from similarly situated homebuilders. This multilevel cooperation allows us to remain flexible and react quickly to changing market or project-specific conditions and maximize the potential of each new land opportunity. We believe our experience, top-down emphasis on relationship-building with land market participants and collaborative involvement of local and corporate management in the land sourcing and acquisition process enables us to identify the ideal developers and efficiently source, secure options to control and close acquisitions of lots to meet our growth needs.

We operate an asset-light and capital efficient lot acquisition strategy and, in contrast to many other homebuilders, generally seek to avoid engaging in land development, which requires significant capital expenditures and can take several years to realize returns on the investment. Our strategy is intended to avoid the financial commitments and risks associated with direct land ownership and land development by allowing us to control a significant number of lots for a relatively low capital cost. We primarily employ two variations of our asset-light land financing strategy, finished lot option contracts and land bank option contracts, pursuant to which we secure the right to purchase finished lots at market prices from various land sellers and land bank partners, including through our joint ventures, by paying deposits based on the aggregate purchase price of the finished lots (typically 10% or less in the case of finished lot option contracts and 15% or less in the case of land bank option contracts) and, in the case of land bank option contracts, any related fees paid to the land bank partner.

Finished lot option contracts are generally entered into with the land seller between six months and one year in advance of completion of the land development. Pursuant to our finished lot option contracts, the lots are offered to us for purchase on a rolling basis, which is designed to mirror our expected home sales. As of September 30, 2020, our lot deposits relating to finished lot option contracts amounted to $8.6 million, which controlled 2,470 lots.

When a land seller desires to sell finished lots in bulk or does not wish to develop finished lots, we often enter into land bank option contracts with land bank partners who fund any required land development costs and sell the finished lots to us, at our option, over a period of time. These option contract generally allow us, at our option, to forfeit our right to purchase the lots controlled by these option contracts for any reason, and our sole legal obligation and economic loss as a result of such forfeitures is limited to the amount of the deposits paid pursuant to such option contracts and any related fees paid to the land bank partner. As of September 30, 2020, our land bank deposits amounted to $24.6 million, approximately $3.1 million of which were land bank deposits with funds managed by DF Capital. See “—DF Residential I, LP and DF Capital Management, LLC.” These amounts controlled 9,791 lots.

Historically, we have supplemented our lot option acquisition strategies by entering into joint venture agreements with external investors to acquire, develop and control lots. A typical joint venture arrangement requires us to contribute less than 10% of the total equity required to purchase the land and develop finished lots, with our joint venture partners contributing the remainder. These joint ventures typically provide for a preferred return on deployed capital and an allocation of the remaining profits in accordance with the corresponding joint venture agreement. If we were to exit a joint venture arrangement, we would forfeit the initial equity investment and all future compensation and profit sharing. Due to the profit sharing requirements of the joint venture agreements, we have recently begun a strategic shift away from these joint venture arrangements in favor of the more profitable option contract strategies described above. As of September 30, 2020, our joint venture investment balance was $5.9 million, approximately $2.3 million of which were joint ventures with funds managed by DF Capital. See “—DF Residential I, LP and DF Capital Management, LLC.” These amounts controlled 778 lots.

As part of our land acquisition strategy and in order to maintain a healthy pipeline of lots, we also enter into agreements with lot sellers, which allow us to evaluate the land and potential transaction without entering into a binding agreement to control the lots or requiring us to pay a non-refundable deposit. As of September 30, 2020, we have signed agreements covering 4,763 additional lots with respect to which we are still in the due diligence and investigation period and for which our earnest money deposits are still refundable.

Owned and Controlled Lots

The following table presents our owned or controlled lots by market and active adult and custom home divisions as of September 30, 2020 and December 31, 2019 and 2018.

				As of December 31,					
	As of September 30, 2020			2019			2018		
Market / Division	Owned	Controlled	Total	Owned	Controlled	Total	Owned	Controlled	Total
Jacksonville	884	4,147	5,031	660	3,161	3,821	749	3,037	3,786
Orlando	311	1,243	1,554	193	976	1,169	201	1,066	1,267
Colorado	148	366	514	144	410	554	155	339	494
Austin	178	145	323	185	281	466	149	284	433
Washington D.C. metropolitan area	115	368	483	137	331	468	81	310	391
Savannah	117	328	445	100	410	510	79	202	281
Village Park Homes[1][2]	312	889	1,201	202	1,409	1,611	—	—	—
Active Adult[1]	42	769	811	20	793	813	—	—	—
Custom	11	21	32	9	8	17	23	2	25
Total	2,118	8,276	10,394	1,650	7,779	9,429	1,437	5,240	6,677

(1) Market/sector was not active as of December 31, 2018.

(2) Includes Hilton Head and Bluffton, South Carolina.

Owned Real Estate Inventory Status

The following table presents our owned real estate inventory status as of September 30, 2020 and December 31, 2019.

	As of September 30, 2020	As of December 31, 2019
Owned Real Estate Inventory Status[1]	% of Owned Real Estate Inventory	% of Owned Real Estate Inventory
Construction in progress and finished homes	94.4%	84.2%
Finished lots and land under development	5.6%	15.8%
Total	100%	100%

(1) Represents our owned homes under construction, finished lots and capitalized costs related to land under development. Land and lots from consolidated joint ventures are excluded.

DF Residential I, LP and DF Capital Management, LLC

Controlling a sufficient supply of finished lots is an important component of our asset-light land financing strategy. Our land team routinely underwrites potential lot acquisitions that meet our capital allocation criteria. Once our land acquisition committee approves a transaction that requires financing above a deposit meeting our internal model, we will seek a land bank partner. Our primary operating subsidiary, DF Homes LLC, has entered into six joint ventures and ten land bank projects with DF Residential I, LP ("Fund I") since its formation in January 2017. DF Capital is the investment manager of Fund I. DF Homes LLC owns 49% of the membership interests in DF Capital and Christopher Butler, a non-affiliated third party, serves as the managing member and owns the remaining 51% of the membership interests in DF Capital.

Historically, we have provided DF Capital with the opportunity to have either Fund I or one of the other funds that it manages participate in transactions that require additional funding. If DF Capital does not wish to participate in and finance the transaction, we turn to other potential financing sources. We believe our relationship with DF Capital allows us to act quickly when lot acquisition opportunities are presented to us because DF Capital generally provides for faster closings and is not subject to the time delays that we historically have experienced when seeking financing for projects. As of December 31, 2019 and September 30, 2020, we controlled 1,404 and 1,316 lots, respectively, through DF Capital managed funds, representing 14.9%, as of December 31, 2019, and 12.7%, as of September 30, 2020, of our total owned and controlled lots.

Fund I was fully committed in early 2019. Subsequently, we identified lot acquisitions that met our investment threshold, and DF Capital agreed to provide land bank financing in a total of seven of these projects. As of September 30, 2020, funds managed by DF Capital controlled an additional 339 lots as a result of these transactions outside of Fund I. During the nine months ended September 30, 2020, we purchased 91 of these lots for $7.4 million, and the outstanding lot deposit balance in relation to these projects was approximately $1.5 million. In addition, we paid lot options fees related to these transactions of $0.1 million for the year ended December 31, 2019 and $0.8 million for the nine months ended September 30, 2020.

Homebuilding, Marketing and Sales Process

We are intently focused on customer satisfaction and committed to providing our homebuyers a unique experience by personalizing each home to fit their lifestyle while also offering high-quality and affordable homes. We generally market our homes to entry-level and first- and second-time move-up homebuyers through targeted product offerings in each of the communities in which we operate. We target what we believe to be the most underserved customer groups in each of our markets, and our architectural design team works with our land team to secure lots that permit the building of floor plans that we believe will appeal to such target customers.

While we occasionally utilize traditional printed media, such as fliers, to advertise directly to potential homebuyers, digital marketing is the primary component of our marketing strategy, and we have refined our digital sales efforts in recent years through the work of our dedicated digital sales coordinators. We believe our online marketing efforts have become a key strength of our business, allowing us to reach a broad range of potential homebuyers at relatively low expense compared to traditional advertising platforms. The digital marketing methods that we employ include strategic e-marketing efforts to our current database of potential customers, internet advertising enhanced by search engine marketing and search engine optimization and campaigns and promotions across an array of social media platforms. Our proficiency with digital marketing and our commitment to meeting the customer service needs of our customers led to increased use of our virtual home tours beginning in April 2020, which has become an increasingly popular and effective marketing strategy following the outbreak of the COVD-19 virus in March 2020. In addition, in April 2020, we launched our “Stay Home & Buy a Home” program. This program was designed to provide another means for potential homebuyers to safely and efficiently purchase a new home without leaving their current home, and we believe it has also contributed to our average of approximately 300 in-person appointments made through our website in each of the months of May, June and July 2020.

We also strategically open communities in high visibility areas that permit us to take advantage of local traffic patterns. Model homes play a significant role in our marketing efforts by not only creating an attractive atmosphere but also by displaying options and upgrades. For example, as the official homebuilder of the Jacksonville Jaguars, we maintain a fully decorated model home at the team’s stadium, which typically attracts between two- and three-thousand fans each gameday. This model home is deconstructed every two or three years and donated to a local charity supporting veterans as part of our commitment to give back to our community.

We sell our homes through our own sales representatives and through independent real estate brokers. We continuously work to maintain good relationships with independent real estate brokers in our markets and offer competitive programs to reward these brokers for selling our homes. Our in-house sales force typically works from sales offices located in model homes close to, or in, each community. Sales representatives assist potential homebuyers by providing them with basic floor plans, price information, development and construction timetables, tours of model homes and the selection of home customization options that we offer. Sales representatives are trained by us and generally have had prior experience selling new homes in the local market.

Our customer-tailored homebuilding process begins with a broad range of floor plans that our customers can select. Our architectural design team modifies these floor plans over time based on customer buying trends in each of our markets to achieve the best results for our customers while offering a wide range of materials and upgrades to meet the varying wishes of the entry-level, first-time move-up and other homebuyers that we aim to service. We believe that every home is as important as the next regardless of price and that everyone deserves the ability to make modifications in order to build a home that suits their needs. Accordingly, we offer an array of customizations to our homebuyers in any of our product offerings, including cabinetry, countertops, fixtures, home automation, energy efficiency, appliances and flooring, as well as certain structural modifications. We empower our customers with the flexibility to select these customizations in their homes at our design studios, located in each of our markets, in collaboration with our design consultants.

Backlog, Sales and Closings

A new order (or new sale) is reported when a customer has received preliminary mortgage approval and the sales contract has been signed by the customer, approved by us and secured by a deposit, typically approximately 3% of the purchase price of the home. These deposits are typically not refundable, but each customer situation is evaluated individually.

Net new orders are new orders or sales (gross) for the purchase of homes during the period, less cancellations of existing purchase contracts during the period. Our cancellation rate for a given period is calculated as the total number of new (gross) sales purchase contracts canceled during the period divided by the total number of new (gross) sales contracts entered into during the period.

The following tables present information concerning our new home sales, starts and closings in each of our markets for the nine months ended September 30, 2020 and 2019 and the years ended December 31, 2019 and 2018.

	Nine Months Ended September 30,						Period Over Period Percent Change[1]		
	2020			2019[1]					
Market	Sales	Starts	Closings	Sales	Starts	Closings	Sales	Starts	Closings
Jacksonville	1,333	1,109	895	906	946	664	45%	14%	34%
Orlando	392	394	206	252	245	236	56%	61%	(13)%
Colorado	223	199	183	153	143	145	46%	39%	26%
Austin	202	122	141	114	131	68	77%	(5)%	107%
Washington D.C. metro	189	161	148	94	110	44	101%	32%	236%
Savannah	97	93	54	51	42	46	90%	121%	17%
Village Park Homes[2]	363	277	190	89	107	94	308%	159%	102%
Totals	2,799	2,355	1,817	1,659	1,724	1,297	69%	37%	40%

(1) Results for Village Park Homes only include sales, starts and closings from the acquisition date of May 31, 2019.

(2) Includes all markets in which Village Park Homes operates, including Hilton Head and Bluffton, South Carolina.

	Year Ended December 31,						Period Over Period Percent Change[1]		
	2019[1]			2018					
Market	Sales	Starts	Closings	Sales	Starts	Closings	Sales	Starts	Closings
Jacksonville	1,146	1,236	1,065	872	901	872	31%	37%	22%
Orlando	315	290	340	269	295	245	17%	(2)%	39%
Colorado	203	188	217	72	157	122	182%	20%	78%
Austin	132	185	117	69	78	90	91%	137%	30%
Washington D.C. metropolitan area	129	127	76	15	45	15	760%	182%	407%
Savannah	65	62	59	52	47	64	25%	32%	(8)%
Village Park Homes[2]	149	140	174	—	—	—	—	—	—
Totals	2,139	2,228	2,048	1,349	1,523	1,408	59%	46%	46%

(1) Results for Village Park Homes only include sales, starts and closings from the acquisition date of May 31, 2019.

(2) Includes all markets in which Village Park Homes operates, including Hilton Head and Bluffton, South Carolina.

Our "backlog" consists of homes under a purchase contract that are signed by homebuyers who have met the preliminary criteria to obtain mortgage financing but such home sales to end buyers have not yet closed. Ending backlog represents the number of homes in backlog from the previous period plus the number of net new orders generated during the current period minus the number of homes closed during the current period. Our backlog at any given time will be affected by cancellations and the number of our active communities. Homes in backlog are generally closed within one to six months, although we may experience cancellations of purchase contracts at any time prior to such home closings. It is important to note that net new orders, backlog and cancellation metrics are operational, rather than accounting, data and should be used only as a general gauge to

evaluate performance. Backlog may be impacted by customer cancellations for various reasons that are beyond our control, and, in light of our minimal required deposit, there is little negative impact to the potential homebuyer from the cancellation of the purchase contract.

The following table presents information concerning our new orders, cancellation rate and ending backlog for the periods (and at the end of the period) set forth below.

	Nine Months Ended September 30,		Year Ended December 31,	
	2020	2019	2019	2018
Net New Orders	2,799	1,659	2,139	1,349
Cancellation Rate	12.9%	13.9%	15.6%	15.8%
	As of September 30,		As of December 31,	
	2020	2019	2019	2018
Ending Backlog – Homes	1,836	1,123	854	636
Ending Backlog – Value (in thousands)	$683,743	$389,629	$334,783	$249,672

Materials, Procurement and Construction

When constructing our homes, we use various materials and components and are dependent upon building material suppliers for a continuous flow of raw materials. It typically takes us between 75 and 150 days to construct a four-unit townhome or single family home in our Dream Series, Designer Series and Platinum Series, and typically longer for our Custom Series. Our materials are subject to price fluctuations until construction on a home begins, at which point in time prices for that particular home are locked in via purchase orders. Such price fluctuations may be caused by several factors, including seasonal variation in availability of materials, labor and supply chain disruptions, international trade disputes and resulting tariffs and increased demand for materials as a result of the improvements in the housing markets where we operate. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations” in this prospectus for additional information.

Our objective in procurement is to maximize efficiencies on local, regional and national levels and to ensure consistent utilization of established contractual arrangements. We employ a comprehensive procurement program that leverages our size and national presence to achieve attractive cost savings and, whenever possible, to utilize standard products available from multiple suppliers. We currently determine national specifications for the majority of our installed products and with our distributors. This helps us streamline our offering, maintain service levels and delivery commitments and protect our pricing and allows for no charge or free model home products and provides a pre-negotiated rebate amount. We also leverage our volume to negotiate better pricing at a national level from manufacturers. We currently have over 60 national and divisional distribution agreements in place for lumber, appliances, heating, ventilation and air conditioning systems, insulation, stucco and other supplies.

We have extensive experience managing all phases of the construction process. Although we do not employ our own skilled tradespeople, such as plumbers, electricians and carpenters, we utilize our relationships with local and regional builder associations to identify reputable tradespeople and actively participate in the management of the entire construction process to ensure that our homes meet our high standard of quality. Each of our divisions has a director, manager or vice president of construction who reports to the division president and oversees one or more area managers, depending on the size of the division. The area managers are generally responsible for over a dozen communities, which typically each have a dedicated superintendent who oversees construction in the community by our subcontractors. As a result of not employing our own construction base, it is not necessary to purchase and maintain high capital construction equipment. Our enterprise resource planning system (“ERP System”) and integrated construction scheduling software allows our superintendents to closely monitor the construction progress of each of our homes and promptly identify any homes that fall behind our predetermined construction schedules. Our software also enables our superintendents to monitor the completion of work, which in turns expedites payments to our subcontractors. Our superintendents are also responsible for making any adjustments to a home before delivery to a purchaser and for after-sales service pursuant to our warranty.

Customer Relations, Quality Control and Warranty Program

We pay particular attention to the product design process and carefully consider quality and choice of materials in order to attempt to eliminate building deficiencies and reduce warranty expenses. We require all of our vendors and subcontractors, in connection with our on-boarding process, to execute our standard terms agreement, which includes, among other provisions, work quality standards. Our on-boarding process also requires all vendors and subcontractors to provide proof of insurance, including liability insurance and workers compensation insurance, and include us as an additional insured under such policies. The quality and workmanship of our subcontractors are monitored in the ordinary course of business by our superintendents and project managers, and we do regular inspections and evaluations of our subcontractors to seek to ensure that our standards are being met. In addition, local governing authorities in all of our markets require that the homes we build to pass a variety of inspections at various stages of construction, including a final inspection in which a certificate of occupancy, or its jurisdictional equivalent, is issued.

We maintain professional staff whose role includes providing a positive experience for each customer throughout the pre-sale, sale, building, closing and post-closing periods. These employees are also responsible for providing after sales customer service. Our quality and service initiatives include taking customers on a comprehensive tour of their home prior to closing and using customer survey results to improve our standards of quality and customer satisfaction. We believe the key metric in our customer surveys is our customers' willingness to refer us to friends and family. We are constantly striving to earn a 100% willingness to refer rate in each of our markets and, as a result, our customers' willingness to refer us is a critical component of the incentive compensation of our construction teams, and, in certain of our divisions, quality control or customer services teams. Our willingness to refer rate was 79% for the nine months ended September 30, 2020, 77% for the year ended December 31, 2019 and 72% for the year ended December 31, 2018, and our average willingness to refer rate for the six year period ending December 31, 2019 was 72%.

We provide each homeowner with product warranties covering workmanship and materials for one year from the time of closing, and warranties covering structural systems for eight to ten years from the time of closing and, depending on the size of the warranty claim, we may seek to cover claim through our general liability insurance policy. We believe our warranty program meets or exceeds terms customarily offered in the homebuilding industry. The subcontractors who perform most of the actual construction of the home also provide to us customary warranties on workmanship.

Competition and Market Factors

We face competition in the homebuilding industry, which is characterized by relatively low barriers to entry. Homebuilders compete for, among other things, homebuyers, desirable lots, financing, raw materials and skilled labor. Increased competition may prevent us from acquiring attractive lots on which to build homes or make such acquisitions more expensive, hinder our market share expansion or lead to pricing pressures on our homes that may adversely impact our margins and revenues. Our competitors may independently develop land and construct housing units that are superior or substantially similar to our products and, because they are or may be significantly larger, have a longer operating history and/or have greater resources or lower cost of capital than us, may be able to compete more effectively in one or more of the markets in which we operate or may operate in the future. We also compete with other homebuilders that have longstanding relationships with subcontractors and suppliers in the markets in which we operate or may operate in the future, and we compete for sales with individual resales of existing homes and with available rental housing.

The housing industry is cyclical and is affected by consumer confidence levels, prevailing economic conditions and interest rates. Other factors that affect the housing industry and the demand for new homes include: the availability and the cost of land, labor and materials; changes in consumer preferences; demographic trends; and the availability and interest rates of mortgage finance programs. See "Risk Factors" for additional information regarding these risks.

We are dependent upon building material suppliers for a continuous flow of raw materials. Whenever possible, we attempt to utilize standard products available from multiple sources. In the past, such raw materials have been generally available to us in adequate supply.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations" in this prospectus for additional information.

Seasonality

The homebuilding industry generally exhibits seasonality. We have historically experienced, and in the future expect to continue to experience, variability in our results on a quarterly basis. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations—Seasonality" in this prospectus for additional information.

Governmental Regulation and Environmental, Health and Safety Matters

We are subject to numerous local, state, federal and other statutes, ordinances, rules and regulations concerning zoning, development, building design, construction and similar matters, which impose restrictive zoning and density requirements in order to limit the number of homes that can eventually be built within the boundaries of a particular area. Projects that are not entitled may be subjected to periodic delays, changes in use, less intensive development or elimination of development in certain specific areas due to government regulations. We may also be subject to periodic delays or may be precluded entirely from developing in certain communities due to building moratoriums or "slow-growth" or "no-growth" initiatives that could be implemented in the future. Local and state governments also have broad discretion regarding the imposition of development fees for projects in their jurisdiction. Projects for which we have received land use and development entitlements or approvals may still require a variety of other governmental approvals and permits during the development process and can also be impacted adversely by unforeseen health, safety and welfare issues, which can further delay these projects or prevent their development.

We are also subject to a variety of local, state, federal and other statutes, ordinances, rules and regulations concerning the environment, health and safety. The particular environmental requirements that apply to any given homebuilding site vary according to the site's location, its environmental conditions, the presence or absence of endangered plants or species or sensitive habitats and the present and former uses of the site, as well as adjoining properties. Environmental requirements and conditions may result in delays, may cause us to incur substantial compliance and other costs and can prohibit or severely restrict homebuilding activity in environmentally sensitive regions or areas. From time to time, the EPA and similar federal, state or local agencies review land developers' and homebuilders' compliance with environmental requirements and may levy fines and penalties, among other sanctions, for failure to strictly comply with applicable environmental requirements or impose additional requirements for future compliance as a result of past failures. Any such actions taken with respect to us may increase our costs. Further, we expect that increasingly stringent requirements will be imposed on homebuilders in the future. Environmental requirements can also have an adverse impact on the availability and price of certain raw materials such as lumber.

Under various environmental requirements, current or former owners of real estate, as well as certain other categories of parties, may be required to investigate and clean up hazardous or toxic substances or petroleum product releases and may be held strictly and/or jointly and severally liable to a governmental entity or to third parties for related damages, including property damage or bodily injury, and for investigation and cleanup costs incurred by such parties in connection with the contamination. We could also be held liable if the past or present use of building materials or fixtures that contain hazardous materials results in damages, such as property damage or bodily injury. A mitigation plan may be implemented during the construction of a home if a cleanup does not remove all contaminants of concern or to address a naturally occurring condition, such as methane or radon. Some homebuyers may not want to purchase a home that is, or that may have been, subject to a mitigation plan. In addition, in those cases where an endangered species is involved, environmental requirements can result in the delay or elimination of development in identified environmentally sensitive areas.

Jet LLC, our mortgage banking joint venture, and DF Title, our title insurance agency and wholly owned subsidiary, are mutually and independently regulated by local, state and federal laws, statutes, ordinances, administrative rules and other regulations. The mortgage lending company and title agency are required to conform their policies, procedures and practices to the applicable regulatory matters affecting their businesses. For example, our lending joint venture maintains certain requirements for loan origination, servicing and selling and its participation in federal lending programs, such as FHA, VA, USDA, Ginnie Mae, Fannie Mae and Freddie Mac. Our title agency's practices regarding closing, escrow and issuance of title insurance are subject to rules established, in part, by states' insurance regulators and underwriters' guidelines. Both industries are affected

by rules mandated by the Consumer Financial Protection Bureau, such as the Truth in Lending Act and the Real Estate Settlement Procedures Act Integrated Disclosure, governing matters like loan applications, disclosing figures and loan materials, closing, funding and issuance of title insurance policies.

Human Capital Resources

As of September 30, 2020, we had 354 full-time employees. Of these employees, 36 worked in our corporate office, 10 in divisional management and 35 in sales. None of our employees is represented by a labor union or covered under a collective bargaining agreement, and we have not experienced any strikes or work stoppages. We believe that our relations with our employees are good. We value our employees and believe that employee loyalty and enthusiasm are key elements of our operating performance. In fact, one of our core values is to "Empower employees and instill an ownership culture." Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our existing and additional employees. We offer our employees a wide array of company-paid benefits, which we believe are competitive relative to others in our industry.

We utilize subcontractors and tradespeople to perform the construction of our homes. We believe our relationships with our subcontractors and tradespeople are good.

Facilities

Our corporate headquarters are located in Jacksonville, Florida and consist of approximately 45,000 square feet of office space. In 2018, after completing the construction of our corporate office building, we sold the property and entered into a lease with the buyer for a 15-year initial term, expiring in 2033, with potential renewal options. We also lease local offices in most of the markets in which we conduct homebuilding operations. We believe that our current facilities are adequate to meet our current needs. See "—Land Acquisition Strategy and Development Process—Owned and Controlled Lots" for a summary of the other properties that we owned and controlled as of September 30, 2020.

Legal Proceedings

From time to time, we are a party to ongoing legal proceedings in the ordinary course of business. We do not believe the results of currently pending proceedings, individually or in the aggregate, will have a material adverse effect on our business, financial condition, results of operations or liquidity.

Weyerhaeuser Lawsuit

We are currently involved in civil litigation related to defective products provided by Weyerhaeuser NR Company ("Weyerhaeuser") (NYSE: WY), one of our lumber suppliers. Our Colorado division builds a number of floor plans that include basements using specialized fir lumber. On July 18, 2017, Weyerhaeuser issued a press release indicating a recall and potential solution for TJI Joists with Flak Jacket Protection manufactured after December 1, 2016. The press release indicated the TJI Joists used a Flak Jacket coating that included a formaldehyde-based resin that could be harmful to consumers and produced an odor in certain newly constructed homes. We had 38 homes impacted by the harmful and odorous Flak Jacket coating and incurred significant costs directly related to Weyerhaeuser's defective TJI Joists. Accordingly, we sought remediation and damages from Weyerhaeuser. The press release by Weyerhaeuser had a pronounced impact on our sales and cancellation rates in Colorado. We filed suit on December 27, 2017—*Dream Finders Homes LLC and DFH Mandarin, LLC v. Weyerhaeuser NR Company*, No. 17CV34801 (District Court, City and County of Denver, State of Colorado)—and included claims against Weyerhaeuser for manufacturer's liability based on negligence, negligent misrepresentation causing financial loss in a business transaction and fraudulent concealment. Weyerhaeuser asserted a counterclaim asserting an equitable claim for unjust enrichment. On November 18, 2019, the District Court issued a verdict in our favor on our claims, awarding DFH LLC $3,000,000 in damages and DFH Mandarin, LLC $11,650,000 in damages. On February 21, 2020, the District Court dismissed Weyerhaeuser's counterclaim. Weyerhaeuser has appealed the District Court ruling—*Dream Finders Homes LLC and DFH Mandarin, LLC v. Weyerhaeuser NR Company*, No. 2020CA2 (Court of Appeals, State of Colorado)—and that appeal is currently pending. We have incurred all costs to date related to the Weyerhaeuser matter and have recognized no gain on the damages awarded to us by the District Court.

There are no recorded reserves related to potential damages in connection with the Weyerhaeuser matter or any other legal proceedings to which we are a party, as any potential loss is not currently probable and reasonably estimable under GAAP. However, the ultimate outcome of the Weyerhaeuser matter or other actions or proceedings, including any monetary awards against us, is uncertain, and there can be no assurance as to the amount of any such potential awards. Additionally, such lawsuits may divert management's efforts and attention from ordinary business operations. If the final resolution of any such litigation is unfavorable, it could have a material adverse effect on our business, financial condition, results of operations or liquidity.

MANAGEMENT

Directors and Officers

The following sets forth information regarding our employee directors, director nominees, executive officers and key employees as of the date of this prospectus.

Name	Age	Position
Executive Officers and Employee Directors		
Patrick O. Zalupski	39	President, Chief Executive Officer and Chairman of the Board of Directors
Doug Moran	49	Senior Vice President and Chief Operations Officer
Rick A. Moyer	42	Senior Vice President and Chief Financial Officer
Key Employees		
John O. Blanton	39	Vice President and Chief Accounting Officer
Robert E. Riva	38	Vice President, General Counsel and Corporate Secretary
Aaron Matveia	39	National Vice President of Purchasing
Batey Camp McGraw	41	National Vice President of Land
Anabel Fernandez	39	Vice President of Treasury
Michelle M. Murrhee	44	Vice President of Finance
Director Nominees		
William H. Walton, III	68	Director Nominee
W. Radford Lovett II	60	Director Nominee
Justin Udelhofen	41	Director Nominee
Megha H. Parekh	33	Director Nominee

Executive Officers and Employee Directors

Patrick O. Zalupski—President, Chief Executive Officer and Chairman of the Board of Directors. Patrick O. Zalupski has served as our President, Chief Executive Officer and Chairman of our board of directors sinceour formation in September 2020 and will continue to serve in these roles upon the listing of our Class A common stock. Mr. Zalupski has served as the Chief Executive Officer of our primary operating subsidiary, DF Homes LLC, since forming the company in December 2008, and as the Chief Executive Officer and a member of the board of managers of DFH LLC since its formation in 2014. He is responsible for our overall operations and management and is heavily involved in the origination, underwriting and structuring of all investment activities. Under Mr. Zalupski's leadership, we have grown from closing 27 homes in Jacksonville, Florida during our inaugural year in 2009 to establishing operations in markets across the State of Texas and the Southeast, Mid-Atlantic and Mountain Regions of the United States and closing over 10,400 homes since our inception. Prior to founding DF Homes LLC, Mr. Zalupski was a Financial Auditor for FedEx Corporation's Internal Audit Department in Memphis, Tennessee and worked in the real estate sales and construction industry as Managing Partner of Bay Street Condominiums, LLC from 2006 to 2008. He has served on the investment committee of DF Capital since April 2018 and on the board of directors for Jet LLC since December 2017. Mr. Zalupski holds an inactive Florida Real Estate License and received a B.A. in Finance from Stetson University. We believe that Mr. Zalupski's financial acumen, extensive industry experience and demonstrated leadership capabilities throughout our growth as a company make him highly qualified to continue to serve as Chairman of our board of directors and our President and Chief Executive Officer.

Doug Moran—Senior Vice President and Chief Operations Officer. Doug Moran has served as our Senior Vice President and Chief Operations Officer since our formation in September 2020 and has served as the Chief Operations Officer of DFH LLC since January 2017. He joined Dream Finders as the Division President in Northeast Florida in August 2015 while also overseeing the management and growth of our business in other markets. Mr. Moran is responsible for sales, marketing, land acquisition and development, home construction, operations and purchasing. Under his direction, we have grown from closing 500 homes per year to over 3,000 homes per year, expanding into multiple new markets across the United States, including the Washington D.C. metropolitan area and Hilton Head, South Carolina through our successful acquisition ofVillage Park Homes in May 2019. Mr. Moran has over 20 years of broad industry experience in all aspects of

operating a real estate company, including as an executive with publicly traded homebuilders, and has overseen the construction of over 15,000 homes throughout his career. He previously worked at Richmond American Homes ("RAH"), a subsidiary of M.D.C. Holdings, Inc. (NYSE: MDC), from 2012 to 2015, where he served as Regional President for Florida. Prior to joining RAH, Mr. Moran worked at KB Home (NYSE: KBH) from 2007 to 2012, where he served as DC Metro Division President. Prior to joining KB Home, Mr. Moran served his first of two stints at RAH from 1997 to 2007, where he joined as a member of the Mergers & Acquisitions team that acquired two homebuilders in Florida, before ascending the ranks to become RAH's Southeast Regional Division President. Mr. Moran received B.S. in Business from the University of Maryland.

Rick A. Moyer—Senior Vice President and Chief Financial Officer. Rick A. Moyer has served as our Senior Vice President and Chief Financial Officer since our formation in September 2020 and as the Chief Financial Officer of DFH LLC since June 2017. Mr. Moyer oversees all accounting, finance and treasury functions, including capital planning, forecasting and budgeting, and holds ultimate review and approval authority over the financial statements. Mr. Moyer joined Dream Finders after serving as the Managing Partner of PricewaterhouseCoopers LLP ("PwC"), a global provider of assurance, tax and consulting services, in Jacksonville, Florida from 2012 to 2017, where he worked with companies across various industry verticals, including banking, technology, sports & leisure, real estate and health insurance. Mr. Moyer joined PwC in 2000, working in the audit and consulting practices. During his tenure at PwC, Mr. Moyer spent time in the firm's national office, specializing in PCAOB and SEC Compliance, Derivatives and Securitizations, and, from 2007 to 2011, he co-founded and led the PwC Banking Mergers and Acquisitions practice, which specialized in assisting clients acquire banks from the Federal Deposit Insurance Corporation. Mr. Moyer has previously served on the board of directors for the Jacksonville Museum of Science and History, the Jacksonville Symphony and The Florida Institute of CPAs. He is a Certified Public Accountant and member of the American Institute of Certified Public Accountants. Mr. Moyer received a Bachelor of Science in Business Administration (B.S.B.A.) in Accounting from Shippensburg University of Pennsylvania.

Key Employees

John O. Blanton—Vice President and Chief Accounting Officer. John O. Blanton has served as our Vice President and Chief Accounting Officer since our formation in September 2020. Mr. Blanton joined DreamFinders as the Chief Financial Officer in April 2013 and, in June 2017, transitioned to the role of Chief Accounting Officer. Mr. Blanton oversees all accounting and financial reporting for Dream Finders. Mr. Blanton joined us after serving as Corporate Controller for Global Axcess Corp. (OTC: GAXC) ("GAXC"), a publicly traded ATM operator, managing the accounting, financial reporting and cash flow for GAXC until it sold to a Japanese bank in 2013. Prior to GAXC, Mr. Blanton worked in management positions for The Ryland Group, Inc. (presently Lennar Corporation) in the Jacksonville and Orlando markets. During his time with The Ryland Group, Inc., Mr. Blanton was responsible for accounting, financial reporting and pro forma analysis. Mr. Blanton started his career in Jacksonville, Florida, specializing in the assurance practice at PwC. Mr. Blanton is a Certified Public Accountant. Mr. Blanton received a B.S. in Accounting and a Master in Business Administration from the University of Florida.

Robert E. Riva—Vice President, General Counsel and Corporate Secretary. Robert E. Riva has served as our Vice President, General Counsel and Corporate Secretary since our formation in September 2020 and as the Vice President and General Counsel of DFH LLC since July 2018. Mr. Riva oversees our legal department, provides legal support for each of our divisions and oversees our compliance with multiple federal, state and local regulations. Since joining us, Mr. Riva has implemented systems to enhance our risk management protocols in vendor agreements, sales contracts and land and lot purchase agreements. Prior to joining Dream Finders, Mr. Riva served as a partner for the law firm Holland & Knight LLP from January 2016 to June 2018 and as an associate for the firm from August 2007 to December 2015, as a member of the firm's real estate and corporate practice groups. Mr. Riva represented us as our outside legal counsel from 2014 to June 2018. Mr. Riva has substantial experience in advising on legal matters involving residential real estate development, acquisition, finance, construction, land banking, taxation and corporate governance. Mr. Riva serves on the board of directors of the Catholic Charites Jacksonville. Mr. Riva received a B.S. from Penn State University and a J.D. from Florida Coastal School of Law.

Aaron Matveia—National Vice President of Purchasing. Aaron Matveia has served as our National Vice President of Purchasing since our formation in September 2020 and as the National Vice President of Purchasing of DFH LLC since May 2018. He is responsible for all purchasing, estimating and back office operations. Since

joining Dream Finders, Mr. Matveia has helped the Company implement and gain consistency within its internal enterprise resource planning systems ("ERP systems") and construction scheduling software. He has also been able to achieve cost savings and increase incentive and rebate programs by negotiating deals both nationally and regionally. Mr. Matveia has extensive experience within home building in operations, procurement, and ERP systems. Prior to joining Dream Finders, Mr. Matveia served as National Vice President and Director of Purchasing at RAH, a homebuilder, from March 2015 to April 2018. In such role, he was responsible for all purchasing operations, national accounts and estimating for RAH. Mr. Matveia has held positions at both the Divisional and on the National levels from 2005 to May 2018. Mr. Matveia began working for RAH in 2005 in the purchasing department and gradually ascended the ranks. Mr. Matveia received a B.S. in Finance from the University of Northern Colorado.

Batey Camp McGraw—National Vice President of Land. Batey Camp McGraw has served as our National Vice President of Land since our formation in September 2020. Mr. McGraw joined Dream Finders as Vice President of Land in 2014 and was promoted to National Vice President of Land in March 2017. Since 2014, Mr. McGraw has led the growth of our land pipeline from less than 1,000 lots to over 15,000 lots. Mr. McGrawhas over 20 years of experience in residential real estate development and construction management. Prior to joining Dream Finders, Mr. McGraw worked as an independent real estate broker and general contractor, from 2008 to 2014, specializing in residential land in Florida and Georgia. From 2010 to 2014, Mr. McGraw orchestrated the acquisition and financing of hundreds of lots for us, eventually leading to his joining us full-time. Prior to pursuing his land brokerage business, Mr. McGraw served as Vice President of the McCumber Group, Inc., a Jacksonville based private real estate company, where he led the entitlement, design, permitting and development of numerous projects in Florida, as well as one in Costa Rica. Mr. McGraw began his career at Birmingham, Alabama based Brasfield & Gorrie, LLC, managing the construction of high-rise condominium, higher education and Class-A office projects across Florida. Mr. McGraw has overseen the brokerage, development and construction of over $2.0 billion in residential and commercial real estate. Mr. McGraw holds real estate broker licenses for Dream Finders in five states (Florida, Georgia, South Carolina, Texas and Colorado) and is also a Certified General Contractor in Florida. Mr. McGraw is active in the industry and his community, serving on the Advisory Board of the College of Building Construction Management at the University of North Florida and on ULI's National Residential Neighborhood Development Council. Mr. McGaw previously served as a member on the Board of Trustees for The Discovery School and the Code Enforcement Board of the City of Jacksonville Beach. Mr. McGraw received a B.S. in Construction Management and Mathematics from the University of North Florida.

Anabel Fernandez—Vice President of Treasury. Anabel Fernandez has served as our Vice President of Treasury since our formation in September 2020 and as the Vice President ofTreasury of DFH LLC since June 2018. Ms. Fernandez has extensive experience in accounting, financial reporting, treasury and internal controls implementation and, during her time at Dream Finders, has had an important role in managing our banking relationships, including onboarding, due diligence, compliance, day to day collateral management and issue resolution, and helped us focus on strategically monitoring our balance sheet by focusing on individualtransaction structure. Prior to joining Dream Finders, Ms. Fernandez served as the Vice President of Finance for the Americas region at Macquarie Group Limited, an Australian multinational independent investment bank and financial services company, from April 2016 to May 2018, overseeing financial and internal tax reporting for over 200 U.S. legal entities in the energy, capital and credit markets space and subsequently managing the financial audit process for Macquarie Group Limited's aircraft leasing business. Prior to joining the Macquarie Group Limited, Ms. Fernandez served as the Corporate Accounting Manager at Fidelity National Financial, a provider of title insurance and settlement services to the real estate and mortgage industries, in the title insurance business from 2014 to April 2016. Ms. Fernandez started her career at Aeroflex Incorporated (NASDAQ: ARX INC), a publicly listed aerospace and defense electronics manufacturer, where she worked from 2002 to 2014. Ms. Fernandez serves on the Board of the Jacksonville Housing Authority, an agency dedicated to creating and sustaining healthy communities through its public housing programs. Ms. Fernandez is a Certified Public Accountant. Ms. Fernandez received a B.B.A in Accounting, Financial Economics and Economics from Lincoln Memorial University.

Michelle M. Murrhee—Vice President of Finance. Michelle M. Murrhee has served as our Vice Presidentof Finance since our formation in September 2020 and as the Vice President of Finance of DFH LLC since March 2018. Mrs. Murrhee joined Dream Finders as the Director of Finance in September 2015. Mrs. Murrhee oversees our finance department, which is responsible for forecasts, operational reporting and analysis, division

finance leadership and IT oversight. Since joining us, she has implemented processes and systems to standardize and improve consistency for reporting and measurement of operational metrics. Mrs. Murrhee has extensive experience in accounting, finance, homebuilding operations and IT. Prior to joining Dream Finders, Mrs. Murrhee served as Director of Finance of RAH for all Florida operations, including Jacksonville, Orlando and South Florida, from 2008 to September 2015. Mrs. Murrhee served as the Director of Financial Operations with the PGA Tour from 2007 to 2008. Mrs. Murrhee served in various positions with RAH from 2004 to 2007, including Assistant Controller and Controller. Mrs. Murrhee began her career in accounting in 1999 at Tree of Life, now KEHE Distributors, LLC, where she held multiple positions over seven years, including, initially, as Cost Accounting Manager and, lastly, as Corporate Accounting Manager, before joining RAH in 2004. Mrs. Murrhee is a Certified Public Accountant. Mrs. Murrhee received a B.B.A. in Accounting as well as Finance with a minor of Economics from the University of North Florida.

Director Nominees

William H. Walton, III—Director Nominee. Mr. Walton is expected to become a director upon the listingof our Class A common stock. In 2003, he co-founded and has since served as a managing member of Rockpoint Group, L.L.C. ("Rockpoint"), a global real estate private equity firm that sponsors real estate investment funds capitalized by domestic and foreign institutional investors. Mr. Walton is responsible for the overall operationsand management of Rockpoint, as well as overseeing the origination, structuring and asset management of all of Rockpoint's investment activities. The Rockpoint founding managing members have invested more than $60 billion of real estate since 1994. In 1994, Mr. Walton also co-founded Westbrook Real Estate Partners, L.L.C. ("Westbrook"), a similar real estate investment management firm. Prior to co-founding Rockpoint and Westbrook, Mr. Walton served as a managing director in the real estate group of Morgan Stanley & Company, Inc., which he joined in 1979. Mr. Walton is involved with several real estate industry organizations and serves on the board of directors of Boston Properties, Inc. (NYSE: BXP), Crow Family Inc. and FRP Holdings, Inc. (NASDAQ: FRPH). He previously served on the board of directors of Corporate Office Properties Trust (NYSE: OFC) and The St. Joe Company (NYSE: JOE). He also serves or has served as a director or trustee on the board of directors for several non-profit organizations, with a particular interest in educational and policy entities, including the American Enterprise Institute, Communities in Schools, the Episcopal School of Jacksonville, the Jacksonville University Public Policy Institute, KIPP Schools Jacksonville, Mpala Wildlife Foundation, the Thomas Jefferson Foundation, the University of Florida Investment Corporation, Princeton University and Princeton University Investment Company. Mr. Walton earned an A.B. from Princeton University and received a Master in Business Administration from Harvard Business School. We believe that Mr. Walton's 40 years of investment and real estate industry experience make him qualified to serve on our board of directors.

W. Radford Lovett II—Director Nominee. Mr. Lovett is expected to become a director and thecompensation committee chair upon the listing of our Class A common stock. He has served on the board of managers of DFH LLC since December 2014. Mr. Lovett was the founder, Chairman and Chief Executive Officer of two highly successful growth companies: TowerCom, Ltd, an owner and developer of broadcast communication towers that he founded in 1994, and TowerCom Development, LP, a developer of wireless communications infrastructure that he founded in 1997. TowerCom, Ltd and TowerCom Development, LP have each generated over 90% compounded annual rates of return for their investors. He currently serves as Chairman and CEO of TowerCom, LLC, which was founded in 2007. Mr. Lovett also co-founded Lovett Miller & Co. in 1997, a venture capital firm that focuses in technology-enhanced services and healthcare companies. Prior to co-founding Lovett Miller & Co., he served as the President of Southcoast Capital Corporation, a family holding company that invests in private equities, public equities and real estate. Prior to Southcoast Capital Corporation, Mr. Lovett worked for the Lincoln Property Company and in the Corporate Finance Department of Merrill Lynch. Mr. Lovett has made venture capital investments in the following companies: RxStrategies, Inc., EverBank Financial Corporation, Healthcare Solutions, Inc. (formerly Cypress Care, Inc.), Care Anywhere, Inc., K&G Men's Centers, Inc., Sigma International Medical Apparatus, Go Software, Inc., Main Bank Corporation, PowerTel, Inc. and Southcoast Boca Associates. He currently serves on the board of directors of the following companies: DocuFree Corporation and TowerCom, LLC. Mr. Lovett also previously served on the board of trustees, and was co-chairman of the Capital Campaign for the University of North Florida. Mr. Lovett previously served on the board of directors of EverBank Financial Corporation (formerly a publicly traded company) and was the chairman of the Youth Crisis Center and the Jacksonville Jaguars Honor Rows Program

and is currently on the board of directors for Florida Prepaid College Plans. Mr. Lovett received an A.B. degree from Harvard College. We believe that Mr. Lovett's extensive experience serving on boards of directors and 20 years of executive leadership experience and management experience make him qualified to serve on our board of directors.

Justin Udelhofen—Director Nominee. Mr. Udelhofen is expected to become a director and the audit committee chair upon the listing of our Class A common stock. He has served on the board of managers of DFH LLC since December 2014. Mr. Udelhofen has been a private investor since July 2020. He previously founded Durant Partners in October 2016, an investment fund that focuses on small-to-mid-capitalizationequities, and served as Principal until June 2020. Prior to founding Durant Partners, Mr. Udelhofen worked from 2006 to April 2016 at Water Street Capital, a multi-billion-dollar private investment firm in Jacksonville, Florida. Prior to joining Water Street Capital, Mr. Udelhofen researched businesses at growth-oriented mutual fund, Fred Alger Management. Prior to his services at Fred Alger Management, Mr. Udelhofen worked at Needham & Company, where he provided strategic insights to publicly traded companies, several initial public offerings and secondary offerings. Mr. Udelhofen received an A.B. in Psychology from Harvard University. We believe that Mr. Udelhofen's extensive leadership experience, his investment expertise, his background of providing strategic insights to publicly traded companies and his involvement with initial public offerings and secondary offerings make him qualified to serve on our board of directors.

Megha H. Parekh—Director Nominee. Ms. Parekh is expected to become a director and the nominatingand governance committee chair upon the listing of our Class A common stock. In 2013, Ms. Parekh joined the Jacksonville Jaguars, a professional football franchise based in Jacksonville, Florida, as vice president andgeneral counsel and, in 2016, was promoted to her current position as senior vice president and chief legal officer. Ms. Parekh manages the legal, technology, security, capital improvements and people development teams at the Jacksonville Jaguars. Since joining the Jacksonville Jaguars, Ms. Parekh has also worked on a number of other acquisitions and business ventures for Shad Khan, the Jacksonville Jaguars' owner. Prior to joining the Jacksonville Jaguars, Ms. Parekh worked in the New York office of the international law firm Proskauer Rose LLP, where she practiced corporate law and worked on public and private acquisitions and financings and securities offerings. Ms. Parekh currently serves as a director on the board of directors of the Jacksonville Jaguars Foundation, Inc. and the Florida Sports Foundation, Inc. and as a manager on the board of managers of the Black News Channel, an American broadcast television news channel based in Tallahassee, Florida targeting the African American demographic. Ms. Parekh received an A.B. from Harvard College and a J.D. from Harvard Law School. We believe that Ms. Parekh's 11 years of experience in acquisitions and business ventures and her legal expertise make her qualified to serve on our board of directors.

Other Officers of the Company

We rely on our division presidents to oversee our operations on a day to day basis. Each of our divisions has a division president charged with overseeing the division's director, manager and vice president of construction. Our division presidents have direct responsibility in their respective division for sales, marketing, finance, recruiting and hiring management staff and analysts, land acquisition and development, construction and purchasing. Our division presidents report to our Chief Operating Officer. Our nine division presidents have over 230 years of cumulative experience in the homebuilding industry, including specifically in land acquisition and development, entitlements, construction, financing, brokerage, marketing, sales and management of an array of residential and mixed use projects, such as single-family homes and townhomes, in a variety of markets at both public and private companies.

Composition of Our Board of Directors

Our business and affairs are managed under the direction of our board of directors. Following the completion of this offering, we expect our board of directors to initially consist of five members, including our President and Chief Executive Officer.

In evaluating director candidates, we will assess whether a candidate possesses the integrity, judgment, knowledge, diversity of experience, skills and expertise that are likely to enhance our board's ability to manage and direct our affairs and business, in addition to a high degree of personal and professional integrity, an ability

to exercise sound business judgment on a broad range of issues, sufficient experience and background to have an appreciation of the issues facing us, a willingness to devote the necessary time to directoral duties, a commitment to representing the best interests of our company and our stockholders and a dedication to enhancing stockholder value.

Director Independence

The board of managers of DFH LLC currently consists of three members, and, following completion of this offering, we expect that our board of directors will consist of five members, in each case, including our President and Chief Executive Officer. The board of managers of DFH LLC reviewed the independence of our directors using the independence standards of Nasdaq and, based on this review, determined that Messrs. Walton and Udelhofen and Ms. Parekh are independent within the meaning of the Nasdaq listing standards currently in effect and the meaning of Section 10A-3 of the Exchange Act.

Controlled Company Status

After the completion of this offering, Mr. Zalupski will continue to hold more than a majority of the voting power of our common stock eligible to vote in the election of our directors. As a result, we will be a "controlled company" within the meaning of the Nasdaq corporate governance standards. Under these corporate governance standards, a company of which more than 50% of the voting power is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance standards, including the requirements (1) that a majority of such company's board of directors consist of independent directors, (2) that such company's board of directors have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities, (3) that such company's board of directors have a nominating and corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities and (4) that such company conduct an annual performance evaluation of the nominating and governance and compensation committees. For at least some period following this offering, we intend to utilize certain of these exemptions. As a result, immediately following this offering, we do not expect that any committees of our board of directors, other than our audit committee, will be composed entirely of independent directors. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of these corporate governance requirements. In the event that we cease to be a "controlled company" and shares of our common stock continue to be listed on Nasdaq, we will be required to comply with these provisions within the applicable transition periods.

Committees of the Board of Directors

We will establish an audit committee, compensation committee and nominating and governance committee prior to the completion of this offering.

Audit Committee

We will establish an audit committee prior to the completion of this offering. Rules implemented by Nasdaq and the SEC require us to have an audit committee comprised of at least three directors who meet the independence and experience standards established by Nasdaq and the Exchange Act, subject to transitional relief during the one-year period following the completion of this offering. Ms. Parekh and Mr. Udelhofen, each of whom will be independent under the rules of the SEC and Nasdaq, will initially serve as members of our audit committee, and an additional member will be added to our audit committee and our board of directors prior to the expiration of the transitional relief period upon the one-year anniversary of the completion of this offering. As required by the rules of the SEC and the Nasdaq listing standards, the audit committee will consist solely of independent directors. SEC rules also require that a public company disclose whether or not its audit committee has an "audit committee financial expert" as a member. An "audit committee financial expert" is defined as a person who, based on his or her experience, possesses the attributes outlined in such rules. We anticipate that Mr. Udelhofen will satisfy the definition of "audit committee financial expert."

Our audit committee will, among other matters, oversee, review, act on and report on various auditing and accounting matters to our board of directors, including: the selection of our independent registered public accounting firm, the scope of our annual audits, fees to be paid to the independent registered public accounting

firm, the performance of our independent registered public accounting firm and our accounting practices. In addition, the audit committee will oversee our compliance programs relating to legal and regulatory requirements. We expect to adopt an audit committee charter defining our audit committee's primary duties in a manner consistent with the rules of the SEC and applicable stock exchange or market standards.

Members of our audit committee will be appointed annually by our board of directors and serve at the discretion of our board of directors until their successors are appointed or their earlier resignation or removal. Mr. Udelhofen will serve as the audit committee chair.

Compensation Committee

We will establish a compensation committee prior to the completion of this offering. The members of our compensation committee will be Messrs. Lovett and Walton and Ms. Parekh. Mr. Lovett will serve as the compensation committee chair.

Our compensation committee will, among other matters, (i) review and make recommendations to our board of directors regarding our compensation plans, including our 2021 Equity Incentive Plan, (ii) annually review and approve our corporate goals and objectives with respect to compensation for executive officers and, at least annually, evaluate each executive officer's performance in light of such goals and objectives to set his or her annual compensation, including salary, bonus and equity and non-equity incentive compensation, subject to approval by our board of directors, (iii) provide oversight of management's decisions regarding the performance, evaluation and compensation of other officers, (iv) review our incentive compensation arrangements to confirm that incentive pay does not encourage unnecessary risk-taking and review and discuss, at least annually, the relationship between risk management policies and practices, business strategy and our executive officers' compensation, (v) assist management in complying with our proxy statement and annual report disclosure requirements, (vi) discuss with management the compensation discussion and analysis, if any, required by SEC regulations and (vii) prepare a report on executive compensation to be included in our annual proxy statement. We expect to adopt a compensation committee charter defining our compensation committee's primary duties in a manner consistent with the rules of the SEC and applicable stock exchange or market standards.

Members of our compensation committee will be appointed annually by our board of directors and serve at the discretion of our board of directors until their successors are appointed or their earlier resignation or removal.

As a director, Mr. Zalupski will not participate in any deliberations of our board of directors or decisions involving his compensation as our President and Chief Executive Officer.

Nominating and Governance Committee

We will establish a nominating and governance committee prior to the completion of this offering. The members of our nominating and governance committee will be Messrs. Lovett, Walton and Udelhofen and Ms. Parekh. Ms. Parekh will serve as the nominating and corporate governance chair.

Our nominating and governance committee will, among other matters, (i) identify, evaluate and recommend nominees for appointment or election as directors and ensure that our board of directors has the requisite expertise and that our board's membership consists of persons with sufficiently diverse and independent backgrounds, (ii) review the committee structure of our board of directors and recommend directors to serve as members or chairs of each committee of our board of directors, (iii) review and recommend committee slates annually and recommend additional committee members to fill vacancies as needed, (iv) assist our board of directors in developing and evaluating potential candidates for executive officer positions and overseeing the development of executive succession plans, (v) develop and recommend a set of corporate governance guidelines applicable to us, review such guidelines at least annually and recommend changes to our board of directors for approval as necessary and (vi) oversee the annual self-evaluations of our board of directors and management. We expect to adopt a compensation committee charter defining our compensation committee's primary duties in a manner consistent with the rules of the SEC and applicable stock exchange or market standards.

Members of our nominating and governance committee will be appointed annually by our board of directors and serve at the discretion of our board of directors until their successors are appointed or their earlier resignation or removal.

Code of Business Conduct and Ethics

Prior to the completion of this offering, our board of directors will adopt a code of business conduct and ethics applicable to our employees, directors and officers in accordance with applicable U.S. federal securities laws and the corporate governance rules of Nasdaq. Any waiver of this code may be made only by our board of directors and will be promptly disclosed as required by applicable U.S. federal securities laws and the corporate governance rules of Nasdaq.

Corporate Governance Guidelines

Prior to the completion of this offering, our board of directors will adopt corporate governance guidelines in accordance with the corporate governance rules of Nasdaq.

Director Compensation

For a discussion of our director compensation arrangements, see "Executive Compensation—Compensation of Directors."

EXECUTIVE COMPENSATION

Named Executive Officers

We are currently considered an emerging growth company for purposes of the SEC's executive compensation disclosure rules. In accordance with such rules, we are required to provide a Summary Compensation Table and an Outstanding Equity Awards at Fiscal Year End Table, as well as limited narrative disclosures. Further, our reporting obligations extend only to the individuals serving as our chief executive officer and our two other most highly compensated executive officers. For fiscal year 2020, our named executive officers were:

Name	Principal Position
Patrick Zalupski	President, Chief Executive Officer and Chairman of our Board of Directors
Doug Moran	Senior Vice President and Chief Operations Officer
Rick Moyer	Senior Vice President and Chief Financial Officer

Summary Compensation Table

The following table summarizes, with respect to our named executive officers, information relating to the compensation earned for services rendered in all capacities for the years ended December 31, 2020, 2019 and 2018.

Name and Principal Position	Year	Salary	Bonus[1]	Non-Equity Incentive Plan Compensation[2]	All Other Compensation[3]	Total
Patrick Zalupski *(Chief Executive Officer, Chairman of our Board of Directors)*[4]	2020	$450,000	$4,000,000	$ 0	$ 96,813	$4,546,813
	2019	$375,000	$ 0	$ 0	$159,980	$ 534,980
	2018	$350,000	$ 0	$ 0	$120,651	$ 470,651
Doug Moran[5] *(Chief Operating Officer)*	2020	$350,000	$ 0	$ 0	$ 11,958	$ 361,958
	2019	$300,000	$ 0	$1,015,450	$ 9,800	$1,325,250
	2018	$275,000	$ 0	$ 428,654	$ 6,617	$ 710,271
Rick Moyer *(Chief Financial Officer)*	2020	$450,000	$ 500,000	$ 0	$ 12,856	$ 962,856
	2019	$400,000	$ 400,000	$ 0	$ 9,800	$ 809,800
	2018	$400,000	$ 400,000	$ 0	$ 6,500	$ 806,500

(1) For the year ended December 31, 2020, Mr. Zalupski earned a discretionary cash bonus for his performance on behalf of DF Homes LLC. For the years ended December 31, 2020, 2019 and 2018, Mr. Moyer earned discretionary bonus amounts for his performance on behalf of DF Homes LLC.

(2) For the years ended December 31, 2020, 2019 and 2018, Mr. Moran earned a profit share bonus in an amount equal to 2.5% of the yearly pre-tax net profits of DFH LLC, as provided in his employment agreement, for his performance on behalf of DF Homes LLC. Mr. Moran's 2020 profit share bonus amount will be paid 50% in cash and 50% in the form of a restricted stock award. The cash component of Mr. Moran's 2020 profit share bonus has not been disclosed in this "Non-Equity Incentive Plan Compensation" column because it is not determinable at this time and will not become determinable until the audited financials of DFH LLC are finalized. Mr. Zalupski elected to waive eligibility for an annual bonus for the years ended December 31, 2019 and 2018 prior to the commencement of each of 2019 and 2018.

(3) Amounts reflected within the "All Other Compensation" column are comprised of the following amounts:

Name and Principal Position	Year	Employer Contributions to 401(k) Plan	Key Man Life Insurance Premiums	Reimbursements for Personal Expenses	Total ($)
Patrick Zalupski	2020	$11,112	$20,701	$ 65,000	$ 96,813
	2019	$ 9,800	$23,978	$126,202	$159,980
	2018	$ 6,617	$18,884	$ 95,150	$120,651
Doug Moran	2020	$11,958	$ 0	$ 0	$ 11,958
	2019	$ 9,800	$ 0	$ 0	$ 9,800
	2018	$ 6,617	$ 0	$ 0	$ 6,617
Rick Moyer	2020	$12,856	$ 0	$ 0	$ 12,856
	2019	$ 9,800	$ 0	$ 0	$ 9,800
	2018	$ 6,500	$ 0	$ 0	$ 6,500

(4) Although Mr. Zalupski serves on our board of directors, he is not compensated for his services as one of our directors.

(5) For the year ended December 31, 2020, Mr. Moran earned a profit share bonus in an amount equal to 2.5% of the yearly pre-tax net profits of DFH LLC, as provided in his employment agreement, for his performance on behalf of DF Homes LLC. Mr. Moran's 2020 profit share bonus amount will be paid 50% in cash and 50% in the form of a restricted stock award. Actual values for the cash and equity components of the 2020 profit shares bonus have not been disclosed in the "Stock Awards" column or in the "Non-Equity Incentive Plan Compensation" column, respectively, because such amounts have not yet been determined.

Outstanding Equity Awards at 2020 Fiscal Year-End

	Stock Awards	
Name	Number of units of stock that have not vested (#)(1)	Value of units of stock that have not vested ($)(2)
Patrick Zalupski	—	—
Doug Moran	404.040404	$374,545.46
Rick Moyer	408.12162	$378,328.74

(1) Messrs. Moran and Moyer held outstanding non-voting common units of DFH LLC as of December 31, 2020, which were granted under their respective membership interest grant agreements with DFH LLC in connection with their employment with DF Homes LLC. The outstanding non-voting common units of DFH LLC vest in one-third increments over the next three years on January 1, 2020, January 1, 2021 and January 1, 2022 for Mr. Moran and June 15, 2020, June 15, 2021 and June 15, 2022 for Mr. Moyer. In connection with this offering, all of the outstanding non-voting common units of DFH LLC will become vested and will be converted into shares of our Class A common stock.

(2) There is no public market for the non-voting common units of DFH LLC. No recent independent valuation of these units is available; therefore, amounts reported in this column were computed by multiplying the book value of the non-voting common units as of December 31, 2019 ($927) by the number of outstanding non-voting common units reported in the "Number of units of stock that have not vested" column. The book value of non-voting common units as of December 31, 2020 is not determinable at this time and will not be determinable until the audited financials of DFH LLC are finalized.

Membership Interest Grant Agreements with DFH LLC

This offering will constitute a "Liquidity Event" under the membership interest grant agreements of Messrs. Moran and Moyer and therefore will trigger the accelerated vesting of their outstanding non-voting common units of DFH LLC.

Employment Agreements with the Company

Messrs. Zalupski, Moran and Moyer each have employment agreements with DF Homes LLC that generally outline the terms of their employment with DF Homes LLC prior to the completion of this offering. Effective upon the completion of this offering, we will enter into new executive employment agreements with each of Messrs. Zalupski, Moran and Moyer. Each employment agreement will provide for employment on an at-will basis. The employment agreements will provide for, among other things:

- an annual base salary of $850,000, $650,000 and $650,000, respectively, for Messrs. Zalupski, Moran and Moyer;
- eligibility for annual performance bonuses based on the satisfaction of performance goals to be established by our compensation committee and to be paid over a three-year period, subject to their continued employment;
- participation in any equity incentive plans approved by our board of directors; and
- participation in any employee benefit plans and programs that are maintained from time to time for our senior executive officers.

Restrictive Covenants

The employment agreements contain customary non-competition and non-solicitation covenants that apply during the term of the agreements and for 24 months (or 18 months, in the case of Mr. Moran's agreement with respect to non-competition covenants) after termination for any reason. The employment agreements also contain standard confidentiality and mutual non-disparagement provisions that apply during the term of the agreements and for an indefinite period after the termination of their employment.

Severance Benefits

Messrs. Zalupski's and Moyer's employment agreements provide for the payment of three months' worth of company-paid COBRA premiums as severance benefits in the event of an involuntary termination by us without cause.

Mr. Moran's employment agreement provides that if we terminate Mr. Moran's employment involuntarily without cause, he would be entitled to receive severance payments equal to 12 months' worth of his then-current base salary as in effect at the time of such termination, plus 12 months' worth of company-paid COBRA premiums. If we terminate Mr. Moran's employment involuntarily without cause within the 24-month period following a change in control of the Company, Mr. Moran would be entitled to receive severance payments equal to two years' then-current base salary as in effect at the time of such termination, plus 24 months' worth of company-paid COBRA premiums.

All severance benefits are subject to execution by the executive of an effective general release of claims in our favor.

IPO Bonuses

The employment agreements of Messrs. Zalupski and Moyer provide for special bonuses that will be payable upon the completion of this offering (each, an "IPO Bonus" and collectively, the "IPO Bonuses"), Mr. Zalupski's IPO Bonus will be in the form of a restricted stock award covering a number of shares of our Class B common stock with an aggregate value of $6.0 million (based on the initial public offering price). Mr. Moyer's IPO Bonus will be in the form of a restricted stock award covering a number of shares of our Class A common stock with an aggregate value of $0.5 million (based on the initial public offering price). The IPO Bonuses will vest in three equal annual installments over a three-year period commencing on the completion of this offering and will be subject to such other terms and restrictions as specified in Messrs. Zalupski's and Moyer's individual grant agreements.

2020 Bonuses

Mr. Zalupski's employment agreement provides for a discretionary cash bonus of $4.0 million in recognition of DF Homes LLC's 2020 performance, which will be paid on the first regularly scheduled payroll date immediately following the completion of this offering. Mr. Moyer's employment agreement also provides for a discretionary cash bonus of $500,000 in recognition of DF Homes LLC's 2020 performance, which will be paid at the same time as annual bonuses are paid to our other executive officers.

Mr. Moran's employment agreement provides for a profit sharing bonus for calendar year 2020, subject to his continued employment with us through the date that the Board (or a committee thereof) finally determines the amount of such bonus. 50% of such profit sharing bonus will be paid in cash and the remainder will be paid in the form of a restricted stock award of shares of our Class A common stock under our 2021 Equity Incentive Plan that will vest in three equal annual installments on each anniversary of the completion of this offering.

Accrued Profit Share Amounts

Mr. Moran's employment agreement provides that certain accrued bonuses related to his 2018 and 2019 profit sharing bonus rights under his prior employment agreement with DF Homes, LLC will be paid as follows: $150,000 will be paid in cash as a lump sum on or before March 15, 2021, and the remainder will be paid in the form of a restricted stock award of shares of our Class A common stock under our 2021 Equity Incentive Plan with an aggregate value equal to $150,000, and which shall vest in three equal annual installments on each anniversary of this offering.

Weyerhauser Litigation Bonus

Mr. Moyer's employment agreement also provides that he will be entitled to receive a bonus in an aggregate amount of $500,000 related to our civil litigation against Weyerhaeuser in the event that (a) either (i) the Court of Appeals upholds the District Court ruling in the such litigation, or (ii) we recover a settlement in such litigation, (b) the aggregate amount recovered by us is equal to or in excess of $15,000,000, and (c) Mr. Moyer remains employed by us as of the date of such payment by or on behalf of Weyerhaeuser. If earned, such litigation bonus will be payable as follows: (x) $250,000 will be payable in a lump sum cash payment, and (y) we will grant to Mr. Moyer a restricted stock award covering shares of our Class A common stock with a grant date fair market value of $250,000, which will be granted under and pursuant to the terms and conditions of our 2021 Equity Incentive Plan and standard form of restricted stock award agreement, and which will vest in three (3) equal annual installments. See "Business—Legal Proceedings—Weyerhauser Lawsuit" for additional information regarding such litigation.

2021 Equity Incentive Plan

In order to incentivize individuals providing services to us or our affiliates, our board of directors intends to adopt a long-term incentive plan prior to the consummation of this offering, which will become effective in connection with this offering (the "2021 Equity Incentive Plan"). The 2021 Equity Incentive Plan will provide for the grant of cash and equity incentive awards to eligible employees, directors and consultants in order to attract, motivate and retain the talent for which we compete. The description of the 2021 Equity Incentive Plan set forth below is a summary of the material anticipated features of the 2021 Equity Incentive Plan. This summary does not purport to be a complete description of all of the anticipated provisions of the 2021 Equity Incentive Plan and is qualified in its entirety by reference to the 2021 Equity Incentive Plan, the form of which will be filed as an exhibit to the Registration Statement of which this prospectus is part.

Eligibility and Administration

Our employees, consultants and directors, and employees and consultants of our subsidiaries, will be eligible to receive awards under the 2021 Equity Incentive Plan. Following the completion of this offering, the 2021 Equity Incentive Plan will generally be administered by our board of directors or by any committees of our directors and/or officers to which our board of directors delegates its powers or authority under the Plan (referred to collectively as the plan administrator below), subject to certain limitations that may be imposed under the 2021 Equity Incentive Plan, Section 16 of the Exchange Act and/or stock exchange rules, as applicable. The plan administrator will have the authority to make all determinations and interpretations under, prescribe all forms for use with, and adopt rules for the administration of, the 2021 Equity Incentive Plan, subject to its express terms and conditions. The plan administrator will also set the terms and conditions of all awards under the 2021 Equity Incentive Plan, including any vesting and vesting acceleration conditions.

Limitations on Awards and Shares Available

An amount equal to 10% of the outstanding shares of common stock upon the closing of this offering will initially be available for issuance under awards granted pursuant to the 2021 Equity Incentive Plan, all of which may be subject to incentive stock option treatment. Shares of our Class A common stock issued under the 2021 Equity Incentive Plan may be authorized but unissued shares, shares purchased in the open market or treasury shares.

If an award under the 2021 Equity Incentive Plan expires, lapses or is terminated, exchanged for or settled in cash, surrendered, repurchased, canceled without having been fully exercised or forfeited, any shares of our Class A common stock subject to such award will, as applicable, become or again be available for new grants under the 2021 Equity Incentive Plan. Further, shares of our Class A common stock delivered to us to satisfy the applicable exercise or purchase price of an award under the 2021 Equity Incentive Plan and/or to satisfy any applicable tax withholding obligations (including shares retained by us from the award under the 2021 Equity Incentive Plan being exercised or purchased and/or creating the tax obligation) will become or again be available for award grants under the 2021 Equity Incentive Plan. Awards granted under the 2021 Equity Incentive Plan upon the assumption of, or in substitution for, awards authorized or outstanding under a qualifying equity plan maintained by an entity with which we enter into a merger or similar corporate transaction will not reduce the shares of our Class A common stock available for grant under the 2021 Equity Incentive Plan.

The aggregate value of awards granted under the 2021 Equity Incentive Plan, together with any cash compensation granted under the 2021 Equity Incentive Plan or otherwise, during any calendar year to any non-employee director may not exceed $400,000.

Types of Awards

The 2021 Equity Incentive Plan provides for the grant of stock options, including incentive stock options, or ISOs, and nonqualified stock options, or NSOs, restricted stock, dividend equivalents, restricted stock units, or RSUs, stock appreciation rights, or SARs, and other stock or cash-based awards. Certain awards under the 2021 Equity Incentive Plan may constitute or provide for a deferral of compensation, subject to Section 409A of the Code, which may impose additional requirements on the terms and conditions of such awards. All awards under the 2021 Equity Incentive Plan will be set forth in award agreements, which will detail the terms and conditions of the awards, including any applicable vesting and payment terms and post-termination exercise limitations. A brief description of each award type follows.

Stock Options. Stock options provide for the purchase of shares of our Class A common stock in the future at an exercise price set on the grant date. ISOs, by contrast to NSOs, may provide tax deferral beyond exercise and favorable capital gains tax treatment to their holders if certain holding period and other requirements of the Code are satisfied. The exercise price of a stock option will not be less than 100% of the fair market value of the underlying share on the date of grant (or 110% in the case of ISOs granted to certain significant stockholders), except with respect to certain substitute options granted in connection with a corporate transaction. The term of a stock option may not be longer than ten years (or five years in the case of ISOs granted to certain significant stockholders). Vesting conditions determined by the plan administrator may apply to stock options and may include continued service, performance and/or other conditions. ISOs generally may be granted only to our employees and employees of our parent or subsidiary corporations, if any.

SARs. SARs entitle their holder, upon exercise, to receive from us an amount equal to the appreciation of the shares subject to the award between the grant date and the exercise date. The exercise price of a SAR will not be less than 100% of the fair market value of the underlying share on the date of grant (except with respect to certain substitute SARs granted in connection with a corporate transaction), and the term of a SAR may not be longer than ten years. Vesting conditions determined by the plan administrator may apply to SARs and may include continued service, performance and/or other conditions.

Restricted Stock and RSUs. Restricted stock is an award of nontransferable shares of our Class A common stock that remain forfeitable unless and until specified conditions are met, and which may be subject to a purchase price. RSUs are contractual promises to deliver shares of our Class A common stock in the future, which may also remain forfeitable unless and until specified conditions are met and may be accompanied by the right to receive the equivalent value of dividends paid on shares of our Class A common stock prior to the delivery of the underlying shares. Delivery of the shares underlying RSUs may be deferred under the terms of the award or at the election of the participant, if the plan administrator permits such a deferral. Conditions applicable to restricted stock and RSUs may be based on continuing service, the attainment of performance goals and/or such other conditions as the plan administrator may determine.

Other Stock or Cash-Based Awards. Other stock or cash-based awards are awards of cash, fully vested shares of our Class A common stock and other awards valued wholly or partially by referring to, or otherwise based on, shares of our Class A common stock. Other stock or cash-based awards may be granted to participants and may also be available as a payment form in the settlement of other awards, as standalone payments and as payment in lieu of base salary, bonus, fees or other cash compensation otherwise payable to any individual who is eligible to receive awards. The plan administrator will determine the terms and conditions of other stock or cash-based awards, which may include vesting conditions based on continued service, performance and/or other conditions.

Dividend Equivalents. Dividend equivalents entitle an individual to receive cash, shares of our Class A common stock, other awards, or other property equal in value to dividends or other distributions paid with respect to a specified number of shares of our Class A common stock. Dividend equivalents may be awarded in connection with an award of restricted stock units or a other stock or cash-based award (but not in connection with an award of options or stock appreciation rights). Our board of directors may provide that dividend equivalents will be paid or distributed when accrued or at a later specified date, including at the same time and subject to the same restrictions and risk of forfeiture as the award with respect to which the dividend equivalents accrue if they are granted in tandem with another award.

Performance Awards

Performance awards include any of the foregoing awards that are granted subject to vesting and/or payment based on the attainment of specified performance goals or other criteria the plan administrator may determine, which may or may not be objectively determinable. Performance criteria upon which performance goals are established by the plan administrator may include: net earnings or losses (either before or after one or more of interest, taxes, depreciation, amortization and non-cash equity-based compensation expense); gross or net sales or revenue or sales or revenue growth; net income (either before or after taxes) or adjusted net income; profits (including, but not limited to, gross profits, net profits, profit growth, net operation profit or economic profit), profit return ratios or operating margin; budget or operating earnings (either before or after taxes or before or after allocation of corporate overhead and bonus); cash flow (including operating cash flow and free cash flow or cash flow return on capital); return on assets; return on capital or invested capital; cost of capital; return on

stockholders' equity; total stockholder return; return on sales; costs, reductions in costs and cost control measures; expenses; working capital; earnings or loss per share; adjusted earnings or loss per share; price per share or dividends per share (or appreciation in or maintenance of such price or dividends); implementation, completion or attainment of objectives relating to commercial or strategic milestones or developments; market share; economic value or economic value added models; division, group or corporate financial goals; customer satisfaction/growth; customer service; employee satisfaction; recruitment and maintenance of personnel; human resources management; supervision of litigation and other legal matters; strategic partnerships and transactions; financial ratios (including those measuring liquidity, activity, profitability or leverage); debt levels or reductions; sales-related goals; financing and other capital raising transactions; cash on hand; acquisition activity; investment sourcing activity; and marketing initiatives, any of which may be measured in absolute terms or as compared to any incremental increase or decrease. Such performance goals also may be based solely by reference to our performance or the performance of a subsidiary, division, business segment or business unit, or based upon performance relative to performance of other companies or upon comparisons of any of the indicators of performance relative to performance of other companies.

Change in Control and other Corporate Transactions

In connection with certain transactions and events affecting our common stock, including a change in control, or change in any applicable laws or accounting principles, the plan administrator has broad discretion to take action under the 2021 Equity Incentive Plan to prevent the dilution or enlargement of intended benefits, facilitate such transaction or event, or give effect to such change in applicable laws or accounting principles. This includes canceling awards in exchange for either an amount in cash or other property with a value equal to the amount that would have been obtained upon exercise or settlement of the vested portion of such award or realization of the participant's rights under the vested portion of such award, accelerating the vesting of awards, providing for the assumption or substitution of awards by a successor entity, adjusting the number and type of shares available, replacing awards with other rights or property or terminating awards under the 2021 Equity Incentive Plan.

In the event of a change in control where the acquirer does not assume awards granted under the 2021 Equity Incentive Plan, awards issued under the 2021 Equity Incentive Plan shall be subject to accelerated vesting such that 100% of the awards will become vested and exercisable or payable, as applicable, and which may be subject to such terms and conditions as apply generally to holders of our Class A common stock under the change in control documents. In addition, in the event of certain non-reciprocal transactions with our stockholders, or an "equity restructuring," the plan administrator will make equitable adjustments to the 2021 Equity Incentive Plan and outstanding awards as it deems appropriate to reflect the equity restructuring.

For purposes of the 2021 Equity Incentive Plan, a "change in control" means and includes each of the following: (1) a transaction or series of transactions (other than an offering of our common stock to the general public through a registration statement filed with the SEC or a transaction or series of transactions that meets the requirements of clauses (x) and (y) of clause (3) below) whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than us, any of our subsidiaries, an employee benefit plan maintained by us or any of our subsidiaries or a "person" that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, us) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of our securities possessing more than 50% of the total combined voting power of our securities outstanding immediately after such acquisition; or (2) during any period of two consecutive years, individuals who, at the beginning of such period, constitute our board of directors together with any new director(s) (other than a director designated by a person who shall have entered into an agreement with us to effect a transaction described in clauses (1) or (3)) whose election by the board of directors or nomination for election by our stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the two-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or (3) the consummation by us (whether directly involving us or indirectly involving us through one or more intermediaries) of (a) a merger, consolidation, reorganization, or business combination or (b) a sale or other disposition of all or substantially all of our assets in any single transaction or series of related transactions or (c) the acquisition of assets or stock of another entity, in each case other than a transaction: (x) which results in our voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into our voting

securities or the voting securities of a successor entity, directly or indirectly, at least a majority of the combined voting power of our outstanding voting securities or the successor entity's outstanding voting securities immediately after the transaction, and (y) after which no person or group beneficially owns voting securities representing 50% or more of the combined voting power of us or the successor entity (provided that no person will be treated as beneficially owning 50% or more of the combined voting power of us or the successor entity for purposes of this clause (y) solely as a result of the voting power held in us prior to the consummation of the transaction).

Foreign Participants, Clawback Provisions, Transferability and Participant Payments

With respect to foreign participants, the plan administrator may modify award terms, establish subplans and/or adjust other terms and conditions of awards, subject to the share limits described above. All awards will be subject to the provisions of any clawback policy implemented by us to the extent set forth in such claw-back policy or in the applicable award agreement. With limited exceptions for estate planning, domestic relations orders, certain beneficiary designations and the laws of descent and distribution, awards under the 2021 Equity Incentive Plan are generally non-transferable prior to vesting and are exercisable only by the participant. With regard to tax withholding obligations arising in connection with awards under the 2021 Equity Incentive Plan and exercise price obligations arising in connection with the exercise of stock options under the 2021 Equity Incentive Plan, the plan administrator may, in its discretion, accept cash, wire transfer, or check, shares of our common stock that meet specified conditions, a "market sell order" or such other consideration as it deems suitable or any combination of the foregoing.

Plan Amendment and Termination

Our board of directors may amend or terminate the 2021 Equity Incentive Plan at any time; however, no amendment, other than an amendment that increases the number of shares available under the 2021 Equity Incentive Plan, may materially and adversely affect an award outstanding under the 2021 Equity Incentive Plan without the consent of the affected participant, and stockholder approval will be obtained for any amendment to the extent necessary to comply with applicable laws. The plan administrator will have the authority, without the approval of our stockholders, to amend any outstanding stock option or SAR to reduce its exercise price per share. No ISOs may be granted pursuant to the 2021 Equity Incentive Plan after the tenth anniversary of the date on which our board of directors adopted the 2021 Equity Incentive Plan, and no other awards may be granted under the 2021 Equity Incentive Plan after its termination.

Material U.S. Federal Income Tax Consequences

The following is a general summary under current law of the principal United States federal income tax consequences related to awards under the 2021 Equity Incentive Plan. This summary deals with the general federal income tax principles that apply and is provided only for general information. Some kinds of taxes, such as state, local and foreign income taxes and federal employment taxes, are not discussed. This summary is not intended as tax advice to participants, who should consult their own tax advisors.

- *Nonqualified Stock Options*. If an optionee is granted an NSO under the 2021 Equity Incentive Plan, the optionee should not have taxable income on the grant of the option. Generally, the optionee should recognize ordinary income at the time of exercise in an amount equal to the fair market value of the shares acquired on the date of exercise, less the exercise price paid for the shares. The optionee's basis in the common stock for purposes of determining gain or loss on a subsequent sale or disposition of such shares generally will be the fair market value of our Class A common stock on the date the optionee exercises such option. Any subsequent gain or loss will be taxable as a long-term or short-term capital gain or loss. We or our subsidiaries or affiliates generally should be entitled to a federal income tax deduction at the time and for the same amount as the optionee recognizes ordinary income.
- *Incentive Stock Options*. A participant receiving ISOs should not recognize taxable income upon grant. Additionally, if applicable holding period requirements are met, the participant should not recognize taxable income at the time of exercise. However, the excess of the fair market value of the shares of our Class A common stock received over the option exercise price is an item of tax preference income potentially subject to the alternative minimum tax. If stock acquired upon exercise of an ISO is held for

a minimum of two years from the date of grant and one year from the date of exercise and otherwise satisfies the ISO requirements, the gain or loss (in an amount equal to the difference between the fair market value on the date of disposition and the exercise price) upon disposition of the stock will be treated as a long-term capital gain or loss, and we will not be entitled to any deduction. If the holding period requirements are not met, the ISO will be treated as one that does not meet the requirements of the Code for ISOs and the participant will recognize ordinary income at the time of the disposition equal to the excess of the amount realized over the exercise price, but not more than the excess of the fair market value of the shares on the date the ISO is exercised over the exercise price, with any remaining gain or loss being treated as capital gain or capital loss. We or our subsidiaries or affiliates generally are not entitled to a federal income tax deduction upon either the exercise of an ISO or upon disposition of the shares acquired pursuant to such exercise, except to the extent that the participant recognizes ordinary income on disposition of the shares.

- *Other Awards*. The current federal income tax consequences of other awards authorized under the 2021 Equity Incentive Plan generally follow certain basic patterns: SARs are taxed and deductible in substantially the same manner as NSOs; nontransferable restricted stock subject to a substantial risk of forfeiture results in income recognition equal to the excess of the fair market value over the price paid, if any, only at the time the restrictions lapse (unless the recipient elects to accelerate recognition as of the date of grant through a Section 83(b) election); RSUs, dividend equivalents and other stock or cash based awards are generally subject to tax at the time of payment. We or our subsidiaries or affiliates generally should be entitled to a federal income tax deduction at the time and for the same amount as the optionee recognizes ordinary income.

Compensation of Directors

None of our directors received compensation for their services as our directors during 2020.

Limitation of Liability and Indemnification Matters

Our amended and restated certificate of incorporation will limit the liability of our directors for monetary damages for breach of their fiduciary duty as our directors, except for liability that cannot be eliminated under the DGCL. The DGCL provides that directors of a company will not be personally liable for monetary damages for breach of their fiduciary duty as directors, except for liabilities:

- for any breach of their duty of loyalty to such company or its stockholders;
- for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- for unlawful payment of dividends or unlawful stock repurchases or redemptions, as provided under Section 174 of the DGCL; or
- for any transaction from which the director derived an improper personal benefit.

Any amendment, repeal or modification of these provisions of the DGCL will be prospective only and would not affect any limitation on liability of one of our directors for acts or omissions that occurred prior to any such amendment, repeal or modification.

Our amended and restated bylaws will also provide that we will indemnify our directors and officers to the fullest extent permitted by Delaware law. Our amended and restated bylaws also will permit us to purchase insurance on behalf of any officer, director, employee or other agent for any liability arising out of that person's actions as our officer, director, employee or agent, regardless of whether Delaware law would permit indemnification.

We intend to enter into indemnification agreements with each of our current and future directors and officers. These agreements will require us to indemnify these individuals to the fullest extent permitted under Delaware law against liability that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. We believe that the limitation of liability provision that will be in our amended and restated certificate of incorporation, amended and restated bylaws and the indemnification agreements will facilitate our ability to continue to attract and retain qualified individuals to serve as directors and executive officers.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Rule 10b5-1 Plans

Our directors and officers may adopt written plans, known as Rule 10b5-1 plans, in which they will contract with a broker to buy or sell shares of our Class A common stock on a periodic basis. Under a Rule 10b5-1 plan, a broker executes trades under parameters established by the director or officer when entering into the plan, without further direction from them. The director or officer may amend a Rule 10b5-1 plan in some circumstances and may terminate the plan at any time. Our directors and executive officers may also buy or sell additional shares of our Class A common stock outside of a Rule 10b5-1 plan when they do not possess material nonpublic information, subject to compliance with the terms of our insider trading policy.

CORPORATE REORGANIZATION

DFH Inc. is currently a direct, wholly owned subsidiary of DFH LLC. Immediately prior to or concurrently with the closing of this initial public offering, DFH Merger Sub LLC, a Delaware limited liability company and direct, wholly owned subsidiary of DFH Inc., will merge with and into DFH LLC with DFH LLC as the surviving entity.

As a result of the merger and pursuant to the terms of the Agreement and Plan of Merger filed as an exhibit to the Registration Statement of which this prospectus forms a part:

- all of the outstanding common units of DFH LLC will be converted into an aggregate of 60,226,153 shares of Class B common stock of DFH Inc.;
- all of the outstanding non-voting common units of DFH LLC will be converted into an aggregate of 8,590,623 shares of Class A common stock of DFH Inc.;
- all of the outstanding Series A preferred units of DFH LLC will be converted into an aggregate of 12,664,706 shares of Class A common stock of DFH Inc.;
- all 7,143 of the outstanding Series B preferred units of DFH LLC will remain outstanding as Series B preferred units of DFH LLC, as the surviving entity in the merger;
- all 26,000 of the outstanding Series C preferred units of DFH LLC will remain outstanding as Series C preferred units of DFH LLC, as the surviving entity in the merger;
- the limited liability company operating agreement of DFH LLC will be amended and restated to reflect, among other things, the foregoing recapitalization and DFH Inc.'s admission as the managing member;
- our amended and restated certificate of incorporation, the form of which is filed as an exhibit to the Registration Statement of which this prospectus forms a part, will be filed with the Secretary of State of the State of Delaware and become effective upon the filing thereof; and
- our amended and restated bylaws, the form of which is filed as an exhibit to the Registration Statement of which this prospectus forms a part, will be adopted by our board of directors and become effective upon the adoption thereof.

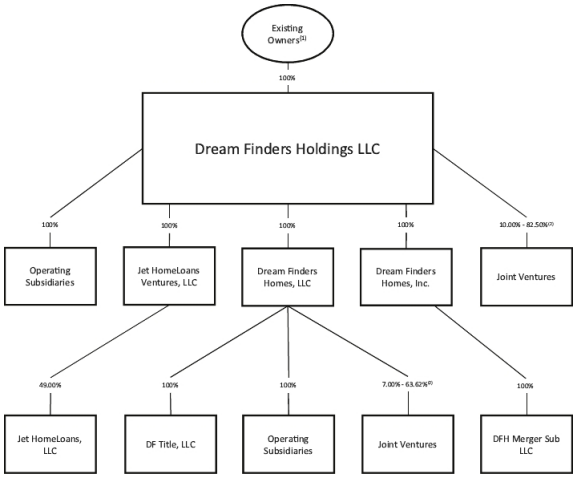
We refer to the foregoing as the "Corporate Reorganization."

Immediately following the Corporate Reorganization, (1) DFH Inc. will be a holding company and the sole manager of DFH LLC, with no material assets other than 100% of the voting membership interests in DFH LLC, (2) the holders of common units, non-voting common units and Series A preferred units of DFH LLC will become stockholders of DFH Inc., (3) the holders of the Series B preferred units of DFH LLC outstanding immediately prior to the Corporate Reorganization will hold all 7,143 of the outstanding Series B preferred units of DFH LLC, and (4) the holders of the Series C preferred units of DFH LLC outstanding immediately prior to the Corporate Reorganization will hold all 26,000 of the outstanding Series C preferred units of DFH LLC.

Prior to the Corporate Reorganization, DFH Inc. has not conducted any activities other than in connection with its incorporation and in preparation for this offering and has no material assets other than a 100% membership interest in DFH Merger Sub LLC.

Certain of the Existing Owners will have the right, under certain circumstances, to cause us to register the offer and resale of their shares of Class A common stock (including shares issuable upon the conversion of any shares of our Class B common stock). See "Certain Relationships and Related Party Transactions—Registration Rights Agreement" in this prospectus for additional information.

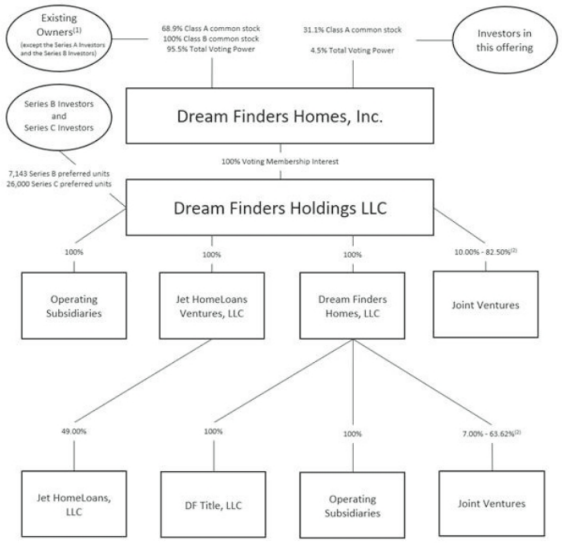
The diagram below indicates our simplified ownership structure immediately prior to this offering and the transactions related thereto.



(1) See "—Existing Owners' Ownership" for a discussion of the interests held by the Existing Owners.

(2) See "Note 11. Variable Interest Entities and Investments in Other Entities" to our consolidated financial statements included elsewhere in this prospectus for a description of our joint ventures, including those that were determined to be VIEs, and the related accounting treatment.

The diagram below indicates our simplified ownership structure immediately following this offering and the transactions related thereto (assuming that the underwriters' option to purchase additional shares of our Class A common stock is not exercised).



(1) See "—Existing Owners' Ownership" for a discussion of the interests held by the Existing Owners.

(2) See "Note 11. Variable Interest Entities and Investments in Other Entities" to our consolidated financial statements included elsewhere in this prospectus for a description of our joint ventures, including those that were determined to be VIEs, and the related accounting treatment.

Existing Owners' Ownership

The table below sets forth the percentage ownership of our Existing Owners prior to this offering and after the consummation of this offering and the transactions related thereto.

Existing Owners[1]	Ownership in DFH LLC Prior to this Offering	DFH Inc. Equity Following This Offering		
		Class A Common Stock	Class B Common Stock	Combined Voting Power
Patrick Zalupski[2]	55.31%	—	100.00%	85.41%
The Series A Investors[3]	11.65%	41.05%	—	5.99%
The Series B Investors[4]	5.40%	—	—	0%
The Series C Investors[5]	19.67%	—	—	0%
Holders of the non-voting common units	7.97%	27.84%	—	4.06%
Total	100.00%	68.89%	100.00%	95.46%

(1) The number of shares of Class A common stock and Class B common stock to be issued to certain of our Existing Owners is based on the implied equity value of DFH LLC immediately prior to this offering, based on an initial public offering price of $13.50 per share of Class A common stock (the midpoint of the price range set forth on the cover page of this prospectus).

(2) Includes personal holdings and equity held by POZ Holdings, Inc., an entity Mr. Zalupski controls.

(3) Consists of equity held by the Series A Investors, over which Mr. Lovett, one of our director nominees, holds dispositive power as the sole manager of the Series A Investors.

(4) The Series B Investors will retain all 7,143 Series B preferred units of DFH LLC following the Corporate Reorganization. If the Series B preferred units have not been redeemed by September 30, 2022, each holder of the Series B preferred units has the right to convert all of such holder's Series B preferred units to an aggregate amount of Class A common stock equal to the quotient obtained by dividing (x) the sum of the unpaid Series B Preferred Return and the unreturned Series B preferred unit capital contribution with respect to the Series B preferred units to be converted by (y) the "fair market value" of the Class A common stock, where the "fair market value" is the average reported last sale price of the Class A common stock for the thirty trading days ending on the trading day immediately prior to the date the holder of such Series B preferred units elects to convert such Series B preferred units into shares of Class A common stock. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Series B Preferred Units" for a description of the Series B preferred units of DFH LLC.

(5) The Series C Investors will retain all 26,000 Series C preferred units of DFH LLC following the Corporate Reorganization. Upon the occurrence of certain events including certain defaults, bankruptcies, fraud by DFH LLC or if the Series C preferred units have not been redeemed by December 31, 2021 (which date can be extended by us to June 30, 2022), each holder of the Series C preferred units has the right to convert all of such holder's Series C preferred units to an aggregate amount of Class A common stock equal to the quotient obtained by dividing (x) the sum of the unpaid Series C Preferred Return and the unreturned Series C preferred unit capital contribution with respect to the Series C preferred units to be converted by (y) our book value per share of common stock as of the most recent quarter end prior to such conversion. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Series C Preferred Units" for a description of the Series C preferred units of DFH LLC.

Offering

Only Class A common stock will be sold to investors pursuant to this offering. Immediately following this offering, there will be 30,855,329 shares of Class A common stock issued and outstanding stock (or 32,295,329 shares of Class A common stock if the underwriters exercise in full their option to purchase additional shares of Class A common stock) and 60,226,153 shares of Class A common stock reserved for issuance upon conversion of the 60,226,153 shares of Class B common stock that will be issued and outstanding immediately following this offering.

As a result of the Corporate Reorganization and the offering described above:

- the investors in this offering will collectively own 9,600,000 shares of Class A common stock (or 11,040,000 shares of Class A common stock if the underwriters exercise in full their option to purchase additional shares of Class A common stock);
- the Series A Investors will hold 12,664,706 shares of Class A common stock;
- the holders of the non-voting common units will collectively hold 8,590,623 shares of Class A common stock;
- Mr. Zalupski (through personal holdings and an entity he controls) will hold 60,226,153 shares of Class B common stock;
- the investors in this offering will collectively hold 4.5% of the voting power in us (or 5.2% if the underwriters exercise in full their option to purchase additional shares of Class A common stock);

- the Series A Investors will hold 6.0% of the voting power in us (or 5.9% if the underwriters exercise in full their option to purchase additional shares of Class A common stock);
- the holders of the non-voting common units will collectively hold 4.1% of the voting power in us (or 4.0% if the underwriters exercise in full their option to purchase additional shares of Class A common stock); and
- Mr. Zalupski (through personal holdings and an entity he controls) will hold 85.4% of the voting power in us (or 84.8% if the underwriters exercise in full their option to purchase additional shares of Class A common stock).

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We describe below transactions and series of similar transactions, during our last three fiscal years or currently proposed, to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed $120,000; and
- any of our director nominees, executive officers or beneficial holders of more than 5% of any class of our voting securities had, or will have, a direct or indirect material interest.

Other than as described below, there have not been, nor are there any currently proposed, transactions or series of similar transactions meeting this criteria to which we have been or will be a party other than compensation arrangements, which are described where required under "Executive Compensation."

Related Party Agreements in Effect Prior to this Offering

DF Residential I, LP and DF Capital Management, LLC

DF Homes LLC has entered into six joint ventures and ten land bank projects with Fund I since its formation in January 2017. DF Capital is the investment manager of Fund I. DF Homes LLC owns 49% of the membership interests in DF Capital and Christopher Butler, a non-affiliated third party, serves as the managing member and owns the remaining 51% of the membership interests in DF Capital. DF Homes LLC funded the start-up expenses of DF Capital. These expenses of $0.2 million were fully reimbursed to DF Homes LLC as of December 31, 2018.

The general partner of Fund I is DF Management GP, LLC ("DF Management"). DF Homes LLC is one of four members of DF Management with a 26.13% membership interest and an 85% carried interest in DF Management. W. Radford Lovett II, one of our director nominees, has a 32.26% membership interest and a 5% carried interest in DF Management. Mr. Butler is the managing member of DF Management and has a 3.23% membership interest and a 5% carried interest in DF Management, although with respect to Fund I investments that are sourced by Mr. Butler, his carried interest increases to 10% and DF Homes LLC's carried interest decreases to 80%.

Rick Moyer, our Senior Vice President and Chief Financial Officer, has invested $0.2 million in Fund I as a limited partner. Mr. Lovett has invested $0.5 million in Fund I through his investment in DF Management. Through its investment in DF Management, DF Homes LLC has invested $0.4 million in Fund I.

As of September 30, 2020, Fund I was our partner in seven active joint ventures and was the managing member of each such joint venture. In each of our joint ventures with Fund I, we own 52.5% of the joint venture and profits are allocated based on a preferred return structure, return of capital, and then ownership units of the joint venture. During the years ended December 31, 2017, 2018 and 2019, respectively, and the nine months ended September 30, 2020, our joint ventures with Fund I collectively had three, three, 108 and 150 lot transfers, respectively, to DF Homes LLC and zero, zero, 48 and 110 home closings, respectively, resulting in approximately $0, $0, $1.0 million and $2.3 million of net income, respectively. Our investment balance as of September 30, 2020 in our joint ventures with Fund I is $2.3 million.

As of September 30, 2020, Fund I provided land bank financing for nine land bank projects. The lot deposit balance as of September 30, 2020 in these land bank projects was $0.9 million. We have purchased an aggregate of 331 lots from these projects; 173 were purchased during the year ended December 31, 2019 for $17.4 million and 134 were purchased during the nine months ended September 30, 2020 for $13.6 million. In addition, we have paid lot options fees relating to these projects of $0.5 million, $2.8 million and $1.8 million, respectively, for the years ended December 31, 2018 and 2019, respectively, and nine months ended September 30, 2020.

Controlling a sufficient supply of finished lots is an important component of our business model. Our land team routinely underwrites potential lot acquisitions that meet our capital allocation criteria. Key metrics reviewed prior to approving a lot acquisition include, but are not limited to: price, pace of absorption, expected average selling price, gross margin and expected return on investment. Once our land acquisition committee approves a transaction that requires financing above a deposit meeting our internal model, we will seek a land bank partner. Historically, we have provided DF Capital with the opportunity to have either Fund I or one of the other funds that it manages to participate in transactions that require additional funding. If DF Capital does not

wish to participate in and finance the transaction, we turn to other potential financing sources. We believe our relationship with DF Capital allows us to act quickly when lot acquisition opportunities are presented because DF Capital generally provides for faster closings and is not subject to the time delays that we historically have experienced when seeking financing for projects. As of December 31, 2019 and September 30, 2020, we controlled 1,311 and 1,316 lots, respectively, through DF Capital managed funds, representing 14.9%, as of December 31, 2019, and 12.7%, as of September 30, 2020, of our total owned and controlled lots. See "Risk Factors—Risks Related to Our Business—There are various potential conflicts of interest in our relationship with DF Capital and certain of its managed funds, including certain of our executive officers and director nominees who are investors in certain funds managed by DF Capital, which could result in decisions that are not in the best interest of our stockholders" in this prospectus for additional information.

Fund I was fully committed in early 2019. Subsequently, we identified lot acquisitions that met our investment threshold, and DF Capital agreed to provide land bank financing for a total of seven of these projects. Doug Moran, our Senior Vice President and Chief Operations Officer, has invested $0.2 million in one of these funds managed by DF Capital as a limited partner. As of September 30, 2020, funds managed by DF Capital (other than Fund I) controlled an additional 339 lots as a result of these transactions outside of Fund I. During the nine months ended September 30, 2020, we purchased 91 of these lots for $7.4 million and the outstanding lot deposit balance in relation to these projects was $1.6 million. In addition, we paid lot options fees related to these transactions of $0.1 million for the year ended December 31, 2019 and $0.8 million for the nine months ended September 30, 2020.

Pre-Fund I Joint Ventures

Historically, we entered into joint venture arrangements to complete certain land development, land acquisition and other homebuilding activities. Prior to the formation of Fund I, we entered into five joint ventures with DFH Investors, LLC, a company controlled by Mr. Lovett. Mr. Lovett was the managing partner of each of these joint ventures. Certain of our director nominees, executive officers and other members of management are limited partners in certain of these joint ventures. Messrs. Lovett and Walton, two of our director nominees, and Mr. Moran, our Senior Vice President and Chief Operations Officer, invested $1.5 million, $1.5 million and $0.2 million, respectively, in these joint ventures.

As of September 30, 2020, these joint ventures had sold and delivered all homes to end home customers. In each of these joint ventures, we owned between 53.6% and 63.6% of the joint venture and profits, less an overhead fee. During the years ended December 31, 2017, 2018 and 2019, respectively, and the nine months ended September 30, 2020, these joint ventures collectively had 52, 209, 119 and 16 lot transfers, respectively, to DF Homes LLC, and 28, 188, 169 and 43 home closings, respectively, resulting in $0.6 million, $8.6 million, $9.5 million and $2.2 million of net income, respectively. Our investment balance as of September 30, 2020 in these joint ventures was $0.4 million.

Prior to the formation of Fund I, we also entered into one joint venture with the Series B Investors. As of September 30, 2020, this joint venture was still operating and held 37 lots. We own 62.5% of this joint venture and receive pro rata profits and an overhead fee. During the twelve months ended December 31, 2017, 2018 and 2019, respectively, and the nine months ended September 30, 2020, this joint venture had 57, 34, 32 and 59 lot transfers, respectively, to DF Homes LLC, and 46, 42, 41 and 35 home closings, respectively, resulting in $0.7 million, $1.0 million, $1.1 million and $1.9 million of net income, respectively. Our investment balance as of September 30, 2020 in this joint venture was $3.2 million.

Guarantees

As of September 30, 2020, we have two outstanding guarantees in relation to debt agreements entered into by certain of our joint ventures. We and DF Capital, individually and collectively, guaranty an $18.0 million loan agreement in favor of the Series C Investors, whose borrowers are DFC Seminole Crossing, LLC, DFC East Village, LLC and DFC Sterling Ranch, LLC. These entities are joint ventures between us and Fund I. In addition, we have provided a guaranty in favor of Flagstar Bank in connection with a loan of $5.7 million, whose borrower is DFC Seminole Crossing, LLC. DFC Seminole Crossing, LLC is a joint venture between us and Fund I. Lastly, we, Mr. Zalupski, and DFH Mandarin Estates, LLC, individually and collectively, guaranteed

a $10.0 million loan agreement in favor of Cobiz Bank, whose borrower is DFH Clover Basin Ranch LLC ("Clover"). Clover is a joint venture between us and the Series A Investors. Messrs. Lovett and Moran invested in Clover. This guaranty was terminated when the underlying loan agreement was paid off in full in July 2018.

In addition, DFH LLC and Mr. Zalupski generally guarantee any debt agreements entered into by DF Homes LLC and its joint ventures.

Series A Preferred Units

Mr. Lovett controls the Series A Investors. As described above, Mr. Lovett and certain of his affiliated companies are investors in certain of our joint ventures and were investors in our predecessor. See "—DF Residential I, LP and DF Capital Management, LLC," "—Pre-Fund I Joint Ventures," "—Guarantees" and "Principal Stockholders" in this prospectus for additional information.

Series B Loan

In September 2013, the Series B Investors issued a collateralized loan to us for the purposes of land acquisition and development. The loan carried monthly interest at an annual rate of 10%. The outstanding loan balance was $7.6 million and $4.9 million, respectively, as of December 31, 2018 and December 31, 2019. In March 2020, the outstanding loan balance plus accrued interest of $4.7 million was paid in full. In connection with the loan payoff, Medley Capital Corporation released back to us reserve funds in the amount of $0.5 million.

Home Sales to Chief Executive Officer

In September 2018, Mr. Zalupski purchased one of our model homes for a purchase price of $1.9 million in order to remove the home from one of our credit facilities. After the purchase, we continued to use the home as a model home. When its service as a model home was over, Mr. Zalupski sold the home to a third-party and turned over the profit from the sale (less interest paid on the mortgage) to us.

In December 2018, Mr. Zalupski purchased one of our homes for a purchase price of $2.2 million. The sales price was generally in line with the sales prices of similar homes in the community where the home is located, less a discount for a realtor commission that was not required to be paid since no real estate broker was involved in the transaction.

Home Sales to Family Members

In the past, we have built and sold homes to family members of our executive officers. The sales price of these homes have generally been in line with the sales prices of similar homes in the communities in which such homes are located, less a discount for a realtor commission that was not required to be paid since no real estate broker was involved in the transaction. In 2019, the sister of Mr. Moyer purchased one of our homes, and, in 2020, the brother of Mr. Zalupski purchased one of our custom homes.

Board of Directors

As described above, certain of our directors are investors in certain of our joint ventures and were investors in our predecessor. See "—DF Residential I, LP and DF Capital Management, LLC," "—Pre-Fund I Joint Ventures," "Corporate Reorganization" and "Principal Stockholders" in this prospectus for additional information. For a discussion of our compensation arrangements with our directors, see "Executive Compensation."

Executive Officers

As described above, certain of our executive officers are investors in certain of our joint ventures and were investors in our predecessor. See "—DF Residential I, LP and DF Capital Management, LLC," "—Pre-Fund I Joint Ventures," "Corporate Reorganization" and "Principal Stockholders" in this prospectus for additional information. For a discussion of our employment and compensation arrangements with our executive officers, see "Executive Compensation."

Participation in our Initial Public Offering by BOC DFH, LLC and Affiliated Entities

Certain entities affiliated with BOC DFH, LLC, a holder of more than 5% of our Class A common stock and a wholly owned subsidiary of Boston Omaha Corporation (Nasdaq: BOMN), have indicated an interest in purchasing an aggregate of at least 1,851,850 shares of our Class A common stock (based on the midpoint of the price range set forth on the cover page of this prospectus) in this offering at the initial public offering price. Because these indications of interest are not binding agreements or commitments to purchase, such entities may elect to purchase fewer or no shares of our Class A common stock in this offering, or the underwriters may elect to sell fewer or no shares of our Class A common stock in this offering to such entities. The underwriters will receive the same discount from any shares of Class A common stock sold to such entities as they will from any other shares of Class A common stock sold to the public in this offering.

Corporation Reorganization

Certain of our directors and executive officers were involved in the Corporate Reorganization and received shares of our capital stock. See "Corporate Reorganization" and "Principal Stockholders" in this prospectus for additional information.

Registration Rights Agreement

In connection with this offering, we intend to enter into a registration rights agreement (the "Registration Rights Agreement"), with Mr. Zalupski, POZ Holdings, Inc., an entity Mr. Zalupski controls, the Series A Investors and certain members of our management (collectively, the "Registration Rights Parties"). Subject to certain conditions, the Registration Rights Agreement will provide Mr. Zalupski with the right to request certain "demand" registrations with respect to his combined personal holdings and shares held by POZ Holdings, Inc. The Registration Rights Agreement will also provide the Registration Rights Parties with customary "piggyback" registration rights. The Registration Rights Agreement will contain provisions for the coordination by the Registration Rights Parties of their sales of shares of our Class A common stock and will contain certain limitations on the ability of the members of our management party to the Registration Rights Agreement to offer, sell or otherwise dispose of shares of our Class A common stock. The Registration Rights Agreement will also provide that we will pay certain expenses of the Registration Rights Parties relating to such registrations and indemnify them against certain liabilities that may arise under the Securities Act.

Indemnification Agreements with our Directors and Officers

We intend to enter into indemnification agreements, effective upon the Corporate Reorganization, with each of our directors and officers. The indemnification agreements, our amended and restated certificate of incorporation and our amended and restated bylaws will require us to indemnify our directors and officers to the fullest extent permitted by Delaware law. Subject to certain limitations, the indemnification agreements, our amended and restated certificate of incorporation and our amended and restated bylaws will also require us to advance expenses incurred by our directors and officers. For more information regarding these agreements, see "Executive Compensation—Limitation of Liability and Indemnification Matters."

Procedures for Approval of Related-Party Transactions

In connection with this offering, our board of directors will adopt a written policy that our executive officers, directors, holders of more than 5% of any class of our voting securities and any member of the immediate family of, and any entity affiliated with, any of the foregoing persons will not be permitted to enter into a related-party transaction with us without the prior consent of our audit committee, or other independent members of our board of directors in the event it is inappropriate for our audit committee to review such transaction due to a conflict of interest. In addition, any member of our audit committee who is a related person with respect to a transaction under review will not be permitted to participate in the deliberations or vote on approval or ratification of such transaction. Any request for us to enter into a transaction with an executive officer, director or principal stockholder, or any of their immediate family members or affiliates, in which the amount involved exceeds $120,000 must first be presented to our audit committee for review, consideration and approval. In approving or rejecting any such proposal, our audit committee will consider the relevant facts and circumstances available and deemed relevant to our audit committee, including, but not limited to, whether the transaction will be on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related party's interest in the transaction.

Notwithstanding the foregoing, our written policy will provide that we may enter into land acquisition and/or financing transactions with DF Capital, any funds managed by DF Capital and any other joint venture that meets the preapproved transaction criteria established from time to time by our audit committee, and that such transaction shall be deemed to have been approved by our audit committee. If any proposed transaction involving the Company, on the one hand, and DF Capital or any funds managed by DF Capital, on the other hand, does not meet the preapproved transaction criteria established by our audit committee, then our audit committee would be required to review such transaction as required by our written policy.

PRINCIPAL STOCKHOLDERS

The following table sets forth information with respect to the beneficial ownership of our Class A common stock and Class B common stock, as of the date of this prospectus, by:

- each person known to us to beneficially own more than 5% of any class of our outstanding voting securities;
- each member of our board of directors and each director nominee;
- each of our named executive officers; and
- all of our directors, director nominees and executive officers as a group.

The percentage ownership information shown in the table prior to this offering is based upon 21,255,329 shares of Class A common stock and 60,226,153 shares of Class B common stock outstanding as of the date of this prospectus (assuming the completion of the Corporate Reorganization). The percentage ownership information shown in the table after this offering is based upon 30,855,329 shares of Class A common stock and 60,226,153 shares of Class B common stock (assuming the completion of the Corporation Reorganization and the closing of this offering) outstanding immediately after the completion of this offering, assuming that the underwriters do not exercise their option to purchase up to an additional 1,440,000 shares of Class A common stock. The table below excludes any shares of our Class A common stock that may be purchased in this offering pursuant to the reserved share program. See "Underwriting—Reserved Shares" in this prospectus for additional information.

We have determined beneficial ownership in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities, or have the right to acquire such powers within 60 days. Under these rules, more than one person may be deemed beneficial owner of the same securities and a person may be deemed to be a beneficial owner of securities as to which such person has no economic interest. The information contained in the following table is not necessarily indicative of beneficial ownership for any other purpose, and the inclusion of any shares in the table does not constitute an admission of beneficial ownership of those shares. Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them, subject to applicable community property laws.

Certain entities affiliated with BOC DFH, LLC, a holder of more than 5% of our Class A common stock and a wholly owned subsidiary of Boston Omaha Corporation (Nasdaq: BOMN), have indicated an interest in purchasing an aggregate of at least 1,851,850 shares of our Class A common stock (based on the midpoint of the price range set forth on the cover page of this prospectus) in this offering at the initial public offering price. Because these indications of interest are not binding agreements or commitments to purchase, such entities may elect to purchase fewer or no shares of our Class A common stock in this offering, or the underwriters may elect to sell fewer or no shares of our Class A common stock in this offering to such entities. The following table does not reflect any potential purchase of our Class A common stock by these existing stockholders or their affiliated entities.

Unless otherwise noted, the mailing address of each listed beneficial owner is c/o Dream Finders Homes, Inc., 14701 Philips Highway, Suite 300, Jacksonville, Florida 32256.

	Shares Beneficially Owned After the Corporate Reorganization and Prior to this Offering[1]						Shares Beneficially Owned After the Corporate Reorganization and this Offering[1]					
	Class A Common Stock		Class B Common Stock		Combined Voting Power[2]		Class A Common Stock		Class B Common Stock		Combined Voting Power[2]	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
5% Stockholders:												
Patrick Zalupski[3]	—	0%	60,226,153	100%	180,678,459	89.5%	—	0%	60,226,153	100%	180,678,459	85.4%
DFH Investors, LLC[4][5]	12,664,706	59.6%	—	0%	12,664,706	6.3%	12,664,706	41.0%	—	0%	12,664,706	6.0%
Boston Omaha Corporation[6]	4,681,099	22.0%	—	0%	4,681,099	2.3%	4,681,099	15.2%	—	0%	4,681,099	2.2%
Directors, Director Nominees and Named Executive Officers:												
Patrick Zalupski[3]	—	0%	60,226,153	100%	180,678,459	89.5%	—	0%	60,226,153	100%	180,678,459	85.4 %
Doug Moran	755,490	3.6%	—	0%	755,490	* %	755,490	2.4%	—	0%	755,490	* %
Rick Moyer	903,861	4.3%	—	0%	903,861	* %	903,861	2.9%	—	0%	903,861	* %
William H. Walton, III[5]	633,235	3.0%	—	0%	633,235	* %	633,235	2.1%	—	0%	633,235	* %
W. Radford Lovett II[4]	12,664,706	59.6%	—	0%	12,664,706	6.3%	12,664,706	41.0%	—	0%	12,664,706	6.0%
Justin Udelhofen	—	0%	—	0%	—	0%	—	0%	—	0%	—	0%
Megha Parekh	—	0%	—	0%	—	0%	—	0%	—	0%	—	0%
Directors, director nominees and executive officers as a group (7 persons)	14,324,057	67.5%	60,226,153	100%	195,002,516	96.6%	14,324,057	46.4%	60,226,153	100%	195,002,516	92.2%

* Less than 1%.

(1) Subject to the terms of our amended and restated certificate of incorporation and amended and restated bylaws, each to be in effect upon the completion of the Corporation Reorganization and this offering, the Class B common stock is convertible at any time by the holder into shares of Class A common stock on a share-for-share basis. See “Description of Capital Stock” in this prospectus for additional information. The number of shares of Class A common stock and Class B common stock to be issued to our Existing Owners is based on the implied equity value of DFH LLC immediately prior to this offering, based on an assumed initial public offering price of $13.50 per share of Class A common stock (the midpoint of the price range set forth on the cover of this prospectus). The table above does not reflect shares of Class A common stock issuable upon conversion of Class B common stock.

(2) Each holder of Class A common stock shall be entitled to one vote per share of Class A common stock, and each holder of Class B common stock shall be entitled to three votes per share of Class B common stock. Holders of Class A common stock and Class B common stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by law or our amended and restated certificate of incorporation, to be in effect upon the completion of the Corporation Reorganization and this offering. Represents percentage of voting power of our Class A common stock and Class B common stock, voting together as a single class, reflecting (i) all shares of Class A common stock held by such holder and (ii) all shares of Class B common stock held by such holder. The table above does not reflect voting power of shares of Class A common stock issuable upon conversion of Class B common stock.

(3) Includes personal holdings and common units held by POZ Holdings, Inc., an entity Mr. Zalupski controls. The address for Mr. Zalupski and POZ Holdings, Inc. is 14701 Philips Highway, Suite 300, Jacksonville, FL 32256.

(4) Consists of 12,664,706 shares of Class A common stock held by DFH Investors, LLC, over which Mr. Lovett holds dispositive power as the sole manager of DFH Investors, LLC. The address of DFH Investors, LLC is 241 Atlantic Blvd., Suite 201, Neptune Beach, FL 32266.

(5) Mr. Walton holds a 5% equity interest in DFH Investors, LLC, over which Mr. Lovett holds dispositive power as the sole manager.

(6) Consists of 4,681,099 shares of Class A common stock held by BOC DFH, LLC, a wholly owned subsidiary of Boston Omaha Corporation. The address of Boston Omaha Corporation is 1411 Harney St., Suite 200, Omaha, NE 68102.

DESCRIPTION OF CAPITAL STOCK

The following description of our capital stock, certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws, as each will be in effect upon the completion of this offering, and certain provisions of Delaware law are summaries. You should also refer to our amended and restated certificate of incorporation and our amended and restated bylaws, which are filed as exhibits to the registration statement of which this prospectus is part. We refer in this section to our amended and restated certificate of incorporation and amended and restated bylaws that we intend to adopt in connection with this offering as our certificate of incorporation and bylaws, respectively.

General

Upon completion of this offering, our authorized capital stock will consist of 350,000,000 shares of common stock, par value $0.01 per share, consisting of 289,000,000 shares of Class A common stock and 61,000,000 shares of Class B common stock, and 5,000,000 shares of blank check preferred stock, par value $0.01 per share, the rights, preferences and privileges of which may be designated from time to time by our board of directors.

Upon completion of this offering and after giving effect to the Corporate Reorganization, we will have outstanding:

- 30,855,329 shares of Class A common stock; and
- 60,226,153 shares of Class B common stock.

Our board of directors is authorized, without stockholder approval except as required by Nasdaq listing standards, to issue additional shares of our capital stock.

Class A Common Stock and Class B Common Stock

Except with respect to voting, transfer and conversion rights as described below and as otherwise expressly provided in our amended and restated certificate of incorporation or required by applicable law, shares of Class A common stock and Class B common stock will have the same rights and privileges and rank equally, share ratably and be identical in all respects as to all matters.

Voting Rights

Holders of our Class A common stock will be entitled to one vote per share on any matter that is submitted to a vote of our stockholders. Holders of our Class B common stock will be entitled to three votes per share on any matter that is submitted to a vote of our stockholders. Holders of shares of Class A common stock and Class B common stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by Delaware law.

Under Delaware law, holders of our Class A common stock or Class B common stock would be entitled to vote as a separate class if a proposed amendment to our amended and restated certificate of incorporation would increase or decrease the aggregate number of authorized shares of such class, increase or decrease the par value of the shares of such class or alter or change the powers, preferences or special rights of the shares of such class so as to affect them adversely. As a result, in these limited instances, the holders of a majority of the Class A common stock could defeat any amendment to our amended and restated certificate of incorporation. For example, if a proposed amendment to our amended and restated certificate of incorporation provided for the Class A common stock to rank junior to the Class B common stock with respect to (1) any dividend or distribution, (2) the distribution of proceeds were we to be acquired or (3) any other right, Delaware law would require the vote of the holders of the Class A common stock. In this instance, the holders of a majority of Class A common stock could defeat that amendment to our amended and restated certificate of incorporation.

Our amended and restated certificate of incorporation that will be in effect on the completion of this offering will not provide for cumulative voting for the election of directors.

Economic Rights

Except as otherwise will be expressly provided in our amended and restated certificate of incorporation that will be in effect on the completion of this offering or required by applicable law, all shares of Class A common stock and Class B common stock will have the same rights and privileges and rank equally, share ratably and be identical in all respects for all matters, including those described below.

Dividends and Distributions

Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of Class A common stock and Class B common stock will be entitled to share equally, identically and ratably, on a per share basis, with respect to any dividend or distribution of cash or property paid or distributed by us, unless different treatment of the shares of the affected class is approved by the affirmative vote of the holders of a majority of the outstanding shares of such affected class, voting separately as a class. See "Dividend Policy" in this prospectus for additional information.

Liquidation Rights

On our liquidation, dissolution or winding-up, the holders of Class A common stock and Class B common stock will be entitled to share equally, identically and ratably in all assets remaining after the payment of any liabilities, liquidation preferences and accrued or declared but unpaid dividends, if any, with respect to any outstanding preferred stock, unless a different treatment is approved by the affirmative vote of the holders of a majority of the outstanding shares of such affected class, voting separately as a class.

Change of Control Transactions

The holders of Class A common stock and Class B common stock will be treated equally and identically with respect to shares of Class A common stock or Class B common stock owned by them, unless different treatment of the shares of each class is approved by the affirmative vote of the holders of a majority of the outstanding shares of the class treated differently, voting separately as a class, on (a) the closing of the sale, transfer or other disposition of all or substantially all of our assets, (b) the consummation of a consolidation, merger or reorganization which results in our voting securities outstanding immediately before the transaction (or the voting securities issued with respect to our voting securities outstanding immediately before the transaction) representing less than a majority of the combined voting power of our voting securities or the surviving or acquiring entity or (c) the closing of the transfer (whether by merger, consolidation or otherwise), in one transaction or a series of related transactions, to a person or group of affiliated persons of our securities if, after closing, the transferee person or group would hold 50% or more of the outstanding voting power of our voting securities (or the surviving or acquiring entity). However, consideration to be paid or received by a holder of our common stock in connection with any such assets sale, consolidation, merger or reorganization under any employment, consulting, severance or other compensatory arrangement will be disregarded for the purposes of determining whether holders of our common stock are treated equally and identically.

Subdivisions and Combinations

If we subdivide or combine in any manner outstanding shares of Class A common stock or Class B common stock, the outstanding shares of the other classes will be subdivided or combined in the same proportion and manner.

No Preemptive or Similar Rights

Our Class A common stock and Class B common stock are not entitled to preemptive rights and are not subject to conversion, redemption or sinking fund provisions, except for the conversion provisions with respect to the Class B common stock described below.

Conversion

Each share of Class B common stock is convertible at any time at the option of the holder of Class B common stock into one share of Class A common stock. After the completion of this offering, on any transfer of shares of Class B common stock, whether or not for value, each such transferred share will automatically convert into one share of Class A common stock, except for certain transfers described in our amended and restated

certificate of incorporation that will be in effect on the completion of this offering, including (i) the pledge of shares of Class B common stock that creates a security interest in such shares, so long as the pledging holder continues to exercise voting control over such pledged shares; (ii) the entry into a Rule 10b5-1 trading plan with a broker or other nominee where the holder retains voting control over the shares; (iii) the entry into a support or similar agreement in connection with certain specified events; (iv) the transfer of Class B common stock to an existing holder of Class B common stock; and (v) the transfer of shares of Class B common stock to any trust or other entity for tax and estate planning purposes, so long as a holder of Class B common stock controls the entity. Once transferred and converted into Class A common stock, the Class B common stock may not be reissued.

Further, all of the shares of our Class B common stock will automatically convert into shares of Class A common stock upon the date when Mr. Zalupski and permitted transferees of our Class B common stock cease to hold shares of Class B common stock representing, in the aggregate, at least 10% or more of the total number of shares of Class A common stock and Class B common stock issued and outstanding.

Each share of Class A common stock is not convertible into any other shares of our capital stock.

Fully Paid and Non-Assessable

In connection with this offering, our legal counsel will opine that the shares of our Class A common stock to be issued in this offering will be fully paid and non-assessable.

Preferred Stock

Following the completion of this offering, our board of directors will have the authority, without further action by our stockholders, to issue up to 5,000,000 shares of preferred stock in one or more series, to establish from time to time the number of shares to be included in each such series, to fix the rights, preferences and privileges of the shares of each wholly unissued series, and any qualifications, limitations or restrictions thereon, and to increase or decrease the number of shares of any such series, but not below the number of shares of such series then outstanding.

Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. The purpose of authorizing our board of directors to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in control and may adversely affect the market price of our common stock and the voting and other rights of the holders of our common stock. It is not possible to state the actual effect of the issuance of any shares of preferred stock on the rights of holders of our common stock until our board of directors determines the specific rights attached to such preferred stock.

Anti-Takeover Effects of Provisions of our Certificate of Incorporation, our Bylaws and Delaware Law

Some provisions of Delaware law, and our amended and restated certificate of incorporation and our amended and restated bylaws described below, will contain provisions that could make the following transactions more difficult: acquisitions of us by means of a tender offer, a proxy contest or otherwise; or removal of our incumbent officers and directors. These provisions may also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions that might result in a premium over the market price for our shares.

These provisions, summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with us. We believe that the benefits of increased protection and our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

Section 203 of the Delaware General Corporation Law

In general, Section 203 of the DGCL prohibits a publicly held Delaware corporation from engaging in a business combination, such as a merger, sale or lease of assets, issuance of securities or similar transaction by a corporation or

subsidiary with an interested stockholder, including a person or group who beneficially owns 15% or more of the corporation's voting stock, for a period of three years following the date the person became an interested stockholder, unless (with certain exceptions) the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Section 203 of the DGCL permits corporations, in their certificate of incorporation, to opt out of the protections of Section 203 of the DGCL. Our amended and restated certificate of incorporation will provide that we have elected not to be subject to Section 203 of the DGCL for so long as Mr. Zalupski owns, directly or indirectly, at least 10% of the outstanding shares of our common stock. From and after the date that Mr. Zalupski ceases to own, directly or indirectly, at least 10% of the outstanding shares of our common stock, we will be governed by Section 203 of the DGCL.

Certificate of Incorporation and Bylaws to Be in Effect Upon the Completion of This Offering

No Cumulative Voting Rights

Because our stockholders do not have cumulative voting rights, stockholders holding a majority of the voting power of our shares of common stock will be able to elect all of our directors.

Stockholder Action by Written Consent; Special Meetings of Stockholders

The DGCL permits stockholder action by written consent unless otherwise provided by our certificate of incorporation. Our amended and restated certificate of incorporation and amended and restated bylaws to be effective on the completion of this offering will provide for stockholder actions at a duly called meeting of stockholders or, until such time as we no longer qualify as a controlled company under Nasdaq rules, by written consent. Our amended and restated bylaws will provide that special meetings of our stockholders may be called only by our board of directors or by stockholders owning at least 25% in amount of our entire capital stock issued and outstanding and entitled to vote on the election of directors.

Requirements for Advance Notification of Stockholder Nominations and Proposals

Our amended and restated bylaws will establish advance notice procedures with respect to stockholder proposals, other than proposals made by or at the direction of our board of directors. Our amended and restated bylaws will also establish advance notice procedures with respect to the nomination of candidates for election as directors, other than nominations made by or at the direction of our board of directors or by a committee appointed by our board of directors.

Issuance of Undesignated Preferred Stock

Our amended and restated certificate of incorporation will authorize our board of directors, without further action by our stockholders, to issue shares of preferred stock in one or more series, and with respect to each series, to fix the number of shares constituting that series and to establish the rights and other terms of that series.

Number of Directors and Filling Vacancies

Our amended and restated certificate of incorporation will provide that the number of directors will be established by our board of directors, subject to a minimum of three members. In accordance with our amended and restated bylaws, we expect that our board of directors will consist of five members upon completion of this offering. In addition, vacancies on our board of directors or newly created directorships resulting from an increase in the number of our directors may be filled only by a majority of directors then in office, even though less than a quorum.

Amendment of Certificate of Incorporation and Bylaws

Our amended and restated certificate of incorporation will provide that our amended and restated certificate of incorporation may be amended by the affirmative vote of a majority of our board of directors. In addition, our amended and restated bylaws may be amended by the affirmative vote of a majority of our board of directors without stockholder approval.

The foregoing provisions will make it more difficult for another party to obtain control of us by replacing our board of directors. Since our board of directors has the power to retain and discharge our officers, these

provisions could also make it more difficult for existing stockholders or another party to effect a change in management. In addition, the authorization of undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change our control.

These provisions, including the dual-class structure of our common stock, are intended to preserve our existing control structure after completion of this offering, permit us to continue to prioritize our long-term goals rather than short-term results, enhance the likelihood of continued stability in the composition of our board of directors and its policies and discourage certain types of transactions that may involve an actual or threatened acquisition of us. These provisions are also designed to reduce our vulnerability to an unsolicited acquisition proposal and discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and may have the effect of deterring hostile takeovers or delaying changes in our control or management. As a consequence, these provisions may also inhibit fluctuations in the market price of our Class A common stock that could result from actual or rumored takeover attempts.

Forum Selection

Our amended and restated certificate of incorporation will provide that, unless we consent in writing to the selection of an alternate forum, the Court of Chancery of the State of Delaware will, to the fullest extent provided by law, be the sole and exclusive forum for: (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a claim of breach of a fiduciary duty owed to us or our stockholders by any of our directors, officers, other employees, agents or stockholders; (iii) any action asserting a claim against us arising under the DGCL or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware (including, without limitation, any action asserting a claim arising out of or pursuant to our amended and restated bylaws); or (iv) any action asserting a claim against us that is governed by the internal affairs doctrine, in each case subject to such Court of Chancery of the State of Delaware having personal jurisdiction over the indispensable parties named as defendants. Additionally, our amended and restated certificate of incorporation will state that the foregoing provision will not apply to claims subject to exclusive jurisdiction in the federal courts, such as suits brought to enforce a duty or liability created by the Securities Act, the Exchange Act or the rules and regulations thereunder. Our amended and restated certificate of incorporation will provide that, unless we consent in writing to the selection of an alternate forum, the federal district courts of the United States will, to the fullest extent provided by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Although our amended and restated certificate of incorporation will contain the exclusive forum provisions described above, it is possible that a court could find that such provisions are inapplicable for a particular claim or action or that such provisions are unenforceable, and our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder. To the fullest extent permitted by law, by becoming one of our stockholders, you will be deemed to have notice of, and have consented to, the provisions of our amended and restated certificate of incorporation related to choice of forum.

Limitations of Liability and Indemnification

See the section titled “Executive Compensation—Limitation of Liability and Indemnification Matters” in this prospectus for additional information.

Registration Rights

For a description of registration rights with respect to our Class A common stock, see “Certain Relationships and Related Party Transactions—Registration Rights Agreement.”

Transfer Agent and Registrar

The transfer agent and registrar for our Class A common stock and Class B common stock is Broadridge Corporate Issuer Solutions, Inc. The transfer agent and registrar’s address is 1717 Arch St., Suite 1300, Philadelphia, Pennsylvania 19103.

Listing

We have applied to list our Class A common stock on the Nasdaq Global Select Market under the symbol “DFH.”

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, no public market existed for our capital stock. Future sales of substantial amounts of Class A common stock in the public market, the availability of shares for future sale or the perception that such sales may occur could adversely affect the market price of our Class A common stock and/or impair our ability to raise equity capital in the future.

Assuming an initial public offering price of $13.50 per share (the midpoint of the price range set forth on the cover page of this prospectus), upon the completion of the Corporate Reorganization and this offering, 30,855,329 shares of our Class A common stock (or 32,295,329 shares of our Class A common stock if the underwriters exercise their option to purchase additional shares from us in full) and 60,226,153 shares of our Class B common stock will be outstanding.

Subject to the restrictions provided by the lock-up agreements described below, all of the shares of Class A common stock sold in this offering will be freely tradable without restrictions or further registration under the Securities Act, except for any shares sold to our "affiliates," as defined in Rule 144. The outstanding shares of our common stock held by existing stockholders are "restricted securities," as defined in Rule 144. Restricted securities may be sold in the public market only if the offer and sale is registered under the Securities Act or if the offer and sale of those securities qualifies for exemption from registration, including exemptions provided by Rule 144 or Rule 701 under the Securities Act ("Rule 701").

As a result of lock-up agreements described below and the provisions of Rule 144 and Rule 701, shares of our common stock will be available for sale in the public market as follows:

- 9,600,000 shares of our Class A common stock will be eligible for immediate sale upon the completion of this offering; and
- approximately 21,255,329 shares of Class A common stock and 60,226,153 shares of our Class B common stock, upon conversion into shares of Class A common stock, will be eligible for sale upon expiration of the lock-up agreements described below, beginning 181 days after the date of this prospectus, subject in certain circumstances to the volume, manner of sale and other limitations under Rule 144 and Rule 701.

We may issue shares of our capital stock from time to time for a variety of corporate purposes, including in capital-raising activities through future public offerings or private placements, in connection with the exercise of stock options and warrants, vesting of restricted stock units and other issuances relating to our employee benefit plans and as consideration for future acquisitions, investments or other purposes. The number of shares of our capital stock that we may issue may be significant, depending on the events surrounding such issuances. In some cases, the shares of our capital stock that we issue may be freely tradable without restriction or further registration under the Securities Act; in other cases, we may grant registration rights covering the shares issued in connection with these issuances, in which case the holders of the shares will have the right, under certain circumstances, to cause us to register any resale of such shares to the public.

Rule 144

In general, persons who have beneficially owned restricted shares of our common stock for at least six months, and any affiliate of ours who owns either restricted or unrestricted shares of our common stock, are entitled to sell their securities without registration with the SEC under an exemption from registration provided by Rule 144.

Non-Affiliates

In general, under Rule 144 as currently in effect, once we have been subject to public company reporting requirements for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates, is entitled to sell those shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then that person is entitled to sell those shares without complying with any of the requirements of Rule 144.

Affiliates

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell upon the expiration of the lock-up agreements described below, within any three-month period beginning 90 days after the date of this prospectus, a number of shares that does not exceed the greater of either of the following:

- 1% of the number of shares of our Class A common stock then outstanding, which will equal approximately 308,553 shares immediately following the completion of this offering (or 322,553 shares if the underwriters exercise their option to purchase additional shares of our Class A common stock in full); or
- the average weekly trading volume of our Class A common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

In general, under Rule 701, a person who purchased shares of our common stock pursuant to a written compensatory plan or contract and who is not deemed to have been one of our affiliates during the immediately preceding 90 days may sell these shares in reliance upon Rule 144 but without being required to comply with the holding period, notice, manner of sale, public information requirements or volume limitation provisions of Rule 144. Rule 701 also permits affiliates to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are required to wait until 90 days after the date of this prospectus before selling such shares pursuant to Rule 701, subject to the expiration of the lock-up agreements described below.

Lock-Up Agreements

In connection with this offering, we and our officers, directors and substantially all holders of our outstanding common stock and securities convertible into or exercisable for our common stock have agreed, or will agree, with the underwriters that, until 180 days after the date of this prospectus, we and they will not, without the prior written consent of BofA Securities, Inc. on behalf of the underwriters, (i) offer, sell or transfer any of our shares of common stock or securities convertible into or exchangeable for our common stock or (ii) enter into any swap or other agreement or transaction that transfers, directly or indirectly, the economic consequence of ownership of our shares of common stock or securities convertible into or exchangeable for our common stock.

The agreements do not contain any pre-established conditions to the waiver by BofA Securities, Inc. on behalf of the underwriters of any terms of the lock-up agreements. Any determination to release shares subject to the lock-up agreements would be based on a number of factors at the time of determination, including, but not necessarily limited to, the market price of the Class A common stock, the liquidity of the trading market for the Class A common stock, general market conditions, the number of shares proposed to be sold and the timing, purpose and terms of the proposed sale.

Registration Rights

In connection with this offering, we will become party to the Registration Rights Agreement with the Registration Rights Parties. Subject to certain conditions, the Registration Rights Agreement will provide Mr. Zalupski with the right to request certain "demand" registrations with respect to his combined personal holdings and shares held by POZ Holdings, Inc. The Registration Rights Parties will also have customary "piggy-back" registration rights. Following completion of this offering, the shares covered by such registration rights would represent approximately 66.1% of our outstanding common stock (or approximately 65.1% of our outstanding common stock if the underwriters exercise their option to purchase additional shares of our Class A common stock in full). These shares also may be sold under Rule 144, depending on their holding period and subject to restrictions in the case of shares held by persons deemed to be our affiliates. For a description of the rights that the Registration Rights Parties will have to require us to register shares of common stock they own, see "Certain Relationships and Related Party Transactions—Registration Rights Agreement."

Equity Plans

Upon completion of this offering, we intend to file a registration statement on Form S-8 under the Securities Act covering all Class A common stock subject to outstanding equity awards or shares otherwise reserved for issuance in the future pursuant to our LTIP. Subject to Rule 144 volume and manner of sale limitations applicable to affiliates, shares registered under any registration statements will be immediately available for sale in the open market, except to the extent that the shares are subject to a lock-up agreement, vesting restrictions with us or other contractual restrictions.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following discussion is a summary of the material U.S. federal income tax considerations related to the ownership and disposition of our Class A common stock by a non-U.S. holder (as defined below) that acquires our Class A common stock in this offering and holds our Class A common stock as a "capital asset" (generally property held for investment). This summary is based on the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), U.S. Treasury regulations, administrative rulings and judicial decisions, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. We cannot assure you that a change in law will not significantly alter the tax considerations that we describe in this summary. We have not sought any ruling from the Internal Revenue Service ("IRS") with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with such statements and conclusions.

This summary does not address all aspects of U.S. federal income taxation that may be relevant to non-U.S. holders in light of their personal circumstances. In addition, this summary does not address the Medicare tax on certain investment income, the alternative minimum tax, U.S. federal estate or gift tax laws, any state, local or non-U.S. tax laws or any tax treaties. This summary also does not address tax considerations applicable to investors that may be subject to special treatment under the U.S. federal income tax laws, such as:

- banks, insurance companies or other financial institutions;
- tax-exempt or governmental organizations;
- qualified foreign pension funds (or any entities all of the interests of which are held by a qualified foreign pension fund);
- dealers in securities;
- traders in securities that use the mark-to-market method of accounting for U.S. federal income tax purposes;
- partnerships or other pass-through entities for U.S. federal income tax purposes or holders of interests therein;
- persons deemed to sell our Class A common stock under the constructive sale provisions of the Code;
- persons that acquired our Class A common stock through a tax-qualified retirement plan;
- certain former citizens or long-term residents of the United States; and
- persons that hold our Class A common stock as part of a straddle, synthetic security, conversion transaction or other integrated investment or risk reduction transaction.

PROSPECTIVE INVESTORS ARE ENCOURAGED TO CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF U.S. FEDERAL INCOME TAX LAWS (INCLUDING ANY RECENT CHANGES THERETO) TO THEIR PARTICULAR SITUATIONS, AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR CLASS A COMMON STOCK ARISING UNDER U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL, NON-U.S. OR OTHER TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Non-U.S. Holder Defined

For purposes of this discussion, a "non-U.S. holder" is a beneficial owner of our Class A common stock that is not, for U.S. federal income tax purposes, a partnership or any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust (i) whose administration is subject to the primary supervision of a U.S. court and which has one or more United States persons who have the authority to control all substantial decisions of the trust or (ii) which has made a valid election under applicable U.S. Treasury regulations to be treated as a United States person.

If a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds our Class A common stock, the tax treatment of a partner in the partnership generally will depend upon the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, we urge partners in partnerships (including entities or arrangements treated as partnerships for U.S. federal income tax purposes) considering the purchase of our Class A common stock to consult their tax advisors regarding the U.S. federal income tax considerations of the ownership and disposition of our Class A common stock by such partnership.

Distributions

As described in the section entitled "Dividend Policy," we do not plan to pay dividends on our Class A common stock for the foreseeable future. However, in the event we do make distributions of cash or other property on our Class A common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed our current and accumulated earnings and profits, the distributions will be treated as a non-taxable return of capital to the extent of the non-U.S. holder's tax basis in our Class A common stock and thereafter as capital gain from the sale or exchange of such Class A common stock. See "—Gain on Disposition of Class A common stock" in this prospectus for additional information. Subject to the withholding requirements under FATCA (as defined below) and effectively connected dividends, each of which is discussed below, any dividend paid to a non-U.S. holder on our Class A common stock generally will be subject to U.S. withholding tax at a rate of 30% of the gross amount of the dividend, unless an applicable income tax treaty provides for a lower rate. To receive the benefit of a reduced treaty rate of withholding, a non-U.S. holder must provide the applicable withholding agent with an IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable or successor form) certifying qualification for the reduced rate.

Dividends paid to a non-U.S. holder that are effectively connected with a trade or business conducted by the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, are treated as attributable to a permanent establishment maintained by the non-U.S. holder in the United States) generally will be taxed on a net-income basis at the rates and in the manner generally applicable to United States persons (as defined under the Code). Such effectively connected dividends will not be subject to U.S. tax withholding if the non-U.S. holder satisfies certain certification requirements by providing the applicable withholding agent with a properly executed IRS Form W-8ECI certifying eligibility for exemption. If the non-U.S. holder is a corporation for U.S. federal income tax purposes, it may also be subject to a branch profits tax (at a 30% rate or such lower rate as specified by an applicable income tax treaty) on its effectively connected earnings and profits (as adjusted for certain items), which will include effectively connected dividends.

Gain on Disposition of Class A common stock

Subject to the discussions below under "—Backup Withholding and Information Reporting" and "—Additional Withholding Requirements under FATCA," a non-U.S. holder generally will not be subject to U.S. federal income or withholding tax on any gain realized upon the sale or other disposition of our Class A common stock unless:

- the non-U.S. holder is an individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which the sale or disposition occurs and certain other conditions are met;
- the gain is effectively connected with a trade or business conducted by the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States); or
- our Class A common stock constitutes a United States real property interest ("USRPI") by reason of our status as a United States real property holding corporation ("USRPHC") for U.S. federal income tax purposes, and, as a result, such gain is treated as being effectively connected with a trade or business conducted by the non-U.S. holder in the United States.

A non-U.S. holder described in the first bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate as specified by an applicable income tax treaty) on the amount of such gain, which generally may be offset by U.S. source capital losses.

A non-U.S. holder whose gain is described in the second bullet point above or, subject to the exceptions described in the next paragraph, the third bullet point above generally will be taxed on a net-income basis at the rates and in the manner generally applicable to United States persons (as defined under the Code) unless an applicable income tax treaty provides otherwise. If the non-U.S. holder is a corporation for U.S. federal income tax purposes whose gain is described in the second bullet point above, then such gain would also be included in its effectively connected earnings and profits (as adjusted for certain items), which may be subject to a branch profits tax (at a 30% rate or such lower rate as specified by an applicable income tax treaty).

Generally, a corporation is a USRPHC if the fair market value of its United States real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business. We believe that we currently are, and expect to remain for the foreseeable future, a USRPHC for U.S. federal income tax purposes. However, as long as our Class A common stock continues to be regularly traded on an established securities market, only a non-U.S. holder that actually or constructively owns, or owned at any time during the shorter of the five-year period ending on the date of the disposition and the non-U.S. holder's holding period for the Class A common stock, more than 5% of our Class A common stock will be subject to tax with respect to gain realized on the disposition of our Class A common stock as a result of our status as a USRPHC. If our Class A common stock were not considered to be regularly traded on an established securities market during the calendar year in which the relevant disposition by a non-U.S. holder occurred, such holder (regardless of the percentage of our Class A common stock owned) would be subject to U.S. federal income tax on the taxable disposition of our Class A common stock (as described in the preceding paragraph), and a 15% withholding tax would apply to the gross proceeds from such disposition.

Non-U.S. holders should consult their tax advisors with respect to the application of the foregoing rules to their ownership and disposition of our Class A common stock.

Backup Withholding and Information Reporting

Any dividends paid to a non-U.S. holder must be reported annually to the IRS and to the non-U.S. holder. Copies of these information returns may be made available to the tax authorities in the country in which the non-U.S. holder resides or is established. Payments of dividends to a non-U.S. holder generally will not be subject to backup withholding if the non-U.S. holder establishes an exemption by properly certifying its non-U.S. status on an IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable or successor form).

Payments of the proceeds from a sale or other disposition by a non-U.S. holder of our Class A common stock effected by or through a U.S. office of a broker generally will be subject to information reporting and backup withholding (at a 24% rate) unless the non-U.S. holder establishes an exemption by properly certifying its non-U.S. status on an IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable or successor form) and certain other conditions are met. Information reporting and backup withholding generally will not apply to any payment of the proceeds from a sale or other disposition of our Class A common stock effected outside the United States by a non-U.S. office of a broker. However, unless such broker has documentary evidence in its records that the non-U.S. holder is not a United States person and certain other conditions are met, or the non-U.S. holder otherwise establishes an exemption, information reporting will apply to a payment of the proceeds of the disposition of our Class A common stock effected outside the United States by such a broker if it has certain relationships within the United States.

Backup withholding is not an additional tax. Rather, the U.S. income tax liability (if any) of persons subject to backup withholding will be reduced by the amount of tax withheld. If backup withholding results in an overpayment of taxes, a refund may be obtained, provided that the required information is timely furnished to the IRS.

Additional Withholding Requirements under FATCA

Sections 1471 through 1474 of the Code, and the U.S. Treasury regulations and administrative guidance issued thereunder ("FATCA"), generally impose U.S. federal withholding tax at a rate of 30% on dividends on, and the gross proceeds from, a sale or other disposition of our Class A common stock paid to a "foreign financial institution" (as specially defined under FATCA), unless otherwise provided by the Treasury Secretary or such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding the U.S. account holders of such

institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or otherwise establishes that an exemption to such rule applies. FATCA also generally imposes a U.S. federal withholding tax of 30% on dividends on, and the gross proceeds from, a sale or other disposition of our Class A common stock paid to a "non-financial foreign entity" (as specially defined under FATCA for purposes of these rules) unless otherwise provided by the Treasury Secretary or such entity provides the withholding agent with a certification identifying certain substantial direct and indirect U.S. owners of the entity, certifies that there are none or otherwise establishes and certifies that an exemption to such rule applies. The withholding provisions under FATCA generally apply to dividends on our Class A common stock. The Treasury Secretary has issued proposed regulations providing that the withholding provisions under FATCA do not apply with respect to the gross proceeds from a sale or other disposition of our Class A common stock, which may be relied upon by taxpayers until final regulations are issued. An intergovernmental agreement between the United States and a non-U.S. holder's country of tax residence may modify the requirements described in this paragraph. Non-U.S. holders should consult their own tax advisors regarding the possible implications of FATCA on their investment in our Class A common stock.

INVESTORS CONSIDERING THE PURCHASE OF OUR CLASS A COMMON STOCK ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF U.S. FEDERAL INCOME TAX LAWS (INCLUDING ANY RECENT CHANGES THERETO) TO THEIR PARTICULAR SITUATIONS AND THE APPLICABILITY AND EFFECT OF U.S. FEDERAL ESTATE AND GIFT TAX LAWS AND ANY STATE, LOCAL OR NON-U.S. TAX LAWS AND TAX TREATIES.

UNDERWRITING

BofA Securities, Inc. is acting as representative of each of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the number of shares of Class A common stock set forth opposite its name below.

Underwriter	Number of Shares
BofA Securities, Inc.	
RBC Capital Markets, LLC	
BTIG, LLC	
Builder Advisor Group, LLC	
Zelman Partners LLC	
Wedbush Securities Inc.	
Woodrock Securities L.P.	
Total	9,600,000

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the shares of Class A common stock sold under the underwriting agreement if any of these shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the shares of Class A common stock, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Certain entities affiliated with BOC DFH, LLC, a holder of more than 5% of our Class A common stock and a wholly owned subsidiary of Boston Omaha Corporation (Nasdaq: BOMN), have indicated an interest in purchasing an aggregate of at least 1,851,850 shares of our Class A common stock (based on the midpoint of the price range set forth on the cover page of this prospectus) in this offering at the initial public offering price. Because these indications of interest are not binding agreements or commitments to purchase, such entities may elect to purchase fewer or no shares of our Class A common stock in this offering, or the underwriters may elect to sell fewer or no shares of our Class A common stock in this offering to such entities. The number of shares of our Class A common stock available for sale to the general public in this offering will be reduced to the extent these investors purchase any such shares. Any shares not so purchased will be offered by the underwriters to the general public on the same basis as other shares offered pursuant to this prospectus.

Commissions and Discounts

The representatives have advised us that the underwriters propose initially to offer the shares of Class A common stock to the public at the public offering price set forth on the cover page of this prospectus and to dealers at that price less a concession not in excess of $ per share. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriters of their option to purchase additional shares of Class A common stock.

	Per Share	Without Option	With Option
Public offering price	$	$	$
Underwriting discount	$	$	$
Proceeds, before expenses	$	$	$

The expenses of this offering, not including the underwriting discount, are estimated at $3.0 million and are payable by us. We have agreed to reimburse the underwriters for expenses relating to clearance of this offering with the Financial Industry Regulatory Authority ("FINRA") up to $30,000.

Option to Purchase Additional Shares

We have granted an option to the underwriters, exercisable for 30 days after the date of this prospectus, to purchase up to 1,440,000 additional shares of Class A common stock at the public offering price, less the underwriting discount. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional shares of Class A common stock proportionate to that underwriter's initial amount reflected in the above table.

Reserved Shares

At our request, the Reserved Shares Underwriter has reserved for sale, at the initial public offering price, up to 1,440,000 shares of Class A common stock or up to 15.0% of the Class A common stock offered by this prospectus for sale to some of our directors, officers, employees, business associates and related persons. If these persons purchase reserved shares, this will reduce the number of shares of Class A common stock available for sale to the general public. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares of Class A common stock offered by this prospectus. Shares purchased by our directors and officers in the reserved share program will be subject to lock-up restrictions described in this prospectus. The Reserved Share Underwriter will receive the same underwriting discount on any shares purchased pursuant to this program as they will on any other shares sold to the public in this offering. We have agreed to indemnify the underwriters against certain liabilities and expenses, including liabilities under the Securities Act, in connection with the sales of the reserved shares.

No Sales of Similar Securities

We, our officers and directors and record holders of substantially all of our Class A common stock and Class B common stock have agreed not to sell or transfer any Class A common stock or securities convertible into, exchangeable for, exercisable for or repayable with Class A common stock, for 180 days after the date of this prospectus without first obtaining the written consent of BofA Securities, Inc. Specifically, we and these other persons have agreed, with certain limited exceptions described below, not to directly or indirectly:

- offer, pledge, sell or contract to sell any shares of our Class A common stock,
- sell any option or contract to purchase any shares of our Class A common stock,
- purchase any option or contract to sell any shares of our Class A common stock,
- grant any option, right or warrant to purchase any shares of our Class A common stock,
- transfer, or otherwise dispose of, any shares of our Class A common stock,
- request or demand that we file or make a confidential submission of a registration statement related to the shares of our Class A common stock or
- enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of our Class A common stock, whether any such swap or other agreement is to be settled by delivery of our Class A common stock or other securities, in cash or otherwise.

The restrictions described in the immediately preceding paragraph do not apply to our executive officers and directors and holders of substantially all of our Class A common stock and Class B common stock with respect to:

- the sale of any of our Class A common stock to the underwriters pursuant to the underwriting agreement;
- any transfer or sale in connection with, and as contemplated by, the Corporate Reorganization;
- a *bona fide* gift or charitable contribution; *provided*, that no filing under Section 16(a) of the Exchange Act is required;
- transfers upon death or by will, other testamentary document or intestate succession to the legal representative, heir, beneficiary or a member of the immediate family member of such person upon the death of such person;
- *bona fide* tax or estate planning purposes; *provided*, that no filing under Section 16(a) of the Exchange Act is required;
- transfers to the immediate family of such person or any trust, partnership, limited liability company or other entity for the direct or indirect benefit of such person, or if such person is a trust, to any beneficiary of such trust; *provided*, that no filing under Section 16(a) of the Exchange Act is required;
- distributions to limited partners, general partners, members, stockholders or other equity holders; *provided*, that no filing under Section 16(a) of the Exchange Act is required;
- transfers to such person's affiliates or to any investment fund or other entity controlled or managed by such person; *provided*, that no filing under Section 16(a) of the Exchange Act is required;
- transfers pursuant to an order of a court or regulatory agency;
- transfers to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under the exceptions described above; *provided*, that no filing under Section 16(a) of the Exchange Act is required;
- transfers upon the exercise of any rights to purchase, exchange or convert any stock options granted pursuant to the Company's equity incentive plans described in this prospectus;
- transfers to the Company in connection with the termination of such person's employment or other service with the Company;
- transfers after the completion of this offering, pursuant to a *bona fide* third-party tender offer, merger, consolidation or other similar transaction approved by the Company's board of directors and made to all holders of the Company's securities involving a change of control of the Company;
- transfers to the Company or its subsidiaries (a) in connection with the repurchase of such person's Class A or Class B common stock, as applicable, upon death or disability pursuant to an employment agreement or equity award granted pursuant to the Company's equity incentive plans described in this prospectus, (b) pursuant to arrangements described in this prospectus under which the Company has the option to repurchase such shares or a right of first refusal with respect to transfers of such securities, or (c) in the exercise of outstanding options, warrants, restricted stock units or other equity interests, including transfers deemed to occur upon the "net" or "cashless" exercise of options or for the sole purpose of paying the exercise price of such options, warrants, restricted stock units or other equity interests or for paying taxes (including estimated taxes) due as a result of the exercise of such options, warrants, restricted stock units or other equity interests or as a result of the vesting of our Common Stock under restricted stock awards, in each case pursuant to the Company's equity incentive plans or other arrangements disclosed in this prospectus; *provided*, that for each of (a), (b) and (c) above, no filing under Section 16(a) of the Exchange Act is required; and
- the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act; *provided*, that such plan does not provide for the transfer of the lock-up securities, as described in the paragraph below, during the 180-day lock-up period.

These lock-up provisions apply to shares of our Class A common stock and to securities convertible into, exchangeable for, exercisable for or repayable with shares of our Class A common stock. It also applies to Class A common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition.

Nasdaq Global Select Market Listing

We expect the shares of Class A common stock to be approved for listing on the Nasdaq Global Select Market, subject to notice of issuance, under the symbol "DFH."

Before this offering, there has been no public market for our Class A common stock. The initial public offering price will be determined through negotiations between us and the representative. In addition to prevailing market conditions, the factors to be considered in determining the initial public offering price are:

- the valuation multiples of publicly traded companies that the representatives believe to be comparable to us,
- our financial information,
- the history of, and the prospects for, our company and the industry in which we compete,
- an assessment of our management, its past and present operations, and the prospects for, and timing of, our future revenues,
- the present state of our development and
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for our Class A common stock may not develop. It is also possible that, after the offering, our Class A common stock will not trade in the public market at or above the initial public offering price.

The underwriters do not expect to sell more than 5% of our Class A common stock in the aggregate to accounts over which they exercise discretionary authority.

Price Stabilization, Short Positions and Penalty Bids

Until the distribution of the shares of Class A common stock is completed, SEC rules may limit underwriters and selling group members from bidding for, and purchasing, our Class A common stock. However, the representatives may engage in transactions that stabilize the price of the Class A common stock, such as bids or purchases to peg, fix or maintain that price.

In connection with this offering, the underwriters may purchase and sell our shares of Class A common stock in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares of our Class A common stock than they are required to purchase in the offering. "Covered" short sales are sales made in an amount not greater than the underwriters' option to purchase additional shares of Class A common stock described above. The underwriters may close out any covered short position by either exercising their option to purchase additional shares of Class A common stock or purchasing these shares in the open market. In determining the source of Class A common stock to close out the covered short position, the underwriters will consider, among other things, the price of the Class A common stock available for purchase in the open market as compared to the price at which they may purchase such shares through the option granted to them. "Naked" short sales are sales in excess of such option. The underwriters must close out any naked short position by purchasing shares of Class A common stock in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our Class A common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of shares of our Class A common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares of Class A common stock sold by or for the account of such underwriter in stabilizing or short covering transactions.

Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our Class A common stock or preventing or retarding a decline in the market price of our Class A common stock. As a result, the price of our Class A common stock may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on the Nasdaq Global Select Market, in the over-the-counter market or otherwise.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our Class A common stock. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Electronic Distribution

In connection with this offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail.

Other Relationships

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. In connection with this offering, or shortly thereafter, we intend to replace all of our vertical construction lines of credit facilities with a syndicated, unsecured revolving credit facility. We expect that Bank of America, N.A., an affiliate of BofA Securities, Inc., will be the administrative agent and a lender under such facility, and will receive customary fees and expenses for serving in such roles.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

European Economic Area

In relation to each Member State of the European Economic Area (each a "Relevant State"), no shares of Class A common stock have been offered or will be offered pursuant to the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the shares of Class A common stock which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation), except that offers of Class A common stock may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the representative for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Class A common stock shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

Each person in a Relevant State who initially acquires any Class A common stock or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company and the representative that it is a qualified investor within the meaning of the Prospectus Regulation.

In the case of any shares of Class A common stock being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares of Class A common stock acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Relevant State to qualified investors, in circumstances in which the prior consent of the representative has been obtained to each such proposed offer or resale.

The Company, the representative and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares of Class A common stock in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of Class A common stock to be offered so as to enable an investor to decide to purchase or subscribe for any shares of Class A common stock, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

References to the Prospectus Regulation includes, in relation to the UK, the Prospectus Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

The above selling restriction is in addition to any other selling restrictions set out below.

Notice to Prospective Investors in the United Kingdom

This document is for distribution only to persons who (i) have professional experience in matters relating to investments and who qualify as investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

Notice to Prospective Investors in Switzerland

The shares of Class A common stock may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX listing rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares of Class A common stock or this offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to this offering, us or the shares of Class A common stock have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares of Class A common stock will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of shares of Class A common stock has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares of Class A common stock.

Notice to Prospective Investors in the Dubai International Financial Centre

This prospectus relates to an Exempt Offer (as defined under the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA")) in accordance with the Offered Securities Rules of the DFSA. This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for this prospectus. The shares of Class A common stock to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares of Class A common stock offered should conduct their own due diligence. If you do not understand the contents of this prospectus, you should consult an authorized financial advisor.

Notice to Prospective Investors in Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission in relation to this offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the "Corporations Act") and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares of Class A common stock may only be made to persons (the "Exempt Investors") who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), "professional investors" (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares of Class A common stock without disclosure to investors under Chapter 6D of the Corporations Act.

The shares of Class A common stock applied for by Exempt Investors in Australia must not be offered for sale in Australia 12 months after the date of allotment under this offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act, or otherwise, or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act. Any person acquiring shares of Class A common stock must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances and, if necessary, seek expert advice on those matters.

Notice to Prospective Investors in Hong Kong

The shares of Class A common stock have not been offered or sold, and will not be offered or sold, in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that ordinance. No advertisement, invitation or document relating to the shares of Class A common stock has been, or may be issued, or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares of Class A common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors.

Notice to Prospective Investors in Japan

The shares of Class A common stock have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws,

regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the shares of Class A common stock were not offered or sold or caused to be made the subject of an invitation for subscription or purchase and will not be offered or sold or caused to be made the subject of an invitation for subscription or purchase, and this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares of Class A common stock has not been circulated or distributed, nor will it be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares of Class A common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares of Class A common stock pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law; or

(d) as specified in Section 276(7) of the SFA.

Notice to Prospective Investors in Canada

The shares of Class A common stock may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations.* Any resale of the shares of Class A common stock must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable Canadian securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 *Underwriting Conflicts* ("NI 33-105"), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

LEGAL MATTERS

The validity of our Class A common stock offered by this prospectus will be passed upon for us by Baker Botts L.L.P., Houston, Texas. Certain legal matters in connection with this offering will be passed upon for the underwriters by Davis Polk & Wardwell LLP, New York, New York.

EXPERTS

The balance sheet of Dream Finders Homes, Inc. as of September 11, 2020 included in this prospectus has been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The financial statements of Dream Finders Holdings LLC as of December 31, 2019 and December 31, 2018 and for each of the two years in the period ended December 31, 2019 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The financial statements of H&H Constructors of Fayetteville, LLC as of December 31, 2019 and for the year then ended included in this prospectus have been so included in reliance on the report of Yount, Hyde and Barbour, P.C., independent auditor, given on the authority of said firm as experts in auditing and accounting.

Unless otherwise indicated, all statistical and economic market data included in this prospectus, and in particular in the sections entitled “Prospectus Summary—Market Opportunity” and “Market Opportunity,” is derived from market information prepared for us by JBREC, a nationally recognized independent research provider and consulting firm, and is included in this prospectus in reliance on JBREC’s authority as an expert in such matters. We have paid JBREC a fee of $37,500 for its services, plus an amount charged at an hourly rate for additional information we may require from JBREC from time to time in connection with its services.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a Registration Statement on Form S-1 with respect to the Class A common stock being sold in this offering. This prospectus constitutes a part of that Registration Statement. This prospectus does not contain all the information set forth in the Registration Statement and the exhibits and schedules to the Registration Statement because some parts have been omitted in accordance with the rules and regulations of the SEC. For further information with respect to us and our Class A common stock being sold in this offering, you should refer to the Registration Statement and the exhibits and schedules filed as part of the Registration Statement. Statements contained in this prospectus regarding the contents of any agreement, contract or other document referred to herein are not necessarily complete; reference is made in each instance to the copy of the contract or document filed as an exhibit to the Registration Statement. Each statement is qualified by reference to the exhibit to the Registration Statement. You can read the Registration Statement at the SEC's website at www.sec.gov.

After we have completed this offering, we will file annual, quarterly and current reports, proxy statements and other information with the SEC. We intend to make these filings available on our website, https://www.dreamfindershomes.com/, once this offering is completed. You may read and copy any reports, statements or other information on file at the public reference rooms. You can also request copies of these documents, for a copying fee, by writing to the SEC, or you can review these documents on the SEC's website, as described above. In addition, we will provide electronic or paper copies of our filings free of charge upon request.

INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Dream Finders Homes, Inc.

Opinion on the Financial Statement – Balance Sheet

We have audited the accompanying balance sheet of Dream Finders Homes, Inc. (the "Company") as of September 11, 2020, including the related notes (collectively referred to as the "financial statement"). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of September 11, 2020 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

The financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of this financial statement in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
Jacksonville, FL

October 13, 2020

We have served as the Company's auditor since 2019.

DREAM FINDERS HOMES, INC.

BALANCE SHEET

	September 11, 2020
ASSETS	
Cash and cash equivalents	$ —
Total assets	—
Commitments and contingencies (Note 3)	—
Stock Holders' Equity	
Common Stock $0.01 per share, 1,000 shares authorized, no shares issued or outstanding	—
Total stockholders equity	$ —

See Accompanying Notes to Balance Sheet.

DREAM FINDERS HOMES, INC.

Notes to Balance Sheet

1. Business and Basis of Presentation

DREAM FINDERS HOMES, Inc. (the "Company") was incorporated in the state of Delaware on September 11, 2020. The Company was formed for the purpose of completing an initial public offering of its common stock and related transactions in order to carry on the business of DREAM FINDERS HOLDINGS, LLC as a publicly-traded entity.

The accompanying balance sheet has been prepared in accordance with accounting principles generally accepted in the United States of America. Statements of comprehensive income, stockholders' equity and cash flows have not been presented because the Company has not engaged in any business or other activities except in connection with its formation.

2. Stockholders' Equity

The Company is authorized to issue 1,000 shares of stock with the par value of $0.01 per share.

3. Commitments and Contingencies

The Company may be subject to legal proceedings that arise in the ordinary course of business. There are currently no proceedings to which the Company is a party, nor does the Company have knowledge of any proceedings that are threatened against the Company.

4. Subsequent Events

We have evaluated subsequent events through September 11, 2020, the date on which our audited balance sheet was issued.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Dream Finders Holdings LLC

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Dream Finders Holdings LLC and its subsidiaries (the "Company") as of December 31, 2019 and 2018, and the related consolidated statements of comprehensive income, of members' equity and mezzanine equity, and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
Jacksonville, FL

October 13, 2020

We have served as the Company's auditor since 2019.

Dream Finders Holdings LLC and Subsidiaries
Consolidated Balance Sheets
September 30, 2020, December 31, 2019 and 2018

	September 30 (unaudited),	December 31,	
	2020	2019	2018
ASSETS			
Cash and cash equivalents	$ 42,081,890	$ 44,007,245	$ 19,809,055
Restricted cash (VIE amounts of $14,288,489, $8,726,015 and $8,346,403)	33,244,211	24,721,169	16,823,553
Inventories:			
Construction in process and finished homes	348,474,374	273,389,050	209,474,803
Joint venture owned land and lots (VIE amounts of $39,465,422, $38,080,738, and $23,532,857)	39,465,422	38,080,738	23,552,249
Company owned land and lots	20,531,240	52,597,242	60,696,181
Lot deposits	32,688,115	24,447,707	13,231,456
Equity method investments	1,586,194	8,354,212	6,255,080
Property and equipment, net	3,789,080	3,996,262	3,764,396
Operating lease right-of-use assets	12,816,336	15,099,368	14,487,903
Finance lease right-of-use assets	375,380	494,149	1,928,327
Goodwill	12,208,783	12,208,783	—
Other assets (VIE amounts of $2,915,895, $4,788,117, and $4,379,495)	25,219,793	17,523,525	5,422,608
Total assets	572,480,818	514,919,450	375,445,611
LIABILITIES			
Accounts payable (VIE amounts of $1,157,688, $793,546, and $2,587,058)	36,251,297	37,752,306	31,890,528
Accrued expenses (VIE amounts of $5,892,498, $9,642,341 and $3,615,802)	47,382,769	42,409,513	48,291,342
Customer deposits	30,064,738	20,203,750	11,769,017
Construction lines of credit	251,234,557	217,667,344	163,213,181
Notes payable (VIE amounts of $13,520,159, $9,034,970 and $1,573,090)	10,953,159	14,346,124	12,663,154
Operating lease liabilities	12,961,236	15,081,737	14,242,646
Finance lease liabilities	384,056	498,691	1,942,018
Contingent consideration	5,920,311	5,468,738	—
Total liabilities	395,152,123	353,428,203	284,011,886
Commitments and contingencies (Note 8)			
MEZZANINE EQUITY			
Preferred mezzanine equity	50,358,098	58,269,166	15,875,538
Common mezzanine equity	19,102,846	16,248,246	13,534,739
Total mezzanine equity	69,460,944	74,517,412	29,410,277
MEMBERS' EQUITY			
Common members' equity	75,506,849	56,502,464	33,093,591
Total members' equity	75,506,849	56,502,464	33,093,591
Non-controlling interests	32,360,902	30,471,371	28,929,857
Total liabilities, mezzanine equity and members' equity	$572,480,818	$514,919,450	$375,445,611

The accompanying notes are an integral part of these consolidated financial statements.

Dream Finders Holdings LLC and Subsidiaries
Consolidated Statements of Comprehensive Income
September 30, 2020 and 2019, and December 31, 2019 and 2018

	For the Nine Months Ended September 30,		For the Year Ended December 31,	
	2020	2019	2019	2018
	(unaudited)	(unaudited)		
Revenues	$672,706,388	$490,900,447	$744,292,323	$522,258,473
Cost of sales	575,683,384	425,015,736	641,340,496	454,402,820
Selling, general and administrative expense	54,958,948	40,390,801	58,733,781	43,545,254
Income from equity in earnings of unconsolidated entities	(4,843,649)	(1,425,572)	(2,208,182)	(1,271,303)
Gain on sale of assets	(53,006)	(28,652)	(28,652)	(3,293,187)
Other Income	(1,171,675)	(1,730,792)	(2,447,879)	(3,016,273)
Other expense	3,669,048	2,132,452	3,783,526	7,947,641
Interest expense	124,026	144,498	221,449	682,152
Net and comprehensive income	$ 44,339,312	$ 26,401,976	$ 44,897,784	$ 23,261,369
Net and comprehensive income attributable to noncontrolling interests	(3,474,116)	(3,580,441)	(5,706,518)	(5,939,015)
Net and comprehensive income attributable to Dream Finders Holdings LLC	$ 40,865,196	$ 22,821,535	$ 39,191,266	$ 17,322,354
Earnings per unit				
Basic	$ 377.86	$ 199.57	$ 353.40	$ 170.92
Diluted	$ 376.79	$ 199.57	$ 353.40	$ 170.92
Weighted-average number of units				
Basic	99,065	97,830	97,830	97,830
Diluted	99,841	97,830	97,830	97,830
Pro forma information (unaudited-see Note 16):				
Income before income taxes	44,339,312	26,401,976	44,897,784	23,261,369
Pro forma income tax expense	10,216,299	5,705,384	9,797,817	4,330,589
Pro forma net income and comprehensive income	$ 34,123,013	$ 20,696,592	$ 35,099,967	$ 18,930,780
Less: Pro forma net income and comprehensive income attributable to non-controlling interests	(3,474,116)	(3,580,441)	(5,706,518)	(5,939,015)
Pro forma net income and comprehensive income attributable to Dream Finders Holdings LLC	$ 30,648,897	$ 17,116,151	$ 29,393,449	$ 12,991,765
Pro forma earnings per unit				
Basic	$ 274.73	$ 141.25	$ 253.25	$ 126.66
Diluted	$ 274.47	$ 141.25	$ 253.25	$ 126.66
Pro forma weighted average number of units				
Basic	99,065	97,830	97,830	97,830
Diluted	99,841	97,830	97,830	97,830

The accompanying notes are an integral part of these consolidated financial statements.

Dream Finders Holdings LLC and Subsidiaries
Consolidated Statements of Members' Equity and Mezzanine Equity
September 30, 2020 and 2019, and December 31, 2019 and 2018

	Redeemable Preferred Units Mezzanine		Redeemable Common Units Mezzanine		Common Units Members'		DFH Total Mezzanine and Members'		Total Non-Controlling Interests	Total Equity
	Units	Amount	Units	Amount	Units	Amount	Units	Amount		
Balance December 31, 2017	22,543	$ 13,476,173	4,602	$10,000,000	76,630	$ 30,574,101	103,775	$ 54,050,275	$ 19,411,602	$ 73,461,877
Unit compensation	—	—	—	—	—	895,610	—	895,610	—	895,610
Contributions	27,000	26,530,505	1,172	2,547,757	25	1	28,197	29,078,263	—	29,078,263
Member Receivable	—	(26,530,505)	—	—	—	—	—	(26,530,505)	—	(26,530,505)
Contribution from non-controlling interests	—	—	—	—	—	—	—	—	12,523,547	12,523,547
Conversion of units	—	—	—	—	—	—	—	—	—	—
Distributions	—	(776,567)	—	—	—	(11,535,561)	—	(12,312,128)	(8,944,307)	(21,256,435)
Net income	—	3,175,932	—	986,982	—	13,159,440	—	17,322,354	5,939,015	23,261,369
Balance December 31, 2018	49,543	15,875,538	5,774	13,534,739	76,655	33,093,591	131,972	62,503,869	28,929,857	91,433,726
Unit compensation	—	—	—	—	—	895,000	—	895,000	—	895,000
Contributions	12	38,530,504	—	—	—	—	12	38,530,504	—	38,530,504
Contributions from non-controlling interests	—	—	—	—	—	—	—	—	9,783,372	9,783,372
Conversion of units	—	—	—	—	—	—	—	—	—	—
Distributions	—	(2,235,752)	—	(401,296)	—	(7,463,714)	—	(10,100,762)	(13,948,376)	(24,049,138)
Net income	—	6,098,876	—	3,114,803	—	29,977,587	—	39,191,266	5,706,518	44,897,784
Balance at December 31, 2019	**49,555**	**$ 58,269,166**	**5,774**	**$16,248,246**	**76,655**	**$ 56,502,464**	**131,984**	**$131,019,876**	**$ 30,471,371**	**$161,491,247**

	Redeemable Preferred Units Mezzanine		Redeemable Common Units Mezzanine		Common Units Members'		DFH Total Mezzanine and Members'		Total Non-Controlling Interests	Total Equity
	Units	Amount	Units	Amount	Units	Amount	Units	Amount		
Balance December 31, 2018	49,543	$15,875,538	5,774	$13,534,739	76,655	$33,093,591	131,972	$ 62,503,868	$ 28,929,857	$ 91,433,725
Unit compensation (unaudited)	—	—	—	—	—	596,667	—	596,667	—	596,667
Contributions (unaudited)	12	38,530,505	—	—	—	—	12	38,530,505	—	38,530,505
Contribution from non-controlling interests (unaudited)	—	—	—	—	—	—	—	—	8,525,365	8,525,365
Conversion of units (unaudited)	—	—	—	—	—	—	—	—	—	—
Distributions (unaudited)	—	(1,997,072)	—	—	—	(3,700,423)	—	(5,697,495)	(12,301,672)	(17,999,167)
Net income (unaudited)	—	3,954,298	—	1,580,778	—	17,286,459	—	22,821,535	3,580,441	26,401,976
Balance September 30, 2019 (unaudited)	**49,555**	**$56,363,269**	**5,774**	**$15,115,517**	**76,655**	**$47,276,294**	**131,984**	**$118,755,080**	**$ 28,733,991**	**$147,489,071**

	Redeemable Preferred Units Mezzanine		Redeemable Common Units Mezzanine		Common Units Members'		DFH Total Mezzanine and Members'		Total Non-Controlling Interests	Total Equity
	Units	Amount	Units	Amount	Units	Amount	Units	Amount		
Balance December 31, 2019	49,555	$ 58,269,166	5,774	$16,248,246	76,655	$ 56,502,464	131,984	$131,019,876	$30,471,371	$161,491,247
Unit compensation (unaudited)	—	—	—	—	—	697,054	—	697,054	—	697,054
Contributions (unaudited)	—	—	1,236	—	—	—	1,236	—	—	—
Contribution from non-controlling interests (unaudited)	—	—	—	—	—	—	—	—	3,692,625	3,692,625
Conversion of units (unaudited)	—	—	—	—	—	—	—	—	—	—
Redemptions (unaudited)	(1,012)	(13,000,000)	—	—	—	—	(1,012)	(13,000,000)	—	(13,000,000)
Distributions (unaudited)	—	(1,705,420)	—	—	—	(12,908,913)	—	(14,614,333)	(5,277,210)	(19,891,543)
Net income (unaudited)	—	6,794,352	—	2,854,600	—	31,216,244	—	40,865,196	3,474,116	44,339,312
Balance September 30, 2020 (unaudited)	**48,543**	**$ 50,358,098**	**7,010**	**$19,102,846**	**76,655**	**$ 75,506,849**	**132,208**	**$144,967,793**	**$32,360,902**	**$177,328,695**

The accompanying notes are an integral part of these consolidated financial statements.

Dream Finders Holdings LLC and Subsidiaries
Consolidated Statements of Cash Flows
September 30, 2020 and 2019, and December 31, 2019 and 2018

	For the Nine Months Ended September 30,		For the Year Ended December 31,	
	2020	2019	2019	2018
	(unaudited)	(unaudited)		
Cash flows from operating activities				
Net income (loss)	44,339,312	26,401,976	44,897,784	23,261,369
Adjustments to reconcile net income (loss) to net cash used in operating activities				
Depreciation	2,433,385	2,128,896	3,035,451	2,270,710
Gain (Loss) on sale of property and equipment	(53,006)	(28,652)	(28,652)	(3,293,187)
Amortization of debt issuance costs	1,560,795	2,175,377	2,318,286	3,084,988
Amortization of ROU operating lease	2,416,233	1,872,914	2,622,569	1,281,899
Amortization of ROU financing lease	118,769	326,651	366,241	394,952
Unit compensation expense	697,054	596,667	895,000	895,610
Income from equity method investments, net distributions received	468,221	116,918	(86,242)	(356,853)
Remeasurement of contingent consideration	451,573	219,314	(3,944,030)	—
Changes in operating assets and liabilities				
Inventories	(44,404,006)	(49,950,837)	(30,902,010)	(66,493,984)
Lot deposits	(8,240,408)	(4,162,506)	(11,216,250)	(3,277,311)
Other assets	(7,696,268)	(14,189,679)	(7,915,636)	(1,281,886)
Accounts payable and accrued expenses	3,472,247	1,876,602	19,398,115	48,263,881
Customer deposits	9,860,987	8,209,149	6,792,918	(5,733,074)
Operating lease liabilities	(2,253,703)	(1,698,714)	(2,394,942)	(1,527,156)
Net cash provided by (used in) operating activities	3,171,185	(26,105,924)	23,838,602	(2,510,042)
Cash flows from investing activities				
Purchase of property and equipment	(2,264,476)	(2,322,495)	(2,892,130)	(10,161,587)
Proceeds from disposal of property and equipment	91,279	79,314	91,397	14,545,516
Investments in equity method investments	(246,036)	(6,667,181)	(2,717,593)	(5,300,372)
Return of investments from equity method investments	6,545,833	950,741	704,703	3,545,973
Business combinations, net of cash acquired	—	(13,006,024)	(13,006,396)	—
Net cash provided by (used in) investing activities	4,126,600	(20,965,645)	(17,820,019)	2,629,530
Cash flows from financing activities				
Proceeds from construction lines of credit	481,584,545	228,641,023	550,865,562	453,181,765
Principal payments on construction lines of credit	(448,127,304)	(178,918,561)	(522,926,492)	(427,693,487)
Proceeds from notes payable	6,516,185	10,988,385	12,696,227	13,189,038
Principal payments on notes payable	(9,924,595)	(9,839,109)	(11,454,898)	(33,045,275)
Payment of debt issue costs	(1,435,378)	(2,271,463)	(2,264,196)	(2,087,193)
Payments on financing leases	(114,635)	(338,388)	(375,390)	(381,263)
Contribution to non-controlling interests	3,692,625	8,525,365	9,783,371	12,523,547
Distributions to non-controlling interests	(5,277,210)	(12,301,672)	(13,948,375)	(8,944,307)
Contributions	—	12,000,000	12,000,000	2,547,762
Distributions	(14,614,331)	(5,697,486)	(8,298,586)	(11,711,313)
Redemptions	(13,000,000)	—	—	—
Net cash provided by (used in) financing activities	(700,098)	50,788,094	26,077,223	(2,420,726)

The accompanying notes are an integral part of these consolidated financial statements.

	For the Nine Months Ended September 30,		For the Year Ended December 31,	
	2020	2019	2019	2018
	(unaudited)	(unaudited)		
Net increase (decrease) in cash, cash equivalents and restricted cash	6,597,687	3,716,525	32,095,806	(2,301,238)
Cash, cash equivalents and restricted cash at beginning of year	68,728,414	36,632,608	36,632,608	38,933,846
Cash, cash equivalents and restricted cash at end of year	75,326,101	40,349,133	68,728,414	36,632,608
Supplemental disclosure of cash flow information:				
Cash paid for interest, net of amounts capitalized	15,939	78,240	299,689	388,998
Non cash financing activities				
Contingent consideration	—	—	9,412,768	—
Leased assets obtained in exchange for new operating lease liabilities	9,495	1,872,914	3,234,033	13,914,567
Leased assets obtained in exchange for new finance lease liabilities	—	326,651	—	1,670,768
Preferred issuance	—	—	—	27,000,000
Accrued distributions	309,686	1,668,724	1,802,177	600,815
Total non cash financing activities	319,181	3,868,289	14,448,978	43,186,150
Reconciliation of cash, restricted cash and cash equivalents				
Restricted cash	33,244,211	27,360,462	24,721,169	16,823,553
Cash and cash equivalents	42,081,890	12,988,671	44,007,245	19,809,055
Total cash, cash equivalents and restricted cash shown on the statement of cash flows	75,326,101	40,349,133	68,728,414	36,632,608

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Business and Significant Accounting Policies

Nature of Business

Dream Finders Holdings LLC, a Florida limited liability company and its subsidiaries (collectively the "Company"), operates as a general contractor engaged in the construction and sale of residential homes and speculative homes in Central and Northeast Florida, Southeast Georgia, South Carolina, Colorado, Texas and the Washington DC metro area.

The consolidated financial statements of the Company include Dream Finders Holdings LLC (the "Parent") and its wholly owned subsidiaries Dream Finders Homes LLC, DFH Land LLC, DFH Greyhawk LLC, DFH Wildwood LLC, DFH Corona LLC, DFH John's Landing LLC, DFH Magnolia LLC, DFH Mandarin LLC, DFH Mandarin Land Holding LLC, DFH Office LLC, DFH Savannah LLC, Dream Finders Title LLC, HM7 JV Owner LLC, PSJ JV Owner LLC, ANT JV Owner LLC, VPH LLC, and Ventures LLC (the "Subsidiaries") as well as partially owned subsidiaries Jet Home Loans LLC, DFH Leyden LLC, DFH Amelia LLC, DFH Clover LLC, DFH Leyden II LLC, DFH MOF Eagle Landing LLC, DCE DFH JV LLC, DFH Capital LLC, DFC Mandarin Estates LLC, DFC Wilford LLC, DFC East Village LLC, DFC Seminole Crossing LLC, DFC Amelia Phase III LLC, DFC Beachwalk LLC, DFC Blackburn LLC, DFC Goose Creek LLC, DFC Sterling Ranch LLC, and DFC Grand Landings LLC.

The following is a description of the significant accounting policies and practices, which conform with accounting principles generally accepted in the United States of America (U.S. GAAP).

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Dream Finders Holdings LLC, its wholly owned subsidiaries and the Company's investments that qualify for consolidation treatment (see Note 11). All intercompany accounts and transactions have been eliminated in consolidation. There are no other components of comprehensive income not already reflected in net income on our Consolidated Statements of Comprehensive Income.

Unaudited Interim Consolidated Financial Statements

The accompanying interim Consolidated Balance Sheet as of September 30, 2020, the interim Consolidated Statements of Comprehensive Income and Cash Flows for the nine months ended September 30, 2020 and 2019, and the interim Consolidated Statements of Members' Equity and Mezzanine Equity for the nine months ended September 30, 2020 and 2019, and amounts relating to the interim periods included in the accompanying notes to the interim Consolidated Financial Statements are unaudited. The unaudited interim Consolidated Financial Statements have been prepared on the same basis as the audited Consolidated Financial Statements, and in management's opinion, include all adjustments, consisting of only normal recurring adjustments, necessary for the fair presentation of the Company's Consolidated Balance Sheet as of September 30, 2020, and its results of operations and cash flows for the nine months ended September 30, 2020 and 2019. The results for the nine months ended September 30, 2020, are not necessarily indicative of the results expected for the fiscal year or any other periods. The Company has prepared these unaudited condensed consolidated financial statements in accordance with Regulation S-X of the SEC. Accordingly, the unaudited condensed consolidated financial statements do not include all information and disclosures required by U.S. GAAP for annual financial statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the valuation and impairment of goodwill, impairment of inventories and business combination estimates. Actual results could differ materially from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid instruments, with original maturities of three months or less. At various times throughout the year, the Company may have cash deposited with financial institutions that exceed the federally insured deposit amount. Management reviews the financial viability of these financial institutions on a periodic basis and does not anticipate nonperformance by the financial institutions. The Company had $6,622,871 (unaudited), $18,617,105 and $2,768 of cash and cash equivalents in interest bearing money market accounts at September 30, 2020 and December 31, 2019 and 2018, respectively.

Restricted Cash

Restricted cash represents funds held in accounts that are restricted for specific purposes. Restricted cash at September 30, 2020, includes $0 (unaudited) of funds restricted as an interest reserve relating to the note payables, $21,150,855 (unaudited) of escrow monies held in the title company, and $12,093,356 (unaudited) of funds related to specific future projects. Restricted cash at December 31, 2019, includes $492,681 of funds restricted as an interest reserve relating to the note payables, $15,363,543 of escrow monies held in the title company, and $8,864,945 of funds related to specific future projects. Restricted cash at December 31, 2018, includes $703,905 of funds restricted as an interest reserve, $13,346,681 of escrow monies held in the title company and $2,772,967 of funds related to specific future projects.

Revenue Recognition

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2014-09, Revenue from Contracts with Customers ("ASU 2014-09"). ASU 2014-09 provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. ASU 2014-09 requires an entity to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This update creates a five-step model that requires entities to exercise judgment when considering the terms of the contract(s) which include (i) identifying the contract(s) with the customer, (ii) identifying the separate performance obligations in the contract, (iii) determining the transaction price, (iv) allocating the transaction price to the separate performance obligations, and (v) recognizing revenue when each performance obligation is satisfied. Subsequent to the issuance of ASU 2014-09, the FASB has issued several ASUs such as ASU 2016-08, Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net), ASU 2016-12, Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients, and ASU 2017-05, Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets ("ASU 2017-05"), among others. These ASUs do not change the core principle of the guidance stated in ASU 2014-09, instead these amendments are intended to clarify and improve operability of certain topics included within the revenue standard. These ASUs had the same effective date and transition requirements as ASU 2014-09. The Company has adopted the full retrospective method to all contracts as of the beginning of the earliest period presented. The adoption of the standard did not have a material effect on the Company's consolidated financial statements.

The Company's revenues consist primarily of home sales. The Company sells its products in the United States, which is also its principal market. Home sale transactions are made pursuant to contracts under which the Company typically has a single performance obligation to deliver a completed home to the homebuyer when closing conditions are met. The Company generally determines the selling price per home based on the expected cost plus margin. The Company has performed an assessment and its contracts do not contain significant financing terms. Performance obligations are satisfied at the point in time when control of the asset is transferred to the customer, which is generally when title to and possession of the home and the risks and rewards of ownership are transferred to the homebuyer on the closing date. Under home sale contracts, the Company typically receives an initial cash deposit from the homebuyer at the time the sales

contract is executed and receives the remaining consideration to which the Company is entitled, through an escrow agent, at closing. In certain contracts, the customer controls the underlying land upon which the home is constructed. For these specific contracts, the performance obligation is satisfied over time, as the Company's performance creates or enhances an asset that the customer controls. The Company recognizes revenue for these contracts based on the percentage of completion of the project. Open contracts with customers at each period end accounted for under the percentage of completion method are considered immaterial to the financial statements.

Sales incentives in the form of price concessions on the selling price of a home are recorded as a reduction of revenues. The cost of sales incentives in the form of free or discounted products or services provided to homebuyers, including option upgrades, are reflected as construction and land costs because such incentives are identified in home sale contracts with homebuyers as an intrinsic part of the Company's single performance obligation to deliver and transfer title to the home for the transaction price stated in the contracts.

Revenues include forfeited deposits, which occur when home sale or land sale contracts that include a nonrefundable deposit are cancelled.

Substantially all of the Company's contracts with customers and the related performance obligations have an original expected duration of one year or less.

Refer to Note 13 for a more detailed disaggregation of our revenues by reportable segments.

Other Income and Expense

Other income consists of interest income and management fees that the Company earns for managing certain joint ventures. In general, the Company earns four to six percent of the sales price of homes built by us on behalf of the joint ventures. Other expenses consist primarily of payments made to a land developer on homes closed in certain communities in the Company's Colorado segment, as well as payments required to unconsolidated joint ventures and stock based compensation expense.

Inventories

Inventories include the costs of direct land acquisition, land development, construction, capitalized interest, real estate taxes and direct overhead costs incurred related to land acquisition and development and home construction. Indirect overhead costs are charged to selling, general, and administrative expenses (SG&A) as incurred.

Land and development costs are typically allocated to individual residential lots on a pro rata basis based on the number of lots in the development, and the costs of residential lots are transferred to construction work in progress when home construction begins. Sold units are expensed on a specific identification basis as cost of contract revenues earned. Cost of contract revenues earned for homes closed includes the specific construction costs of each home and all applicable land acquisition, land development and related costs allocated to each residential lot.

Inventories are carried at the lower of accumulated cost or net realizable value. The Company reviews the performance and outlook of its inventories for indicators of potential impairment on a quarterly basis at the community level. In addition to considering market and economic conditions we assess current sales absorption levels and recent sales' profitability. The Company looks for instances where sales prices for a home in backlog or potential sales prices for a future sold home would be at a level that results in a negative gross margin. No impairments were recognized during the nine months ended September 30, 2020 (unaudited) or during 2019 or 2018.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Maintenance and repairs are charged to expense as incurred, betterments are capitalized. When items of property and equipment are sold or otherwise disposed, the asset and related accumulated depreciation accounts are eliminated and any gain or loss is included in operations.

Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets as follows:

	Years
Furnitures and Fixtures	2-7
Office Equipment	4
Software	1-4
Vehicles	5

Long-Lived Assets

The Company evaluates the carrying value of its long-lived assets for impairment whenever events or changes in circumstances indicate an impairment may exist. Recoverability is measured by the expected undiscounted future cash flows of the assets compared to the carrying amount of the assets. If the expected undiscounted future cash flows are less than the carrying amount of the assets, the excess of the net book value over the estimated fair value is charged to current earnings. Fair value is based upon discounted cash flows of the assets at a rate deemed reasonable for the type of asset and prevailing market conditions, appraisals, and, if appropriate, current estimated net sales proceeds from pending offers. There were no triggering events or impairments recorded during the nine months ended September 30, 2020 (unaudited) or during the years ended 2019 or 2018.

Goodwill

Goodwill represents the excess of purchase price over the fair value of the assets acquired and the liabilities assumed in a business combination. See Note 2 for details on recent acquisitions. The Company tests for impairment at least annually as of October 1, but the Company tests for impairment more frequently if a triggering event occurs. This test assesses qualitative factors to determine if it is more likely than not that the fair value of the reporting units is less than their carrying value. These qualitative factors include, but are not limited to, economic conditions, industry and market considerations, cost factors, overall performance of the reporting unit and other entity and reporting unit specific events. If the qualitative assessment indicates a stable fair value, no further testing is required. However, if the qualitative assessment indicates that the fair value of a reporting unit has declined past its carrying value, the Company will then calculate the fair value of the reporting unit based on discounted future cash flows. An impairment loss is recorded if this assessment concludes that the fair value of the reporting unit is less than its current carrying value. The Company is completing its goodwill impairment test effective October 1, 2020, and does not believe that the fair value of any of the reporting units will be less than carrying value. No impairment was recognized during 2019 between the acquisition date and December 31, 2019, nor was any impairment recognized during the first nine months of 2020 (unaudited). In addition, the Company has not recognized any impairment triggering events that would cause additional impairment testing over goodwill.

Leases

The Company determines if an arrangement is, or contains, a lease at inception. We recognize leases when the contract provides us the right to use an identified asset for a period of time in exchange for consideration. Operating leases are included in operating lease right-of-use (“ROU”) assets and operating lease liabilities in the consolidated balance sheets. Finance leases are included in finance lease ROU assets and finance lease liabilities in the consolidated balance sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Company's leases do not provide an explicit rate, management uses the Company's incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. An explicit rate is used when readily determinable. The ROU assets also include any lease payments made, reduced by any lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for operating leases is recognized on a straight-line basis over the lease term. The Company elected the practical expedient to combine lease and nonlease components when accounting for the ROU assets and liabilities for all asset classes. Variable lease costs are expensed as incurred. Leases with an initial term of 12 months or less are not recorded on the balance sheet.

Lot Deposits

Lot deposits represent amounts paid by the Company to secure the ability to acquire land for development or home sites through a contract. The Company enters into contracts with different land sellers to ensure it has property on which to build future homes over a two to four year timeline. The contracts provide for a due diligence period during which the deposit is refundable, after which time the deposit may be partially or completely forfeited should the Company decide not to proceed.

Warranty Reserve

The Company provides a limited warranty for its homes for a period of one year. The Company's standard warranty requires the Company or its subcontractors to repair or replace defective construction during such warranty period at no cost to the homebuyer. At the time a home is sold, the Company records an estimate of warranty expense based on historical warranty costs. An analysis of the warranty reserve is performed periodically to ensure the reserve's adequacy. The warranty reserve is classified on the Consolidated Balance Sheets as an accrued expense.

Contingent Consideration

In connection with the acquisition in Note 2, the Company recorded contingent consideration based on estimated pre-tax net income of the acquired entity for fiscal years 2019, 2020, 2021 and 2022. The Company recorded the fair value of the contingent consideration as a liability on the acquisition date. The estimated earn-out payments are subsequently remeasured to fair value each reporting date based on the estimated future earnings of the acquired entity. The contingent consideration is paid out each year on the anniversary of the closing date until 2022. At December 31, 2019, the Company remeasured contingent consideration and adjusted the liability to $5,468,738, based on revised revenue forecasts as of the balance sheet date. The contingent consideration adjustment in the amount of $3,944,030 for the year ended December 31, 2019, was recorded within selling, general and administrative expenses in the Consolidated Statements of Comprehensive Income. There is no maximum capacity to the contingent consideration as it is based on a percentage of operating income achieved by the acquired entity. There were no payments of contingent consideration for the year ended December 31, 2019.

At September 30, 2020, the Company remeasured contingent consideration and adjusted the liability to $5,920,311 (unaudited) based on revised revenue forecasts as of the balance sheet date. The contingent consideration adjustment in the amount of $451,572 (unaudited) was recorded within selling, general and administrative expenses in the Consolidated Statements of Comprehensive Income for the nine months ended September 30, 2020. The Company estimated that the approximate maximum potential exposure to the contingent consideration was $10,005,021 (unaudited) at September 30, 2020. There were no payments of contingent consideration for the nine months ended September 30, 2020.

Customer Deposits

Customer deposits are amounts collected from customers in conjunction with the execution of the home sale contract. Customer deposits are applied against the final settlement due at the home closing. In the event of contract default or termination, the customer deposit is forfeited and recognized as revenue.

Debt Issuance Costs and Debt Discounts

Debt issuance costs and debt discounts are amortized to interest expense using the effective interest method over the estimated economic life of the underlying debt instrument. Portions of this amortization are evaluated for capitalization as inventories and subsequently expensed through cost of sales at the home closing. Debt issuance costs are recorded as a direct reduction from the carrying amount of the related debt in the Consolidated Balance Sheets (Notes 4 and 5).

Variable Interest Entities

The Company participates in joint ventures that conduct land acquisition, land development and/or other homebuilding activities in various markets where the Company's homebuilding operations are located. The Company's investments in these joint ventures may create a variable interest in a variable interest entity ("VIE"), depending on the contractual terms of the arrangement. Additionally, the Company, in the ordinary course of business, enters into contracts with third parties and unconsolidated entities for the ability to acquire rights to land for the construction of homes. Under these contracts, the Company typically makes a specified payment or earnest money deposit in consideration for the right to purchase land in the future, usually at a predetermined price. Consideration paid for these contracts are recorded as lot deposits on the Consolidated Balance Sheets.

Pursuant to Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 810 and subtopics related to the consolidation of variable interest entities, the Company analyzes its joint ventures under the variable interest model to determine if such are required to be consolidated in the Company's consolidated financial statements. The accounting standard requires a VIE to be consolidated by a company if that company is determined to be the primary beneficiary. The primary beneficiary is defined as the entity having both of the following characteristics: 1) the power to direct the activities that most significantly impact the VIE's performance, and 2) the obligation to absorb losses and rights to receive the returns from the VIE that would be potentially significant to the VIE. See Note 11 for a description of the Company's joint ventures, including those that were determined to be VIEs, and the related accounting treatment. Management determines whether the Company is the primary beneficiary of a VIE at the time it becomes involved with a VIE and reconsiders that conclusion continually. To make this determination, management considers factors such as whether the Company should direct finance, determine or limit the scope of the entity, sell or transfer property, direct development or direct other operating decisions.

Joint ventures for which the Company is not identified as the primary beneficiary are accounted for as equity method investments. The Company and its unconsolidated joint venture partners make initial and/or ongoing capital contributions to these unconsolidated joint ventures, typically on a pro rata basis, according to each party's respective equity interests. The obligations to make capital contributions are governed by each such unconsolidated joint venture's respective operating agreement and related governing documents. Partners in these unconsolidated joint ventures are unrelated homebuilders, land developers or other real estate entities.

For distributions received from these unconsolidated joint ventures, the Company has elected to use the cumulative earnings approach for the Consolidated Statements of Cash Flows. Under the cumulative earnings approach, distributions up to the amount of cumulative equity in earnings recognized are treated as returns on investment within operating cash flows and those in excess of that amount are treated as returns of investment within investing cash flows.

The Company typically has obtained rights to acquire portions of the land held by the unconsolidated joint ventures in which the Company currently participates. When an unconsolidated joint venture sells land to

the Company, the Company defers recognition of its share of such unconsolidated joint venture's earnings (losses) until the Company recognizes revenues on the corresponding home sale. At that time, the Company accounts for the earnings (losses) as a reduction (increase) to the cost of purchasing the land from the unconsolidated joint venture.

The Company shares in the earnings (losses) of these unconsolidated joint ventures generally in accordance with its respective equity interests. In some instances, the Company recognizes earnings (losses) that differ from its equity interest in the unconsolidated joint venture. This typically arises from the Company's deferral of the unconsolidated joint venture's earnings (losses) from land sales to the Company.

Non-Controlling Interests

The equity interests in DFH Leyden LLC, DFH Amelia LLC, DFH Clover LLC, DFH Leyden II LLC, DFH MOF Eagle Landing LLC, DCE DFH JV LLC, DFH Capitol LLC, DFC Mandarin Estates LLC, DFC East Village LLC, DFC Wilford LLC, DFC Seminole Crossing LLC, DFH Amelia Phase III LLC, DFC Sterling Ranch LLC and DFC Grand Landings LLC have been reflected as non-controlling interests in the Consolidated Balance Sheets. Income attributable to these non-controlling interests are presented in the Consolidated Statements of Comprehensive Income as net income attributable to non-controlling interests.

Income Taxes

No provision for federal or state income taxes has been made since the Company elected to be treated as a partnership and, thus, income taxes resulting from the Company's operations are the responsibility of its members. The Company made tax distributions of $11,943,447 (unaudited) in total ($120.56 (unaudited) per member unit) and $2,777,424 (unaudited) in total ($28.39 (unaudited) per member unit) in cash for the nine months ended September 30, 2020 and 2019, respectively. Tax distributions of $5,531,610 in total ($56.50 per member unit) and $12,312,129 in total ($125.90 per member unit) in cash were made for the years ended December 31, 2019 and 2018, respectively.

Advertising

The Company expenses advertising costs as they are incurred. Advertising expense for the nine months ended September 30, 2020 and 2019, was $4,099,980 (unaudited) and $3,716,940 (unaudited), respectively. Advertising expense for the years ended December 31, 2019 and 2018, was $5,291,652 and $4,538,773, respectively.

Equity-Based Compensation

Certain individuals on our executive-level management team are eligible for equity-based compensation, which is awarded according to the terms of individual contracts with those managers. The Company records compensation cost for units awarded to employees in return for employee service. The cost is measured at the grant-date fair value of the award and recognized as compensation expense over the employee service period, which is normally the vesting period. The Company does not estimate forfeitures. In the event of forfeitures, the compensation expense recognized would be adjusted.

Recent Accounting Pronouncements

The FASB issued certain new or modifications, or interpretations of, existing accounting guidance. The Company has considered the new un-adopted guidance and does not believe that any other new or modified guidance, other than those pronouncements shown below, will have a material impact on the Company's reported consolidated financial position or operations.

In August 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments. The new guidance is intended to eliminate diversity in practice

in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The guidance requires application using a retrospective transition method. The Company adopted the new standard on January 1, 2019. The adoption of this ASU did not have a material effect on the Company's consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force), which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. ASU 2016-18 was effective for the Company beginning on January 1, 2019. ASU 2016-18 must be applied using a retrospective transition method with early adoption permitted. As of January 1, 2019, the Company adopted ASU 2016-18, which among other things, requires restricted cash to be included within the consolidated statement of cash flows. This adoption is applied retrospectively, which resulted in a reclassification in operating activities within the consolidated statement of cash flows as of December 31, 2018.

In May 2014, the FASB issued ASU 2014-09,*Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard replaced most existing revenue recognition guidance in U.S. GAAP when it became effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which deferred the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. The Company adopted the guidance effective January 1, 2018 using a retrospective approach. The adoption did not have a material effect on the Company's consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic ASC 842)*, requiring a lessee to recognize a right-of-use asset and a corresponding lease liability for substantially all leases. The lease liability will be equal to the present value of the remaining lease payments while the right-of-use asset will be similarly calculated and then adjusted for initial direct costs. In addition, ASC 842 expands the disclosure requirements to increase the transparency and comparability of the amount, timing and uncertainty of cash flows arising from leases. The Company adopted the new standard on January 1, 2018 under a modified retrospective approach. Management elected to apply the package of practical expedients permitted under the transition guidance which allowed the Company not to reassess prior conclusions related to contracts containing leases, lease classification, and initial direct costs. Management also elected to apply the practical expedient allowing us to combine lease and non-lease components based on the predominant characteristic of the contract, as well as the short-term lease recognition exemption. The adoption did not have a material effect on the Company's consolidated financial statements.

In September 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326)*, which significantly changes the way impairment of financial assets is recognized. The standard will require immediate recognition of estimated credit losses expected to occur over the remaining life of many financial assets, which will generally result in earlier recognition of allowances for credit losses on loans and other financial instruments. The standard's provisions will be applied as a cumulative-effect adjustment to beginning retained earnings as of the effective date. The standard was adopted as of January 1, 2020 under the modified retrospective approach. The adoption did not have a material effect on the Company's consolidated financial statements.

In January 2017, the FASB issued ASU 2017-01,*Business Combinations - Clarifying the Definition of a Business (Topic 805),* which clarifies the definition of a business with the objective of addressing whether transactions involving in-substance nonfinancial assets, held directly or in a subsidiary, should be accounted for as acquisitions or disposals of nonfinancial assets or of businesses. ASU 2017-01 was adopted prospectively by the Company on January 1, 2018, and subsequent interim periods. The adoption did not have a material impact on the Company's consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04,*Intangibles – Goodwill and Other (Topic 350), Simplifying the Test for Goodwill Impairment.* The standard's objective is to simplify the subsequent measurement of

goodwill by eliminating the second step from the goodwill impairment test. Under the amendments in the standard, an entity would perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. If the carrying amount of a reporting unit exceeds its fair value, an impairment charge would then be recognized, not to exceed the amount of goodwill allocated to that reporting unit. The Company adopted the updated standard prospectively on January 1, 2020. The adoption did not have a material effect on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13,*Fair Value Measurement - Disclosure Framework (Topic 820)*, which improves the disclosure requirements for fair value measurements. The Company adopted this new standard prospectively on January 1, 2020. The adoption did not have a material effect on the Company's consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04,*Reference Rate Report (Topic 848)*, which provides practical expedients and exceptions for applying GAAP when modifying contracts and hedging relationships that use LIBOR as a reference rate. In addition, these amendments are not applicable to contract modifications made and hedging relationship entered into or evaluated after December 31, 2022. We do not anticipate a material increase in interest rates from our creditors as a result of the shift away from LIBOR as a reference rate, and we are currently evaluating the impact of the shift and this guidance on our financial statements and disclosures.

2. Business

Acquisition

On May 31, 2019, the Company acquired 100% of the issued and outstanding membership interests in Village Park Homes, LLC ("VPH"), a South Carolina based homebuilder, for a purchase price of $23,912,768. To fund the acquisition, the Company paid $14,500,000 in cash and agreed to pay additional consideration if VPH met certain financial metrics. The previous owner of VPH repaid $2,284,998 for an outstanding receivable where the balance was owed by VPH's previous owner. This receivable was legally acquired on the date of acquisition. This payment was completed in July 2019. As part of the purchase price, the Company recognized contingent consideration in the amount of $9,412,768. The aggregate purchase price exceeded the fair value of the net assets acquired. Accordingly, the Company recognized the excess purchase price over the fair value of the net assets acquired as goodwill of $12,208,783. The goodwill arising from the acquisition consists largely of synergies and economies of scale from VPH's operating footprint, which includes owned properties, increased future revenue and earnings from organic growth, new business opportunities and strategic initiatives. Transaction costs were not material and were expensed as incurred.

The business combination was accounted for under the acquisition method, and the acquisition has been included in the Company's consolidated results of operations since the date of acquisition. The fair value of assets acquired includes cash of $1,493,604, other assets of $4,511,911, inventories of $39,442,397 and liabilities assumed of $33,743,837, including $26,479,308 of construction lines of credit.

The following unaudited pro forma condensed consolidated results of operations are provided for illustrative purposes only and have been presented as if the VPH acquisition had occurred on January 1, 2018. This unaudited pro forma information should not be relied upon as being indicative of the historical results that would have been obtained if the acquisition had occurred on that date, nor of the results that may be obtained in the future.

	For the Nine Months Ended September 30 (unaudited),	For the Year Ended December 31,	
	2019	2019	2018
Total revenue	$ 553,033,203	$ 788,136,190	$603,565,222
Net and comprehensive income attributable to Dream Finders Holdings LLC	$ 23,589,108	$ 41,667,636	$ 21,113,925

3. Property and Equipment

Property and equipment consisted of the following as of September 30, 2020 and December 31, 2019 and 2018:

	As of September 30 (unaudited),	As of December 31,	
	2020	2019	2018
Furniture and fixtures	$ 11,989,908	$ 9,844,471	$ 7,483,889
Vehicles	56,589	56,591	—
Office equipment and software	2,588,558	2,507,791	1,529,189
Total property and equipment	14,635,055	12,408,853	9,013,078
Less: Accumulated depreciation	(10,845,975)	(8,412,591)	(5,248,682)
Property and equipment, net	$ 3,789,080	$ 3,996,262	$ 3,764,396

Depreciation expense was $2,433,385 (unaudited) and $2,128,896 (unaudited) for the nine months ended September 30, 2020 and 2019, respectively. Depreciation expense was $3,035,451 and $2,270,710 for the years ended December 31, 2019 and 2018, respectively.

4. Construction Lines of Credit

As of September 30, 2020 (unaudited), the Company had 16 lines of credit with cumulative maximum availability of $504,050,000 (unaudited), and an aggregate outstanding balance of $251,234,557 (unaudited). As of December 31, 2019 and 2018, the Company had 19 lines of credit with cumulative maximum availability of $457,800,000 and $357,500,000 and aggregate outstanding balances of $217,667,344 and $163,213,181, respectively.

The construction lines of credit are fully collateralized by finished lots and homes under construction and are personally guaranteed by the majority member of the Company. We pledge collateral valued at up to the gross lending limit for each line and can then borrow funds up to the net limit of each line, which is calculated as a percentage of the value of pledged collateral. The pool of assets pledged as collateral for each line rotates as finished homes are sold and we begin construction on new homes. The guarantee provides additional assurance to the Company's lenders, as they have recourse to the personal assets of the majority member beyond the pledged collateral in the vertical facilities to be made whole in instances of default.

The vertical construction facilities are renewed annually upon the completion of due diligence procedures performed by the lenders. Rather than hard maturity dates, these lines of credit have customary wind-down features that allow the Company to naturally unwind the collateral over a predetermined period of time (generally 12 months), in potential occurrences of non-renewal.

The Company's construction lines of credit consist of the following:

		As of September 30 (unaudited),		As of December 31,			
Renewal Date	Payment Terms	2020	2020 Effective Rate	2019	2019 Effective Rate	2018	2018 Effective Rate
November 30, 2019	Interest is payable monthly, at the greater of Prime rate or 4.25%.	$1,635,950	4.25%	$5,035,871	5.58%	$ 13,073,828	5.04%
November 30, 2019	Interest is payable monthly at the greater of the Prime rate plus 1.0% or 5.5%.	569,000	5.50%	1,279,973	2.81%	—	—

Renewal Date	Payment Terms	As of September 30 (unaudited), 2020	2020 Effective Rate	As of December 31, 2019	2019 Effective Rate	2018	2018 Effective Rate
July 24, 2020	Interest is payable monthly at the greater of the Prime rate plus 1.0% or 5.0%.	15,798,498	5.00%	6,611,634	5.93%	—	—
August 25, 2020	Interest is payable monthly at the Prime rate plus 0.75%.	2,293,271	3.88%	2,710,314	4.72%	—	—
October 5, 2020	Interest is payable monthly at 3.0% plus 30-day LIBOR.	17,042,669	4.24%	6,587,896	6.04%	5,429,080	6.79%
October 20, 2020	Interest is payable monthly at the greater of 4.0% or 2.75% plus three-month LIBOR.	16,307,136	4.47%	13,475,208	5.62%	9,850,357	7.05%
October 25, 2020	Interest is payable monthly at the Prime rate plus 0.5%.	1,167,571	4.99%	1,137,662	5.86%	—	—
December 31, 2020	Interest is payable monthly at 9.0%.	2,464,378	10.48%	3,454,858	13.73%	—	—
December 31, 2020	Interest is payable monthly at 9.5%.	259,158	10.48%	689,295	13.73%	—	—
February 9, 2021	Interest is payable monthly at 3.40% plus 30-day LIBOR.	835,650	3.91%	2,690,590	5.01%	3,822,081	7.90%
March 31, 2021	Interest is payable monthly at 9.5%.	1,404,529	10.48%	2,673,608	13.73%	—	—
June 12, 2021	Interest is payable monthly at 3.0% plus three-month LIBOR.	15,714,075	3.85%	11,816,036	4.92%	—	—
June 30, 2021	Interest is payable monthly at the greater of 3.5% plus 30-day LIBOR or 4.5%.	24,681,062	4.75%	19,765,772	6.06%	22,102,329	7.19%
September 30, 2021	Interest is payable monthly at 3.0% plus three-month LIBOR.	74,264,605	4.08%	75,077,458	5.58%	70,716,479	5.60%
April 1, 2022	Interest is payable monthly at 9.5%.	112,000	10.48%	—	—	—	—
April 30, 2022	Interest is payable monthly at 9.5%.	3,117,479	9.50%	—	—	—	—
June 19, 2023	Interest is payable monthly at the greater of 4.0% or 2.75% plus three-month LIBOR.	18,157,705	4.05%	16,097,623	5.20%	13,621,774	6.75%
June 19, 2023	Interest is payable monthly at the greater of 4.00% or the Prime rate plus 0.5%.	37,800,130	4.94%	31,994,366	6.01%	19,356,913	6.12%
Various	Interest is payable monthly at the greater of the Prime rate or 5.0%.	18,086,592	5.02%	13,624,409	5.76%	—	—
Lines of credit paid in full during 2020		—	—	3,531,646	6.21%-8.12%	—	—
Lines of credit paid in full during 2019		—	—	—	—	5,862,909	4.65%-12.53%
Total lines of credit outstanding		**$251,711,458**		**$218,254,219**		**$163,835,750**	
Less: Debt issuance costs from lines of credit		(476,901)		(586,875)		(622,569)	
Lines of credit, net of discount		**$251,234,557**		**$217,667,344**		**$163,213,181**	

All lines of credit that were paid in full during 2020 and 2019, are no longer active and the Company does not intend to renew these facilities. The outstanding balance in the vertical lines of credit is payable upon the delivery of the collateralized individual homes to end-home buyers.

On an annual basis and in the normal course of business, the Company may negotiate the underlying vertical line facilities' terms during the due diligence period. In addition, lenders may modify the financial or qualitative covenants within the loan agreements. As a result, it is not unusual for the terms on our vertical facilities to change year over year. These changes may include, but are not limited to, increases to unit-level maturity periods, higher spec inventory ratios, increased tangible net worth requirements, increases/decreases in renewal fees, and other changes. As of September 30, 2020 (unaudited), and as of December 31, 2019 and 2018, there were no material changes to the Company's vertical lines' terms. The changes are considered to be within the Company's normal operations to manage collateral efficiently and did not materially affect the Company's result of operations.

Between December 31, 2018 and December 31, 2019, the Company had an increase in overall commitment availability of $100,300,000, directly attributable to the acquisition of VPH in May 2019. Between December 31, 2019 and September 30, 2020, the Company had an increase in overall commitment availability of $46,250,000 (unaudited).

The Company's vertical line facilities contain various restrictive covenants and financial covenants. The Company was in compliance with all debt covenants as of September 30, 2020 (unaudited), and as of December 31, 2019 and 2018. The Company expects to remain in compliance with all debt covenants over the next twelve months.

5. Notes Payable

Notes payable consisted of the following as of September 30, 2020 (unaudited), December 31, 2019 and 2018:

		As of September 30 (unaudited),		As of December 31,			
Maturity Date	**Payment Terms**	**2020**	**2020 Effective Rate**	**2019**	**2019 Effective Rate**	**2018**	**2018 Effective Rate**
August 23, 2020	Non-interest bearing	$ 768,000	0.00%	$ 416,000	0.00%	$ —	—
April 1, 2022	Interest is payable monthly at 12.5%	3,991,853	12.50%	6,043,659	12.50%	—	—
April 1, 2022	Interest is payable monthly at 12.5%	396,180	12.50%	2,990,311	12.50%	—	—
July 31, 2022	Interest is payable monthly at 9.25%	3,173,930	9.25%	1,000	9.50%	—	—
March 25, 2023	Interest is payable monthly at 5.00%	2,623,196	5.00%	—	—	—	—
Notes paid in full during 2020		—	—	4,910,598	10.00%	7,607,741	10.00%
Notes paid in full during 2019		—	—	—	—	5,089,163	6.60% - 12.00%
Total notes payable		**$10,953,159**		**$14,361,568**		**$12,696,904**	
Less: Debt issuance costs from notes payable		—		(15,444)		(33,750)	
Notes payable, net of discount		**$10,953,159**		**$14,346,124**		**$12,663,154**	

The principal balance on all notes payable is payable upon the sale of project specific collateral, and is collateralized by a real estate mortgage and a limited guarantee ensuring project completeness and the nonexistence of fraudulent acts.

Contractual maturities of notes payable as of December 31, 2019, are as follows:

Maturity of Notes Payable	
2020	$ 5,326,598
2021	—
2022	9,034,970
2023	—
2024	—
Thereafter	—
Total	$14,361,568

During the nine months ended September 30, 2020, there have been no material changes in the contractual maturities of our notes payable.

The Company capitalized $1,435,378 (unaudited) as of September 30, 2020, and amortized $1,560,795 (unaudited) and $2,175,377 (unaudited) of debt issuance costs for the nine months ended September 30, 2020 and 2019, respectively. The Company capitalized $2,264,286 and $2,087,192 and amortized $2,318,286 and $3,084,988 of debt issuance costs as of and for the years ended December 31, 2019 and 2018, respectively. Debt issuance costs related to the Company's lines of credit and notes payable, net of amortization, were $476,901 (unaudited) as of September 30, 2020, $602,318 as of December 31, 2019 and $656,319 as of December 31, 2018.

The Company's notes payable contain various restrictive covenants and financial covenants, fixed charge coverage ratio, interest coverage ratio and tangible net worth, among others.

The Company was in compliance with all debt covenants for the nine months ended September 30, 2020 (unaudited), and for the years ended December 31, 2019 and 2018. The Company expects to remain in compliance with all debt covenants over the next twelve months.

6. Inventories

Inventories consist of raw entitled land, finished lots, and construction in process ("CIP"), including capitalized interest. Raw land is purchased with the intent to develop such land into finished lots. Finished lots are held with the intent of building and selling a home. The asset is owned by the Company either as a result of developing purchased raw land or purchasing developed lots. CIP represents the homebuilding activity associated with both homes to be sold and speculative homes. CIP includes the cost of the developed lot as well as all of the direct costs incurred to build the home. The cost of the home is expensed on a specific identification basis.

As mentioned in Note 11, the Company consolidated several joint ventures that own land and finished lots. The Company owns a percentage of these joint ventures but does not own the underlying assets. The table below shows the Company's owned real estate inventory and real estate inventory owned by the joint ventures.

	As of September 30 (unaudited),	**As of December 31,**	
	2020	**2019**	**2018**
Construction in process	$348,474,374	$273,389,050	$209,474,803
Finished lots and land	20,531,240	52,597,242	60,696,181
Inventories owned by the Company	369,005,614	325,986,292	270,170,984
Finished lots and land	39,465,422	38,080,738	23,552,249
Inventories owned by consolidated joint ventures	39,465,422	38,080,738	23,552,249
Total inventories	$408,471,036	$364,067,030	$293,723,233

	As of September 30 (unaudited),	As of December 31,	
	2020	2019	2018
Inventories owned by the Company as a percentage of total inventories			
Construction in process	85%	75%	71%
Finished lots and land	5%	14%	21%

Interest is capitalized and included within each inventory category above. Capitalized interest activity is summarized in the table below for the nine months ended September 30, 2020 (unaudited) and the years ended December 31, 2019 and 2018.

	As of September 30 (unaudited),	As of December 31,	
	2020	2019	2018
Capitalized interest at the beginning of the period	$ 25,335,924	$ 18,287,838	$ 13,427,149
Interest incurred	19,765,176	28,324,581	21,906,384
Interest expensed	(124,026)	(221,449)	(682,152)
Interest charged to cost of contract revenues earned	(19,562,174)	(21,055,046)	(16,363,543)
Capitalized interest at the end of the period	$ 25,414,900	$ 25,335,924	$ 18,287,838

7. Warranty Reserves

The Company establishes warranty reserves to provide for estimated future expenses as a result of construction and product defects, product recalls and litigation incidental to our homebuilding business. Estimates are determined based on management's judgment considering factors such as historical spend and the most likely current cost of corrective action. The table below presents the activity related to warranty reserves, which are included in accrued expenses in the accompanying consolidated balance sheets.

	As of September 30 (unaudited),	As of December 31,	
	2020	2019	2018
Warranty reserves at the beginning of the year	$1,652,634	$ 886,794	$ 839,145
Additions to reserves for new homes deliveries	2,013,548	2,533,557	1,782,492
Payments for warranty costs	1,344,600	1,767,717	1,734,843
Warranty reserves at the end of the period	$2,321,582	$ 1,652,634	$ 886,794

8. Commitments and Contingencies

In 2019, the Company was a plaintiff in a dispute regarding a faulty product installed in certain homes in the Colorado segment. The Company recorded $68,479 (unaudited) and $4,144,102 of litigation expense for the nine months ended September 30, 2020, and for the year ended December 31, 2019, respectively, which was recorded in selling, general and administrative expenses. The Company received a jury award totaling $14,650,000, plus certain reimbursable costs and interest in the last quarter of 2019. The defendant appealed this decision in January 2020. No gain contingency was recorded in the Company's consolidated financial statements for the nine months ended September 30, 2020, or the year ended December 31, 2019. The Company is involved in other litigation arising in the ordinary course of business. In the opinion of management, based on legal counsel advice, the outcomes of these matters will not have a materially adverse effect on the Company's consolidated financial position or results of operations or cash flows.

In April 2020, the Company received proceeds from the Paycheck Protection Program ("PPP") in the amount $7,220,207 (unaudited), which is classified in accrued expenses on the Consolidated Balance Sheets and accounted for as an in substance grant. The Company utilized all of the PPP proceeds to pay payroll and permissible operating expenses, and believe the full amount of the proceeds will be forgiven. No income has been recognized for the nine months ended September 30, 2020, related to the PPP proceeds.

Leases

The Company has operating leases primarily associated with office space that is used by divisions outside of the Jacksonville area, four model home sale-leasebacks and a corporate office building sale-leaseback. This corporate office building lease has a remaining lease term of 13 years. The Company has an operating lease with a related party, the former owner of VPH. The lease has a remaining term of approximately 6 years. The Company also has finance leases for corporate office furniture and copiers.

Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term. Lease and nonlease components for new and reassessed leases are combined. There are no significant operating or finance leases that have not yet commenced as of September 30, 2020. Most leases include one or more options to renew, with renewal terms that can extend the lease term. The exercise of lease renewal options is at our sole discretion. We only include these renewal options in our lease terms if they are reasonably certain to be exercised.

Finance lease assets are recorded net of accumulated amortization of $879,961 (unaudited), $761,193 and $394,952 as of September 30, 2020, December 31, 2019 and December 31, 2018, respectively.

Model Home Sale-Leaseback

On September 28, 2018, the Company sold 23 completed Model Homes for $11,459,822. The Company simultaneously entered into 23 individual leases. The Company is responsible for paying the operating expenses associated with the homes while under lease. The Company is also responsible for preparing and actively marketing the homes for sale. The buyer has an option to require the Company to repurchase the homes at 90% of the original purchase price at three months after the end of the lease term; however, the Company does not believe the buyer has a significant economic incentive to exercise the option. The Company recorded a gain related to this transaction in the amount of $1,270,028.

On May 30, 2019, the Company sold 11 completed Model Homes for $4,417,674. The Company simultaneously entered into 11 individual leases. The Company is responsible for paying the operating expenses associated with the homes while under lease. The Company is also responsible for preparing and actively marketing the homes for sale. The Company recorded a gain related to this transaction in the amount of $321,128.

On December 27, 2019, the Company sold 20 completed Model Homes for $9,240,680. The Company simultaneously entered into 17 individual leases. The Company is responsible for paying the operating expenses associated with the homes while under lease. The Company is also responsible for preparing and actively marketing the homes for sale. The Company recorded a gain related to this transaction in the amount of $1,928,671.

Corporate Office Building Sale-Leaseback

In 2018, the Company sold its corporate office, and simultaneously entered into a lease. The lease term was for 15 years with potential renewal options at the end of the initial term. The Company is responsible for paying the operating expenses associated with the corporate office. The Company recorded a gain related to this transaction in the amount of $3,277,810, which is recorded in gain on sale of assets within the Consolidated Statements of Comprehensive Income.

		For the Nine Months Ended September 30,		For the Years Ended December 31,	
Lease Cost	**Classification**	**2020 (unaudited)**	**2019 (unaudited)**	**2019**	**2018**
Operating lease cost[(a)]	Selling, general and administrative expenses	$ 3,912,815	$ 2,667,575	$ 3,690,165	$2,193,921
Finance lease cost:					
Amortization of right of use assets	Selling, general and administrative expenses	118,769	326,651	366,241	394,952
Interest on lease liabilities	Interest expense	22,946	49,722	78,240	84,228
Total finance lease cost		$ 141,715	$ 376,373	$ 444,481	$ 479,180
Net lease cost		$ 4,054,530	$ 3,043,948	$ 4,134,646	$ 2,673,101

(a) Includes short-term leases and variable lease costs which are immaterial.

The following table shows the maturities of our lease liabilities as of December 31, 2019:

Maturity of Lease Liabilities	**Operating Leases (a)**	**Finance Leases (a)**	**Total (a)**
2020	$ 3,675,336	$175,759	$ 3,851,095
2021	2,271,109	166,833	2,437,942
2022	1,509,954	150,878	1,660,832
2023	1,312,997	41,340	1,354,337
2024	1,304,829	—	1,304,829
After 2025	11,354,293	—	11,354,293
Total lease payments	$21,428,518	$ 534,810	$21,963,328
Less: Interest	6,346,781	36,119	
Present value of lease liabilities	$15,081,737	$ 498,691	

(a) We use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments.

During the nine months ended September 30, 2020, there have been no material changes in our lease liabilities for the next five years.

	As of September 30,	As of December 31,	
	2020 (unaudited)	**2019**	**2018**
Weighted average remaining lease term			
Operating leases	11 years	11 years	12 years
Financing leases	2 years	3 years	3 years
Weighted average discount rate			
Operating leases	6.8%	7.1%	7.1%
Financing leases	6.8%	6.8%	6.8%

9. Members' Equity

Redeemable Common Units and Redeemable Preferred Units

All of the Company's preferred units are classified in mezzanine equity as they can be redeemed in a deemed liquidation of the company outside of the Company's control. Additionally, the Company has certain non-voting common units that can be redeemed outside the Company's control, and therefore, are classified in mezzanine equity (the "Redeemable Non-Voting Common Units"). As of the balance sheet date, none of the events have occurred that could result in the securities being redeemed by the unit holders.

Redeemable Series A Preferred Units

As of September 30, 2020 and as of December 31, 2019 and 2018, the Company had 15,400 (unaudited), 15,400 and 15,400, respectively, Redeemable Series A Preferred Units ("Series A Preferred Units") issued and outstanding with a carrying value of $18,677,309 (unaudited), $14,111,565 and $10,870,247, respectively. In the event of a liquidation, dissolution or winding up of the Company, the Series A Preferred Units have a liquidation preference of $335.57 per unit and are senior to the common units and Series B Preferred Units. The Series A Preferred Units have a 4% annual cumulative preferred distribution on the liquidation preference that is payable if and when distributions are declared. The Series A Preferred Units participate in discretionary distributions with common units, and each unit has the right to one vote on any matter presented for a vote of the members. As of September 30, 2020, the Company did not have any cumulative preferred distributions in arrears (unaudited) for the Series A Preferred Units. As of December 31, 2019 and 2018, the Company did not have cumulative preferred dividends in arrears for the Series A Preferred Units.

The Series A Preferred Units can be redeemed at the option of the holders on or after December 31, 2021 or upon a sale of the Company at a price per unit that provides an 8% annual rate of return on the liquidation preference. The Company allocates earnings *pari passu* each period to the Series A Preferred Units.

Redeemable Series B Preferred Units

As of September 30, 2020 and as of December 31, 2019 and 2018, the Company had 7,143 (unaudited), 7,143 and 7,143, respectively, Redeemable Series B Preferred Units ("Series B Preferred Units") issued and outstanding with a carrying value of $6,150,287 (unaudited), $5,627,099 and $5,005,293, respectively. In the event of a liquidation, dissolution or winding up of the Company, the Series B Preferred Units have a liquidation preference of $1,000 per unit and are senior to common units. The Series B Preferred Units have an 8% annual cumulative preferred distribution on the liquidation preference that is payable if and when distributions are declared. The Series B Preferred units do not participate in discretionary distributions, and each unit has the right to one vote on any matter presented for a vote of the members. As of September 30, 2020, December 31, 2019 and 2018, these units have an aggregate unpaid amount of cumulative preferred distributions of $1,919,943 (unaudited), $1,396,755 and $746,414 respectively, which is $268.79 (unaudited), $195.54 and $104.50, respectively, per unit.

The Series B Preferred Units can be redeemed at the Company's option for $1,000 per unit plus any accrued and unpaid preferred distributions per unit at any time prior to September 30, 2022. The units may also be redeemed at the option of the holder upon a sale of the Company for $1,000 per unit plus any accrued and unpaid preferred distributions. As the units are not currently probable of becoming redeemable outside the Company's control, no accretion has been recorded.

Redeemable Convertible Series C Preferred Units

As of September 30, 2020 and as of December 31, 2019 and 2018, the Company had 26,000 (unaudited), 27,000 and 27,000 Redeemable Convertible Series C Preferred Units ("Series C Preferred Units") issued and outstanding, respectively. As of September 30, 2020, the Series C Preferred Units have a carrying value of $25,530,505 (unaudited) which includes the impact of an origination fee of $270,000 (unaudited) that was paid to the holders upon issuance and $199,495 (unaudited) of other costs directly attributable to the issuance. As of December 31, 2019 and 2018, the Series C Preferred Units had a carrying value of $26,530,505, of which the corresponding member receivable is presented as contra-mezzanine equity in the Consolidated Statements of Members' Equity and Mezzanine Equity, includes the impact of an origination fee of $270,000 that was paid to the holders upon issuance and $199,495 of other costs directly attributable to the issuance. In the event of a liquidation, dissolution or winding up of the Company, the Series C Preferred Units have a liquidation preference of $1,000 per unit and a preference over all other preferred and common units. The Series C Preferred Units have a required 11% per annum quarterly preferred distribution, do not have voting rights and do not participate in discretionary distributions. As of

September 30, 2020 and 2019 the Company had cumulative preferred distributions in arrears of $711,694 (unaudited) and $756,740 (unaudited), respectively, for the Series C Preferred Units. As of December 31, 2019 and 2018, the Company had cumulative preferred distributions in arrears of $748,603 and $0, respectively, for the Series C Preferred Units. As the units are not currently probable of becoming redeemable outside the Company's control, no accretion has been recorded.

The Series C Preferred Units are redeemable at the Company's option for $1,000 plus any accrued and unpaid preferred distributions per unit until December 31, 2021 with a six-month extension available. The redemption price can increase by 10% upon certain defaults, including a failure to make the required quarterly preferred distribution payments. The Series C Preferred Units may be redeemed in the event of a sale of the Company.

If the Series C Preferred Units are not redeemed by December 31, 2021 (or June 30, 2022 if extended by the Company) or upon certain events, including the failure to make the required quarterly preferred distribution payments, the holders have the right to convert to a number of nonvoting common units equal to a formulaic amount based on the book value of the Company's common units and Series A Preferred Units. As of September 30, 2020, all outstanding Series C Preferred Units would convert into 22,736 (unaudited) nonvoting common units. As of December 31, 2019, all outstanding Series C Preferred Units would convert into 29,542 nonvoting common units.

In April 2020, the Company redeemed 1,000 Series C Preferred Units for $1,000,000 plus accrued unpaid preferred distributions of $62,500.

Redeemable Convertible Series D Preferred Units

Series D-1 Units

In May 2019, the Company issued three Redeemable Convertible Series D-1 Preferred Units ("Series D-1 Preferred Units") for $3,000,000. As of September 30, 2020 and as of December 31, 2019 and 2018, the Company had zero (unaudited), three and zero Series D-1 Preferred Units issued and outstanding. The carrying amounts as of September 30, 2020 and as of December 31, 2019 and 2018 were $0 (unaudited), $3,000,000 and $0, respectively. In the event of a liquidation, dissolution or winding up of the Company, the Series D-1 Preferred Units have a liquidation preference of $1,000,000 per unit, are senior to Series A Preferred Unit holders, Series B Preferred Unit holders and common unitholders and are *pari passu* with Series D-2. The Series D-1 Preferred Units had a 14% per annum quarterly preferred distribution, which would have increased to 17.5% after May 30, 2020. The units do not have any voting rights and do not participate in discretionary dividends.

The holders of the Series D-1 Preferred Units had the option to convert to a number of nonvoting common units at a predetermined metric until May 30, 2020. Between May 30, 2020 and May 29, 2021, the Series D-1 Preferred Units would have been redeemable at the Company's option at $1,000,000 per unit plus accrued and unpaid preferred distributions. The Series D-1 Preferred Units would have been required to be redeemed in the event of a sale of the Company at $1,000,000 per unit plus accrued and unpaid preferred distributions. The Company was required to obtain the consent of the Series C Preferred Unit holders before redeeming any Series D-1 Preferred Units prior to the redemption of any Series C Preferred Units.

As of September 30, 2020 and 2019, the Company had cumulative preferred distributions in arrears of $0 (unaudited) and $109,644 (unaudited), respectively, for the Series D-1 Preferred Units. As of December 31, 2019 and 2018, the Company had cumulative preferred distributions in arrears of $100,808 and $0, respectively, for the Series D-1 Preferred Units.

As of December 31, 2019 and 2018, the units were not probable of becoming redeemable outside the Company's control, and no accretion was recorded.

In July 2020, the Company redeemed three series D-1 Preferred Units in the amount of $3,000,000, plus accrued interest of $38,730.

Series D-2 Units

In May 2019, the Company issued nine Redeemable Convertible Series D-2 Preferred Units ("Series D-2 Preferred Units") for $9,000,000. As of September 30, 2020 and as of December 31, 2019 and 2018, the Company had zero (unaudited), nine and zero Series D-2 Preferred Units issued and outstanding. The carrying amounts as of September 30, 2020 and as of December 31, 2019 and 2018 were $0 (unaudited), $9,000,000 and $0, respectively. In the event of a liquidation, dissolution or winding up of the Company, the Series D-2 Preferred Units have a liquidation preference of $1,000,000 per unit, are senior to Series A Preferred Unit holders, Series B Preferred Unit holders and common units and are *pari passu* with Series D-1. The Series D-2 Preferred Units had a 14% per annum quarterly preferred dividend, which increased to 17.5% after May 30, 2020. The units do not have any voting rights and do not participate in discretionary distributions.

The holders of the Series D-2 Preferred Units had the option to convert to a number of nonvoting common units equal to a formulaic amount after May 30, 2021. The Series D-2 Preferred Units are redeemable at the Company's option until May 29, 2021 at $1,000,000 per unit plus accrued and unpaid preferred distributions. The Company may not redeem any Series D-2 Preferred Units without prior consent of the Series C Preferred Unit holders unless certain conditions have been met. Upon a sale of the Company, the Series D-2 Preferred Units must be redeemed at $1,000,000 per unit plus accrued and unpaid preferred distributions.

As of September 30, 2020 and 2019, the Company had cumulative preferred distributions in arrears of $0 (unaudited) and $328,932 (unaudited), respectively, for the Series D-2 Preferred Units. As of December 31, 2019 and 2018, the Company had cumulative preferred distributions in arrears of $302,425 and $0, respectively, for the Series D-2 Preferred Units.

In January of 2020, the Company redeemed six Series D-2 Preferred Units for $6,000,000.

In July 2020, the Company redeemed three series D-2 Preferred Units in the amount of $3,000,000, plus accrued interest of $20,082.

Redeemable Non-Voting Common Units

As of September 30, 2020 and as of December 31, 2019 and 2018, the Company had 7,010 (unaudited), 5,774 and 5,774 Redeemable Non-Voting Common Units issued and outstanding, respectively. The carrying amounts as of September 30, 2020 and as of December 31, 2019 and 2018 were $19,102,846 (unaudited), $16,248,246 and $13,534,739, respectively. In the event of a liquidation, dissolution or winding up of the Company, the Redeemable Non-Voting Common Units are *pari passu* with all other common units. The Redeemable Non-Voting Common Units participate in discretionary dividends and do not have any voting rights.

These units contain a feature that provides each unit holder 0.428 additional units per unit owned if the Company does not achieve $60,000,000 of net income for the years ended December 31, 2018 and 2019 (the "Valuation Feature"). The fixed ratio per unit included in the Valuation Feature was subsequently renegotiated with the investor in January of 2020. Each unit holder now receives 0.214 additional units per unit owned. None of the other provisions in the Valuation Feature changed. The Redeemable Non-Voting Common Units are redeemable at the holder's option after January 1, 2023 for $3,200 per unit if an initial public offering has not been declared effective by the United States Securities and Exchange Commission before such date.

In January 2020, the Company issued an additional 1,236 (unaudited) Redeemable Non-Voting Common Units pursuant to the Valuation Feature described above. The Company allocates earnings *pari passu* every period to the redeemable non-voting common units

10. Equity-Based Compensation

In 2020 and 2019, the Company did not issue any units as compensation to employees. In 2018, the Company issued 25 units as compensation to employees. The non-voting common units issued vest ratably over a five-year period. Compensation expense is based on the grant-date fair value of the units granted, and is recognized on a straight-line basis over the requisite service period for the entire award. The Company calculates the fair value of its grants using the valuation from the latest equity transaction between the Company and a third party, and in all cases, these transactions occurred within twelve months of the grant date of the units. Expense related to equity-based compensation was $697,054 (unaudited) and $596,666 (unaudited) for the nine months ended September 30, 2020 and 2019, respectively. Expense related to equity-based compensation was $895,000 and $895,610 for the years ended December 31, 2019 and 2018, respectively. For September 30, 2020, the total unrecognized compensation expense was $1,489,863 (unaudited), which will be recognized at the earlier of a liquidation event or a weighted-average period of 2.2 years. For December 31, 2019, the total unrecognized compensation expense was $2,186,917, which will be recognized at the earlier of a liquidation event or a weighted-average period of 2.2 years.

The Company's non-vested units as of September 30, 2020 and 2019, and December 31, 2019 and 2018, and changes during the nine months and years then ended are presented below:

	Units	Weighted Average Grant Date Fair Value
Units - December 31, 2018	3,532	$ 4,741,657
Granted (unaudited)	—	—
Forfeited (unaudited)	—	—
Vested (unaudited)	—	—
Units - September 30, 2019 (unaudited)	3,532	$4,741,657
Units - December 31, 2017	3,507	$ 4,687,332
Granted	25	54,325
Forfeited	—	—
Vested	—	—
Units - December 31, 2018	3,532	$ 4,741,657
Granted	—	—
Forfeited	—	—
Vested	—	—
Units - December 31, 2019	3,532	$ 4,741,657
Units - December 31, 2019	3,532	$4,741,657
Granted (unaudited)	—	—
Forfeited (unaudited)	—	—
Vested (unaudited)	—	—
Units - September 30, 2020 (unaudited)	3,532	$ 4,741,657

11. Variable Interest Entities and Investments in Other Entities

The Company holds investments in certain limited partnerships and similar entities that conduct land acquisition, land development and/or other homebuilding activities in various markets where our homebuilding operations are located. The Company also has an interest in one unconsolidated VIE, Jet Home Loans LLC, where the primary activities include underwriting, originating and selling home

mortgages. The Company's VIEs are funded by initial capital contributions from us, as well as our other partners and generally do not have significant debt. The primary risk of loss associated with the Company's involvement in these VIEs is limited to the Company's initial capital contributions due to bankruptcy or insolvency of the VIE; however, management has deemed the likelihood of this as remote. The maximum exposure to loss related to the VIEs is disclosed below for both consolidated and unconsolidated VIEs, which equals the Company's capital investment in each entity.

In some cases, an unrelated third party is the general partner or managing member and in others, the general partner or managing member is a related party. Management analyzed the Company's investments first under the variable interest model to determine if they are VIEs and, if so, whether the Company is the primary beneficiary. Management consolidates the entity if the Company is the primary beneficiary or if a standalone primary beneficiary does not exist and the Company and its related parties collectively meet the definition of a primary beneficiary. If the joint venture does not qualify as a VIE under the variable interest model, management then evaluates the entity under the voting interest model to assess if consolidation is appropriate.

The assets of a VIE can only be used to satisfy the obligations of that specific VIE, even for assets that are included within the Consolidated Balance Sheets. The Company and its partners do not have an obligation to make capital contributions to the VIEs and there are no liquidity arrangements or other agreements that could require the Company to provide financial support to the VIEs. Furthermore, the creditors of the VIEs have no recourse to the Company's general credit. The Company has contracts to purchase land from certain VIEs but is not required to do so. Refer to Note 1 for a more detailed description of these purchase agreements.

Consolidated VIEs

For VIEs that the Company does consolidate, management has the power to direct the activities that most significantly impact the VIE's economic performance. The Company typically serves as the party with homebuilding expertise in the VIE. The Company does not guarantee the debts of the VIEs, and creditors of the VIEs have no recourse against the Company. There were no new consolidated VIEs during the nine months ended September 30, 2020 (unaudited), or during the years ended December 31, 2019 and 2018.

The table below displays the carrying amounts of the assets and liabilities related to the consolidated VIEs:

	As of September 30 (unaudited),	As of December 31,	
Consolidated	**2020**	**2019**	**2018**
Assets	$55,784,840	$51,594,870	$36,258,755
Liabilities	$20,570,344	$19,470,857	$ 7,775,950

Unconsolidated VIEs and Other Equity Method Investments

For VIEs that the Company does not consolidate, the power to direct the activities that most significantly impact the VIE's economic performance is held by a third party. These entities are accounted for as equity method investments. There were no entities that were deconsolidated during the nine months ended September 30, 2020 (unaudited) or during the years ended December 31, 2019 and 2018. The Company's maximum exposure to loss is limited to its investment in the entities because the Company is not obligated to provide any additional capital to or guarantee any of the unconsolidated VIEs' debt.

The table below shows the Company's investment in the unconsolidated VIEs:

Unconsolidated	As of September 30 (unaudited), 2020	As of December 31, 2019	2018
Unconsolidated homebuilding VIE's	—	2,302,739	2,066,848
Jet Home Loans	723,974	1,192,195	1,098,754
Total investment in unconsolidated VIE's	$ 723,974	$ 3,494,934	$ 3,165,602
Other equity method investments	$ 862,220	$ 4,859,278	$ 3,089,478
Total equity method investments	$1,586,194	$ 8,354,212	$ 6,255,080

12. Asset Purchase of Joint Venture Interests

In December 2018, the Company purchased the membership interests of its joint venture partner in PSJ JV Owner LLC, HM7 JV Owner LLC and ANT JV Owner LLC. After the transaction, the Company owned 100% of these companies, and received all income, expenses and margin. Since all of the identified assets in these companies were their land assets and no systems, people or processes were acquired, the transactions were accounted for as an asset purchase. The combined purchase price of these entities was $27,532,174, net of the Company's outstanding equity investment in joint ventures. The Company has a payable to the former owner of $27,532,174 in accrued expenses within the Consolidated Balance Sheets as of December 31, 2018.

13. Segment Reporting

The Company operates in the homebuilding business and is organized and reported by division. There are eleven operating segments and five reportable segments: Jacksonville, Orlando, Denver, and Washington DC ("Capital"), the Company's homebuilding operations; and Jet Home Loans LLC ("Jet"), the Company's mortgage operations. The revenues of each remaining operating segment are not material and will be combined into an "Other" category for the purposes of segment reporting. The corporate component of the Company's operations, which is not considered an operating segment, is also combined into the "Other" category.

In accordance with ASC Topic 280, Segment Reporting, operating segments are defined as components of an enterprise for which separate financial information is available that is evaluated regularly by the chief operating decision-makers ("CODMs") in deciding how to allocate resources and in assessing performance. The Company's CODM primarily evaluates performance based on the number of homes closed, average sales price, and financial results. Segment profitability is measured by net and comprehensive income.

The Company's homebuilding operations employ an asset-light business model with a focus on the design, construction and sale of single-family entry-level and first-time move-up homes.

The Company's mortgage operations are conducted through Jet, which is a licensed home mortgage broker that underwrites, originates and sells mortgages to Prime Lending ("Prime"). The Company owns 49% of Jet, and Prime owns the remaining 51%. Jet is accounted for as an equity method investment.

Financial information relating to the Company's reportable segments is as follows. Operational results of each reportable segment are not necessarily indicative of the results that would have been achieved had the reportable segment been an independent, stand-alone entity during the periods presented.

The following tables summarize home sale revenues and pretax income by segment for the nine months periods ended September 30, 2020 and 2019 and the years ended December 31, 2019 and 2018:

	For the Nine Months Ended September 30,		For the Years Ended December 31,	
	2020 (unaudited)	2019 (unaudited)	2019	2018
Revenues:				
Jacksonville	$ 273,663,604	$ 218,197,576	$ 333,687,948	$ 283,840,808
Colorado	82,927,544	80,694,242	115,835,632	68,606,541
Orlando	71,787,288	78,713,625	109,710,225	84,554,186
Capital	80,192,685	20,416,331	39,043,345	9,161,792
Jet Home Loans	22,377,000	12,839,000	18,932,000	14,017,000
Other	164,135,267	92,878,673	146,015,173	76,095,146
Total segment revenues	$ 695,083,388	$ 503,739,447	$ 763,224,323	$ 536,275,473
Reconciling items from equity method investments	(22,377,000)	(12,839,000)	(18,932,000)	(14,017,000)
Consolidated revenues	$ 672,706,388	$ 490,900,447	$ 744,292,323	$ 522,258,473

	For the Nine Months Ended September 30,		For the Years Ended December 31,	
	2020 (unaudited)	2019 (unaudited)	2019	2018
Net and comprehensive income:				
Jacksonville	$ 20,084,483	$ 16,536,945	$ 26,358,703	$ 20,514,824
Colorado	9,627,350	5,684,665	10,424,803	1,253,291
Orlando	4,682,466	2,894,974	3,732,935	3,368,996
Capital	2,059,612	(2,577,039)	(2,709,651)	(2,154,540)
Jet Home Loans	9,497,000	2,909,162	4,506,242	2,572,478
Other	3,041,752	2,436,859	4,882,812	(970,740)
Total segment net and comprehensive income	$ 48,992,663	$ 27,885,566	$ 47,195,844	$ 24,584,309
Reconciling items from equity method investments	(4,653,351)	(1,483,590)	(2,298,060)	(1,322,940)
Consolidated net and comprehensive income	$ 44,339,312	$ 26,401,976	$ 44,897,784	$ 23,261,369

	As of September 30 (unaudited),	As of December 31,	
	2020	2019	2018
Assets:			
Jacksonville	$ 187,000,310	$ 161,733,371	$ 156,041,909
Colorado	46,832,352	44,293,500	51,928,048
Orlando	71,011,926	44,192,387	45,149,379
Capital	46,743,909	55,695,204	25,474,555
Jet Home Loans	2,364,024	48,754,245	27,716,754
Other	220,168,297	207,812,743	95,752,967[1]
Total segment assets	$ 574,120,818	$ 562,481,450	$ 402,063,612
Reconciling items from equity method investments	(1,640,000)	(47,562,000)	(26,618,001)
Consolidated assets	$ 572,480,818	$ 514,919,450	$375,445,611

(1) Other includes the Company's title operations, homebuilding operations in non-reportable segments, operations of the corporate component, and corporate assets such as cash and cash equivalents, cash held in trust, prepaid insurance, operating and financing leases, lot deposits, goodwill, as well as property and equipment.

14. Fair Value Disclosures

ASC 820, Fair Value Measurement, defines fair value as the price that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date and requires assets and liabilities carried at fair value.

GAAP assigns a fair value hierarchy to the inputs used to measure fair value. Level 1 inputs are quoted prices in active markets for identical assets and liabilities. Level 2 inputs are inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs.

Fair value measurements may also be utilized on a nonrecurring basis, such as for the impairment of long-lived assets and inventory. The fair value of financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and construction lines of credit, approximate their carrying amounts due to the short-term nature of these instruments.

15. Related Party Transactions

During the nine months ended September 30, 2020 and 2019, and for the years ended December 31, 2019 and 2018, the Company has entered into or participated in related party transactions. The majority of these transactions were entered into to control finished lots for homebuilding. In addition, the Company has built and sold homes for employees and members of their immediate families.

Consolidated Joint Ventures

The Company has entered into joint venture arrangements to acquire land, finished lots and build homes. Certain members of the Company, directors and members of management, have invested in these joint ventures and some are limited partners in these joint ventures. DFH Investors LLC (who own 15,400 participating common shares, representing 11.65% of the membership interest in the Company) are the managing members of certain of these joint ventures. The joint ventures are consolidated for accounting purposes. Details of each are included in Note 1.

DF Residential I, LP

DF Residential I, LP (Fund I) is a real estate investment vehicle, organized for the purpose of acquiring and developing finished lots. Dream Finders Homes, LLC, has entered into six joint ventures and ten land bank projects with Fund I since its formation in January 2017. DF Capital is the investment manager in Fund I. Certain directors and executive officers have made investments in Fund I as limited partners. In addition, certain members of management have made investments in Fund I. The total committed capital in Fund I was $36,706,163 (unaudited), $36,706,163 and $21,637,240 as of September 30, 2020, December 31, 2019 and 2018, respectively. Collectively, the Company's directors, executive officers and members of management have invested $8,725,000 (unaudited) or 23.77% (unaudited) of the total committed capital of Fund I as of September 30, 2020 and December 31, 2019, and $5,700,000 or 26.34% of the total committed capital of Fund 1 as of December 31, 2018.

The general partner of Fund I is DF Management GP, LLC ("DF Management"). Dream Finders Homes LLC is one of four members of DF Management with a 26.13% membership interest. Certain members of DFH Investors LLC, including one of the Company's directors, have a 65.33% membership interest. Collectively, Dream Finders Homes LLC and DFH Investors LLC have invested $1,400,000 (unaudited) in Fund I as of September 30, 2020, December 31, 2019 and 2018. This investment represents 3.81% of the total committed Capital in Fund I of $36,706,163.

Land Bank Transactions with DF Capital

After Fund I was fully committed, DF Capital provided land bank financing in a total of seven further projects and subsequently raised additional commitments from limited partners in Fund I as well as other

parties. Doug Moran, Chief Operations Officer, invested $180,000 in one of these funds managed by DF Capital as a limited partner in 2019. As of September 30, 2020, funds managed by DF Capital (other than Fund I) controlled an additional 339 (unaudited) lots as a result of these transactions outside of Fund I. During the nine months ended September 30, 2020, and the years ended December 31, 2019 and 2018, the Company purchased 93 (unaudited), 0 and 0 of these lots and the outstanding lot deposit balance in relation to these projects was $1,511,370 (unaudited), $1,073,567 and $0, respectively. In addition, the Company paid lot option fees related to these transactions of $772,861 (unaudited), $106,394 and $0 for the nine months ended September 30, 2020, and the twelve months ended December 31, 2019 and 2018, respectively.

Medley Capital

Our Series B Holders had an outstanding collateralized loan with the Company for the purposes of land acquisition and development. The loan carried monthly interest at an annual rate of 10%. The outstanding loan balance was $0 (unaudited) as of September 30, 2020. The outstanding loan balance was $4,910,598 and $7,607,741 for the periods ended December 31, 2019 and 2018, respectively. On March 4, 2020, the outstanding loan balance plus accrued interest was paid in full for a total of $4,676,251 (unaudited). In connection with the loan payoff, Medley released back to the Company reserve funds in the amount of $492,472 (unaudited).

Varde Capital

Certain DF Capital joint ventures in which the Company is a member have entered into lending arrangements with our Series C equity holders. The Värde Private Debt Opportunities Fund (On Shore), L.P. (Varde Capital) has a loan with a principal amount of $18,000,000, whose borrowers are DFC East Village, LLC, DFC Seminole Crossing, LLC and DFC Sterling Ranch, LLC. These joint ventures are between Fund I and the Company. As of September 30, 2020 and as of December 31, 2019 and 2018, the outstanding loan balance was $4,400,000 (unaudited), $9,000,000 and $0, respectively.

In addition, Dream Finders Holdings LLC and DF Capital are, individually and collectively, the “Guarantor” in favor of the Värde Private Debt Opportunities Fund (On Shore), L.P. in connection with this loan agreement. The Dream Finders Holdings LLC guarantee provides additional assurance to Varde Capital, as they have recourse to the assets of the Company beyond the pledged collateral in the joint ventures to be made whole in instances of default. The Company believes an event of default is unlikely.

Jet Home Loans

Jet performs mortgage origination activities for the Company. Jet underwrites and originates home mortgages for Company customers and non-Company customers. The Company owns 49% of Jet, but is not the primary beneficiary. Jet is accounted for under the equity method and is a related party of the Company.

Sales to Employees and Related Parties

From time to time, the Company builds homes for employees and related parties. For the nine months ended September 30, 2020, and for the years ended 2019 and 2018, the Company delivered 8 (unaudited), 9, and 8 homes, respectively, to employees and related parties for a total of $6,200,000 (unaudited), $3,900,000, and $6,600,000, respectively.

Guarantees

Dream Finders Homes LLC is a Guarantor in favor of Flagstar Bank (Lender), in connection with a loan of $5,670,000 (unaudited), $0 and $0 to DFC Seminole Crossing, LLC (Borrower) as of September 30, 2020, December 30 2019, and 2018, respectively. The latter is a joint venture between the Company and DF Capital. The guaranty is a Limited Recourse Carve-out (Guaranty). There was no consideration provided by the DF Capital to the Company for this guaranty. The Dream Finders Holdings LLC guarantee provides

additional assurance to Flagstar Bank, as they have recourse to the assets of the Company beyond the pledged collateral in the joint venture to be made whole in instances of default. The Company believes an event of default is unlikely.

16. Net Income per Unit

Basic and diluted net income per unit for the nine months ended September 30, 2020 and 2019 (unaudited) and for the years ended December 31, 2019 and 2018, was calculated by adjusting net and comprehensive income attributable to Dream Finders Holdings LLC for preferred distributions, and dividing by basic and diluted weighted-average number of participating units outstanding. Basic weighted-average unit count was derived by using a weighted-average of participating units outstanding during each reporting period. Diluted weighted-average unit count was derived by using participating units outstanding during each reporting period, adding convertible units that could be issued during the reporting period and using a weighted-average of total units.

	For the Nine Months Ended September 30, 2020 (unaudited)	For the Nine Months Ended September 30, 2019 (unaudited)	For the Year Ended December 31 2019	For the Year Ended December 31 2018
Numerator				
Net and comprehensive income attributable to Dream Finders Holdings LLC	$ 40,865,196	$ 22,821,535	$ 39,191,266	$ 17,322,354
Less: Preferred distributions	$ (3,432,901)	$ (3,297,436)	$ (4,618,067)	$ (600,815)
Net and comprehensive income available to common units	$ 37,432,295	$ 19,524,099	$ 34,573,199	$ 16,721,539
Denominator - Basic				
Weighted-average number of common units outstanding	99,065	97,830	97,830	97,830
Net income per unit, basic	$ 377.86	$ 199.57	$ 353.40	$ 170.92
Denominator - Diluted				
Weighted-average number of common units outstanding, basic	99,065	97,830	97,830	97,830
Add: Convertible units	776	—	—	—
Weighted-average number of units outstanding, diluted	99,841	97,830	97,830	97,830
Net income per unit, diluted	$ 376.79	$ 199.57	$ 353.40	$ 170.92

The EPS amounts calculated in the table above are relevant for all classes of common and participating units, which include common units, non-voting common units, redeemable non-voting common units and Series A Preferred Units. The Company excluded anti-dilutive convertible units from the calculation of weighted-average number of units outstanding for diluted EPS. The Company excluded anti-dilutive convertible units of 0 (unaudited) and 442 (unaudited) for the nine months ended September 30, 2020 and 2019, respectively, and, excluded anti-dilutive convertible units of 581 and 0 for the years ended December 31, 2019 and 2018, respectively.

Unaudited Pro Forma Net Income per Unit

Unaudited pro forma basic and diluted net income per unit for the nine months ended September 30, 2020 and 2019 (unaudited) and for the years ended December 31, 2019 and 2018, gives effect to pro forma net income taxes, which reflect federal and state income taxes, assuming a 5.5% state tax rate, a 21% federal

tax rate and a 1.5% 45L New Energy Efficient Home Tax Credit available to builders and developers for meeting certain energy efficiency requirements, which results in a federal tax rate of 19.5%. The Company utilized a 25% combined effective rate, which is a product of the state tax rate and adjusted federal tax rate, as if the Company had been taxed as a corporation in accordance with Subchapter C of the Internal Revenue Code ("C-Corporation") for those periods.

	For the Nine Months Ended September 30, 2020 (unaudited)	For the Nine Months Ended September 30, 2019 (unaudited)	For the Year Ended December 31 2019	For the Year Ended December 31 2018
Numerator				
Net and comprehensive income attributable to Dream Finders Holdings LLC	$ 30,648,897	$17,116,151	$ 29,393,449	$ 12,991,765
Less: Preferred distributions	$ (3,432,901)	$ (3,297,436)	$ (4,618,067)	$ (600,815)
Net and comprehensive income available to common units	$ 27,215,996	$ 13,818,715	$ 24,775,382	$ 12,390,950
Denominator - Basic				
Weighted-average number of common units outstanding	99,065	97,830	97,830	97,830
Net income per unit, basic	$ 274.73	$ 141.25	$ 253.25	$ 126.66
Denominator - Diluted				
Weighted-average number of common units outstanding, basic	99,065	97,830	97,830	97,830
Add: Convertible units	776	—	—	—
Weighted-average number of units outstanding, diluted	99,841	97,830	97,830	97,830
Net income per unit, diluted	$ 274.47	$ 141.25	$ 253.25	$ 126.66

The unaudited pro forma EPS amounts calculated in the table above are relevant for all classes of common and participating units, which include common units, non-voting common units, redeemable non-voting common units and Series A Preferred Units. The Company excluded anti-dilutive convertible units from the calculation of weighted-average number of units outstanding for unaudited pro forma diluted EPS. The Company excluded anti-dilutive convertible units of 0 (unaudited) and 442 (unaudited) for the nine months ended September 30, 2020 and 2019, respectively, and excluded anti-dilutive convertible units of 581 and 0 for the years ended December 31, 2019 and 2018, respectively.

Pro forma earnings per unit was derived by adjusting income before taxes for pro forma income tax expense, pro forma net and comprehensive income attributable to non-controlling interest and preferred distributions, and dividing by basic and diluted weighted-average number of participating units outstanding. Basic weighted-average unit count was derived by using a weighted-average of participating units outstanding during each reporting period. Diluted weighted-average unit count was derived by using participating units outstanding during each reporting period, adding convertible units could be issued during the reporting period and using a weighted-average of total units.

17. Subsequent Events

The Company has evaluated subsequent events through October 13, 2020, the date the financial statements were issued, and no additional matters were identified requiring recognition or disclosure in the financial statements, except for events described below.

On October 5, 2020, the Company acquired 100% of the issued and outstanding membership interests in H&H constructors of Fayetteville, LLC ("H&H"), an operative homebuilder, for a purchase price of $49,907,841. To fund the acquisition, the Company obtained a $20,000,000 bridge loan from Boston Omaha Corporation, LLC, with an annual interest rate of 14% maturing on May 1, 2021, paid cash of $9,496,723 and agreed to pay contingent consideration in the amount of $20,411,118 based on H&H meeting certain financial metrics.

On October 1, 2020, an unrelated party, FBC Mortgage, Inc., purchased Prime's membership interest in Jet for book value. The Company retained its 49% ownership share of Jet.

H&H CONSTRUCTORS OF FAYETTEVILLE, LLC

Balance Sheets

	September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Assets		
Cash and cash equivalents	$ 9,253,903	$ 560,098
Accounts receivable:		
Related parties (Note 8)	4,594,020	5,186,640
Others	62,676	200,292
Real estate inventory:		
Homes under construction	141,396,314	109,210,233
Capitalized interest (Note 3)	3,210,552	3,237,602
Overhead capitalized	3,485,025	2,687,748
Lot deposits (Note 4)	3,911,511	2,767,489
Prepaid expenses	984,191	714,456
Deposits (Note 11)	2,138,615	2,138,615
Property and equipment, net (Note 5)	1,613,754	1,963,959
Total assets	$170,650,561	$128,667,132
Liabilities		
Notes payable:		
Construction loans (Note 6)	$116,894,907	$ 92,987,757
Auto, equipment, and real estate loans (Note 7)	—	208,176
Accounts payable	15,232,095	1,666,804
Customer deposits	1,631,866	1,137,508
Accrued expenses	2,509,036	1,910,547
Total liabilities	136,267,904	97,910,792
Commitments and contingencies (Note 12)		
Member's Equity	34,382,657	30,756,340
Total liabilities and member's equity	$170,650,561	$128,667,132

See Notes to Financial Statements.

H&H CONSTRUCTORS OF FAYETTEVILLE, LLC

Statements of Comprehensive Income
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Revenue	$65,706,992	$59,367,583	$170,932,095	$165,250,116
Cost of revenue	54,898,670	50,741,573	144,877,181	143,098,947
Gross profit	10,808,322	8,626,010	26,054,914	22,151,169
Selling, general and administrative				
Sales and marketing expenses	4,445,947	4,004,171	11,730,448	10,511,731
General and administrative expenses	2,556,411	2,559,638	7,181,451	6,363,318
Total selling, general, and administrative	7,002,358	6,563,809	18,911,899	16,875,049
Income from operations	3,805,964	2,062,201	7,143,015	5,276,120
Other income, net	44,800	(10,834)	61,745	108,951
Net and comprehensive income	$ 3,850,764	$ 2,051,367	$ 7,204,760	$ 5,385,071

See Notes to Financial Statements.

H&H CONSTRUCTORS OF FAYETTEVILLE, LLC

Statements of Changes in Member's Equity

Balance, December 31, 2019 (audited)	$30,756,340
Net and comprehensive income	7,204,760
Distributions to member	(3,578,443)
Balance, September 30, 2020 (unaudited)	$34,382,657

See Notes to Financial Statements.

H&H CONSTRUCTORS OF FAYETTEVILLE, LLC

Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
	2020	**2019**
Cash Flows from Operating Activities		
Net and comprehensive income	$ 7,204,760	$ 5,385,071
Adjustments to reconcile net and comprehensive income to net cash (used in) provided by operating activities:		
Depreciation	458,164	450,694
(Gain) on sale of property and equipment	2,993	(14,928)
Loss on sale of available for sale securities	—	2,618
Changes in operating assets and liabilities		
(Increase) decrease in operating assets:		
Accounts receivable - others	137,616	73,383
Real estate inventory	(34,100,330)	6,197,304
Prepaid expenses	(269,735)	(472,990)
Deposits	—	(1,167,529)
Increase (decrease) in operating liabilities:		
Accounts payable - trade	13,565,291	785,464
Customer deposits	494,358	(216,709)
Accrued expenses and other liabilities	598,489	(279,339)
Net cash (used in) provided by operating activities	(11,908,394)	10,743,039
Cash Flows from Investing Activities		
Purchase of property and equipment	(488,051)	(186,108)
Proceeds from sale of available for sale securities	—	105,237
Proceeds from sale of property and equipment	321,523	323,807
Net cash (used in) provided by investing activities	(166,528)	242,936
Cash Flows from Financing Activities		
Proceeds from (payments on) construction loans, net of repayments	23,907,150	(7,244,785)
Principal payments on auto, equipment, and real estate loans	(208,176)	(294,307)
Decrease in accounts receivable - related party	592,620	(362,658)
Distributions to member	(3,522,867)	(3,148,803)
Net cash provided by (used in) financing activities	20,768,727	(11,050,553)
Increase (decrease) in cash and cash equivalents	8,693,805	(64,578)
Cash and Cash Equivalents		
Beginning of year	560,098	92,685
End of year	$ 9,253,903	$ 28,107
Supplemental Disclosure of Cash Flow Information,		
Cash paid during the period for interest	$ 4,266,637	$ 5,151,551
Supplemental Disclosure of Noncash Investing and Financing Activities,		
Notes payable incurred for purchase of property and equipment	$ —	$ 126,525
Decrease in receivable - related party through property distribution	$ 55,576	$ —

See Notes to Financial Statements.

H&H CONSTRUCTORS OF FAYETTEVILLE, LLC

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

H&H Constructors of Fayetteville, LLC ("the Company"), a wholly-owned subsidiary of H&H Constructors, Inc., was formed on December 9, 2013, under the laws of the state of North Carolina. The Company acquires developed lots in subdivisions and builds single-family dwellings on them under fixed-price contracts and on a speculative and pre-sale basis in North and South Carolina.

Note 2. Summary of Significant Accounting Policies

Recently Adopted Accounting Pronouncements

On January 1, 2019, the Company adopted Accounting Standards Codification 606, "Revenue from Contracts with Customers" (ASC 606), which is a comprehensive new revenue recognition model that requires revenue to be recognized in a manner to depict the transfer of goods or services and satisfaction of performance obligations to a customer in an amount that reflects the consideration expected to be received in exchange for those goods or services. The Company applied the modified retrospective method to contracts that were not completed as of January 1, 2019. There was no impact to the year ended 2018 revenues as a result of applying ASC 606.

On January 1, 2019, the Company adopted Accounting Standards Update ("ASU") No. 2016-01, Financial Instruments – Overall (Subtopic 825-10). Under this ASU, equity securities are generally required to be measured at fair value with unrealized holding gains and losses reflected in net income. As a result of this adoption, the accumulated other comprehensive income balance at December 31, 2018 was reclassified into member's equity.

Revenue Recognition

Homebuilding revenue and related profit are generally recognized at the time the home is settled and title passes to the customer.

When the Company executes sales contracts with its homebuyers, or when it requires advanced payment from homebuyers for custom changes, upgrades or options related to their homes, the cash deposits received are recorded as liabilities until the home settlement or the contracts are cancelled.

When sales incentives involve a discount on the selling price of the home, the Company records the discount as a reduction of revenue at the time of house settlement. If the sales incentive requires us to provide a free product or service to the customer, the cost of the free product or service is recorded as cost of revenues at the time of house settlement. This included the cost related to optional upgrades and seller-paid financing costs, closing cost, homeowners' association fees, or merchandise.

Use of Estimates

The preparation of the financial statement in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Management continually evaluates the estimates used to prepare the financial statements and updates those estimates as necessary. In general, the Company's estimates are based on historical experience, on information from third party professionals, and other various assumptions that are believed to be reasonable under the facts and circumstances. Actual results could differ materially from those estimates made by management.

Credit Risk

The Company places cash with high credit quality financial institutions. The Company maintains its cash accounts in bank accounts, which at times, may exceed federally insured limits. The Company has not experienced any losses on such accounts and believe they are not exposed to any significant credit risk on cash and cash equivalents.

Notes to Financial Statements

Proceeds from home closings held for the Company's benefit at title companies are included in cash and cash equivalents in the balance sheets.

Real Estate Inventory

Real estate inventory consists of homes under construction, completed homes, and model homes. Inventory is carried at cost unless it is determined to be impaired, in which case it is written down to fair value. In addition to direct carrying costs, the Company also capitalizes interest, real estate taxes, and related development costs that benefit the development, such as field construction supervision and related direct overhead.

At home settlement, the Company generally has not paid all incurred costs necessary to complete the home. A liability and a corresponding charge to cost of sales are recorded for the amount estimated to ultimately be paid related to complete homes that have been closed. Home construction budgets are compared to actual records cost to determine the additional cost remaining to be paid on each closed home.

Each quarter, the Company reviews its communities and land inventories for indicator of potential impairment. If indicators of impairment are present for a community, the Company performs an impairment evaluation of the community, which included an analysis to determine if the undiscounted cash flows estimated to be generated by those assets are less than their carrying amounts. If so, impairment charges are recorded to cost of sales if the fair value of such assets is less than their carrying amounts. Impairment charges are also recorded on finished homes in substantially completed communities when events or circumstances indicate that the carrying values are greater than the fair values less estimated costs to sell these homes.

The key assumptions relating to inventory valuations are impacted by local market and economic conditions and are inherently uncertain. Due to uncertainties in the estimation process, actual results could differ from such estimates.

Sold inventory is evaluated for impairment based on the contractual sales price compared to the total estimated cost to construct plus a reasonable profit margin. Unsold inventory is evaluated for impairment by analyzing recent comparable sales prices within the applicable community compared to the costs incurred to date plus the expected costs to complete and a reasonable profit margin. Any calculated impairments are recorded immediately. The Company recognized no impairment expense during the nine-month period ended September 30, 2020 and 2019, respectively.

Capitalized Interest

The Company capitalizes interest cost into inventories during active development and construction. Capitalized interest is charged to cost of sales as the related inventory is delivered to the buyer.

Property and Equipment

Property and equipment is stated at cost. Maintenance and repairs of property and equipment are expensed as incurred and betterments are capitalized. Upon retirement, sale or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts and gain or loss is included in operations.

Depreciation is computed principally by using the straight-line method over the estimated service lives of the respective assets. The estimated useful life of buildings is 40 years, while the estimated useful lives of autos and trucks is 5 years, and furniture, fixtures, and equipment range from 5 to 7 years.

Long-Lived Assets

Long-lived assets, such as rental properties, real estate held for sale, and property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, the Company first compares undiscounted cash flows expected to be

generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

Allowance for Warranties

Home purchasers are provided with a limited warranty against certain building defects, including a one-year comprehensive limited warranty and coverage for certain other aspects of the home's construction and operating systems. Management estimates the costs to be incurred under these warranties and records a liability in the amount of such costs at the time revenue is recognized. Accrued warranties were $677,082 and $811,082 at September 30, 2020 and December 31, 2019, respectively.

Advertising Cost

The Company expenses advertising cost as incurred. Advertising expense for the nine-month period ended September 30, 2020 and 2019 was $840,001 and $517,696, respectively.

Income Taxes

The Company is recognized as a disregarded entity for federal income tax purposes and included in the return of H&H Constructors, Inc.

Management evaluated the Company’s tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

New Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires companies that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the balance sheet for leases with terms exceeding 12 months. ASU 2016-02 defines a lease as a contract or a part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and lease liability at the present value of remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU 2016-02 is effective for the Company for the year ending December 31, 2022. Early adoption is permitted. The Company is currently evaluating the impact that the adoption of Topic 842 will have on its financial statements.

Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures*, provides a framework for measuring fair value and establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The fair value hierarchy can be summarized as follows:

Level 1 - Fair value determined based on quoted prices in active markets for identical assets or liabilities.

Level 2 - Fair value determined using significant observable inputs, generally either quoted prices in active markets for similar assets or liabilities or quoted prices in markets that are not active.

Level 3 - Fair value determined using significant unobservable inputs, such as pricing models, discounted cash flows, or similar techniques.

Notes to Financial Statements

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Note 3. Capitalized Interest

Included in real estate inventory is capitalized interest of $3,210,552 and $3,237,602 at September 30, 2020 and December 31, 2019.

The amount of interest charged to expense during the nine-month period ended September 30, 2020 consisted of the following:

Interest capitalized, December 31, 2019	$3,000,720
Interest incurred and capitalized	1,206,490
Interest expensed to cost of sales — homes	4,434
	$3,210,552

Note 4. Land and Lot Purchase Contracts

The Company pays deposits related to land options and land purchase contracts, including option contracts, for the purchase of lots in the routine conduct of its business. The Company has acquired a number of land purchase contracts, generally through cash deposits, for the right to purchase lots at a future point in time with predetermined terms. The Company does not have title to the lots and the creditors generally have no recourse to the Company. The Company's obligations with respect to the land purchase contracts are generally limited to the forfeiture of the related nonrefundable cash deposits. As of September 30, 2020, the Company had the right to purchase approximately 3,720 lots under land purchase contracts, which represents an aggregate purchase price as of September 30, 2020 of approximately $210.6 million. Cash deposits on these lots amounted to $3,911,511 at September 30, 2020.

Note 5. Property and Equipment

Property and equipment consisted of the following at:

	September 30, 2020	December 31, 2019
Furniture, fixtures, and equipment	$ 2,862,266	$ 3,117,927
Buildings	614,277	126,225
Autos and trucks	12,825	537,024
Property and equipment	3,489,368	3,781,176
Accumulated depreciation	(1,875,614)	(1,817,217)
Property and equipment, net	$ 1,613,754	$ 1,963,959

Depreciation expense was $458,164 and $450,694 for the nine-month period ended September 30, 2020 and 2019, respectively.

Notes to Financial Statements

Note 6. Construction Notes Payable

Construction notes payable consisted of the following at:

Creditor	Balance September 30, 2020	Balance December 31, 2019	Maturity	Interest Rate
Lender 1	$ 3,560,582	$ 2,460,132	2020	Prime rate plus .50%
Lender 2	9,484,827	9,370,779	2020	Prime rate plus .50% with a floor of 4.25%
Lender 3	13,238,780	8,635,993	2021	30 day LIBOR plus 4.00%
Lender 4	12,592,706	11,219,134	2020	30 day LIBOR plus 3.90%
Lender 5	—	310,454	2020	Prime rate plus .50%
Lender 6	11,980,798	8,516,830	2022	30 day LIBOR plus 3.95%
Lender 7	12,791,835	13,212,094	2020	Greater of a fixed rate of 4.50% or an adjustable rate equal to the 90 day LIBOR plus 3.90%
Lender 8	4,762,096	3,602,024	2020-2021	Lesser of the higher lawful rate or the greater of a fixed rate of 6.00% or the 30 day LIBOR plus 3.75%
Lender 9	11,415,220	10,419,799	2020	Prime rate plus .50% with a floor of 4.75%
Lender 10	6,105,187	3,700,073	2020	Prime rate plus 1.00% with a floor of 5.00%
Lender 11	1,701,555	1,618,856	2022	Prime rate plus .50%
Lender 12	10,358,662	4,827,146	2020	Prime rate plus 3.75% with a floor of 4.50%
Lender 13	12,273,587	11,889,110	2021	30 Day LIBOR plus 3.90%
Lender 14	1,495,720	—	2021	Prime rate plus .50% with a floor of 5.00%
Lender 15	5,133,352	3,205,333	2020	Prime rate plus .50%
Total	$116,894,907	$92,987,757		

The notes listed above are payable as homes are sold and are collateralized by the constructed asset and or personal guarantees from the stockholders of H&H Constructors, Inc. These notes mature at various dates and will be renewed or refinanced upon maturity.

The construction notes payable terms require the Company to maintain certain financial ratios. The Company was in compliance with these ratios as of September 30, 2020.

Note 7. Long-Term Debt

Long-term debt on vehicles consisted of the following at:

	September 30, 2020	December 31, 2019
Notes payable on vehicles collateralized by the vehicles, total monthly payments totaling $7,058 including interest at rates ranging from 3.04% to 7.06%. All balances were paid in full during the period ended September 30, 2020.	$—	$ 208,176

Notes to Financial Statements

Note 8. Related Party Transactions

The Company purchased developed lots from various related parties during the nine-month period ended September 30, 2020 and 2019, as follows:

	2020	2019
Cottages at Indian Trail, LLC	$ 355,339	$1,849,500
DRC Hampstead, LLC	1,141,611	1,462,500
HDP Main Street Station, LLC	3,652,375	—
H&H Investments, LLC	463,921	212,500
HDP Creek Park, LLC	1,643,726	—
Franklin Park, LLC	1,398,883	—
Hoke Developers 3, LLC	3,837,142	1,310,000
Oakmont Development Partners	3,141,204	105,000
H&M Bedford, LLC	1,033,416	532,000
Ralph Huff Holdings, LLC	—	290,312
Hightcroft of Fayetteville, LLC	—	126,000
RHH Land Investors, LLC	1,306,761	—
HDP Mill Creek, LLC	1,908,746	—
	$19,883,124	$5,887,812

From time to time the Company lends cash to H&H Constructors, Inc. for cash flow purposes. H&H Constructors, Inc. maintains cash accounts for the Company and will transfer cash to the Company on an as needed basis. The total amount due from H&H Constructors, Inc. at September 30, 2020 and December 31, 2019 was $4,594,020 and $5,186,640, respectively.

The Company leases its office facility, located in Fayetteville, NC, from BJMA, LLC, which has common ownership. The lease requires monthly payments of $17,500 and expires on December 31, 2022.

The Company leases its design center, located in Fayetteville, NC, from New Lowe's LLC, which has common ownership. The lease requires monthly payments of $2,500 and expires on August 31, 2021.

The Company uses an aircraft for business travel that is owned by CRT Aviation, LLC, which has common ownership. Total aircraft travel expense for the nine-month period ended September 30, 2020 and 2019 was $70,000 and $10,000, respectively.

Note 9. Defined Contribution Plan

The Company maintains a 401(k) plan for its employees. The Company contributes up to 3% for all eligible participating employees. Retirement plan contributions were $189,705 and $180,633 for the nine-month period ended September 30, 2020 and 2019, respectively.

Note 10. Health Care Benefit Plan

The Company sponsors a self-funded health insurance plan ("Plan") for its eligible employees. The Plan has stop-loss insurance which will cover individual claims exceeding $75,000 and aggregate claims exceeding $627,040 for the nine-month period ended September 30, 2020. Premiums paid under the Plan were $474,274 for the nine-month period ended September 30, 2020. The Plan has stop-loss insurance which will cover individual claims exceeding $75,000 and aggregate claims exceeding $526,886 for the nine-month period ended September 30, 2019. Premiums paid under the Plan were $584,199 for the nine-month period ended September 30, 2019.

Notes to Financial Statements

Note 11. Lease Arrangements

The Company is committed under operating lease agreements, expiring at various dates between 2020 and 2023, for office space and model homes in several cities and states, office equipment, and storage units, including those disclosed in Note 8. The total monthly rent obligation is approximately $131,614. Total rent expense under these lease obligations was $1,121,991 and $1,060,893 for the nine-month period ended September 30, 2020 and 2019, respectively. Deposits on the model home leases were $2,138,615 at September 30, 2020 and December 31, 2019.

Future minimum lease obligations at September 30, 2020, are as follows:

Three months ending December 31, 2020	$ 385,748
Twelve months ending December 31, 2021	1,203,829
Twelve months ending December 31, 2022	605,909
Twelve months ending December 31, 2023	13,804
Total	$2,209,290

Note 12. Commitments and Contingencies

The Company is involved in various other litigation arising in the ordinary course of business. In the opinion of management, and based on advice of legal counsel, this litigation is not expected to have a material adverse effect on the financial position, results of operations or cash flows of the Company. Legal costs incurred in connection with outstanding litigation are expensed as incurred.

Note 13. COVID-19

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Company operates. It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the Company.

Note 14. Subsequent Events

Effective October 1, 2020 H&H Constructors, Inc. sold its 100% membership interest in H&H Constructors of Fayetteville, LLC to Dream Finders Holdings, LLC.

In preparing the financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through November 20, 2020, the date the financial statements were available to be issued. The Company has determined that there are no additional subsequent events that require recognition or disclosure.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
H&H Constructors of Fayetteville, LLC
Fayetteville, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of H&H Constructors of Fayetteville, LLC (the "Company"), which comprise the balance sheet as of December 31, 2019, the related statements of comprehensive income, changes in member's equity and cash flows for the year then ended, and the related notes to the financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

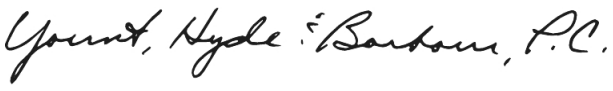
Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of H&H Constructors of Fayetteville, LLC as of December 31, 2019, and the results of their operations and their cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.



Winchester, Virginia
August 14, 2020

H&H CONSTRUCTORS OF FAYETTEVILLE, LLC

Balance Sheet
December 31, 2019

Assets	
Cash and cash equivalents	$ 560,098
Accounts receivable:	
Related parties (Note 8)	5,186,640
Others	200,292
Real estate inventory:	
Homes under construction	109,210,233
Capitalized interest (Note 3)	3,237,602
Overhead capitalized	2,687,748
Lot deposits (Note 4)	2,767,489
Prepaid expenses	714,456
Deposits (Note 11)	2,138,615
Property and equipment, net (Note 5)	1,963,959
Total assets	$128,667,132
Liabilities	
Notes payable:	
Construction loans (Note 6)	$ 92,987,757
Auto, equipment, and real estate loans (Note 7)	208,176
Accounts payable	1,666,804
Customer deposits	1,137,508
Accrued expenses	1,910,547
Total liabilities	97,910,792
Commitments and contingencies (Note 12)	
Member's Equity	30,756,340
Total liabilities and member's equity	$128,667,132

See Notes to Financial Statements.

H&H CONSTRUCTORS OF FAYETTEVILLE, LLC

Statement of Comprehensive Income
Year Ended December 31, 2019

Revenue	$232,269,124
Cost of revenue	200,854,833
Gross profit	31,414,291
Selling, general and administrative	
Sales and marketing expenses	14,684,642
General and administrative expenses	8,524,535
Total selling, general, and administrative	23,209,177
Income from operations	8,205,114
Other income, net	23,166
Net and comprehensive income	$ 8,228,280

See Notes to Financial Statements.

H&H CONSTRUCTORS OF FAYETTEVILLE, LLC

Statement of Changes in Member's Equity
Year Ended December 31, 2019

Balance, December 31, 2018	$25,621,008
Net and comprehensive income	8,228,280
Distributions to member	(3,148,803)
Effect of change in accounting principle (See Note 2)	55,855
Balance, December 31, 2019	$30,756,340

See Notes to Financial Statements.

H&H CONSTRUCTORS OF FAYETTEVILLE, LLC

Statement of Cash Flows
Year Ended December 31, 2019

Cash Flows from Operating Activities	
Net and comprehensive income	$ 8,228,280
Adjustments to reconcile net and comprehensive income to net cash provided by operating activities:	
Depreciation	593,027
Loss on sale of property and equipment	47,968
Changes in operating assets and liabilities	
(Increase) decrease in operating assets:	
Accounts receivable - others	141,787
Real estate inventory	19,130,589
Prepaid expenses	(334,229)
Deposits	(1,167,529)
Increase (decrease) in operating liabilities:	
Accounts payable - trade	(623,773)
Customer deposits	(329,933)
Accrued expenses and other liabilities	(299,218)
Net cash provided by operating activities	25,386,969
Cash Flows from Investing Activities	
Purchase of property and equipment	(360,754)
Proceeds from sale of available for sale securities	105,237
Proceeds from sale of property and equipment	277,884
Net cash provided by investing activities	22,367
Cash Flows from Financing Activities	
(Payments) on construction loans, net of proceeds	(20,347,434)
Principal payments on auto, equipment, and real estate loans	(308,876)
(Increase) in accounts receivable - related party	(1,136,810)
Distributions to member	(3,148,803)
Net cash (used in) financing activities	(24,941,923)
Increase in cash and cash equivalents	467,413
Cash and Cash Equivalents	
Beginning of year	92,685
End of year	$ 560,098
Supplemental Disclosure of Cash Flow Information,	
cash paid during the year for interest	$ 4,902,573
Supplemental Disclosure of Noncash Investing and Financing Activities,	
notes payable incurred for purchase of property and equipment	$ 126,525

See Notes to Financial Statements.

H&H CONSTRUCTORS OF FAYETTEVILLE, LLC

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

H&H Constructors of Fayetteville, LLC, a wholly-owned subsidiary of H&H Constructors, Inc., was formed on December 9, 2013, under the laws of the state of North Carolina. H&H Constructors of Fayetteville, LLC acquire developed lots in subdivisions and build single-family dwellings on them under fixed-price contracts and on a speculative and pre-sale basis in North and South Carolina.

Note 2. Summary of Significant Accounting Policies

Recently Adopted Accounting Pronouncements

On January 1, 2019, the Company adopted Accounting Standards Codification 606, "Revenue from Contracts with Customers" (ASC 606), which is a comprehensive new revenue recognition model that requires revenue to be recognized in a manner to depict the transfer of goods or services and satisfaction of performance obligations to a customer in an amount that reflects the consideration expected to be received in exchange for those goods or services. The Company applied the modified retrospective method to contracts that were not completed as of January 1, 2019. There was no impact to the year ended 2018 revenues as a result of applying ASC 606.

On January 1, 2019, the Company adopted Accounting Standards Update ("ASU") No. 2016-01, Financial Instruments – Overall (Subtopic 825-10). Under this ASU, equity securities are generally required to be measured at fair value with unrealized holding gains and losses reflected in net income. As a result of this adoption, the accumulated other comprehensive income balance at December 31, 2018 was reclassified into member's equity.

Revenue Recognition

Homebuilding revenue and related profit are generally recognized at the time the home is settled and title passes to the customer.

When the Company executes sales contracts with its homebuyers, or when it requires advanced payment from homebuyers for custom changes, upgrades or options related to their homes, the cash deposits received are recorded as liabilities until the home settlement or the contracts are cancelled.

When sales incentives involve a discount on the selling price of the home, the Company records the discount as a reduction of revenue at the time of house settlement. If the sales incentive requires us to provide a free product or service to the customer, the cost of the free product or service is recorded as cost of revenues at the time of house settlement. This included the cost related to optional upgrades and seller-paid financing costs, closing cost, homeowners' association fees, or merchandise.

Rental property tenants are required to execute lease contracts. The Company recognizes revenue from rental properties on a straight-line basis over the term of the lease contracts.

Use of Estimates

The preparation of the financial statement in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Management continually evaluates the estimates used to prepare the financial statements and updates those estimates as necessary. In general, the Company's estimates are based on historical experience, on information from third party professionals, and other various assumptions that are believed to be reasonable under the facts and circumstances. Actual results could differ materially from those estimates made by management.

Credit Risk

The Company places cash with high credit quality financial institutions. The Company maintains its cash accounts in bank accounts, which at times, may exceed federally insured limits. The Company has not experienced any losses on such accounts and believe they are not exposed to any significant credit risk on cash and cash equivalents.

Notes to Financial Statements

Proceeds from home closings held for the Company's benefit at title companies are included in cash and cash equivalents in the balance sheet.

Real Estate Inventory

Real estate inventory consists of homes under construction, completed homes, and model homes. Inventory is carried at cost unless it is determined to be impaired, in which case it is written down to fair value. In addition to direct carrying costs, the Company also capitalizes interest, real estate taxes, and related development costs that benefit the development, such as field construction supervision and related direct overhead.

At home settlement, the Company generally has not paid all incurred costs necessary to complete the home. A liability and a corresponding charge to cost of sales are recorded for the amount estimated to ultimately be paid related to complete homes that have been closed. Home construction budgets are compared to actual records cost to determine the additional cost remaining to be paid on each closed home.

Each quarter, the Company reviews its communities and land inventories for indicator of potential impairment. If indicators of impairment are present for a community, the Company performs an impairment evaluation of the community, which included an analysis to determine if the undiscounted cash flows estimated to be generated by those assets are less than their carrying amounts. If so, impairment charges are recorded to cost of sales if the fair value of such assets is less than their carrying amounts. Impairment charges are also recorded on finished homes in substantially completed communities when events or circumstances indicate that the carrying values are greater than the fair values less estimated costs to sell these homes.

The key assumptions relating to inventory valuations are impacted by local market and economic conditions and are inherently uncertain. Due to uncertainties in the estimation process, actual results could differ from such estimates.

Sold inventory is evaluated for impairment based on the contractual sales price compared to the total estimated cost to construct plus a reasonable profit margin. Unsold inventory is evaluated for impairment by analyzing recent comparable sales prices within the applicable community compared to the costs incurred to date plus the expected costs to complete and a reasonable profit margin. Any calculated impairments are recorded immediately. The Company recognized no impairment expense during the year ended December 31, 2019.

Capitalized Interest

The Company capitalizes interest cost into inventories during active development and construction. Capitalized interest is charged to cost of sales as the related inventory is delivered to the buyer. Capitalized interest included in inventories at December 31, 2019 was $3,237,602.

Property and Equipment

Property and equipment is stated at cost. Maintenance and repairs of property and equipment are expensed as incurred and betterments are capitalized. Upon retirement, sale or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts and gain or loss is included in operations.

Depreciation is computed principally by using the straight-line method over the estimated service lives of the respective assets. The estimated useful life of buildings is 40 years, while the estimated useful lives of autos and trucks is 5 years, and furniture, fixtures, and equipment range from 5 to 7 years.

Long-Lived Assets

Long-lived assets, such as rental properties, real estate held for sale, and property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group

be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

Allowance for Warranties

Home purchasers are provided with a limited warranty against certain building defects, including a one-year comprehensive limited warranty and coverage for certain other aspects of the home's construction and operating systems. Management estimates the costs to be incurred under these warranties and records a liability in the amount of such costs at the time revenue is recognized. Accrued warranties were $811,082 as of December 31, 2019.

Advertising Cost

The Company expenses advertising cost as incurred. Advertising expense for the year ended December 31, 2019 was $705,865.

Income Taxes

The Company is recognized as a disregarded entity for federal income tax purposes and included in the return of H&H Constructors, Inc.

Management evaluated the Company’s tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

New Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires companies that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the balance sheet for leases with terms exceeding 12 months. ASU 2016-02 defines a lease as a contract or a part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and lease liability at the present value of remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU 2016-02 is effective for the Company for the year ending December 31, 2022. Early adoption is permitted. The Company is currently evaluating the impact that the adoption of Topic 842 will have on its financial statements.

Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures*, provides a framework for measuring fair value and establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The fair value hierarchy can be summarized as follows:

Level 1 - Fair value determined based on quoted prices in active markets for identical assets or liabilities.

Level 2 - Fair value determined using significant observable inputs, generally either quoted prices in active markets for similar assets or liabilities or quoted prices in markets that are not active.

Level 3 - Fair value determined using significant unobservable inputs, such as pricing models, discounted cash flows, or similar techniques.

Notes to Financial Statements

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Note 3. Capitalized Interest

Interest capitalized, incurred, and expensed during the year ended December 31, 2019, is as follows:

Interest capitalized, beginning of year	$ 2,853,481
Interest incurred and capitalized	4,775,031
Interest expensed to cost of sales - homes	(4,390,910)
Interest capitalized, end of year	$ 3,237,602

The amount of interest charged to expense in 2019, consisted of the following:

Interest charged to cost of sales	$4,390,910
Interest on finished inventory	2,693,588
Interest on auto and equipment loans	14,608
	$7,099,106

Note 4. Land and Lot Purchase Contracts

The Company pays deposits related to land options and land purchase contracts, including option contracts, for the purchase of lots in the routine conduct of its business. The Company has acquired a number of land purchase contracts, generally through cash deposits, for the right to purchase lots at a future point in time with predetermined terms. The Company does not have title to the lots and the creditors generally have no recourse to the Company. The Company’s obligations with respect to the land purchase contracts are generally limited to the forfeiture of the related nonrefundable cash deposits. As of December 31, 2019, the Company had the right to purchase approximately 2,511 lots under land purchase contracts, which represents an aggregate purchase price as of December 31, 2019 of approximately $143.7 million. Cash deposits on these lots amounted to $2,767,489 at December 31, 2019.

Note 5. Property and Equipment

Property and equipment consisted of the following as of December 31, 2019:

Furniture, fixtures, and equipment	$ 3,117,927
Buildings	126,225
Autos and trucks	537,024
Property and equipment	3,781,176
Accumulated depreciation	(1,817,217)
Property and equipment, net	$ 1,963,959

Depreciation expense was $593,027 for the year ended December 31, 2019 and is included in general and administrative expenses.

Notes to Financial Statements

Note 6. Construction Notes Payable

Construction notes payable consisted of the following at December 31, 2019:

Creditor	Balance	Maturity	Interest Rate
Lender 1	$ 2,460,132	2020	Prime rate plus .50%
Lender 2	9,370,779	2020	Prime rate plus .50% with a floor of 4.25%
Lender 3	8,635,993	2021	30 day LIBOR plus 4.00%
Lender 4	11,219,134	2020	30 day LIBOR plus 3.90%
Lender 5	310,454	N/A	Prime rate plus .50%
Lender 6	8,516,830	2022	30 day LIBOR plus 3.95%
Lender 7	13,212,094	2020	Greater of a fixed rate of 4.50% or an adjustable rate equal to the 90 day LIBOR plus 3.90%
Lender 8	3,602,024	2020-2021	Lesser of the higher lawful rate or the greater of a fixed rate of 6.00% or the 30 day LIBOR plus 3.75%
Lender 9	10,419,799	2020	Prime rate plus .50% with a floor of 4.75%
Lender 10	3,700,073	2020	Prime rate plus 1.00% with a floor of 5.00%
Lender 11	1,618,856	2022	Prime rate plus .50%
Lender 12	4,827,146	2020	Prime rate plus 3.75% with a floor of 4.50%
Lender 13	11,889,110	2020	30 Day LIBOR plus 3.90%
Lender 14	3,205,333	2020	Prime rate plus .50%
Total	$92,987,757		

The notes listed above are payable as homes are sold and are collateralized by the constructed asset and or personal guarantees from the stockholders of the H&H Constructors, Inc. These notes mature at various dates and will be renewed or refinanced upon maturity.

The construction notes payable terms require the Company to maintain certain financial ratios. The Company was in compliance with these ratios as of December 31, 2019.

Note 7. Long-Term Debt

Long-term debt on vehicles, equipment and real estate consisted of the following at December 31, 2019:

Notes payable on vehicles, collateralized by the vehicles acquired, total monthly payments totaling $8,112 including interest at rates ranging from 3.04% to 7.06%, maturing through 2024	$208,176

As of December 31, 2019, the aggregate maturities of long-term debt are as follows:

2020	$ 78,498
2021	65,948
2022	33,136
2023	24,061
2024	6,533
	$208,176

Notes to Financial Statements

Note 8. Related Party Transactions

From time to time the Company lends cash to H&H Constructors, Inc. for cash flow purposes. Also H&H Constructors, Inc. maintain cash accounts for the Company and will transfer cash to the Company on an as needed basis. The total amount due from H&H Constructors, Inc. at December 31, 2019 was $5,186,640.

The Company purchased developed lots from various related parties during December 31, 2019 as follows:

Cottages at Indian Trail, LLC	$1,886,378
DRC Hampstead, LLC	1,491,121
HDP Main Street Station, LLC	761,445
H&H Investments, LLC	216,239
H&M Bedford, LLC	1,201,525
Highcroft of Fayetteville, LLC	472,436
Hoke Developers 3, LLC	2,836,935
Oakmont Development Partners	107,841
Ralph Huff Holdings, LLC	303,782
Woodshire Partners	63,996
	$9,341,698

The Company leases its office facility, located in Fayetteville, NC, from BJMA, LLC, which has common ownership. The lease requires monthly payments of $17,500 and expires on December 31, 2022.

The Company leases its design center, located in Fayetteville, NC, from New Lowe's LLC, which has common ownership. The lease requires monthly payments of $2,500 and expires on August 31, 2021.

The Company uses an aircraft for business travel that is owned by CRT Aviation, LLC, which has common ownership. Total aircraft travel expense for the year ended December 31, 2019 was $35,000.

Note 9. Defined Contribution Plan

The Company maintains a 401(k) plan for its employees. The Company contributes up to 3% for all eligible participating employees. Retirement plan contributions were $243,243 for the year ending December 31, 2019.

Note 10. Health Care Benefit Plan

The Company sponsors a self-funded health insurance plan ("Plan") for its eligible employees. The Plan has stop-loss insurance which will cover individual claims exceeding $75,000 and aggregate claims exceeding $806,570 for the 2019 plan year, ending August 1, 2020. Premiums paid under the Plan were $704,494 for the year ending December 31, 2019.

Note 11. Lease Arrangements

The Company is committed under operating lease agreements, expiring at various dates between 2019 and 2023, for office space and model homes in several cities and states, office equipment, and storage units, including those disclosed in Note 8. The total monthly rent obligation is approximately $146,171. Total rent expense under these lease obligations was $1,487,237 for the year ended December 31, 2019. Deposits on the model home leases were $2,138,615 at December 31, 2019.

Notes to Financial Statements

Future minimum lease obligations at December 31, 2019, are as follows:

2020	$1,396,486
2021	1,089,024
2022	518,182
2023	7,101
Total	$3,010,793

Note 12. Commitments and Contingencies

The Company is involved in various other litigation arising in the ordinary course of business. In the opinion of management, and based on advice of legal counsel, this litigation is not expected to have a material adverse effect on the financial position, results of operations or cash flows of the Company. Legal costs incurred in connection with outstanding litigation are expensed as incurred.

Note 13. Subsequent Events

Subsequent to year end H&H Constructors, Inc. entered into to a letter of intent to sell its 100% membership interest in H&H Constructors of Fayetteville, LLC to Dream Finders Holdings, LLC.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Company operates. It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the company.

In preparing the financial statement, the Company has evaluated events and transactions for potential recognition or disclosure through August 14, 2020, the date the financial statement was available to be issued. The Company has determined that there are no additional subsequent events that require recognition or disclosure.

Through and including , 2021, (the 25th day after the date of this prospectus), all dealers that effect transactions in our Class A common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

9,600,000 Shares

Class A Common Stock

PRELIMINARY PROSPECTUS

BofA Securities
RBC Capital Markets
BTIG
Builder Advisor Group, LLC
Zelman Partners LLC
TCB Capital Markets
Wedbush Securities

Part II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth an itemized statement of the amounts of all expenses (excluding underwriting discounts and commissions) payable by us in connection with the registration of the Class A common stock offered hereby. With the exception of the SEC registration fee and the FINRA filing fee, the amounts set forth below are estimates.

SEC registration fee	$ 18,067
FINRA filing fee	25,340
Exchange initial listing fee	25,000
Accounting fees and expenses	1,300,000
Legal fees and expenses	850,000
Printing and engraving expenses	250,000
Transfer agent and registrar fees	200,000
Miscellaneous	331,593
Total	$3,000,000

Item 14. Indemnification of Directors and Officers

Section 145 of the DGCL provides that a corporation may 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 (other than an action by or in the right of the corporation by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise), against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she 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 and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. A similar standard is applicable in the case of derivative actions (*i.e.*, actions by or in the right of the corporation), except that indemnification extends only to expenses, including attorneys' fees, incurred in connection with the defense or settlement of such action, and Section 145 of the DGCL requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation.

Our amended and restated certificate of incorporation and amended and restated bylaws will contain provisions that limit the liability of our directors and officers for monetary damages to the fullest extent permitted by the DGCL. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except liability:

- for any breach of the director's duty of loyalty to us or our stockholders;
- for any act or omission not in good faith or that involves intentional misconduct or knowing violation of law;
- under Section 174 of the DGCL regarding unlawful dividends and stock purchases; or
- for any transaction from which the director derived an improper personal benefit.

Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to such amendment or repeal. If the DGCL is amended to provide for further limitations on the personal liability of directors or officers of corporations, then the personal liability of our directors and officers will be further limited to the fullest extent permitted by the DGCL.

In addition, we will enter into indemnification agreements with our current directors and officers containing provisions that are in some respects broader than the specific indemnification provisions contained in the DGCL.

The indemnification agreements will require us, among other things, to indemnify our directors against certain liabilities that may arise by reason of their status or service as directors and to advance their expenses incurred as a result of any proceeding against them as to which they could be indemnified. We also intend to enter into indemnification agreements with our future directors and officers.

We intend to maintain liability insurance policies that indemnify our directors and officers against various liabilities, including certain liabilities arising under the Securities Act and the Exchange Act, which may be incurred by them in their capacity as such.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

The proposed form of Underwriting Agreement to be filed as Exhibit 1.1 to this Registration Statement provides for indemnification of our directors and officers by the underwriters against certain liabilities.

Item 15. Recent Sales of Unregistered Securities

Upon our formation as a Delaware corporation on September 11, 2020, we issued 1,000 shares of common stock to DFH LLC for $1.00 per share. In addition, in connection with the offering contemplated by this Registration Statement, we and DFH LLC intend to complete a series of reorganization transactions, as described under "Corporate Reorganization" in the prospectus included in this Registration Statement, resulting in DFH LLC becoming our direct, wholly owned subsidiary. In connection with these transactions, we will issue shares of our Class A common stock and Class B common stock to certain existing holders of equity in DFH LLC. All of the foregoing issuances were, or will be, made under an exemption from registration provided by Section 4(a)(2) of the Securities Act, and no underwriters were, or will be, involved in these transactions.

Item 16. Exhibits and Financial Statement Schedules

(a) Exhibits.

Exhibit Number	Description
1.1	Form of Underwriting Agreement
2.1#+	Membership Interest Purchase Agreement, dated as of January 29, 2020, by and between Dream Finders Holdings LLC and H&H Constructors, Inc.
2.2#	First Amendment to Membership Interest Purchase Agreement, dated as of March 17, 2020, by and between Dream Finders Holdings LLC and H&H Constructors, Inc.
2.3#	Second Amendment to Membership Interest Purchase Agreement, dated as of April 30, 2020, by and between Dream Finders Holdings LLC and H&H Constructors, Inc.
2.4#	Third Amendment to Membership Interest Purchase Agreement, dated as of June 30, 2020, by and between Dream Finders Holdings LLC and H&H Constructors, Inc.
2.5#	Fourth Amendment to Membership Interest Purchase Agreement, dated as of August 18, 2020, by and between Dream Finders Holdings LLC and H&H Constructors, Inc.
2.6#	Fifth Amendment to Membership Interest Purchase Agreement, dated as of August 31, 2020, by and between Dream Finders Holdings LLC and H&H Constructors, Inc.
2.7#	Sixth Amendment to Membership Interest Purchase Agreement, dated as of September 18, 2020, by and between Dream Finders Holdings LLC and H&H Constructors, Inc.
2.8#+	Seventh Amendment to Membership Interest Purchase Agreement, dated as of September 22, 2020, by and between Dream Finders Holdings LLC and H&H Constructors, Inc.
2.9#	Eighth Amendment to Membership Interest Purchase Agreement, dated as of October 2, 2020, by and between Dream Finders Holdings LLC and H&H Constructors, Inc.
2.10	Form of Agreement and Plan of Merger
3.1#	Certificate of Incorporation of Dream Finders Homes, Inc., as currently in effect
3.2#	Bylaws of Dream Finders Homes, Inc., as currently in effect
3.3	Form of Amended and Restated Certificate of Incorporation of Dream Finders Homes, Inc., to be in effect upon completion of this offering

Exhibit Number	Description
3.4	Form of Amended and Restated Bylaws of Dream Finders Homes, Inc., to be in effect upon completion of this offering
4.1	Form of Class A Common Stock Certificate
5.1	Opinion of Baker Botts L.L.P. as to the legality of the securities being registered
10.1+	Form of Credit Agreement, dated January , 2021, among Dream Finders Homes, LLC, Bank of America, N.A., as administrative agent, collateral agent and issuing bank, and the lenders named therein as parties thereto
10.2#†	Membership Interest Grant Agreement, dated as of June 15, 2017, by and between Dream Finders Holdings LLC and Rick Moyer
10.3#†	Membership Interest Grant Agreement, dated as of January 1, 2017, by and between Dream Finders Holdings LLC and Patrick Douglas Moran
10.4	Form of Registration Rights Agreement
10.5†	Form of Dream Finders Homes, Inc. 2021 Equity Incentive Plan
10.6†	Form of Restricted Stock Grant Notice and Restricted Stock Agreement under the 2021 Equity Incentive Plan
10.7†*	Form of Stock Option Grant Notice and Stock Option Agreement under the 2021 Equity Incentive Plan
10.8†	Form of Director and Employee Indemnification Agreement
10.9†*	Form of Employment Agreement, dated as of January , 2021, by and between Dream Finders Homes, Inc. and Patrick Zalupski
10.10†*	Form of Employment Agreement, dated as of January , 2021, by and between Dream Finders Homes, Inc. and Rick Moyer
10.11†*	Form of Employment Agreement, dated as of January , 2021, by and between Dream Finders Homes, Inc. and Douglas Moran
10.12†*	Form of Restricted Stock Grant Notice and Restricted Stock Agreement, dated as of January , 2021, by and between Dream Finders Homes, Inc. and Patrick Zalupski
16.1#	Letter from RSM US LLP Regarding Change in Accountants
21.1	List of Subsidiaries of Dream Finders Homes, Inc.
23.1	Consent of PricewaterhouseCoopers LLP
23.2	Consent of PricewaterhouseCoopers LLP
23.3	Consent of Yount, Hyde and Barbour, P.C.
23.4	Consent of Baker Botts L.L.P. (included as part of Exhibit 5.1 hereto)
23.5	Consent of John Burns Real Estate Consulting, LLC
24.1#	Power of Attorney (included on the signature page of the initial filing of the Registration Statement)
99.1#	Consent of William H. Walton, III to be named as a director nominee
99.2#	Consent of W. Radford Lovett II to be named as a director nominee
99.3#	Consent of Justin Udelhofen to be named as a director nominee
99.4#	Consent of Megha H. Parekh to be named as a director nominee

* To be filed by amendment.

\# Previously filed.

† Compensatory plan or arrangement.

\+ Certain schedules and similar attachments have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant undertakes to furnish supplemental copies of any of the omitted schedules upon request by the SEC.

(b) Financial Statement Schedules.

See our Financial Statements starting on page F-1. All other schedules for which provision is made in the applicable accounting regulations of the SEC are not required, are inapplicable or the information is included in the financial statements and have therefore been omitted.

Item 17. Undertakings

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act 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 SEC such indemnification is against public policy as expressed in the Securities Act 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 and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus 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.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1993 the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Jacksonville, State of Florida, on this 11th day of January, 2021.

Dream Finders Homes, Inc.

By: /s/ Patrick O. Zalupski

Patrick O. Zalupski
President, Chief Executive Officer and Chairman of the Board of Directors

Pursuant to the requirements of the Securities Act of 1993 this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Name	Title	Date
/s/ Patrick O. Zalupski Patrick O. Zalupski	President, Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer and Sole Director)	January 11, 2021
/s/ Rick A. Moyer Rick A. Moyer	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	January 11, 2021
/s/ John O. Blanton John O. Blanton	Vice President and Chief Accounting Officer (Principal Accounting Officer)	January 11, 2021

Exhibit 1.1

DREAM FINDERS HOMES, INC.

(a Delaware corporation)

[●] Shares of Class A Common Stock

and

DREAM FINDERS HOLDINGS, LLC

(a Florida limited liability company)

FORM OF UNDERWRITING AGREEMENT

Dated: January [●], 2021

DREAM FINDERS HOMES, INC.

(a Delaware corporation)

[●] Shares of Class A Common Stock

and

DREAM FINDERS HOLDINGS LLC

(a Florida limited liability company)

FORM OF UNDERWRITING AGREEMENT

January [●], 2021

BofA Securities, Inc.
RBC Capital Markets, LLC
BTIG, LLC

as Representatives of the several Underwriters

c/o BofA Securities, Inc.
One Bryant Park
New York, NY 10036

RBC Capital Markets, LLC
200 Vesey Street
New York, NY 10281

BTIG, LLC
65 E. 55th Street
New York, NY 10022

Ladies and Gentlemen:

Dream Finders Homes, Inc., a Delaware corporation (the "Company"), confirms its agreement with BofA Securities, Inc. ("BofA"), RBC Capital Markets, LLC and BTIG, LLC and each of the other Underwriters named in Schedule A hereto (collectively, the "Underwriters," which term shall also include any underwriter substituted as hereinafter provided in Section 10 hereof), for whom BofA, RBC Capital Markets, LLC and BTIG, LLC are acting as representatives (collectively, in such capacity, the "Representatives"), with respect to (i) the sale by the Company and the purchase by the Underwriters, acting severally and not jointly, of the respective numbers of shares of Class A Common Stock, par value $[●] per share, of the Company ("Class A Common Stock" and collectively with all of the Company's other classes of common stock, including the Company's Class B common stock, par value $[●] per share, the "Common Stock") set forth in Schedule A hereto and (ii) the grant by the Company to the Underwriters, acting severally and not jointly, of the option described in Section 2(b) hereof to purchase all or any part of [●] additional shares of Class A Common Stock. The aforesaid [●] shares of Class A Common Stock (the "Initial Securities") to be purchased by the Underwriters and all or any part of the [●] shares of Class A Common Stock subject to the option described in Section 2(b) hereof (the "Option Securities") are herein called, collectively, the "Securities."

Immediately prior to or concurrently with the Closing Time (as defined below), DFH Merger Sub LLC, a Delaware limited liability company and direct, wholly owned subsidiary of the Company ("Merger Sub"), will merge with and into Dream Finders Holdings LLC, a Florida limited liability company ("DFH LLC"), with DFH LLC as the surviving entity, pursuant to the terms of that certain Agreement and Plan of Merger and Reorganization among Merger Sub, the Company and DFH LLC, to be dated as of the Closing Time (the "Merger Agreement"). The transactions contemplated by the Merger Agreement and certain other related events and transactions described under the heading "Corporate Reorganization" in the Registration Statement, the General Disclosure Package and the Prospectus are referred to herein as the "Corporate Reorganization." Immediately following the Corporate Reorganization, (1) the Company will be a holding company and the sole manager of DFH LLC, with no material assets other than 100% of the voting membership interests in DFH LLC, and (2) the holders of common units, non-voting common units and Series A preferred units of DFH LLC will become stockholders of the Company, (3) the holders of the Series B preferred units of DFH LLC outstanding immediately prior to the Corporate Reorganization will hold all 7,143 of the outstanding Series B preferred units of DFH LLC, and (4) the holders of the Series C preferred units of DFH LLC outstanding immediately prior to the Corporate Reorganization will hold all 26,000 of the outstanding Series C preferred units of DFH LLC.

The Company and DFH LLC each understand that the Underwriters propose to make a public offering of the Securities as soon as the Representatives deem advisable after this Agreement has been executed and delivered.

The Company and the Underwriters agree that up to [●] shares of the Initial Securities to be purchased by the Underwriters (the "Reserved Securities") shall be reserved for sale by Merrill Lynch, Pierce, Fenner & Smith Incorporated (an affiliate of BofA, hereinafter referred to as "Merrill Lynch") to certain persons designated by the Company (the "Invitees"), as part of the distribution of the Securities by the Underwriters, subject to the terms of this Agreement, the applicable rules, regulations and interpretations of the Financial Industry Regulatory Authority, Inc. ("FINRA") and all other applicable laws, rules and regulations. The Company solely determined, without any direct or indirect participation by the Underwriters or Merrill Lynch, the Invitees who will purchase Reserved Securities (including the amount to be purchased by such persons) sold by Merrill Lynch. To the extent that such Reserved Securities are not orally confirmed for purchase by Invitees by 11:59 P.M. (New York City time) on the date of this Agreement, such Reserved Securities may be offered to the public as part of the public offering contemplated hereby.

The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-1 (No. 333-251612), including the related preliminary prospectus or prospectuses, covering the registration of the sale of the Securities under the Securities Act of 1933, as amended (the "1933 Act"). Promptly after execution and delivery of this Agreement, the Company will prepare and file a prospectus in accordance with the provisions of Rule 430A ("Rule 430A") of the rules and regulations of the Commission under the 1933 Act (the "1933 Act Regulations") and Rule 424(b) ("Rule 424(b)") of the 1933 Act Regulations. The information included in such prospectus that was omitted from such registration statement at the time it became effective but that is deemed to be part of such registration statement at the time it became effective pursuant to Rule 430A(b) is herein called the "Rule 430A Information." Such registration statement, including the amendments thereto, the exhibits thereto and any schedules thereto, at the time it became effective, and including the Rule 430A Information, is herein called the "Registration Statement." Any registration statement filed pursuant to Rule 462(b) of the 1933 Act Regulations is herein called the "Rule 462(b) Registration Statement" and, after such filing, the term "Registration Statement" shall include the Rule 462(b) Registration Statement. Each prospectus used prior to the effectiveness of the Registration Statement, and each prospectus that omitted the Rule 430A Information that was used after such effectiveness and prior to the execution and delivery of this Agreement, is herein called a "preliminary prospectus." The final prospectus, in the form first furnished to the Underwriters for use in connection with the offering of the Securities, is herein called the "Prospectus." For purposes of this Agreement, all references to the Registration Statement, any preliminary prospectus, the Prospectus or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval system or any successor system ("EDGAR").

As used in this Agreement:

"Applicable Time" means [●] P.M., New York City time, on January [●], 2021 or such other time as agreed by the Company and BofA.

"General Disclosure Package" means any Issuer General Use Free Writing Prospectuses issued at or prior to the Applicable Time, the most recent preliminary prospectus that is distributed to investors prior to the Applicable Time and the information included on Schedule B-1 hereto, all considered together.

"Issuer Free Writing Prospectus" means any "issuer free writing prospectus," as defined in Rule 433 of the 1933 Act Regulations ("Rule 433"), including without limitation any "free writing prospectus" (as defined in Rule 405 of the 1933 Act Regulations ("Rule 405")) relating to the Securities that is (i) required to be filed with the Commission by the Company, (ii) a "road show that is a written communication" within the meaning of Rule 433(d)(8)(i), whether or not required to be filed with the Commission, or (iii) exempt from filing with the Commission pursuant to Rule 433(d)(5)(i) because it contains a description of the Securities or of the offering that does not reflect the final terms, in each case in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company's records pursuant to Rule 433(g).

"Issuer General Use Free Writing Prospectus" means any Issuer Free Writing Prospectus that is intended for general distribution to prospective investors (other than a "*bona fide* electronic road show," as defined in Rule 433 (the "Bona Fide Electronic Road Show")), as evidenced by its being specified in Schedule B-2 hereto.

"Issuer Limited Use Free Writing Prospectus" means any Issuer Free Writing Prospectus that is not an Issuer General Use Free Writing Prospectus.

"Testing-the-Waters Communication" means any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the 1933 Act.

"Written Testing-the-Waters Communication" means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the 1933 Act.

SECTION 1. Representations and Warranties.

(a) *Representations and Warranties by the Company and DFH LLC.* Each of the Company and DFH LLC represents and warrants, jointly and severally, to each Underwriter as of the date hereof, the Applicable Time, the Closing Time and any Date of Delivery (as defined below), and agrees with each Underwriter, as follows:

(i) Registration Statement and Prospectuses. Each of the Registration Statement and any amendment thereto has become effective under the 1933 Act. No stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto has been issued under the 1933 Act, no order preventing or suspending the use of any preliminary prospectus or the Prospectus has been issued and no proceedings for any of those purposes have been instituted or are pending or, to the Company's knowledge, contemplated. The Company has complied with each request (if any) from the Commission for additional information.

Each of the Registration Statement and any post-effective amendment thereto, at the time it became effective, the Applicable Time, the Closing Time and any Date of Delivery complied and will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations. Each preliminary prospectus, the Prospectus and any amendment or supplement thereto, at the time each was filed with the Commission, and, in each case, at the Applicable Time, the Closing Time and any Date of Delivery complied and will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations. Each preliminary prospectus delivered to the Underwriters for use in connection with this offering and the Prospectus was or will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(ii) Accurate Disclosure. Neither the Registration Statement nor any amendment thereto, at its effective time, on the date hereof, at the Closing Time or at any Date of Delivery, contained, contains or will contain an untrue statement of a material fact or omitted, omits or will omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. At the Applicable Time and any Date of Delivery, none of (A) the General Disclosure Package, (B) any individual Issuer Limited Use Free Writing Prospectus, when considered together with the General Disclosure Package and (C) any individual Written Testing-the-Waters Communication, when considered together with the General Disclosure Package, included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. Neither the Prospectus nor any amendment or supplement thereto, as of its issue date, at the time of any filing with the Commission pursuant to Rule 424(b), at the Closing Time or at any Date of Delivery, included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The representations and warranties in this subsection shall not apply to statements in or omissions from the Registration Statement (or any amendment thereto), the General Disclosure Package or the Prospectus (or any amendment or supplement thereto) made in reliance upon and in conformity with written information furnished to the Company or DFH LLC by any Underwriter through BofA expressly for use therein. For purposes of this Agreement, the only information so furnished shall be the information in the first paragraph under the heading "Underwriting–Commissions and Discounts" and the information in the second, third and fourth paragraphs under the heading "Underwriting–Price Stabilization, Short Positions and Penalty Bids" in each case contained in the Prospectus (collectively, the "Underwriter Information").

(iii) Issuer Free Writing Prospectuses. No Issuer Free Writing Prospectus conflicts or will conflict with the information contained in the Registration Statement or the Prospectus, and any preliminary or other prospectus deemed to be a part thereof that has not been superseded or modified. The Company has made available a Bona Fide Electronic Road Show in compliance with Rule 433(d)(8)(ii) such that no filing of any "road show" (as defined in Rule 433(h)) is required in connection with the offering of the Securities.

(iv) Testing-the-Waters Materials. Neither the Company nor DFH LLC (A) has engaged in any Testing-the-Waters Communication other than Testing-the-Waters Communications with the consent of the Representatives with entities that are qualified institutional buyers within the meaning of Rule 144A under the 1933 Act or institutions that are accredited investors within the meaning of Rule 501 under the 1933 Act and (B) has authorized anyone other than the Representatives to engage in Testing-the-Waters Communications. The Company and DFH LLC reconfirm that the Representatives have been authorized to act on their behalf in undertaking Testing-the-Waters Communications. Neither the Company nor DFH LLC has distributed any Written Testing-the-Waters Communications other than those listed on Schedule B-3 hereto.

(v) Company Not Ineligible Issuer. At the time of filing the Registration Statement and any post-effective amendment thereto, at the earliest time thereafter that the Company or another offering participant made a *bona fide* offer (within the meaning of Rule 164(h)(2) of the 1933 Act Regulations) of the Securities and at the date hereof, the Company was not and is not an "ineligible issuer," as defined in Rule 405, without taking account of any determination by the Commission pursuant to Rule 405 that it is not necessary that the Company be considered an ineligible issuer.

(vi) Emerging Growth Company Status. From the time of the initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which the Company engaged directly or through any Person authorized to act on its behalf in any Testing-the-Waters Communication) through the date hereof, the Company has been and is an "emerging growth company," as defined in Section 2(a) of the 1933 Act (an "Emerging Growth Company").

(vii) Independent Accountants (Company and DFH LLC). PricewaterhouseCoopers LLP, who certified the financial statements and supporting schedules of the Company and DFH LLC and their consolidated subsidiaries, each included in the Registration Statement, the General Disclosure Package and the Prospectus, is an independent public accountant with respect to the Company and DFH LLC, as required by the 1933 Act, the 1933 Act Regulations and the Public Company Accounting Oversight Board.

(viii) Independent Accountants (H&H). Yount, Hyde and Barbour, P.C., who certified the financial statements and supporting schedules of H&H Constructors, Inc. ("H&H Homes") and its consolidated subsidiaries, each included in the Registration Statement, the General Disclosure Package and the Prospectus, is an independent public accountant with respect to H&H Homes, as required by the 1933 Act, the 1933 Act Regulations and the Public Company Accounting Oversight Board.

(ix) Financial Statements; Non-GAAP Financial Measures. The financial statements included in the Registration Statement, the General Disclosure Package and the Prospectus, together with the related schedules and notes, present fairly the financial position of the Company and DFH LLC and their consolidated subsidiaries and of H&H Homes and its consolidated subsidiaries, as applicable, at the dates indicated and the statement of operations, stockholders' equity and cash flows of DFH LLC and its consolidated subsidiaries and of H&H Homes and its consolidated subsidiaries, as applicable, for the periods specified; said financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods involved. The supporting schedules, if any, present fairly in accordance with GAAP the information required to be stated therein. The selected financial data and the summary financial information included in the Registration Statement, the General Disclosure Package and the Prospectus present fairly the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included therein. The pro forma financial statements and the related notes thereto included in the Registration Statement, the General Disclosure Package and the Prospectus present fairly the information shown therein, have been prepared in accordance with the Commission's rules and guidelines with respect to pro forma financial statements and have been properly compiled on the bases described therein, and the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate to give effect to the transactions and circumstances referred to therein. Except as included therein, no historical or pro forma financial statements or supporting schedules are required to be included in the Registration Statement, the General Disclosure Package or the Prospectus under the 1933 Act or the 1933 Act Regulations. All disclosures contained in the Registration Statement, the General Disclosure Package or the Prospectus regarding "non-GAAP financial measures" (as such term is defined by the rules and regulations of the Commission) comply with Regulation G of the Securities Exchange Act of 1934, as amended (the "1934 Act") and Item 10 of Regulation S-K of the 1933 Act, to the extent applicable.

(x) No Material Adverse Change in Business. Except as otherwise stated therein, since the respective dates as of which information is given in the Registration Statement, the General Disclosure Package or the Prospectus, (A) there has been no material adverse change in the condition, financial or otherwise, or in the earnings, business affairs, properties or business prospects of the Company, DFH LLC and their subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business (a "Material Adverse Effect"), (B) there have been no transactions entered into by the Company, DFH LLC or any of their subsidiaries, other than those in the ordinary course of business, which are material with respect to the Company, DFH LLC and their subsidiaries considered as one enterprise, and (C) there has been no dividend or distribution of any kind declared, paid or made by either the Company or DFH LLC on any class of its capital stock.

(xi) Good Standing of the Company and DFH LLC. Each of the Company and DFH LLC has been duly organized and is validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization and has corporate or similar power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement, the General Disclosure Package and the Prospectus and to enter into and perform its obligations under this Agreement; and each of the Company and DFH LLC is duly qualified as a foreign corporation to transact business and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect.

(xii) Good Standing of Subsidiaries. Each "significant subsidiary" of DFH LLC (as such term is defined in Rule 1-02 of Regulation S-X) (each, a "Subsidiary" and, collectively, the "Subsidiaries") has been duly organized and is validly existing in good standing under the laws of the jurisdiction of its incorporation or organization, has corporate or similar power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement, the General Disclosure Package and the Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify or to be in good standing would not result in a Material Adverse Effect. Except as otherwise disclosed in the Registration Statement, the General Disclosure Package and the Prospectus, all of the issued and outstanding capital stock or other equity interests of each Subsidiary has been duly authorized and validly issued, is fully paid and non-assessable and is owned by DFH LLC, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity. None of the outstanding shares of capital stock of any Subsidiary were issued in violation of the preemptive or similar rights of any securityholder of such Subsidiary. The only subsidiaries of DFH LLC are (A) the subsidiaries listed on Exhibit 21 to the Registration Statement and (B) certain other subsidiaries which, considered in the aggregate as a single subsidiary, do not constitute a "significant subsidiary" as defined in Rule 1-02 of Regulation S-X. Prior to the Corporate Reorganization, the only subsidiary of the Company is Merger Sub.

(xiii) Capitalization. The authorized, issued and outstanding shares of capital stock of the DFH LLC are as set forth in the Registration Statement, the General Disclosure Package and the Prospectus in the column entitled "Actual" under the caption "Capitalization" (except for subsequent issuances, if any, pursuant to this Agreement, pursuant to reservations, agreements or employee benefit or equity incentive plans referred to in the Registration Statement, the General Disclosure Package and the Prospectus or pursuant to the exercise of convertible securities or options referred to in the Registration Statement, the General Disclosure Package and the Prospectus). At the Closing Time, the outstanding shares of capital stock of the Company will have been duly authorized and will be validly issued and fully paid and non-assessable. None of the outstanding shares of capital stock of the Company will have been issued in violation of the preemptive or other similar rights of any securityholder of the Company.

(xiv) Authorization of Agreement. This Agreement has been duly authorized, executed and delivered by the Company and DFH LLC.

(xv) Authorization and Description of Securities. The Securities to be purchased by the Underwriters from the Company have been duly authorized for issuance and sale to the Underwriters pursuant to this Agreement and, when issued and delivered by the Company pursuant to this Agreement against payment of the consideration set forth herein, will be validly issued and fully paid and non-assessable; and the issuance of the Securities is not subject to the preemptive or other similar rights of any securityholder of the Company. The Common Stock conforms to all statements relating thereto contained in the Registration Statement, the General Disclosure Package and the Prospectus and such description conforms to the rights set forth in the instruments defining the same. No holder of Securities will be subject to personal liability by reason of being such a holder.

(xvi) Registration Rights. There are no persons with registration rights or other similar rights to have any securities registered for sale pursuant to the Registration Statement or otherwise registered for sale or sold by the Company or DFH LLC under the 1933 Act pursuant to this Agreement, other than those rights that have been disclosed in the Registration Statement, the General Disclosure Package and the Prospectus and have been waived.

(xvii) Absence of Violations, Defaults and Conflicts. None of the Company, DFH LLC nor any of their subsidiaries is (A) in violation of its charter, by-laws or similar organizational document, (B) in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company, DFH LLC or any of their subsidiaries is a party or by which it or any of them may be bound or to which any of the properties or assets of the Company, DFH LLC or any subsidiary is subject (collectively, "Agreements and Instruments"), except for such defaults that would not, singly or in the aggregate, result in a Material Adverse Effect, or (C) in violation of any law, statute, rule, regulation, judgment, order, writ or decree of any arbitrator, court, governmental body, regulatory body, administrative agency or other authority, body or agency having jurisdiction over the Company, DFH LLC or any of its subsidiaries or any of their respective properties, assets or operations (each, a "Governmental Entity"), except for such violations that would not, singly or in the aggregate, result in a Material Adverse Effect. The execution, delivery and performance of this Agreement and the Merger Agreement and the consummation of the transactions contemplated herein, therein and in the Registration Statement, the General Disclosure Package and the Prospectus (including the issuance and sale of the Securities, the use of the proceeds from the sale of the Securities as described therein under the caption "Use of Proceeds" and the consummation of the Corporate Reorganization) and compliance by the Company and DFH LLC with its obligations hereunder have been duly authorized by all necessary corporate or similar action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any properties or assets of the Company, DFH LLC or any subsidiary pursuant to, the Agreements and Instruments (except for such conflicts, breaches, defaults or Repayment Events or liens, charges or encumbrances that would not, singly or in the aggregate, result in a Material Adverse Effect), nor will such action result in any violation of the provisions of the charter, by-laws or similar organizational document of the Company, DFH LLC or any of their subsidiaries or any law, statute, rule, regulation, judgment, order, writ or decree of any Governmental Entity. As used herein, a "Repayment Event" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company, DFH LLC or any of its subsidiaries.

(xviii) Absence of Labor Dispute. No labor dispute with the employees of the Company, DFH LLC or any of their subsidiaries exists or, to the knowledge of the Company and DFH LLC, is imminent that would result in a Material Adverse Effect.

(xix) Absence of Proceedings. Except as disclosed in the Registration Statement, the General Disclosure Package and the Prospectus, there is no action, suit, proceeding, inquiry or investigation before or brought by any Governmental Entity now pending or, to the knowledge of the Company and DFH LLC, threatened, against or affecting the Company, DFH LLC or any of their subsidiaries, or to which any of their respective properties or assets is, or to the knowledge of the Company or DFH LLC, would reasonably be expected to be, subject, which might result in a Material Adverse Effect, or which might materially and adversely affect the consummation of the transactions contemplated in this Agreement or the performance by either the Company or DFH LLC of its obligations hereunder. There are no current or pending actions, suits, proceedings, inquiries or investigations before or brought by any Governmental Entity that are required to be described in the Registration Statement, the General Disclosure Package and the Prospectus pursuant to the 1934 Act that are not so described therein.

(xx) Accuracy of Exhibits. There are no contracts or documents which are required to be described in the Registration Statement, the General Disclosure Package or the Prospectus or to be filed as exhibits to the Registration Statement which have not been so described and filed as required.

(xxi) Absence of Further Requirements. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any Governmental Entity is necessary or required for the performance by the Company or DFH LLC of its obligations hereunder, in connection with the offering, issuance or sale of the Securities hereunder or the consummation of the transactions contemplated by this Agreement, except (A) such as have been already obtained or as may be required under the 1933 Act, the 1933 Act Regulations, the rules of the Nasdaq Global Select Market (the "Nasdaq"), state securities laws, the rules of the Financial Industry Regulatory Authority, Inc. ("FINRA"), (B) such as have been obtained under the laws and regulations of jurisdictions outside the United States in which the Reserved Securities were offered or (C) in connection with the Corporate Reorganization.

(xxii) Possession of Licenses and Permits. The Company, DFH LLC and their subsidiaries possess such permits, licenses, approvals, consents and other authorizations (collectively, "Governmental Licenses") issued by the appropriate Governmental Entities necessary to conduct the business now operated by them, except where the failure so to possess would not, singly or in the aggregate, result in a Material Adverse Effect. The Company, DFH LLC and their subsidiaries are in compliance with the terms and conditions of all Governmental Licenses, except where the failure so to comply would not, singly or in the aggregate, result in a Material Adverse Effect. All of the Governmental Licenses are valid and in full force and effect, except when the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect would not, singly or in the aggregate, result in a Material Adverse Effect. None of the Company, DFH LLC nor any of their subsidiaries has received any notice of proceedings relating to the revocation or modification of any Governmental Licenses which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a Material Adverse Effect.

(xxiii) Title to Property. The Company, DFH LLC and their subsidiaries have good and marketable title to all real property owned by them and good title to all other properties owned by them that are material to the business of the Company, DFH LLC and its subsidiaries, in each case, free and clear of all mortgages, pledges, liens, security interests, claims, restrictions or encumbrances of any kind except such as (A) are described in the Registration Statement, the General Disclosure Package and the Prospectus or (B) do not, singly or in the aggregate, materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company, DFH LLC or any of their subsidiaries; and all of the leases and subleases material to the business of the Company, DFH LLC and their subsidiaries, considered as one enterprise, and under which the Company, DFH LLC or any of their subsidiaries holds properties described in the Registration Statement, the General Disclosure Package or the Prospectus, are in full force and effect.

(xxiv) Possession of Intellectual Property. Each of the Company, DFH LLC and their subsidiaries own or possess, or can acquire on reasonable terms, adequate patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names or other intellectual property (collectively, "Intellectual Property") necessary to carry on the business now operated by them, and none of the Company, DFH LLC nor any of their subsidiaries has received any notice of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property that would render any Intellectual Property invalid or inadequate to protect the interest of the Company, DFH LLC or any of their subsidiaries therein, and which infringement or conflict (if the subject of any unfavorable decision, ruling or finding) or invalidity or inadequacy, singly or in the aggregate, would result in a Material Adverse Effect.

(xxv) Environmental Laws. Except as described in the Registration Statement, the General Disclosure Package and the Prospectus or as would not, singly or in the aggregate, result in a Material Adverse Effect, (A) none of the Company, DFH LLC nor any of their subsidiaries is in violation of any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products, asbestos-containing materials or mold (collectively, "Hazardous Materials") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "Environmental Laws"), (B) the Company, DFH LLC and their subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, (C) there are no pending or, to the knowledge of the Company and DFH LLC, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigations or proceedings relating to any Environmental Law against the Company, DFH LLC or any of their subsidiaries and (D) there are no events or circumstances that would reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or Governmental Entity, against or affecting the Company, DFH LLC or any of their subsidiaries relating to Hazardous Materials or any Environmental Laws.

(xxvi) Accounting Controls. The Company, DFH LLC and their subsidiaries, on a consolidated basis, maintain a system of effective internal control over financial reporting (as defined under Rule 13-a15 and 15d-15 under the regulations of the Commission under the 1934 Act ("1934 Act Regulations")) and a system of internal accounting controls sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management's general or specific authorization; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as described in the Registration Statement, the General Disclosure Package and the Prospectus, since the end of the most recent audited fiscal year, there has been (1) no material weakness in the Company's or DFH LLC's internal control over financial reporting (whether or not remediated) and (2) no change in the Company's or DFH LLC's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's or DFH LLC's internal control over financial reporting.

(xxvii) Compliance with the Sarbanes-Oxley Act. The Company has taken all necessary actions to ensure that, upon the effectiveness of the Registration Statement, it will be in compliance with all applicable provisions of the Sarbanes-Oxley Act of 2002 and all rules and regulations promulgated thereunder or implementing the provisions thereof (the "Sarbanes-Oxley Act") that are then in effect, and is actively taking steps to ensure that it will be in compliance with other provisions of the Sarbanes-Oxley Act not currently in effect, upon the effectiveness of such provisions, or which will become applicable to the Company at all times after the effectiveness of the Registration Statement.

(xxviii) Payment of Taxes. All United States federal income tax returns of the Company and DFH LLC required by law to be filed have been filed and all taxes shown by such returns or otherwise assessed, which are due and payable, have been paid, except assessments against which appeals have been or will be promptly taken and as to which adequate reserves have been provided. The Company, DFH LLC and their subsidiaries have filed all other tax returns that are required to have been filed by them pursuant to applicable foreign, federal, state, local or other law except insofar as the failure to file such returns would not result in a Material Adverse Effect, and have paid all taxes due pursuant to such returns or pursuant to any assessment received by the Company, DFH LLC and their subsidiaries, except for such taxes, if any, as are being contested in good faith and as to which adequate reserves have been established by the Company or DFH LLC, as applicable. The charges, accruals and reserves on the books of the Company and DFH LLC in respect of any income and corporation tax liability for any years not finally determined are adequate to meet any assessments or re-assessments for additional income tax for any years not finally determined, except to the extent of any inadequacy that would not result in a Material Adverse Effect.

(xxix) Insurance. DFH LLC and its subsidiaries carry or are entitled to the benefits of insurance, with financially sound and reputable insurers, in such amounts and covering such risks as is generally maintained by companies of established repute engaged in the same or similar business, and all such insurance is in full force and effect. DFH LLC has no reason to believe that it or any of its subsidiaries will not be able (A) to renew its existing insurance coverage as and when such policies expire or (B) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not result in a Material Adverse Effect. Neither of DFH LLC nor any of its subsidiaries has been denied any insurance coverage that it has sought or for which it has applied.

(xxx) Investment Company Act. Neither the Company nor DFH LLC is required, and upon the issuance and sale of the Securities as herein contemplated and the application of the net proceeds therefrom as described in the Registration Statement, the General Disclosure Package and the Prospectus will be required, to register as an "investment company" under the Investment Company Act of 1940, as amended (the "1940 Act").

(xxxi) Absence of Manipulation. None of the Company, DFH LLC nor any of their affiliates has taken, nor will take, directly or indirectly, any action which is designed, or would be expected, to cause or result in, or which constitutes, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities or to result in a violation of Regulation M under the 1934 Act.

(xxxii) Foreign Corrupt Practices Act. None of the Company, DFH LLC nor any of their subsidiaries or, to the knowledge of the Company and DFH LLC, any director, officer, agent, employee, affiliate or other person acting on behalf of the Company, DFH LLC or any of their subsidiaries is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA"), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA and each of the Company and DFH LLC and, to the knowledge of the Company and DFH LLC, its affiliates have conducted their businesses in compliance with the FCPA and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

(xxxiii) Money Laundering Laws. The operations of the Company, DFH LLC and their subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity (collectively, the "Money Laundering Laws"); and no action, suit or proceeding by or before any Governmental Entity involving the Company, DFH LLC or any of their subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company and DFH LLC, threatened.

(xxxiv) OFAC. None of the Company, DFH LLC nor any of their subsidiaries or, to the knowledge of the Company and DFH LLC, any director, officer, agent, employee, affiliate or representative of the Company, DFH LLC or any of their subsidiaries is an individual or entity ("Person") currently the subject or target of any sanctions administered or enforced by the United States Government, including, without limitation, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), the United Nations Security Council, the European Union, Her Majesty's Trasury, or other relevant sanctions authority (collectively, "Sanctions"), nor is the Company or DFH LLC located, organized or resident in a country or territory that is the subject of Sanctions; and neither the Company nor DFH LLC will directly or indirectly use the proceeds of the sale of the Securities, or lend, contribute or otherwise make available such proceeds to any subsidiaries, joint venture partners or other Person, to fund any activities of or business with any Person, or in any country or territory, that, at the time of such funding, is the subject of Sanctions or in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions.

(xxxv) Sales of Reserved Securities. In connection with any offer and sale of Reserved Securities outside the United States, each preliminary prospectus, the Prospectus and any amendment or supplement thereto, at the time it was filed, complied and will comply in all material respects with any applicable laws or regulations of foreign jurisdictions in which the same is distributed. The Company has not offered, or caused the Representatives or Merrill Lynch to offer, Reserved Securities to any person with the specific intent to unlawfully influence (i) a customer or supplier of the Company or any of its affiliates to alter the customer's or supplier's level or type of business with any such entity or (ii) a trade journalist or publication to write or publish favorable information about the Company or any of its affiliates, or their respective businesses or products.

(xxxvi) Lending Relationship. Except as disclosed in the Registration Statement, the General Disclosure Package and the Prospectus, neither the Company nor DFH LLC (i) has any material lending or other relationship with any bank or lending affiliate of any Underwriter nor (ii) intends to use any of the proceeds from the sale of the Securities to repay any outstanding debt owed to any affiliate of any Underwriter.

(xxxvii) Statistical and Market-Related Data. Any statistical and market-related data included in the Registration Statement, the General Disclosure Package or the Prospectus are based on or derived from sources that the Company and DFH LLC believe, after reasonable inquiry, to be reliable and accurate and, to the extent required, the Company has obtained the written consent to the use of such data from such sources.

(xxxviii) No Rated Securities. None of the Company, DFH LLC nor their subsidiaries have any debt securities or preferred stock that are rated by any "nationally recognized statistical rating organization" (as defined in Section 3(a)(62) of the 1934 Act)."

(xxxix) Cybersecurity. (A) There has been no security breach or incident, unauthorized access or disclosure, or other compromise of or relating to the Company, DFH LLC or their subsidiaries information technology and computer systems, networks, hardware, software, data and databases (including the data and information of their respective customers, employees, suppliers, vendors and any third party data maintained, processed or stored by the Company, DFH LLC and their subsidiaries, and any such data processed or stored by third parties on behalf of the Company, DFH LLC and their subsidiaries), equipment or technology (collectively, "IT Systems and Data"); (B) none of the Company, DFH LLC nor their subsidiaries have been notified of, and each of them have no knowledge of any event or condition that could result in, any security breach or incident, unauthorized access or disclosure or other compromise to their IT Systems and Data and (C) the Company, DFH LLC and their subsidiaries have implemented appropriate controls, policies, procedures, and technological safeguards to maintain and protect the integrity, continuous operation, redundancy and security of their IT Systems and Data reasonably consistent with industry standards and practices, or as required by applicable regulatory standards. Except as would not, singly or in the aggregate, result in a Material Adverse Effect, the Company, DFH LLC and their subsidiaries are presently in compliance with all applicable laws or statutes and all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, internal policies and contractual obligations relating to the privacy and security of IT Systems and Data and to the protection of such IT Systems and Data from unauthorized use, access, misappropriation or modification.

(xl) Merger Sub. Prior to the Corporate Reorganization, the only subsidiary of the Company is Merger Sub. Prior to the Corporate Reorganization, Merger Sub, (a) since the date of incorporation, has not owned any assets, carried on any business or conducted any operations, (b) is not and has not ever been a party to or otherwise bound by any contract to which the Company or DFH LLC is not a party, (c) does not and has not ever had any employees or independent contractors, (d) does not have any subsidiaries or investments, and (e) has no liabilities or obligations of any nature, whether known or unknown, accrued, contingent, asserted or otherwise.

(xli) Corporate Reorganization. (A) Prior to the Corporate Reorganization, the Company has not conducted any activities other than in connection with its incorporation and in preparation for the offering of the Securities; and (B) the Merger Agreement has been duly authorized, executed and delivered by the Company, DFH LLC and Merger Sub.

(b) *Officer's Certificates*. Any certificate signed by any officer of the Company, DFH LLC or any of their subsidiaries delivered to the Representatives or to counsel for the Underwriters shall be deemed a representation and warranty by the Company and DFH LLC to each Underwriter as to the matters covered thereby.

SECTION 2. Sale and Delivery to Underwriters; Closing

(a) *Initial Securities*. On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company agrees to sell to each Underwriter, severally and not jointly, and each Underwriter, severally and not jointly, agrees to purchase from the Company, at the price per share set forth in Schedule A, that number of Initial Securities set forth in Schedule A opposite the name of such Underwriter, plus any additional number of Initial Securities which such Underwriter may become obligated to purchase pursuant to the provisions of Section 10 hereof, subject, in each case, to such adjustments among the Underwriters as BofA in its sole discretion shall make to eliminate any sales or purchases of fractional shares.

(b) *Option Securities*. In addition, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company hereby grants an option to the Underwriters, severally and not jointly, to purchase up to an additional [●] shares of Class A Common Stock, at the price per share set forth in Schedule A, less an amount per share equal to any dividends or distributions declared by the Company and payable on the Initial Securities but not payable on the Option Securities. The option hereby granted may be exercised for 30 days after the date hereof and may be exercised in whole or in part at any time from time to time upon notice by the Representatives to the Company setting forth the number of Option Securities as to which the several Underwriters are then exercising the option and the time and date of payment and delivery for such Option Securities. Any such time and date of delivery (a "Date of Delivery") shall be determined by the Representatives, but shall not be later than seven full business days after the exercise of said option, nor in any event prior to the Closing Time. If the option is exercised as to all or any portion of the Option Securities, each of the Underwriters, acting severally and not jointly, will purchase that proportion of the total number of Option Securities then being purchased which the number of Initial Securities set forth in Schedule A opposite the name of such Underwriter bears to the total number of Initial Securities, subject, in each case, to such adjustments as BofA in its sole discretion shall make to eliminate any sales or purchases of fractional shares.

(c) *Payment.* Payment of the purchase price for, and delivery of certificates or security entitlements for, the Initial Securities shall be made at the offices of Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017, or at such other place as shall be agreed upon by the Representatives and the Company, at 9:00 A.M. (New York City time) on the second (third, if the pricing occurs after 4:30 P.M. (New York City time) on any given day) business day after the date hereof (unless postponed in accordance with the provisions of Section 10), or such other time not later than ten business days after such date as shall be agreed upon by the Representatives and the Company (such time and date of payment and delivery being herein called "Closing Time").

In addition, in the event that any or all of the Option Securities are purchased by the Underwriters, payment of the purchase price for, and delivery of certificates or security entitlements for, such Option Securities shall be made at the above-mentioned offices, or at such other place as shall be agreed upon by the Representative and the Company, on each Date of Delivery as specified in the notice from BofA to the Company.

Payment shall be made to the Company by wire transfer of immediately available funds to a bank account designated by the Company against delivery to the Representatives for the respective accounts of the Underwriters of certificates or security entitlements for the Securities to be purchased by them. It is understood that each Underwriter has authorized the Representatives, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Initial Securities and the Option Securities, if any, which it has agreed to purchase. BofA, individually and not as representative of the Underwriters, may (but shall not be obligated to) make payment of the purchase price for the Initial Securities or the Option Securities, if any, to be purchased by any Underwriter whose funds have not been received by the Closing Time or the relevant Date of Delivery, as the case may be, but such payment shall not relieve such Underwriter from its obligations hereunder.

SECTION 3. Covenants of the Company and DFH LLC. Each of the Company and DFH LLC covenants, jointly and severally, with each Underwriter as follows:

(a) *Compliance with Securities Regulations and Commission Requests.* The Company, subject to Section 3(b), will comply with the requirements of Rule 430A, and will notify the Representatives immediately, and confirm the notice in writing, (i) when any post-effective amendment to the Registration Statement shall become effective or any amendment or supplement to the Prospectus shall have been filed, (ii) of the receipt of any comments from the Commission, (iii) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for additional information, (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any post-effective amendment or of any order preventing or suspending the use of any preliminary prospectus or the Prospectus, or of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes or of any examination pursuant to Section 8(d) or 8(e) of the 1933 Act concerning the Registration Statement and (v) if the Company becomes the subject of a proceeding under Section 8A of the 1933 Act in connection with the offering of the Securities. The Company will effect all filings required under Rule 424(b), in the manner and within the time period required by Rule 424(b) (without reliance on Rule 424(b)(8)), and will take such steps as it deems necessary to ascertain promptly whether the form of prospectus transmitted for filing under Rule 424(b) was received for filing by the Commission and, in the event that it was not, it will promptly file such prospectus. The Company will make every reasonable effort to prevent the issuance of any stop order, prevention or suspension and, if any such order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) *Continued Compliance with Securities Laws.* The Company will comply with the 1933 Act and the 1933 Act Regulations so as to permit the completion of the distribution of the Securities as contemplated in this Agreement and in the Registration Statement, the General Disclosure Package and the Prospectus. If at any time when a prospectus relating to the Securities is (or, but for the exception afforded by Rule 172 of the 1933 Act Regulations ("Rule 172"), would be) required by the 1933 Act to be delivered in connection with sales of the Securities, any event shall occur or condition shall exist as a result of which it is necessary, in the opinion of counsel for the Underwriters or for the Company, to (i) amend the Registration Statement in order that the Registration Statement will not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) amend or supplement the General Disclosure Package or the Prospectus in order that the General Disclosure Package or the Prospectus, as the case may be, will not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser or (iii) amend the Registration Statement or amend or supplement the General Disclosure Package or the Prospectus, as the case may be, in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, the Company will promptly (A) give the Representatives notice of such event, (B) prepare any amendment or supplement as may be necessary to correct such statement or omission or to make the Registration Statement, the General Disclosure Package or the Prospectus comply with such requirements and, a reasonable amount of time prior to any proposed filing or use, furnish the Representatives with copies of any such amendment or supplement and (C) file with the Commission any such amendment or supplement; provided that the Company shall not file or use any such amendment or supplement to which the Representatives or counsel for the Underwriters shall object. The Company will furnish to the Underwriters such number of copies of such amendment or supplement as the Underwriters may reasonably request.

(c) *Delivery of Registration Statements.* The Company has furnished or will deliver to the Representatives and counsel for the Underwriters, without charge, signed copies of the Registration Statement as originally filed and each amendment thereto (including exhibits filed therewith) and signed copies of all consents and certificates of experts, and will also deliver to the Representatives, without charge, a conformed copy of the Registration Statement as originally filed and each amendment thereto (without exhibits) for each of the Underwriters. The copies of the Registration Statement and each amendment thereto furnished to the Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(d) *Delivery of Prospectuses*. The Company has delivered to each Underwriter, without charge, as many copies of each preliminary prospectus as such Underwriter reasonably requested, and the Company hereby consents to the use of such copies for purposes permitted by the 1933 Act. The Company will furnish to each Underwriter, without charge, during the period when a prospectus relating to the Securities is (or, but for the exception afforded by Rule 172, would be) required to be delivered under the 1933 Act, such number of copies of the Prospectus (as amended or supplemented) as such Underwriter may reasonably request. The Prospectus and any amendments or supplements thereto furnished to the Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(e) *Blue Sky Qualifications.* The Company will use its best efforts, in cooperation with the Underwriters, to qualify the Securities for offering and sale under the applicable securities laws of such states and other jurisdictions (domestic or foreign) as the Representatives may designate and to maintain such qualifications in effect so long as required to complete the distribution of the Securities; provided, however, that neither the Company nor DFH LLC shall be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

(f) *Rule 158*. The Company will timely file such reports pursuant to the 1934 Act, as are necessary in order to make generally available to its securityholders as soon as practicable an earnings statement for the purposes of, and to provide to the Underwriters the benefits contemplated by, the last paragraph of Section 11(a) of the 1933 Act.

(g) *Use of Proceeds.* The Company will use the net proceeds received by it from the sale of the Securities in the manner specified in the Registration Statement, the General Disclosure Package and the Prospectus under “Use of Proceeds.”

(h) *Listing*. The Company will use its best efforts to effect and maintain the listing of the Class A Common Stock (including the Securities) on the Nasdaq.

(i) *Restriction on Sale of Securities.* During a period of 180 days from the date of the Prospectus, each of the Company and DFH LLC will not, without the prior written consent of BofA, (i) directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or file or confidentially submit any registration statement under the 1933 Act with respect to any of the foregoing or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Common Stock, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash or otherwise. The foregoing sentence shall not apply to (A) the Securities to be sold hereunder, (B) any shares of Common Stock issued by the Company in connection with the Corporate Reorganization or upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof and disclosed in the Registration Statement, the General Disclosure Package and the Prospectus, (C) any shares of Common Stock issued or options to purchase Common Stock granted pursuant to existing employee benefit plans of the Company referred to in the Registration Statement, the General Disclosure Package and the Prospectus or (D) any shares of Common Stock issued pursuant to any non-employee director stock plan or dividend reinvestment plan referred to in the Registration Statement, the General Disclosure Package and the Prospectus.

(j) *Lock-up Release*. If BofA, in its sole discretion, agrees to release or waive the restrictions set forth in a lock-up agreement described in Section 5(i) hereof for an officer or director of the Company and provides the Company with notice of the impending release or waiver at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Exhibit B hereto through a major news service at least two business days before the effective date of the release or waiver.

(k) *Reporting Requirements.* The Company, during the period when a Prospectus relating to the Securities is (or, but for the exception afforded by Rule 172, would be) required to be delivered under the 1933 Act, will file all documents required to be filed with the Commission pursuant to the 1934 Act within the time periods required by the 1934 Act and 1934 Act Regulations. Additionally, the Company shall report the use of proceeds from the issuance of the Shares as may be required under Rule 463 under the 1933 Act.

(l) *Issuer Free Writing Prospectuses*. The Company agrees that, unless it obtains the prior written consent of the Representatives, it will not make any offer relating to the Securities that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a "free writing prospectus," or a portion thereof, required to be filed by the Company with the Commission or retained by the Company under Rule 433; provided that the Representatives will be deemed to have consented to the Issuer Free Writing Prospectuses listed on Schedule B-2 hereto and any "road show that is a written communication" within the meaning of Rule 433(d)(8)(i) that has been reviewed by the Representatives. The Company represents that it has treated or agrees that it will treat each such free writing prospectus consented to, or deemed consented to, by the Representatives as an "issuer free writing prospectus," as defined in Rule 433, and that it has complied and will comply with the applicable requirements of Rule 433 with respect thereto, including timely filing with the Commission where required, legending and record keeping. If at any time following issuance of an Issuer Free Writing Prospectus there occurred or occurs an event or development as a result of which such Issuer Free Writing Prospectus conflicted or would conflict with the information contained in the Registration Statement, any preliminary prospectus or the Prospectus or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representatives and will promptly amend or supplement, at its own expense, such Issuer Free Writing Prospectus to eliminate or correct such conflict, untrue statement or omission.

(m) *Certification Regarding Beneficial Owners.* The Company will deliver to the Representatives, on the date of execution of this Agreement, a properly completed and executed Certification Regarding Beneficial Owners of Legal Entity Customers, together with copies of identifying documentation, and the Company undertakes to provide such additional supporting documentation as the Representatives may reasonably request in connection with the verification of the foregoing certification.

(n) *Compliance with FINRA Rules.* The Company hereby agrees that it will ensure that the Reserved Securities will be restricted as required by FINRA or the FINRA rules from sale, transfer, assignment, pledge or hypothecation for a period of three months following the date of this Agreement. Merrill Lynch will notify the Company as to which persons will need to be so restricted. At the request of the Underwriters or Merrill Lynch, the Company will direct the transfer agent to place a stop transfer restriction upon such securities for such period of time. Should the Company release, or seek to release, from such restrictions any of the Reserved Securities, the Company agrees to reimburse the Underwriters and Merrill Lynch for any reasonable expenses (including, without limitation, legal expenses) they incur in connection with such release.

(o) Testing-the-Waters Materials. If at any time following the distribution of any Written Testing-the-Waters Communication there occurred or occurs an event or development as a result of which such Written Testing-the-Waters Communication included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representatives and will promptly amend or supplement, at its own expense, such Written Testing-the-Waters Communication to eliminate or correct such untrue statement or omission.

(p) Emerging Growth Company Status. The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (i) completion of the distribution of the Securities within the meaning of the 1933 Act and (ii) completion of the 180-day restricted period referred to in Section 3(i).

SECTION 4. Payment of Expenses.

(a) *Expenses.* The Company and DFH LLC, jointly and severally, will pay or cause to be paid all expenses incident to the performance of its obligations under this Agreement, including (i) the preparation, printing and filing of the Registration Statement (including financial statements and exhibits) as originally filed and each amendment thereto, (ii) the preparation, printing and delivery to the Underwriters of copies of each preliminary prospectus, each Issuer Free Writing Prospectus and the Prospectus and any amendments or supplements thereto and any costs associated with electronic delivery of any of the foregoing by the Underwriters to investors, (iii) the preparation, issuance and delivery of the certificates or security entitlements for the Securities to the Underwriters, including any stock or other transfer taxes and any stamp or other duties payable upon the sale, issuance or delivery of the Securities to the Underwriters, (iv) the fees and disbursements of the Company's and DFH LLC's counsel, accountants and other advisors, (v) the qualification of the Securities under securities laws in accordance with the provisions of Section 3(e) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection therewith and in connection with the preparation of the Blue Sky Survey and any supplement thereto, (vi) the fees and expenses of any transfer agent or registrar for the Securities, (vii) the costs and expenses of the Company and DFH LLC relating to investor presentations on any "road show" undertaken in connection with the marketing of the Securities, including without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations, travel and lodging expenses of the representatives and officers of the Company and DFH LLC and any such consultants, and the cost of aircraft and other transportation chartered in connection with the road show (provided that 50% of the cost of any aircraft chartered in connection with the road show shall be paid by the Underwriters and 50% of the cost of any aircraft chartered in connection with the road show shall be paid by the Company), (viii) the filing fees incident to, and the reasonable fees and disbursements of counsel to the Underwriters in connection with, the review by FINRA of the terms of the sale of the Securities; *provided,* such fees and disbursements of counsel to the Underwriters shall not exceed $30,000 in the aggregate, (ix) the fees and expenses incurred in connection with the listing of the Securities on the Nasdaq, (x) the costs and expenses (including, without limitation, any damages or other amounts payable in connection with legal or contractual liability) associated with the reforming of any contracts for sale of the Securities made by the Underwriters caused by a breach of the representation contained in the third sentence of Section 1(a)(ii) and (xi) all costs and expenses of the Underwriters and Merrill Lynch, including the fees and disbursements of counsel for the Underwriters and counsel for Merrill Lynch, in connection with matters related to the Reserved Securities which are designated by the Company for sale to Invitees.

(b) *Termination of Agreement.* If this Agreement is terminated by the Representatives in accordance with the provisions of Section 5, Section 9(a)(i) or (iii) or Section 10 hereof, the Company and DFH LLC shall reimburse the Underwriters for all of their out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Underwriters.

SECTION 5. Conditions of Underwriters' Obligations. The obligations of the several Underwriters hereunder are subject to the accuracy of the representations and warranties of the Company and DFH LLC contained herein or in certificates of any officer of the Company, DFH LLC or any of their subsidiaries delivered pursuant to the provisions hereof, to the performance by each of the Company and DFH LLC, jointly and severally, of its covenants and other obligations hereunder, and to the following further conditions:

(a) *Effectiveness of Registration Statement; Rule 430A Information.* The Registration Statement, including any Rule 462(b) Registration Statement, has become effective and, at the Closing Time, no stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto has been issued under the 1933 Act, no order preventing or suspending the use of any preliminary prospectus or the Prospectus has been issued and no proceedings for any of those purposes have been instituted or are pending or, to the Company's knowledge, contemplated; and the Company has complied with each request (if any) from the Commission for additional information. A prospectus containing the Rule 430A Information shall have been filed with the Commission in the manner and within the time frame required by Rule 424(b) without reliance on Rule 424(b)(8) or a post-effective amendment providing such information shall have been filed with, and declared effective by, the Commission in accordance with the requirements of Rule 430A.

(b) *Opinion of Counsel for Company and DFH LLC.* At the Closing Time, the Representatives shall have received the favorable opinion and negative assurance letter, dated the Closing Time, of Baker Botts L.L.P., counsel for the Company and DFH LLC, in form and substance satisfactory to counsel for the Underwriters.

(c) *Opinion of Counsel for Underwriters.* At the Closing Time, the Representatives shall have received the favorable opinion and negative assurance letter, dated the Closing Time, of Davis Polk & Wardwell LLP, counsel for the Underwriters, together with signed or reproduced copies of such letter for each of the other Underwriters with respect to such matters as the Representatives may require. In giving such opinion such counsel may rely, as to all matters governed by the laws of jurisdictions other than the law of the State of New York, the General Corporation Law of the State of Delaware and the federal securities laws of the United States, upon the opinions of counsel satisfactory to the Representatives. Such counsel may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers and other representatives of the Company and its subsidiaries and certificates of public officials.

(d) *Officers' Certificate*. At the Closing Time, there shall not have been, since the date hereof or since the respective dates as of which information is given in the Registration Statement, the General Disclosure Package or the Prospectus, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs, properties or business prospects of the Company, DFH LLC and their subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, and the Representatives shall have received a certificate of the Chief Executive Officer or the President of each of the Company and DFH LLC and of the chief financial or chief accounting officer of each of the Company and DFH LLC, dated the Closing Time, to the effect that (i) there has been no such material adverse change, (ii) the representations and warranties of the Company and DFH LLC in this Agreement are true and correct with the same force and effect as though expressly made at and as of the Closing Time, (iii) each of the Company and DFH LLC has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Time, and (iv) no stop order suspending the effectiveness of the Registration Statement under the 1933 Act has been issued, no order preventing or suspending the use of any preliminary prospectus or the Prospectus has been issued and no proceedings for any of those purposes have been instituted or are pending or, to their knowledge, contemplated.

(e) *Accountant's Comfort Letters.* At the time of the execution of this Agreement, the Representatives shall have received from each of PricewaterhouseCoopers LLP and Yount, Hyde and Barbour, P.C. a letter, dated such date, in form and substance satisfactory to the Representatives, together with signed or reproduced copies of each such letter for each of the other Underwriters containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to certain financial statements and certain financial information contained in the Registration Statement, the General Disclosure Package and the Prospectus.

(f) *Bring-down Comfort Letter.* At the Closing Time, the Representatives shall have received from each of PricewaterhouseCoopers LLP and Yount, Hyde and Barbour, P.C. a letter, dated as of the Closing Time, to the effect that it reaffirms the statements made in the respective letters furnished pursuant to subsection (e) of this Section, except that the specified date referred to shall be a date not more than two business days prior to the Closing Time.

(g) *Approval of Listing.* At the Closing Time, the Securities shall have been approved for listing on the Nasdaq, subject only to official notice of issuance.

(h) *No Objection.* FINRA has confirmed that it has not raised any objection with respect to the fairness and reasonableness of the underwriting terms and arrangements relating to the offering of the Securities.

(i) *Lock-up Agreements*. At the date of this Agreement, the Representatives shall have received an agreement substantially in the form of Exhibit A hereto signed by the directors and officers of the Company and DFH LLC and persons listed on Schedule C hereto.

(j) *CFO Certificate*. The Representatives shall have received, on each of the date hereof and at the Closing Time, a certificate dated the date hereof or the Closing Time, as the case may be, in form and substance satisfactory to the Representatives, from the Chief Financial Officer of the Company and DFH LLC as to the accuracy of certain financial and other information included in the Registration Statement, the General Disclosure Package and the Prospectus.

(k) *Corporate Reorganization.* Prior to or concurrently with the Closing Time, the Corporate Reorganization shall have been completed on the terms described in the Registration Statement, the Disclosure Package and the Prospectus. The Amended and Restated Certificate of Incorporation of the Company shall have been filed with the Secretary of State for the State of Delaware and shall be in full force and effect.

(l) *Conditions to Purchase of Option Securities.* In the event that the Underwriters exercise their option provided in Section 2(b) hereof to purchase all or any portion of the Option Securities, the representations and warranties of the Company contained herein and the statements in any certificates furnished by the Company, DFH LLC and any of their subsidiaries hereunder shall be true and correct as of each Date of Delivery and, at the relevant Date of Delivery, the Representatives shall have received:

(i) Officers' Certificate. A certificate, dated such Date of Delivery, of the President or a Vice President of the Company and DFH LLC and of the chief financial or chief accounting officer of the Company and DFH LLC confirming that the certificate delivered at the Closing Time pursuant to Section 5(d) hereof remains true and correct as of such Date of Delivery.

(ii) Opinion of Counsel for Company and DFH LLC. If requested by the Representatives, the favorable opinion and negative assurance letter of Baker Botts L.L.P., counsel for the Company and DFH LLC, in form and substance satisfactory to counsel for the Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(b) hereof.

(iii) Opinion of Counsel for Underwriters. If requested by the Representatives, the favorable opinion and negative assurance letter of Davis Polk & Wardwell LLP, counsel for the Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(c) hereof.

(v) Bring-down Comfort Letter. If requested by the Representatives, a letter from each of PricewaterhouseCoopers LLP and Yount, Hyde and Barbour, P.C., in form and substance satisfactory to the Representatives and dated such Date of Delivery, substantially in the same form and substance as the respective letter furnished to the Representatives pursuant to Section 5(e) hereof, except that the "specified date" in the letter furnished pursuant to this paragraph shall be a date not more than two business days prior to such Date of Delivery.

(vi) CFO Certificate. A certificate, dated such Date of Delivery, of the Chief Financial Officer of the Company and DFH LLC in form and substance satisfactory to the Representatives.

(m) *Additional Documents.* At the Closing Time and at each Date of Delivery (if any) counsel for the Underwriters shall have been furnished with such documents and opinions as they may require for the purpose of enabling them to pass upon the issuance and sale of the Securities as herein contemplated, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company and DFH LLC in connection with the issuance and sale of the Securities as herein contemplated shall be satisfactory in form and substance to the Representatives and counsel for the Underwriters.

(n) *Termination of Agreement.* If any condition specified in this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement, or, in the case of any condition to the purchase of Option Securities on a Date of Delivery which is after the Closing Time, the obligations of the several Underwriters to purchase the relevant Option Securities, may be terminated by the Representatives by notice to the Company and DFH LLC at any time at or prior to Closing Time or such Date of Delivery, as the case may be, and such termination shall be without liability of any party to any other party except as provided in Section 4 and except that Sections 1, 6, 7, 8, 14, 15 , 16 and 17 shall survive any such termination and remain in full force and effect.

SECTION 6. Indemnification.

(a) *Indemnification of Underwriters.* Each of the Company and DFH LLC agrees, jointly and severally, to indemnify and hold harmless each Underwriter, its affiliates (as such term is defined in Rule 501(b) under the 1933 Act (each, an "Affiliate")), its selling agents and each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), including the Rule 430A Information, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact included (A) in any preliminary prospectus, any Issuer Free Writing Prospectus, any Written Testing-the-Waters Communication, the General Disclosure Package or the Prospectus (or any amendment or supplement thereto), or (B) in any materials or information provided to investors by, or with the approval of, the Company or DFH LLC in connection with the marketing of the offering of the Securities ("Marketing Materials"), including any roadshow or investor presentations made to investors by the Company or DFH LLC (whether in person or electronically), or the omission or alleged omission in any preliminary prospectus, Issuer Free Writing Prospectus, any Written Testing-the-Waters Communication, Prospectus or in any Marketing Materials of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; provided that (subject to Section 6(d) below) any such settlement is effected with the written consent of the Company or DFH LLC;

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by BofA), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in the Registration Statement (or any amendment thereto), including the Rule 430A Information, the General Disclosure Package or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with the Underwriter Information.

(b) *Indemnification of Company, DFH LLC, Directors and Officers.* Each Underwriter severally agrees to indemnify and hold harmless the Company, DFH LLC, their directors, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company or DFH LLC within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto), including the Rule 430A Information, the General Disclosure Package or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with the Underwriter Information.

(c) *Actions against Parties; Notification.* Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to Section 6(a) above, counsel to the indemnified parties shall be selected by BofA, and, in the case of parties indemnified pursuant to Section 6(b) above, counsel to the indemnified parties shall be selected by the Company or DFH LLC. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 6 or Section 7 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) *Settlement without Consent if Failure to Reimburse.* If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 6(a)(ii) or settlement of any claim in connection with any violation referred to in Section 6(e) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

(e) *Indemnification for Reserved Securities.* In connection with the offer and sale of the Reserved Securities, the Company agrees to indemnify and hold harmless the Underwriters, their Affiliates (including Merrill Lynch) and selling agents and each person, if any, who controls any Underwriter or Merrill Lynch within the meaning of either Section 15 of the 1933 Act or Section 20 of the 1934 Act, from and against any and all loss, liability, claim, damage and expense (including, without limitation, any legal or other expenses reasonably incurred in connection with defending, investigating or settling any such action or claim), as incurred, (i) arising out of the violation of any applicable laws or regulations of foreign jurisdictions where Reserved Securities have been offered, (ii) arising out of any untrue statement or alleged untrue statement of a material fact contained in any other material prepared by or with the consent of the Company for distribution to Invitees in connection with the offering of the Reserved Securities or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that no indemnification shall be available under this clause (ii) for any loss, liability, claim, damage or expense arising out of or based upon any untrue statement or omission or alleged untrue statement or omission in any material prepared by or with the consent of the Company for distribution to Invitees in connection with the offering of the Reserved Securities in reliance upon and in conformity with written information furnished by the Underwriters or their affiliates expressly for use therein, (iii) caused by the failure of any Invitee to pay for and accept delivery of Reserved Securities which have been orally confirmed for purchase by any Invitee by 11:59 P.M. (New York City time) on the date of the Agreement or (iv) related to, or arising out of or in connection with, the offering of the Reserved Securities, except that this clause (iv) shall not apply to the extent that such loss, liability, claim, damage or expense is finally judicially determined to have resulted primarily from the bad faith, gross negligence or willful misconduct of Merrill Lynch.

SECTION 7. Contribution. If the indemnification provided for in Section 6 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and DFH LLC, on the one hand, and the Underwriters, on the other hand, from the offering of the Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and DFH LLC, on the one hand, and of the Underwriters, on the other hand, in connection with the statements or omissions, or in connection with any violation of the nature referred to in Section 6(e) hereof, which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Company and DFH LLC, on the one hand, and the Underwriters, on the other hand, in connection with the offering of the Securities pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the Securities pursuant to this Agreement (before deducting expenses) received by the Company and DFH LLC, on the one hand, and the total underwriting discount received by the Underwriters, on the other hand, in each case as set forth on the cover of the Prospectus, bear to the aggregate initial public offering price of the Securities as set forth on the cover of the Prospectus.

The relative fault of the Company and DFH LLC, on the one hand, and the Underwriters, on the other hand, shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or DFH LLC, on the one hand, or by the Underwriters, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission or any violation of the nature referred to in Section 6(e) hereof.

The Company, DFH LLC and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 7. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 7 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 7, no Underwriter shall be required to contribute any amount in excess of the underwriting commissions received by such Underwriter in connection with the Shares underwritten by it and distributed to the public.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 7, each person, if any, who controls an Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act and each Underwriter's Affiliates and selling agents shall have the same rights to contribution as such Underwriter, and each director of the Company and DFH LLC, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company or DFH LLC within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company and DFH LLC. The Underwriters' respective obligations to contribute pursuant to this Section 7 are several in proportion to the number of Initial Securities set forth opposite their respective names in Schedule A hereto and not joint.

SECTION 8. Representations, Warranties and Agreements to Survive. All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company, DFH LLC or any of their subsidiaries submitted pursuant hereto, shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of any Underwriter or its Affiliates or selling agents, any person controlling any Underwriter, its officers or directors or any person controlling the Company or DFH LLC and (ii) delivery of and payment for the Securities.

SECTION 9. Termination of Agreement.

(a) *Termination*. The Representatives may terminate this Agreement, by notice to the Company and DFH LLC, at any time at or prior to the Closing Time (i) if there has been, in the judgment of the Representatives, since the time of execution of this Agreement or since the respective dates as of which information is given in the Registration Statement, the General Disclosure Package or the Prospectus, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company, DFH LLC and their subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (ii) if there has occurred any material adverse change in the financial markets in the United States or the international financial markets, any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, in each case the effect of which is such as to make it, in the judgment of the Representatives, impracticable or inadvisable to proceed with the completion of the offering or to enforce contracts for the sale of the Securities, or (iii) if trading in any securities of the Company has been suspended or materially limited by the Commission or the Nasdaq, or (iv) if trading generally on the NYSE MKT or the New York Stock Exchange or in the Nasdaq has been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by any of said exchanges or by order of the Commission, FINRA or any other governmental authority, or (v) a material disruption has occurred in commercial banking or securities settlement or clearance services in the United States or with respect to Clearstream or Euroclear systems in Europe, or (vi) if a banking moratorium has been declared by either Federal or New York authorities.

(b) *Liabilities*. If this Agreement is terminated pursuant to this Section, such termination shall be without liability of any party to any other party except as provided in Section 4 hereof, and provided further that Sections 1, 6, 7, 8, 14, 15, 16 and 17 shall survive such termination and remain in full force and effect.

SECTION 10. Default by One or More of the Underwriters. If one or more of the Underwriters shall fail at the Closing Time or a Date of Delivery to purchase the Securities which it or they are obligated to purchase under this Agreement (the "Defaulted Securities"), the Representatives shall have the right, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Underwriters, or any other underwriters, to purchase all, but not less than all, of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth; if, however, the Representatives shall not have completed such arrangements within such 24-hour period, then:

(i) if the number of Defaulted Securities does not exceed 10% of the number of Securities to be purchased on such date, each of the non-defaulting Underwriters shall be obligated, severally and not jointly, to purchase the full amount thereof in the proportions that their respective underwriting obligations hereunder bear to the underwriting obligations of all non-defaulting Underwriters, or

(ii) if the number of Defaulted Securities exceeds 10% of the number of Securities to be purchased on such date, this Agreement or, with respect to any Date of Delivery which occurs after the Closing Time, the obligation of the Underwriters to purchase, and the Company to sell, the Option Securities to be purchased and sold on such Date of Delivery shall terminate without liability on the part of any non-defaulting Underwriter.

No action taken pursuant to this Section shall relieve any defaulting Underwriter from liability in respect of its default.

In the event of any such default which does not result in a termination of this Agreement or, in the case of a Date of Delivery which is after the Closing Time, which does not result in a termination of the obligation of the Underwriters to purchase and the Company to sell the relevant Option Securities, as the case may be, either the (i) Representatives or (ii) the Company shall have the right to postpone Closing Time or the relevant Date of Delivery, as the case may be, for a period not exceeding seven days in order to effect any required changes in the Registration Statement, the General Disclosure Package or the Prospectus or in any other documents or arrangements. As used herein, the term "Underwriter" includes any person substituted for an Underwriter under this Section 10.

SECTION 11. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Underwriters shall be directed to BofA at One Bryant Park, New York, New York 10036, attention of Syndicate Department (facsimile: (646) 855-3073), with a copy to ECM Legal (facsimile: (212) 230-8730); notices to the Company and DFH LLC shall be directed to them at Dream Finders Homes, Inc., 14701 Philips Highway, Suite 300, Jacksonville, FL 32256, to the attention of the General Counsel (facsimile: (904) 212-4704). All such notices and communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; five business days after being deposited in the mail, postage prepaid, if mailed; and one business day after being timely delivered to a next-day air courier.

SECTION 12. No Advisory or Fiduciary Relationship. Each of the Company and DFH LLC acknowledges and agrees that (a) the purchase and sale of the Securities pursuant to this Agreement, including the determination of the initial public offering price of the Securities and any related discounts and commissions, is an arm's-length commercial transaction between the Company and DFH LLC, on the one hand, and the several Underwriters, on the other hand, and does not constitute a recommendation, investment advice, or solicitation of any action by the Underwriters, (b) in connection with the offering of the Securities and the process leading thereto, each Underwriter is and has been acting solely as a principal and is not the agent or fiduciary of the Company, DFH LLC, any of their subsidiaries or their respective stockholders, creditors, employees or any other party, (c) no Underwriter has assumed or will assume an advisory or fiduciary responsibility in favor of the Company or DFH LLC with respect to the offering of the Securities or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company, DFH LLC or any of their subsidiaries on other matters) and no Underwriter has any obligation to the Company or DFH LLC with respect to the offering of the Securities except the obligations expressly set forth in this Agreement, (d) the Underwriters and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of each of the Company and DFH LLC, and (e) the Underwriters have not provided any legal, accounting, regulatory, investment or tax advice with respect to the offering of the Securities and the Company and DFH LLC have consulted their own respective legal, accounting, financial, regulatory and tax advisors to the extent they deemed appropriate, and (f) none of the activities of the Underwriters in connection with the transactions contemplated herein constitutes a recommendation, investment advice or solicitation of any action by the Underwriters with respect to any entity or natural person.

SECTION 13. Recognition of the U.S. Special Resolution Regimes.

(a) In the event that any Underwriter that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

For purposes of this Section 13, a "BHC Act Affiliate" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k). "Covered Entity" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b). **"**Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable. "U.S. Special Resolution Regime" means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

SECTION 14. Parties. This Agreement shall each inure to the benefit of and be binding upon the Underwriters and the Company and DFH LLC and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the Underwriters and the Company and DFH LLC and their respective successors and the controlling persons and officers and directors referred to in Sections 6 and 7 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Underwriters and the Company and DFH LLC and their respective successors, and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Securities from any Underwriter shall be deemed to be a successor by reason merely of such purchase.

SECTION 15. Trial by Jury. Each of the Company and DFH LLC (on its behalf and, to the extent permitted by applicable law, on behalf of its stockholders and affiliates) and each of the Underwriters hereby irrevocably waives, to the fullest extent permitted by applicable law, 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 16. GOVERNING LAW. THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF, THE STATE OF NEW YORK WITHOUT REGARD TO ITS CHOICE OF LAW PROVISIONS.

SECTION 17. Consent to Jurisdiction; Waiver of Immunity. Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby ("Related Proceedings") shall be instituted in (i) the federal courts of the United States of America located in the City and County of New York, Borough of Manhattan or (ii) the courts of the State of New York located in the City and County of New York, Borough of Manhattan (collectively, the "Specified Courts"), and each party irrevocably submits to the exclusive jurisdiction (except for proceedings instituted in regard to the enforcement of a judgment of any such court (a "Related Judgment"), as to which such jurisdiction is non-exclusive) of such courts in any such suit, action or proceeding. Service of any process, summons, notice or document by mail to such party's address set forth above shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or other proceeding in the Specified Courts and irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such suit, action or other proceeding brought in any such court has been brought in an inconvenient forum.

SECTION 18. TIME. TIME SHALL BE OF THE ESSENCE OF THIS AGREEMENT. EXCEPT AS OTHERWISE SET FORTH HEREIN, SPECIFIED TIMES OF DAY REFER TO NEW YORK CITY TIME.

SECTION 19. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

SECTION 20. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company and DFH LLC a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Underwriters, the Company and DFH LLC in accordance with its terms.

Very truly yours,

DREAM FINDERS HOMES, INC.

By _____
Title:

DREAM FINDERS HOLDINGS LLC

By _____
Title:

CONFIRMED AND ACCEPTED,
as of the date first above written:

BOFA SECURITIES, INC.

By _____
Authorized Signatory

RBC CAPITAL MARKETS, LLC

By _____
Authorized Signatory

BTIG, LLC.

By _____
Authorized Signatory

For itself and as Representatives of the other Underwriters named in Schedule A hereto.

SCHEDULE A

The initial public offering price per share for the Securities shall be $[●].

The purchase price per share for the Securities to be paid by the several Underwriters shall be $[●], being an amount equal to the initial public offering price set forth above less $[●] per share, subject to adjustment in accordance with Section 2(b) for dividends or distributions declared by the Company and payable on the Initial Securities but not payable on the Option Securities.

Name of Underwriter	Number of Initial Securities
BofA Securities, Inc.	
RBC Capital Markets, LLC	
BTIG, LLC	
Builder Advisory Group, LLC	
Zelman Partners LLC	
Woodrock Securities L.P.	
Wedbush Securities Inc.	
Total	[●]

SCHEDULE B-1

Pricing Terms

1. The Company is selling [●] shares of Class A Common Stock.

2. The Company has granted an option to the Underwriters, severally and not jointly, to purchase up to an additional [●] shares of Class A Common Stock.

3. The initial public offering price per share for the Securities shall be $[●].

SCHEDULE B-2

Free Writing Prospectuses

[None.]

SCHEDULE B-3

Testing-the-Waters Materials

1. Dream Finders Homes – Investor Presentation – December 2020

SCHEDULE C

List of Persons and Entities Subject to Lock-up

[●]

Form of lock-up from directors, officers or other stockholders pursuant to Section 5(i)

Exhibit A

[●], 2020

BofA Securities, Inc.,

as Representative of the several

Underwriters to be named in the

within-mentioned Underwriting Agreement

One Bryant Park

New York, New York 10036

Re: Proposed Public Offering by Dream Finders Homes, Inc.

Dear Sirs:

The undersigned, a stockholder [and an officer and/or director] of Dream Finders Homes, Inc., a Delaware corporation (the "Company"), understands that BofA Securities, Inc. ("BofA") proposes to enter into an Underwriting Agreement (the "Underwriting Agreement") with the Company providing for the public offering of shares of the Company's Class A common stock, par value $0.01 per share (the "Class A Common Stock"). The undersigned further understands that, prior to the consummation of the public offering of the Class A Common Stock (the "Public Offering"), the Company will be authorized to issue, in addition to the Class A Common Stock, shares of Class B common stock, par value $0.01 per share (the "Class B Common Stock" and, together with the Class A Common Stock, the "Common Stock").

In recognition of the benefit that the Public Offering will confer upon the undersigned as a stockholder [and an officer and/or director] of the Company, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees with each underwriter to be named in the Underwriting Agreement that, during the period beginning on the date hereof and ending on the date that is 180 days from the date of the Underwriting Agreement (the "Lock-Up Period"), the undersigned will not, without the prior written consent of BofA, (i) directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition (collectively, the "Lock-Up Securities"), or exercise any right with respect to the registration of any of the Lock-up Securities, or file, cause to be filed or cause to be confidentially submitted any registration statement in connection therewith, under the Securities Act of 1933, as amended, or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Lock-Up Securities, whether any such swap or transaction is to be settled by delivery of Common Stock or other securities, in cash or otherwise. If the undersigned is an officer or director of the Company, the undersigned further agrees that the foregoing provisions shall be equally applicable to any issuer-directed Class A Common Stock the undersigned may purchase in the Public Offering.

If the undersigned is an officer or director of the Company, (1) BofA agrees that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of shares of the Common Stock, BofA will notify the Company of the impending release or waiver, and (2) the Company has agreed or will agree in the Underwriting Agreement to announce the impending release or waiver by press release through a major news service (or other medium and method acceptable to the Financial Industry Regulatory Authority, Inc.) at least two business days before the effective date of the release or waiver. Any release or waiver granted by BofA hereunder to any such officer or director shall only be effective two business days after the publication date of such public notification. The provisions of this paragraph will not apply if (i) the release or waiver is effected solely to permit a transfer not for consideration and (ii) the transferee has agreed in writing to be bound by the same terms described in this lock-up agreement to the extent and for the duration that such terms remain in effect at the time of the transfer.

Notwithstanding the foregoing, and subject to the conditions below, as applicable, the undersigned may transfer the Lock-Up Securities without the prior written consent of BofA, provided that (1) with respect to clauses (i) through (viii) below, BofA receives a signed lock-up agreement for the balance of the Lock-Up Period from each donee, trustee, distributee, nominee, transferee, or custodian, as the case may be, (2) with respect to each of clauses (i), (iii), (iv), (v), (vi), (viii) and (xii) (with respect to clause (viii), solely regarding dispositions or transfers otherwise permissible under clauses (i), (iii), (iv), (v) and (vi)), any such transfer shall not involve a disposition for value and does not require reporting to the Securities and Exchange Commission on Form 4 in accordance with Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), of a reduction in beneficial ownership of Common Stock, and (3) the undersigned does not otherwise voluntarily effect any public filing or report regarding such transfers:

(i) as a *bona fide* gift or gifts or charitable contribution;

(ii) upon death or by will, other testamentary document or intestate succession to the legal representative, heir, beneficiary or a member of the immediate family (as defined below) of the undersigned upon the death of the undersigned;

(iii) for *bona fide* tax or estate planning purposes;

(iv) to the immediate family of the undersigned or any trust, partnership, limited liability company or other entity for the direct or indirect benefit of the undersigned or the immediate family of the undersigned (for purposes of this lock-up agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin), or if the undersigned is a trust, to any beneficiary of the undersigned (including such beneficiary's estate);

(v) as a distribution to limited partners, general partners, members, stockholders or other equityholders of the undersigned;

(vi) to the undersigned's affiliates or to any investment fund or other entity controlled or managed by the undersigned;

(vii) pursuant to an order of a court or regulatory agency (for purposes of this lock-up agreement, a "court or regulatory agency" means any domestic or foreign, federal, state or local government, including any political subdivision thereof, any governmental or quasi-governmental authority, department, agency or official, any court or administrative body or any national securities exchange or similar self-regulatory body or organization, in each case of competent jurisdiction) or pursuant to a qualified domestic order or in connection with a divorce settlement; *provided*, that any filing under Section 16(a) of the Exchange Act in connection with such transfer shall indicate that such transfer is made in connection with one or more of the foregoing;

(viii) to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (i)-(vii) above;

(ix) upon the exercise of any rights to purchase, exchange or convert any stock options granted pursuant to the Company's equity incentive plans described in the Prospectus (as defined in the Underwriting Agreement) or any other securities described in the Prospectus, including the Class B Common Stock; *provided*, that any required filing under Section 16 of the Exchange Act made during the Lock-Up Period with respect to the matters described in this clause (ix) shall clearly indicate in the footnotes thereto that (1) the filing relates to the circumstances described above and (2) the underlying shares of Common Stock continue to be subject to the restrictions on transfer set forth in this lock-up agreement;

(x) to the Company in connection with the termination of the undersigned's employment or other service with the Company, *provided*, that any required filing under Section 16 of the Exchange Act made during the Lock-Up Period with respect to the matters described in this clause (x) shall clearly indicate in the footnotes thereto that (1) the filing relates to the circumstances described above and (2) no Lock-Up Securities were sold by the reporting person other than such transfers to the Company as described above;

(xi) after the completion of the proposed Public Offering, pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction approved by the Company's board of directors and made to all holders of the Company's securities involving a change of control of the Company; *provided*, that, in the event that such tender offer, merger, consolidation or other such transaction is not completed, such Lock-Up Securities held by the undersigned shall remain subject to the restrictions on transfer set forth in this lock-up agreement (for purposes hereof, "change of control" shall mean the transfer (whether by tender offer, merger, consolidation or other similar transaction), in one transaction or a series of related transactions, to a person or group of affiliated persons, of shares of capital stock if, after such transfer, such person or group of affiliated persons would become the beneficial owner (as defined in Rules 13d-3 and 13d-5 of the Exchange Act) of more than 50% of the total voting power of the voting securities of the Company (or the surviving entity)); or

(xii) to the Company or its subsidiaries (A) in connection with the repurchase of the undersigned's Common Stock upon death or disability pursuant to an employment agreement or equity award granted pursuant to the Company's equity incentive plans described in the Prospectus, (B) pursuant to arrangements described in the Prospectus under which the Company has the option to repurchase such shares or a right of first refusal with respect to transfers of such securities or (C) in the exercise of outstanding options, warrants, restricted stock units or other equity interests, including transfers deemed to occur upon the "net" or "cashless" exercise of options or for the sole purpose of paying the exercise price of such options, warrants, restricted stock units or other equity interests or for paying taxes (including estimated taxes) due as a result of the exercise of such options, warrants, restricted stock units or other equity interests or as a result of the vesting of Common Stock under restricted stock awards, in each case pursuant to the Company's equity incentive plans or other arrangement disclosed in the Prospectus; *provided*, that any Common Stock received upon such exercise or other event described in subclause (C) shall be subject to the terms of this lock-up agreement.

In addition, it is understood and agreed that this lock-up agreement shall not apply to (a) the sale of any Class A Common Stock to the underwriters pursuant to the Underwriting Agreement or (b) any transfer or sale in connection with, and as contemplated by, the reorganization transactions (the "Corporate Reorganization") described under the caption "Corporate Reorganization" in the preliminary prospectus relating to the Public Offering at the time of its effectiveness.

Furthermore, the undersigned may sell shares of Common Stock purchased by the undersigned in the Public Offering or on the open market following the consummation of the Public Offering if and only if (i) such sales are not required to be reported in accordance with Section 16(a) of the Exchange Act and (ii) the undersigned does not otherwise voluntarily effect any public filing or report regarding such sales.

Notwithstanding anything to the contrary herein, the undersigned may establish or amend a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of Lock-Up Securities; *provided*, that (i) such plan does not provide for the transfer of Lock-Up Securities during the Lock-Up Period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by or on behalf of the undersigned or the Company regarding the establishment or amendment of such plan, such announcement or filing shall include a statement to the effect that no transfer of Lock-Up Securities may be made under such plan during the Lock-Up Period.

This lock-up agreement and any claim, controversy or dispute arising under or related to this lock-up agreement shall be governed by, and construed in accordance with the laws of, the state of New York without regard to its choice of law provisions.

Notwithstanding anything to the contrary contained herein, this lock-up agreement will automatically terminate and the undersigned will be released from all obligations hereunder upon the earliest to occur, if any, of: (i) if BofA, on behalf of the Underwriters, on the one hand, or the Company, on the other hand, informs the other in writing, prior to the execution of the Underwriting Agreement, that it has determined not to proceed with the Public Offering; (ii) the date the Company files an application with the SEC to withdraw the registration statement related to the Public Offering; (iii) the date the Underwriting Agreement is terminated (other than the provisions thereof which survive termination) prior to payment for and delivery of the shares of Common Stock to be sold thereunder; or (iv) March 31, 2021, in the event that the Underwriting Agreement has not been executed by such date (provided that the Company may, by written notice to the undersigned prior to such date, extend such date for a period of up to an additional three months). This lock-up agreement shall not be amended without the prior written consent of the undersigned.

The undersigned hereby consents to receipt of this lock-up agreement in electronic form and understands and agrees that this lock-up agreement may be signed electronically. In the event that any signature is delivered by facsimile transmission, electronic mail, or otherwise by electronic transmission evidencing an intent to sign this lock-up agreement, such facsimile transmission, electronic mail or other electronic transmission shall create a valid and binding obligation of the undersigned with the same force and effect as if such signature were an original. Execution and delivery of this lock-up agreement by facsimile transmission, electronic mail or other electronic transmission is legal, valid and binding for all purposes.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the Lock-Up Securities during the Lock-Up Period except in compliance with the foregoing restrictions.

Very truly yours,

Signature: _____

Print Name: _____

FORM OF PRESS RELEASE
TO BE ISSUED PURSUANT TO SECTION 3(j)

Dream Finders Homes, Inc.

[Date]

Dream Finders Homes, Inc. (the "Company") announced today that BofA, the lead book-running manager in the Company's recent public sale of [●] shares of Class A common stock, is [waiving] [releasing] a lock-up restriction with respect to shares of the Company's Class A common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver] [release] will take effect on , 2021, and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

Exhibit 2.10

FORM OF AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER (this "***Agreement***") is entered into as of January ___, 2021, by and among Dream Finders Holdings LLC, a Florida limited liability company ("***DFH LLC***"), Dream Finders Homes, Inc., a Delaware corporation and, prior to the consummation of the Merger (as defined below), a wholly owned subsidiary of DFH LLC ("***DFH Inc.***"), and DFH Merger Sub LLC, a Delaware limited liability company and wholly owned subsidiary of DFH Inc. ("***Merger Sub***").

RECITALS

WHEREAS, on the date hereof, DFH LLC has the authority to issue 222,666 units, consisting of: (i) 73,123 Common Units (the "***DFH LLC Voting Common Units***"), of which 73,123 units are issued and outstanding; (ii) 100,000 Non-Voting Common Units (the "***DFH LLC Non-Voting Common Units***" and, together with the DFH LLC Voting Common Units, the "***DFH LLC Common Units***"), of which 10,543 units are issued and outstanding; (iii) 15,400 Series A Preferred Units (the "***DFH LLC Series A Preferred Units***"), of which 15,400 units are issued and outstanding; (iv) 7,143 Series B Preferred Units (the "***DFH LLC Series B Preferred Units***"), of which 7,143 units are issued and outstanding; and (v) 27,000 Series C Preferred Units (the "***DFH LLC Series C Preferred Units***" and, together with the DFH LLC Series A Preferred Units and DFH LLC Series B Preferred Units, the "***DFH LLC Preferred Units***"), of which 26,000 units are issued and outstanding.

WHEREAS, as of the Effective Time (as defined below), DFH Inc. will have the authority to issue 350,000,000 shares of common stock, par value $0.01 per share, consisting of: 289,000,000 shares of Class A Common Stock (the "***DFH Inc. Class A Common Stock***") and 61,000,000 shares of Class B Common Stock (the "***DFH Inc. Class B Common Stock***" and, together with the DFH Inc. Class A Common Stock, the "***DFH Inc. Common Stock***"), and 5,000,000 shares of preferred stock, par value $0.01 per share (the "***DFH Inc. Preferred Stock***").

WHEREAS, as of the date hereof, DFH Inc. is the sole member of Merger Sub and owns all of the membership interests of Merger Sub.

WHEREAS, DFH Inc. and Merger Sub are each a newly formed corporation and limited liability company, respectively, organized for the sole purpose of participating in the transactions herein contemplated and actions related thereto, own no assets (other than DFH Inc.'s ownership of Merger Sub and nominal capital) and have taken no actions other than those necessary or advisable to organize the new entities and to effect the transactions herein contemplated and actions related thereto.

WHEREAS, DFH LLC desires to cause Merger Sub to merge with and into DFH LLC, with DFH LLC as the surviving entity (the "***Merger***") of the Merger in accordance with Chapter 605.1021 of the Florida Revised Limited Liability Company Act (the "***Florida LLC Act***") and Section 18-209 of the Delaware Limited Liability Company Act (the "***Delaware LLC Act***"), whereby DFH Inc. would become the sole member of DFH LLC immediately prior to the closing of an initial public offering of the DFH Inc. Class A Common Stock , and (i) all of the outstanding DFH LLC Non-Voting Common Units and DFH LLC Series A Preferred Units as of immediately prior to the Effective Time being converted in the Merger into shares of DFH Inc. Class A Common Stock, (ii) all of the outstanding DFH LLC Voting Common Units as of immediately prior to the Effective Time being converted in the Merger into shares of DFH Inc. Class B Common Stock and (iii) all of the outstanding DFH LLC Series B Preferred Units and DFH LLC Series C Preferred Units as of immediately prior to the Effective Time remain unchanged as outstanding DFH LLC Series B Preferred Units and DFH LLC Series C Preferred Units (collectively, the "***Reorganization***").

WHEREAS, the Board of Directors or Board of Managers, as applicable, of each of DFH LLC, DFH Inc. and Merger Sub have unanimously declared that this Agreement and the transactions contemplated hereby, including the Reorganization, are advisable and in the best interest of DFH LLC, DFH Inc. and Merger Sub, respectively, and their respective stockholders or members, as applicable;

WHEREAS, the Board of Directors or Board of Managers, as applicable, of each of DFH LLC, DFH Inc. and Merger Sub have unanimously authorized and approved this Agreement, the Reorganization and the performance of the transactions contemplated by this Agreement;

WHEREAS, immediately following the execution and delivery of this Agreement, DFH Inc., in its capacity as the sole member of Merger Sub, shall approve and adopt the Merger, this Agreement and, to the extent applicable, the other transactions described herein upon the terms and subject to the conditions set forth in this Agreement;

WHEREAS, the Merger is intended to consist of a tax-deferred transfer of property under Section 351(a) of the Code (as defined herein).

NOW THEREFORE, in consideration of the foregoing and of the covenants and agreements contained herein, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I
THE MERGER

SECTION 1.1 The Merger. Upon the terms and subject to the conditions of this Agreement, and in accordance with Chapter 605.1021 of the Florida LLC Act and Section 18-209 of the Delaware LLC Act, at the Effective Time (as defined in Section 1.2), Merger Sub shall be merged with and into DFH LLC, the separate limited liability company existence of Merger Sub shall thereupon cease and DFH LLC shall continue as the surviving entity in the Merger (sometimes hereinafter referred to as the "***Surviving Company***"). At the Effective Time, the effects of the Merger shall be as provided in this Agreement and in Chapter 605.1025 of the Florida LLC Act and Section 18-209 of the Delaware LLC Act.

SECTION 1.2 Filing Certificate of Merger and Articles of Merger; Effective Time. As soon as practicable following the satisfaction or, to the extent permitted by applicable law, waiver of the conditions set forth in Article V, if this Agreement shall not have been terminated prior thereto as provided in Section 6.1, DFH LLC shall cause a certificate of merger meeting the requirements of the Delaware LLC Act (the "***Certificate of Merger***") and articles of merger meeting the requirements of the Florida LLC Act (the "***Articles of Merger***") to be properly executed and filed in accordance with such sections and otherwise make all other filings or recordings as required by the Delaware LLC Act and the Florida LLC Act in connection with the Merger. The Merger shall become effective as of the effective time set forth in the Certificate of Merger filed with the Secretary of State of the State of Delaware and in the Articles of Merger filed with the Secretary of State of the State of Florida (the "***Effective Time***").

SECTION 1.3 Tax Distribution Prior to Effective Time. No later than one business day prior to the Effective Time, DFH LLC shall make a distribution of a total amount of $[●] in accordance with Section 4.4(b) of the Fourth Amended and Restated Operating Agreement of DFH LLC, dated effective as of May 28, 2019 (and as to be amended and restated by the Fifth Amended and Restated Operating Agreement of DFH LLC, dated effective as of the date of the Effective Time) with respect to taxable income of DFH LLC accrued prior to the Effective Time.

ARTICLE II
ORGANIZATIONAL DOCUMENTS, DIRECTORS / MANAGERS AND OFFICERS

SECTION 2.1 Name of Surviving Company. The name of the Surviving Company shall be "Dream Finders Holdings LLC."

SECTION 2.2 Articles of Organization of Surviving Company. From and after the Effective Time, the Articles of Organization of DFH LLC as in effect immediately prior to the Effective Time shall remain unchanged and shall be the Articles of Organization of the Surviving Company until thereafter further amended as provided therein and in accordance with the Florida LLC Act.

SECTION 2.3 Operating Agreement of Surviving Company. From and after the Effective Time, the Fourth Amended and Restated Operating Agreement of DFH LLC, dated effective as of May 28, 2019, shall be replaced by the Fifth Amended and Restated Operating Agreement of DFH LLC, dated effective as of the date of the Effective Time.

SECTION 2.4 Sole Manager of Surviving Company. From and after the Effective Time, DFH Inc. shall be the sole manager of the Surviving Company.

SECTION 2.5 Officers of Surviving Company. From and after the Effective Time, the officers of DFH LLC immediately prior to the Effective Time shall be the officers of the Surviving Company, each such officer to serve in such capacity until his or her successor is duly elected or appointed or his or her earlier death, resignation or removal.

SECTION 2.6 Directors and Officers of DFH Inc. Prior to the Effective Time, DFH LLC, in its capacity as the sole stockholder of DFH Inc., agrees to take or cause to be taken all such actions as are necessary to cause the persons identified on Exhibit A hereto to be elected or appointed as the directors of DFH Inc., effective as of the listing of the DFH Inc. Class A Common Stock on The Nasdaq Global Select Market, with each such person to serve until his or her respective successor is elected and qualified (or his or her earlier death, disability or retirement).

Prior to the Effective Time, DFH LLC, in its capacity as the sole stockholder of DFH Inc., agrees to take or cause to be taken all such actions as are necessary to cause those persons serving as the officers of DFH LLC immediately prior to the Effective Time to be appointed as the officers of DFH Inc. (to the extent the officers of DFH Inc. and DFH LLC are not already identical), each such person to have the same office(s) with DFH Inc. as he or she held with DFH LLC.

SECTION 2.7 Certificate of Incorporation of DFH Inc. On or prior to the Effective Time, (i) the Board of Directors of DFH Inc. shall have approved, and DFH LLC, in its capacity as sole stockholder of DFH Inc., shall have adopted, the Amended and Restated Certificate of Incorporation of DFH Inc. (the "***DFH Inc. Charter***"), and the DFH Inc. Charter shall have been filed with the Secretary of State of the State of Delaware and shall have become effective, and (ii) the Amended and Restated Bylaws of DFH Inc. (the "***DFH Inc. Bylaws***") shall have been adopted and shall be in full force and effect.

ARTICLE III
CANCELLATION AND CONVERSION OF EQUITY

SECTION 3.1 Effect on Capital Stock. At the Effective Time, by virtue of the Merger and without any action on the part of the holder of any shares or units of either DFH LLC, DFH Inc. or Merger Sub:

(a) *Conversion of Merger Sub Shares.* All of the issued and outstanding membership interests of Merger Sub as of immediately prior to the Effective Time shall, by virtue of the Merger and without any action on the part of the holder thereof, automatically be converted into an aggregate number of 97,830 validly issued, fully paid and nonassessable DFH LLC Voting Common Units.

(b) *Conversion of DFH LLC Units.* The issued and outstanding DFH LLC Non-Voting Common Units owned by a member of DFH LLC immediately prior to the Effective Time shall, by virtue of the Merger and without any action on the part of the holder thereof, automatically be converted into the number of validly issued, fully paid and nonassessable shares of DFH Inc. Class A Common Stock set forth opposite the name of such holder of DFH LLC Non-Voting Common Units on Schedule I attached hereto (and incorporated by reference herein). The issued and outstanding DFH LLC Series A Preferred Units owned by a member of DFH LLC immediately prior to the Effective Time shall, by virtue of the Merger and without any action on the part of the holder thereof, automatically be converted into the number of validly issued, fully paid and nonassessable shares of DFH Inc. Class A Common Stock set forth opposite the name of such holder of DFH LLC Series A Preferred Units on Schedule I attached hereto (and incorporated by reference herein). The issued and outstanding DFH LLC Voting Common Units owned by a member of DFH LLC immediately prior to the Effective Time shall, by virtue of the Merger and without any action on the part of the holder thereof, automatically be converted into the number of validly issued, fully paid and nonassessable shares of DFH Inc. Class B Common Stock set forth opposite the name of such holder of DFH LLC Voting Common Units on Schedule I attached hereto (and incorporated by reference herein). The number of shares of Class A Common Stock and Class B Common Stock issued to members of DFH LLC holding DFH LLC Non-Voting Common Units, DFH LLC Series A Preferred Units and DFH LLC Voting Common Units, as the case may be, immediately prior to the Effective Time was determined based on the number of DFH LLC Non-Voting Common Units, DFH LLC Series A Preferred Units and DFH LLC Voting Common Units, as the case may be, held by such members immediately prior to the Effective Time adjusted for the book value of each such member's DFH LLC capital account.

Each issued and outstanding DFH LLC Series B Preferred Unit as of immediately prior to the Effective Time shall remain unchanged as an issued and outstanding Series B Preferred Unit in the Surviving Company. Each issued and outstanding DFH LLC Series C Preferred Unit as of immediately prior to the Effective Time shall remain unchanged as an issued and outstanding Series C Preferred Unit in the Surviving Company.

(c) *Cancellation of DFH Inc. Shares.* DFH LLC shall surrender each issued and outstanding share of DFH Inc. common stock, par value $0.01 per share, that is owned immediately prior to the Effective Time by DFH LLC, and each such share shall thereupon be cancelled and retired and shall cease to exist, and no consideration shall be delivered or deliverable in connection with such cancellation therefor.

SECTION 3.2 Direct Registration of DFH Inc. Common Stock.

(a) From and after the Effective Time, record ownership of the DFH Inc. Common Stock issued in accordance with Section 3.1(b) shall be kept in uncertificated, book entry form by DFH Inc., unless a replacement physical certificate is requested for cancellation. Following the Effective Time, any certificate representing DFH LLC Common Units or DFH LLC Series A Preferred Units immediately prior to the Effective Time shall be promptly surrendered by the holder of such Units formerly represented by such certificate to DFH LLC.

(b) From and after the Effective Time, holders of DFH LLC Common Units and DFH LLC Series A Preferred Units as of immediately prior to the Effective Time will cease to be, and will have no rights as, members of DFH LLC, other than the right to receive the applicable shares of DFH Inc. Common Stock pursuant to Section 3.1(b). At the Effective Time, the unit transfer books of DFH LLC shall be closed and from and after the Effective Time, there shall be no further registration of transfers on the unit transfer books of the Surviving Company of the DFH LLC Common Units and DFH LLC Series A Preferred Units that were outstanding immediately prior to the Effective Time.

SECTION 3.3 No Dissenters' Rights. There are no dissenters' rights or appraisal rights available to holders of DFH LLC Common Units or DFH LLC Series A Preferred Units under the Florida LLC Act or the Delaware LLC Act in connection with the Merger.

ARTICLE IV
CONDITIONS PRECEDENT

The respective obligations of each party to effect the Merger are subject to the satisfaction or waiver of the following conditions:

(a) None of the parties hereto shall be subject to any decree, order or injunction of any court of competent jurisdiction, whether in the U.S. or any other country, that prohibits the consummation of the Merger.

(b) Other than the filing of the Certificate of Merger and the Articles of Merger provided for under Article I, all consents and authorizations of, filings or registrations with, and notices to, any governmental or regulatory authority required to consummate the Merger and the other transactions contemplated hereby shall have been obtained or made.

ARTICLE V
TERMINATION, AMENDMENT AND WAIVER

SECTION 5.1 Termination. This Agreement may be terminated and the Merger abandoned at any time prior to the Effective Time by action of the Board of Managers of DFH LLC.

SECTION 5.2 Effect of Termination. In the event of termination of this Agreement as provided in Section 5.1, this Agreement shall forthwith become void and have no effect, without any liability or obligation on the part of DFH LLC, DFH Inc. or Merger Sub.

SECTION 5.3 Amendment. This Agreement may be amended by the parties hereto at any time; provided, however, that, any amendment effected subsequent to member approval shall be subject to the restrictions contained in the Delaware LLC Act and Florida LLC Act. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

SECTION 5.4 Waiver. At any time prior to the Effective Time, to the extent permitted by applicable law, the parties may waive compliance with any of the agreements or covenants contained in this Agreement, or may waive any of the conditions to consummation of the Merger contained in this Agreement. Any agreement on the part of a party to any such waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights.

ARTICLE VI
COVENANTS

SECTION 6.1 Further Assurances. Each of DFH LLC, DFH Inc. and Merger Sub shall use its commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary or reasonably appropriate to consummate and make effective, in the most expeditious manner practicable, the Merger and the other transactions provided for herein.

ARTICLE VII
GENERAL PROVISIONS

SECTION 7.1 Assignment; Binding Effect; Benefit. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties. Subject to the preceding sentence, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Notwithstanding anything contained in this Agreement to the contrary, nothing in this Agreement, expressed or implied, is intended to confer on any person other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement.

SECTION 7.2 Entire Agreement. This Agreement and any documents delivered by the parties in connection herewith constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements and understandings among the parties with respect thereto.

SECTION 7.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to its rules of conflict of laws that would apply any other law.

SECTION 7.4 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all of the parties hereto.

SECTION 7.5 Headings. Headings of the Articles and Sections of this Agreement are for the convenience of the parties only and shall be given no substantive or interpretative effect whatsoever.

SECTION 7.6 Severability. If any provision of this Agreement is determined by any court or arbitrator of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such provision will be enforced to the maximum extent possible given the intent of the parties hereto. If such clause or provision cannot be so enforced, such provision shall be stricken from this Agreement and the remainder of this Agreement shall be enforced as if such invalid, illegal or unenforceable clause or provision had (to the extent not enforceable) never been contained in this Agreement.

SECTION 7.7 Tax Treatment. For U.S. federal income tax purposes, the Merger shall be treated as a contribution of all of the DFH LLC Common Units and DFH LLC Series A Preferred Units to DFH Inc. by the holders of such units in exchange for the DFH Inc. Common Stock in a transaction governed by Section 351(a) of the Code (in which the separate limited liability company existence of Merger Sub shall be disregarded for such purposes).

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, DFH LLC, DFH Inc. and Merger Sub have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

DREAM FINDERS HOLDINGS LLC,
a Florida limited liability company

By: _____
Name: Patrick Zalupski
Title: Chief Executive Officer

Common Members:

POZ HOLDINGS, INC.

By: _____
Name: Patrick Zalupski
Title: President

_____
PATRICK ZALUPSKI

Series A Preferred Member:

DFH INVESTORS, LLC

By: _____
Name: W. Radford Lovett II
Title: Manager

Series B Preferred Members:

MOF II DF HOME LLC

By: _____
Name:
Title:

MCC INVESTMENT HOLDINGS LLC

By: _____
Name:
Title:

Series C Preferred Member:

THE VÄRDE PRIVATE DEBT OPPORTUNITIES FUND (ONSHORE), L.P., a Delaware limited partnership
By: The Värde Private Debt Opportunities Fund GP, L.P., its General Partner
By: Värde Partners, L.P., its General Partner
By: Värde Partners, Inc., its General Partner

By: _____
Name:
Title:

Non-Voting Common Members:

BOC DFH, LLC, a Delaware limited liability company

By: _____
Name:
Title:

MDB4L INVESTMENT, LLC, a Florida limited liability company

By: _____
Name:
Title:

_____
BLAKE WILSON

_____
STEVEN J. FISCHER

ROBERT W. HUGHES JR.

MARY C. HUGHES

KEITH GOLDFADEN

DENNIS A. ZALUPSKI

ROBERT J. ZALUPSKI

RICK A. MOYER

JOHN BLANTON

BATEY CAMP MCGRAW

JOHN DOUGLAS MORAN JR.

ROBERT E. RIVA, JR.

DFH MERGER SUB LLC,
a Delaware limited liability company

By: _____
Name: Patrick Zalupski
Title: Authorized Person

DREAM FINDERS HOMES, INC.,
a Delaware corporation

By: _____
Name: Patrick Zalupski
Title: Chief Executive Officer

[Signature Page to Agreement and Plan of Merger]

SCHEDULE I

SHARES OF CLASS A COMMON STOCK AND CLASS B COMMON STOCK TO BE ISSUED UPON THE CONVERSION OF DFH LLC UNITS (SECTION 3.1(b))

Name of DFH LLC Member	Type of DFH LLC Units Owned	Shares of Class A Common Stock to be Issued	Shares of Class B Common Stock to be Issued
Batey Camp McGraw	Non-Voting Common Units	591,768	
John Blanton	Non-Voting Common Units	591,768	
John Douglas Moran Jr.	Non-Voting Common Units	755,490	
Rick A. Moyer	Non-Voting Common Units	764,211	
Robert E. Riva, Jr.	Non-Voting Common Units	18,640	
DFH Investors, LLC	Series A Preferred Units	12,664,706	
Patrick Zalupski	Voting Common Units		59,629,995
POZ Holdings, Inc.	Voting Common Units		596,158
Equity Trust Company Custodian FAO, Rick Moyer	Non-Voting Common Units	139,650	
BOC DFH, LLC	Non-Voting Common Units	4,681,099	
MDB4L Investment, LLC	Non-Voting Common Units	466,178	
Keith Goldfaden	Non-Voting Common Units	46,627	
Stephen J. Fischer	Non-Voting Common Units	139,878	
Blake Wilson	Non-Voting Common Units	233,147	
Robert W. Hughes, Jr. and Mary C. Hughes (Jointly owned)	Non-Voting Common Units	60,797	
Dennis A. Zalupski	Non-Voting Common Units	50,685	
Robert J. Zalupski	Non-Voting Common Units	50,685	
Total:		**21,255,329**	**60,226,153**

EXHIBIT A

DIRECTORS

Patrick O. Zalupski

William H. Walton, III

W. Radford Lovett II

Justin Udelhofen

Megha H. Parekh

Exhibit 3.3

FORM OF AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
DREAM FINDERS HOMES, INC.

(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)

Dream Finders Homes, Inc. (the "**Corporation**"), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**General Corporation Law**"), **DOES HEREBY CERTIFY**:

FIRST: That the name of the Corporation is Dream Finders Homes, Inc. and that the Corporation was originally incorporated pursuant to the General Corporation Law on September 11, 2020 under the name Dream Finders Homes, Inc. by filing of the Certificate of Incorporation with the Secretary of State of the State of Delaware (the "**Certificate of Incorporation**").

SECOND: That the Board of Directors of the Corporation (the "**Board of Directors**") duly adopted resolutions proposing to amend and restate the Certificate of Incorporation, declaring said amendment and restatement to be advisable and in the best interests of the Corporation and its stockholders, and authorizing the appropriate officers of the Corporation to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment and restatement is as follows:

RESOLVED, that the Certificate of Incorporation of the Corporation be amended and restated in its entirety as follows:

ARTICLE I

The name of the corporation is Dream Finders Homes, Inc.

ARTICLE II

The address of the registered office of the Corporation in the State of Delaware is c/o The Corporation Trust Company, The Corporation Trust Center, 1209 North Orange Street, City of Wilmington, County of New Castle, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law. The Corporation shall have all power necessary or convenient to the conduct, promotion or attainment of such acts and activities.

ARTICLE IV

The total number of shares of all classes of stock which the Corporation shall have authority to issue is 355,000,000 shares, consisting of: (i) 350,000,000 shares of Common Stock, par value $0.01 per share ("**Common Stock**"), of which 289,000,000 shares are designated "Class A Common Stock" ("**Class A Common Stock**") and of which 61,000,000 shares are designated "Class B Common Stock" ("**Class B Common Stock**"); and (ii) 5,000,000 shares of Preferred Stock, par value $0.01 per share ("**Preferred Stock**").

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of Common Stock are subject to and qualified by the rights, powers and preferences of the holders of Preferred Stock set forth herein.

2. Voting. Except as otherwise required by the General Corporation Law, no holder of Common Stock, as such, shall be entitled to vote on any amendment to the Certificate of Incorporation (including any certificate of designation) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series of Preferred Stock are entitled, either separately or together with the holders of one or more other series of Preferred Stock, to vote thereon pursuant to the Certificate of Incorporation or the General Corporation Law. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required by the terms of the Certificate of Incorporation (including any certificate of designation)) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

3. Dividends. Subject to preferences that may apply to any shares of Preferred Stock outstanding at the time, the holders of Class A Common Stock and Class B Common Stock shall be entitled to share equally, identically and ratably, on a per share basis, with respect to any dividend or other distribution paid or distributed by the Corporation out of any funds of the Corporation legally available therefor when, as and if declared by the Board of Directors, unless different treatment of the shares of the affected class is approved by the affirmative vote of the holders of a majority of the outstanding shares of such affected class.

4. Liquidation, Dissolution or Winding-Up. In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, the holders of Class A Common Stock and Class B Common Stock shall be entitled to share equally, identically and ratably in all assets remaining after the payment of any liabilities, liquidation preferences and accrued or declared but unpaid dividends, if any, with respect to any outstanding Preferred Stock, unless a different treatment is approved by the affirmative vote of the holders of a majority of the outstanding shares of such affected class, voting separately as a class.

5. Change of Control Transactions. The holders of Class A Common Stock and Class B Common Stock shall be treated equally and identically with respect to shares of Class A Common Stock or Class B Common Stock owned by such holders, unless different treatment of the shares of each such class is approved by the affirmative vote of the holders of a majority of the outstanding shares of the class treated differently, voting separately as a class, upon the occurrence of a Deemed Liquidation Event. With respect to this Article IV, Section A.5, consideration to be paid or received by a holder of Common Stock in connection with any such Deemed Liquidation Event under any employment, consulting, severance or other compensatory arrangement shall be disregarded for the purposes of determining whether the holders of Class A Common Stock and Class B Common Stock are treated equally and identically.

6. Subdivisions and Combinations. If the outstanding shares of Class A Common Stock or Class B Common Stock, as applicable, are subdivided or combined in any manner, the outstanding shares of the other class shall be subdivided or combined in the same proportion and manner.

B. CLASS A COMMON STOCK

1. Voting. Except as otherwise provided by the General Corporation Law or the Certificate of Incorporation, each holder of Class A Common Stock, as such, is entitled to one vote per share of Class A Common Stock held by such holder on any matter that is submitted to a vote of the stockholders of the Corporation.

2. Reclassification of Common Stock into Class A Common Stock. Immediately upon the effectiveness of this Amended and Restated Certificate of Incorporation (the "**Effective Time**"), each share of common stock issued and outstanding or held in treasury of the Corporation immediately prior to the Effective Time (the "**Prior Common Stock**") will be, and hereby is, automatically reclassified and changed (without any further act) into one share of Class A Common Stock, and each such reclassified share of Prior Common Stock shall be deemed a fully paid and non-assessable share of Class A Common Stock. From and after the Effective Time, each stock certificate representing shares of Prior Common Stock shall automatically, and without the necessity of presenting the same for exchange, represent that number of whole shares of Class A Common Stock into which such shares of Prior Common Stock represented by such certificate(s) shall have been reclassified. Notwithstanding the foregoing, upon surrender to the Corporation or its transfer agent of the certificate or certificates evidencing any Prior Common Stock duly endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto) or an affidavit of loss with respect thereto, the Corporation or its transfer agent shall issue and deliver to the holder so surrendering such certificates or to such holder's designee, at an address designated by such holder, certificates for the number of whole shares of Class A Common Stock into which such holder's Prior Common Stock has been reclassified pursuant to the provisions hereof. Notwithstanding the foregoing, upon surrender to the Corporation or its transfer agent of such certificate or certificates evidencing any Prior Common Stock, the Corporation may, in lieu of issuing new stock certificates as provided above, determine that the shares of Class A Common Stock represented by such surrendered certificate(s) shall be issued in uncertificated form in accordance with the General Corporation Law.

C. CLASS B COMMON STOCK

1. Voting. Except as otherwise provided by the General Corporation Law or the Certificate of Incorporation, each holder of Class B Common Stock, as such, is entitled to the number of votes equal to the product of (a) the number of whole shares of Class A Common Stock into which the shares of Class B Common Stock held by such holder are convertible as of the record date for determining stockholders of the Corporation entitled to vote on such matter, *multiplied by* (b) three. Except as required by the General Corporation Law, holders of Class B Common Stock shall vote together with the holders of Class A Common Stock as a single class on all matters, including the election of directors of the Corporation, submitted to a vote of stockholders of the Corporation.

2. Optional Conversion. Holders of Class B Common Stock shall have conversion rights as follows (the "**Conversion Rights**"):

2.1. Conversion Ratio. Each share of Class B Common Stock shall be convertible at any time at the option of the holder thereof, and without the payment of additional consideration by the holder thereof, into one share of Class A Common Stock.

2.2. Mechanics of Conversion.

2.2.1. Notice of Conversion. In order for a holder of Class B Common Stock to voluntarily convert shares of Class B Common Stock into shares of Class A Common Stock, such holder shall surrender the certificate or certificates for such shares of Class B Common Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for Class B Common Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent), together with written notice that such holder elects to convert all or any number of the shares of Class B Common Stock represented by such certificate or certificates and, if applicable, any event on which such conversion is contingent. Such notice shall state such holder's name or the names of the nominees in which such holder wishes the certificate or certificates for shares of Class A Common Stock to be issued. If required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such certificates (or lost certificate affidavit and agreement) and notice shall be the time of conversion (the "**Conversion Time**"), and the shares of Class A Common Stock issuable upon conversion of the shares represented by such certificate so elected to be converted in such notice shall be deemed to be outstanding of record as of the Conversion Time. The Corporation shall, as soon as practicable after the Conversion Time, (i) issue and deliver to such holder of Class B Common Stock, or to his, her or its nominees, a certificate or certificates for the number of full shares of Class A Common Stock issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the shares of Class B Common Stock represented by the surrendered certificate that were not converted into Class A Common Stock and (ii) pay all declared but unpaid dividends on the shares of Class B Common Stock converted.

2.2.2. Reservation of Shares. The Corporation shall, at all times while Class B Common Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of Class B Common Stock, such number of its duly authorized shares of Class A Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Class B Common Stock. If, at any time, the number of authorized but unissued shares of Class A Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of Class B Common Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Class A Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in commercially reasonable efforts to obtain the requisite stockholder approval of any necessary amendment to the Certificate of Incorporation.

2.2.3. Effect of Conversion. All shares of Class B Common Stock that shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Class A Common Stock in exchange therefor and to receive payment of any dividends declared but unpaid thereon. Any shares of Class B Common Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Class B Common Stock accordingly.

2.2.4. Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Class A Common Stock upon conversion of shares of Class B Common Stock pursuant to this Article IV, Section C.2.2.4. The Corporation may pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Class A Common Stock in a name other than that in which the shares of Class B Common Stock so converted were registered.

2.3. Notice of Record Date.

2.3.1. In the event: (a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of Class B Common Stock) for the purpose of entitling or enabling such holders to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; (b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or (c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation, then, and in each such case, the Corporation will send or cause to be sent to the holders of Class B Common Stock a notice specifying, as the case may be, (i) the record date for, and the amount and character of, such dividend, distribution or right or (ii) the effective date on which such reorganization, reclassification, Deemed Liquidation Event, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of Class B Common Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, Deemed Liquidation Event, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to Class A Common Stock and Class B Common Stock. Such notice shall be sent at least ten days prior to the record date or effective date for the event specified in such notice.

2.3.2. Definition. Each of the following events shall be considered a "**Deemed Liquidation Event**":

(a) a merger or consolidation in which the Corporation or a subsidiary of the Corporation is a constituent party, and the Corporation issues shares of its capital stock pursuant to such merger or consolidation, except any such merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (i) the surviving or resulting corporation or (ii) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation (*provided* that, for the purpose of this Article IV, Section C.2.3.2(a), all shares of Common Stock issuable (x) upon the exercise of rights, options or warrants to subscribe for, purchase or otherwise acquire Convertible Securities (as defined below) or Common Stock (collectively, "**Options**") outstanding immediately prior to such merger or consolidation or (y) upon conversion of any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options ("**Convertible Securities**") outstanding immediately prior to such merger or consolidation shall be deemed to be outstanding immediately prior to such merger or consolidation and, if applicable, converted or exchanged in such merger or consolidation on the same terms as the actual outstanding shares of Common Stock are converted or exchanged);

(b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, or the sale or disposition (whether by merger or otherwise) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation; or

(c) the closing of the transfer (whether by merger, consolidation or otherwise), in one transaction or a series of related transactions, to a person or group of affiliated persons of the capital stock of the Corporation if, after such closing, the transferee person or group of affiliated persons would hold 50% or more of the outstanding voting power of the capital stock of the Corporation (or the surviving or acquiring entity).

3. Mandatory Conversion.

3.1. Trigger Events. In the event a holder of Class B Common Stock sells, assigns, gives, pledges, hypothecates, encumbers or otherwise transfers any or all of his, her or its shares of Class B Common Stock (each, a "**Transfer**") to any third party, then (a) all outstanding shares of Class B Common Stock subject to such Transfer shall automatically be converted into shares of Class A Common Stock and (b) such shares of Class B Common Stock may not be reissued by the Corporation; *provided*, *however*, that the following shall not be considered a "Transfer" and such shares of Class B Common Stock shall not automatically be converted into shares of Class A Common Stock as set forth in this Article IV, Section C.3.1: (i) the pledge of shares of Class B Common Stock by a stockholder that creates a mere security interest in such shares pursuant to a bona fide loan or indebtedness transaction for so long as such stockholder continues to exercise voting control over such pledged shares; *provided*, *however*, that a foreclosure on such shares or other similar action by the pledgee shall constitute a Transfer; (ii) entering into a trading plan pursuant to Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, with a broker or other nominee where the holder entering into the plan retains voting control over the shares; *provided*, *however*, that a Transfer of such shares of Class B Common Stock by such broker or other nominee shall constitute a "Transfer" at the time of such Transfer; (iii) entering into a support, voting, tender or similar agreement, arrangement or understanding (with or without granting a proxy) in connection with a Deemed Liquidation Event or other merger or consolidation, or taking any actions contemplated thereby; *provided*, *however*, that such Deemed Liquidation Event or other merger or consolidation and such agreement or understanding was approved by a majority of the Independent Directors then in office in advance of the entry into such agreement or understanding; (iv) the Transfer of Class B Common Stock to an existing holder of Class B Common Stock; or (v) the Transfer of Class B Common Stock for tax and estate planning purposes to any trust, partnership, corporation, foundation, charity or other entity, so long as a holder of Class B Common Stock controls such trust, partnership, corporation, foundation, charity or other entity; *provided*, *however* that, at such time that such holder of Class B Common Stock no longer controls such trust, partnership, corporation, foundation, charity or other entity, the shares of Class B Common Stock held by such entity shall be automatically converted into Class A Common Stock as set forth in this Article IV, Section C.3.1.

In the event that, and at such time that, the holders of Class B Common Stock cease to hold shares of Class B Common Stock representing, in the aggregate, at least ten percent or more of the total number of shares of Common Stock issued and outstanding (the "**Ownership Trigger**"), all outstanding shares of Class B Common Stock shall automatically be converted into shares of Class A Common Stock. The date and time of such Transfer and Ownership Trigger is referred to herein as the "**Mandatory Conversion Time**".

3.2. Procedural Requirements. All holders of record of shares of Class B Common Stock that will automatically convert upon a Transfer or Ownership Trigger shall be sent written notice of the Mandatory Conversion Time pursuant to this Article IV, Section C.3. Such notice need not be sent in advance of the occurrence of the Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Class B Common Stock in certificated form shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to Class B Common Stock converted pursuant to Article IV, Section C.3.1, including the rights, if any, to receive notice and vote (other than as a holder of Class A Common Stock), will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder thereof to surrender any certificates at or prior to such time), except only the rights of the holder thereof, upon surrender of any certificate or certificates of such holder (or lost certificate affidavit and agreement) therefor, to receive the items provided for in this Article IV, Section C.3.2. As soon as practicable following the Mandatory Conversion Time and, if applicable, the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for Class B Common Stock, the Corporation shall (a) issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Class A Common Stock issuable on such conversion in accordance with the provisions hereof and (b) pay cash with respect to any declared but unpaid dividends on the shares of Class B Common Stock converted pursuant to Article IV, Section C.3.1. Such converted Class B Common Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Class B Common Stock accordingly.

4. Acquired Shares. Any shares of Class B Common Stock that are acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Class B Common Stock.

5. Waiver. Any of the rights, powers, preferences and other terms of Class B Common Stock set forth herein may be waived on behalf of all holders of Class B Common Stock by the affirmative written consent or vote of the holders of at least a majority of the shares of Class B Common Stock then outstanding.

6. Notices. Any notice required or permitted by the provisions of this Article IV to be given to a holder of shares of Class B Common Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

D. PREFERRED STOCK

1. Preferred Stock may be issued in one or more series at such time or times and for such consideration or considerations as the Board of Directors may determine. Each series of Preferred Stock shall be so designated as to distinguish the shares thereof from the shares of all other series and classes. Except as otherwise provided in the Certificate of Incorporation, different series of Preferred Stock shall not be construed to constitute different classes of shares for the purpose of voting by classes.

2. The Board of Directors is expressly authorized, without further action by the stockholders of the Corporation, to provide for the issuance of all or any shares of Preferred Stock in one or more series, each with such designations, preferences, voting powers (or no voting powers), relative, participating, optional or other special rights and privileges and such qualifications, limitations or restrictions thereof as shall be stated in the resolution or resolutions adopted by the Board of Directors to create such series, and a certificate of designation shall be filed in accordance with the General Corporation Law. The authority of the Board of Directors with respect to each such series shall include, without limitation of the foregoing, the right to provide that the shares of each such series may: (i) have such distinctive designation and consist of such number of shares; (ii) be subject to redemption at such time or times and at such price or prices; (iii) be entitled to the benefit of a retirement or sinking fund for the redemption of such series on such terms and in such amounts; (iv) be entitled to receive dividends (which may be cumulative or non-cumulative) at such rates, on such conditions, and at such times, and payable in preference to, or in such relation to, the dividends payable on any other class or classes or any other series of stock; (v) be entitled to such rights upon the voluntary or involuntary liquidation, dissolution or winding up of the affairs, or upon any distribution of the assets of the Corporation in preference to, or in such relation to, any other class or classes or any other series of stock; (vi) be convertible into, or exchangeable for, shares of any other class or classes or any other series of stock at such price or prices or at such rates of exchange and with such adjustments, if any; (vii) be entitled to the benefit of such conditions, limitations or restrictions, if any, on the creation of indebtedness, the issuance of additional shares of such series or shares of any other series of Preferred Stock, the amendment of the Certification of Incorporation or the bylaws of the Corporation (the "**Bylaws**"), the payment of dividends or the making of other distributions on, or the purchase, redemption or other acquisition by the Corporation of, any other class or classes or series of stock, or any other corporate action; or (viii) be entitled to such other preferences, powers (including voting power), qualifications, rights and privileges, all as the Board of Directors may deem advisable and as are not inconsistent with the General Corporation Law and the provisions of the Certificate of Incorporation; *provided* that the Board of Directors may not decrease the number of shares of any such series of Preferred Stock below the number of shares of such series then outstanding.

ARTICLE V

The Corporation shall have perpetual existence.

ARTICLE VI

In furtherance and not in limitation of the powers conferred by the General Corporation Law:

A. Subject to the rights of holders of Common Stock and any series of Preferred Stock and the General Corporation Law, the Certificate of Incorporation and the Bylaws, respectively, may be amended, altered, changed or repealed, and new provisions or bylaws made, as applicable, by the majority vote of the Board of Directors.

B. Unless and except to the extent that the Bylaws so provide, elections of directors need not be by written ballot.

C. The number of directors of the Corporation shall be determined by the Board of Directors;*provided* that the number of directors of the Corporation shall not be less than three directors. Any vacancies on the Board of Directors or newly created directorships resulting from an increase in the number of directors serving on the Board of Directors shall be filled by the majority vote of the directors of the Corporation then in office.

D. Meetings of stockholders of the Corporation may be held within or without the State of Delaware, as the Bylaws may provide. Unless otherwise provided in the Certificate of Incorporation, for so long as the Corporation qualifies as a "controlled company" under the rules of The Nasdaq Global Select Market (or its successor) ("**NASDAQ**"), any action permitted or required by the General Corporation Law, the Certificate of Incorporation or the Bylaws to be taken at a meeting of the stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding capital stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than a unanimous written consent shall be given by the Secretary of the Corporation to those stockholders of the Corporation who have not consented in writing. From and after the date that the Corporation fails to qualify as a "controlled company" under the rules of NASDAQ, the authority contemplated by this Article VI, Section D and Section 228 of the General Corporation Law, which permits stockholders of the Corporation to act by written consent, shall be revoked and expressly denied to the stockholders of the Corporation, without need for any further action on behalf of the Corporation, and, accordingly, the stockholders of the Corporation shall have no ability to take any action unless such action is taken at a duly called and held annual or special meeting of the stockholders of the Corporation.

E. The books of the Corporation may be kept at such place within or without the State of Delaware as the Bylaws may provide or as may be designated from time to time by the Board of Directors.

ARTICLE VII

The Corporation hereby expressly elects not to be governed by Section 203 of the General Corporation Law for so long as Patrick Zalupski owns, directly or indirectly, at least ten percent of the outstanding shares of Common Stock. From and after the date that Patrick Zalupski ceases to own, directly or indirectly, at least ten percent of the outstanding shares of Common Stock, the Corporation shall be governed by, and subject to, Section 203 of the General Corporation Law.

ARTICLE VIII

No director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for any liability for (i) any breach of such director's duty of loyalty to the Corporation or its stockholders, (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) unlawful payment of dividends or unlawful stock repurchases or redemptions, as provided under Section 174 of the General Corporation Law or (iv) any transaction from which such director derived an improper personal benefit. If the General Corporation Law, or any other law of the State of Delaware, is amended after approval by the stockholders of the Corporation of this Article VIII to authorize corporate action further eliminating or limiting the liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law or such other law, as so amended.

Any repeal or modification of this Article VIII shall be prospective only and shall not adversely affect any right or protection of, or limitation of the liability of, a director of the Corporation existing at, or arising out of facts or incidents occurring prior to, the effective date of such repeal or modification.

ARTICLE IX

The following indemnification and advancement provisions shall apply to the persons enumerated below.

A. Right to Indemnification of Directors and Officers. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "**proceeding**"), by reason of the fact that he or she or a person of whom he or she is the legal representative, is or was or has agreed to become a director or officer of the Corporation or is or was serving or has agreed to serve at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, limited liability company, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving or having agreed to serve as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including without limitation, attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to serve in the capacity which initially entitled such person to indemnity hereunder and shall inure to the benefit of his or her heirs, executors and administrators; *provided*, *however*, that the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof), other than a proceeding (or part thereof) brought under Article IX, Section B, initiated by such person or his or her heirs, executors and administrators only if such proceeding (or part thereof) was authorized by the Board of Directors. The right to indemnification conferred in this Article IX shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition; *provided*, *however*, that, if the General Corporation Law requires, the payment of such expenses incurred by a current, former or proposed director or officer in his or her capacity as a director or officer or proposed director or officer (and not in any other capacity in which service was or is or has been agreed to be rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such indemnified person, to repay all amounts so advanced if it shall ultimately be determined that such indemnified person is not entitled to be indemnified under this Article IX, Section A or otherwise.

B. Claims by Directors and Officers. If a written claim received by the Corporation from or on behalf of an indemnified party under thisArticle IX is not paid in full by the Corporation within 30 days after such receipt, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including the Board of Directors, independent legal counsel, or the stockholders of the Corporation) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law, nor an actual determination by the Corporation (including the Board of Directors, independent legal counsel, or the stockholders of the Corporation) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

C. Indemnification of Employees and Agents. The Corporation may, by action of the Board of Directors, provide indemnification and advance expenses to employees and agents of the Corporation, individually or as a group, with the same scope and effect as the indemnification of directors and officers provided for in this Article IX.

D. Non-Exclusivity of Rights. The right to indemnification and the advancement and payment of expenses conferred in this Article IX shall not be exclusive of any other right which any person may have or hereafter acquire under any law (common or statutory), provision of the Certificate of Incorporation or the Bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

E. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any person who is or was serving as a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense liability or loss under the General Corporation Law.

F. Savings Clause. If this Article IX or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify and hold harmless each director and officer of the Corporation, as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any proceeding to the full extent permitted by any applicable portion of this Article IX that shall not have been invalidated and to the fullest extent permitted by applicable law. Any repeal or modification of the foregoing provisions of this Article IX shall not adversely affect any right or protection hereunder for a person protected under this Article IX in respect of any act or omission occurring prior to the time of such repeal or modification.

G. Definitions. For purposes of this Article IX, reference to the "**Corporation**" shall include, in addition to the Corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger prior to (or, in the case of an entity specifically designated in a resolution of the Board of Directors, after) the adoption hereof and which, if its separate existence had continued, would have had the power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article IX with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

ARTICLE X

The name and mailing address of the sole incorporator is as follows:

Name	Mailing Address
Patrick Zalupski	Dream Finders Homes, Inc. 14701 Philips Highway, Suite 300 Jacksonville, Florida 32256

ARTICLE XI

A. Exclusive Forum for Adjudication of Disputes. Subject to the following provisions of this Article XI, Section A, unless the Corporation consents in writing to the selection of an alternate forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed to the Corporation or its stockholders by any director, officer, other employees, agents or stockholders of the Corporation, (iii) any action asserting a claim against the Corporation arising under the General Corporation Law or as to which the General Corporation Law confers jurisdiction on the Court of Chancery of the State of Delaware (including, without limitation, any action asserting a claim arising out of or pursuant to the Certificate of Incorporation or the Bylaws) or (iv) any action asserting a claim against the Corporation that is governed by the internal affairs doctrine (each, a "**Chancery Proceeding**"), in the case of each of clauses (i) through (iv), shall be the Court of Chancery in the State of Delaware. The foregoing shall not apply to claims subject to exclusive jurisdiction in the federal courts of the United States (a "**Federal Proceeding**" and, together with Chancery Proceedings, each a "**Covered Proceeding**"), such as suits brought to enforce a duty or liability created by the Securities Act of 1933, as amended (the "**Securities Act**"), the Securities Exchange Act of 1934, as amended, or the rules and regulations thereunder. With respect to claims subject to the exclusive jurisdiction in the federal courts of the United States, unless the Corporation consents in writing to the selection of an alternate forum, the federal district courts of the United States will, to the fullest extent provided by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article XI.

B. Personal Jurisdiction. If any action the subject matter of which is a Covered Proceeding is filed in a court other than the Court of Chancery of the State of Delaware, or, where permitted in accordance with Article XI, Section A, the federal district courts of the United States (each, a "**Foreign Action**"), in the name of any person or entity (a "**Claiming Party**"), without the prior approval of the Corporation in the manner described in Article XI, Section A, such Claiming Party shall be deemed to have consented to (i) the personal jurisdiction of the Court of Chancery of the State of Delaware, or, where applicable, the applicable federal district court of the United States, in connection with any action brought in any such courts to enforce Article XI, Section A (an "**Enforcement Action**") and (ii) having service of process made upon such Claiming Party in any such Enforcement Action by service upon such Claiming Party's counsel in the Foreign Action as agent for such Claiming Party.

C. Litigation Costs. Except to the extent prohibited by the General Corporation Law, in the event that a Claiming Party shall initiate, assert, join, offer substantial assistance to or have a direct financial interest in any Foreign Action without the prior approval of the Corporation in the manner described in Article XI, Section A, each such Claiming Party shall be obligated jointly and severally to reimburse the Corporation and any director, officer or other employee or agent of the Corporation made a party to such proceeding for all fees, costs and expenses of every kind and description (including, but not limited to, all attorneys' fees and other litigation expenses) that such parties may incur in connection with such Foreign Action.

D. Notice and Consent. Any person or entity purchasing or otherwise acquiring any interest in the shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article XI and waived any argument relating to the inconvenience of the forums referenced in this Article XI in connection with any Covered Proceeding.

* * *

THIRD: The foregoing Amended and Restated Certificate of Incorporation was approved by the holders of the requisite number of shares of the Corporation in accordance with Section 242 of the General Corporation Law.

FOURTH: That said Amended and Restated Certificate of Incorporation, which restates and integrates and further amends the provisions of the Certificate of Incorporation, has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law.

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of the Corporation on this [●] day of [●], 2021.

By: _____
Name:
Title:

Exhibit 3.4

FORM OF AMENDED AND RESTATED

BYLAWS

OF

DREAM FINDERS HOMES, INC.

A DELAWARE CORPORATION

Date of Adoption:

[●], 2021

* * * * *

FORM OF AMENDED AND RESTATED
BYLAWS

* * * * *

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of Dream Finders Homes, Inc. (the "**Corporation**") required by the General Corporation Law of the State of Delaware (the "**General Corporation Law**") to be maintained in the State of Delaware shall be the registered office named in the Amended and Restated Certificate of Incorporation of the Corporation (as the same may be amended and restated from time to time, the "**Certificate of Incorporation**"), or such other office as may be designated from time to time by the Board of Directors of the Corporation (the "**Board of Directors**") in the manner provided by the General Corporation Law. Should the Corporation maintain a principal office within the State of Delaware, such registered office need not be identical to such principal office of the Corporation.

Section 2. Other Offices. The Corporation may have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or as the business of the Corporation may require.

ARTICLE II

STOCKHOLDERS

Section 1. Place of Meetings.

(a) Meetings. All meetings of stockholders may be held within or without the State of Delaware, as may be fixed from time to time by the Board of Directors or, if not so designated, at the registered office of the Corporation.

(b) Remote Meetings. Notwithstanding ARTICLE II, Section 1(a), the Board of Directors may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place but may instead be held solely by means of remote communication, as authorized by Section 211(a)(2) of the General Corporation Law. If so authorized, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication, participate in a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, *provided* that (i) the Board of Directors shall implement, or shall direct the implementation of, reasonable measures to verify that each person deemed present and permitted to vote at such meeting by means of remote communication is a stockholder or proxyholder, (ii) the Board of Directors shall implement, or shall direct the implementation of, reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of such meeting substantially concurrently with such proceedings, and (iii) if any stockholder or proxyholder votes or takes other action at such meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

Section 2. Meetings of Stockholders.

(a) Timely Notice. At any meeting of stockholders, only such nominations of persons for the election of Directors and such other business shall be conducted as shall have been properly brought before such meeting. To be properly brought before a meeting of stockholders, nominations of persons for the election of Directors or such other business must be: (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors or any committee thereof, (ii) otherwise properly brought before the meeting by or at the direction of the Board of Directors or any committee thereof or (iii) otherwise properly brought before a meeting of stockholders by a stockholder (the "**Proposing Stockholder**") who (x) is a stockholder of record of the Corporation at the time such notice of meeting is delivered, (y) is entitled to vote at such meeting and (z) complies with the notice procedures set forth in this ARTICLE II, Section 2. In addition, any proposal of business (other than the nomination of persons for the election of Directors) brought before a meeting of stockholders by a stockholder must be a proper matter for stockholder action. Other than nominations of persons for the election of Directors made at the direction of the Board of Directors or a committee thereof or proposals for such other business made at the direction of the Board of Directors, for business (including nominations of persons for the election of Directors) to be properly brought before a meeting of stockholders by a stockholder, the Proposing Stockholder must have given timely notice thereof pursuant to this ARTICLE II, Section 2(a), Section 2(b) or Section 2(c), as applicable, in writing to the Secretary of the Corporation (the "**Secretary**"), even if such matter is already the subject of any notice to the stockholders from the Board of Directors or a disclosure made in a press release reported by the Dow Jones News Services, The Associated Press or a comparable national news service or in a document filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14, or 15(d) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (collectively, the "**Exchange Act**"), (each, a "**Public Disclosure**"). To be timely, a Proposing Stockholder's notice must be delivered to the Secretary or mailed and received at the principal executive offices of the Corporation by the Secretary: (A) with respect to an annual meeting of stockholders, not later than the close of business on the 90th day, nor earlier than the close of business on the 120th day in advance of (1) the anniversary of the previous year's annual meeting if such meeting is to be held on a day which is within 30 days of the anniversary of the previous year's annual meeting or (2) the date of the duly called annual meeting in the event that no annual meeting was held in the previous year or such annual meeting is to be held on a day which is not within 30 days of the anniversary of the previous year's annual meeting; or (B) with respect to any other meeting of stockholders, not later than the close of business on the tenth day following the date of Public Disclosure of the date of such meeting. In no event shall Public Disclosure of an adjournment or postponement of an annual meeting or special meeting of stockholders, as applicable, commence a new notice time period (or extend any notice time period).

(b) Stockholder Nominations. For the nomination of any person or persons for election to the Board of Directors, a Proposing Stockholder's notice to the Secretary shall set forth: (i) the name, age, business address and residence address of each nominee proposed in such notice, (ii) the principal occupation or employment of each such nominee, (iii) the number of shares of capital stock of the Corporation which are owned of record and beneficially held by each such nominee, if any, (iv) such other information concerning each such nominee as would be required to be disclosed in a proxy statement soliciting proxies for the election of each such nominee as a Director in an election contest (even if an election contest is not involved) or that is otherwise required to be disclosed, under Section 14(a) of the Exchange Act, (v) the consent of each such nominee to be named in a proxy statement as a nominee and to serve as a Director if elected and (vi) as to the Proposing Stockholder: (A) the name and address of the Proposing Stockholder as they appear on the Corporation's books and of the beneficial owner, if any, on whose behalf the nomination is being made, (B) the class and number of shares of capital stock of the Corporation which are owned by the Proposing Stockholder (beneficially and of record) and owned by the beneficial owner, if any, on whose behalf the nomination is being made, as of the date of the Proposing Stockholder's notice, (C) a description of any agreement, arrangement or understanding with respect to such nomination between or among the Proposing Stockholder and any of its affiliates, and any others (including their names) acting in concert with any of the foregoing, (D) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, hedging transactions and borrowed or loaned shares) that has been entered into as of the date of the Proposing Stockholder's notice by, or on behalf of, the Proposing Stockholder or any of its affiliates, the effect or intent of which is to mitigate loss to, manage risk or capture the benefit of share price changes for, or increase or decrease the voting power of, the Proposing Stockholder or any of its affiliates with respect to shares of capital stock of the Corporation, (E) a representation that the Proposing Stockholder is a holder of record of shares of capital stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at such meeting to nominate the person or persons specified in the notice and (F) a representation whether the Proposing Stockholder intends to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve the nomination and/or otherwise to solicit proxies from stockholders in support of the nomination. The Corporation may require any proposed nominee for election to the Board of Directors to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as an independent Director or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such proposed nominee.

(c) Other Stockholder Proposals. For all business other than the nomination of any person or persons for election to the Board of Directors, a Proposing Stockholder's notice to the Secretary shall set forth as to each matter the Proposing Stockholder proposes to bring before the annual meeting or special meeting of stockholders, as applicable: (i) a brief description of the business desired to be brought before such meeting and the reasons for conducting such business at such meeting, (ii) any other information relating to the Proposing Stockholder and beneficial owner, if any, on whose behalf the proposal is being made, as would be required to be disclosed in a proxy statement or other filing required to be made in connection with soliciting proxies for the approval of such proposal, under Section 14(a) of the Exchange Act, and (iii) the information required by ARTICLE II, Section 2(b)(vi).

(d) Proxy Rules. The foregoing notice requirements of ARTICLE II, Section 2(c) shall be deemed satisfied by a stockholder with respect to business other than the nomination of any person or persons for election to the Board of Directors if such stockholder has notified the Corporation of his, her or its intention to present a proposal at an annual meeting of stockholders in compliance with the applicable provisions of Section 14(a) of the Exchange Act and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting.

(e) Effect of Noncompliance. Notwithstanding anything in these Amended and Restated Bylaws to the contrary: (i) no nominations shall be made or business shall be conducted at any annual meeting or special meeting of stockholders, as applicable, except in accordance with the procedures set forth in this ARTICLE II and (ii) unless otherwise required by the General Corporation Law, if a Proposing Stockholder intending to propose business or make nominations for of any person or persons for election to the Board of Directors at an annual meeting or special meeting of stockholders, as applicable, pursuant to this ARTICLE II, Section 2 does not provide the information required under this ARTICLE II, Section 2 to the Corporation within the time frames established under ARTICLE II, Section 2(a), or the Proposing Stockholder (or a qualified representative of the Proposing Stockholder) does not appear at such meeting to present such proposed business or nominations, such business or nominations shall not be considered, notwithstanding that proxies in respect of such business or nominations may have been received by the Corporation. The requirements of this ARTICLE II, Section 2 shall apply to any business or nominations to be brought before an annual meeting or special meeting of stockholders, as applicable, by a stockholder whether such business or nominations are to be included in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or presented to stockholders by means of an independently financed proxy solicitation. The requirements of this ARTICLE II, Section 2 are included to provide the Corporation notice of a stockholder's intention to bring business or nominations of any person or persons for election to the Board of Directors before an annual meeting or special meeting of stockholders, as applicable, and shall in no event be construed as imposing upon any stockholder the requirement to seek approval from the Corporation as a condition precedent to bringing any such business or make such nominations before an annual meeting or special meeting of stockholders, as applicable.

Section 3. Annual Meeting of Stockholders. An annual meeting of stockholders of the Corporation shall be held for the election of directors of the Corporation (the "**Directors**") and the transaction of such other business as may properly be brought before the meeting in accordance with these Amended and Restated Bylaws at such date, time and place, if any, as may be fixed by resolution of the Board of Directors from time to time.

Section 4. Special Meetings. Special meetings of stockholders, for any purpose or purposes, may, unless otherwise prescribed by the General Corporation Law or the Certificate of Incorporation, be called by the Board of Directors and shall be called by the Chief Executive Officer of the Corporation (the "**Chief Executive Officer**") or the Secretary at the request in writing of a majority of the Board of Directors or by stockholders owning at least 25% of the Corporation's entire capital stock issued and outstanding and entitled to vote on the election of Directors. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which Directors are to be elected pursuant to the Corporation's notice of meeting (x) by or at the direction of the Board of Directors or any committee thereof or (y) provided that the Board of Directors (or stockholders pursuant to these Amended and Restated Bylaws) has determined that Directors shall be elected at such meeting, by any stockholder who is a stockholder of record at the time the notice provided for in ARTICLE II, Section 2 is delivered to the Secretary, who is entitled to vote at such meeting and upon such election and who complies with the notice procedures set forth in ARTICLE II, Section 2. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more person or persons to the Board of Directors, any such stockholder entitled to vote in such election may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by ARTICLE II, Section 2 shall be delivered in accordance with the notice procedures set forth in ARTICLE II, Section 2.

Section 5. Notice of Meetings. Except as otherwise provided by the General Corporation Law, written notice of each meeting of stockholders, annual or special, stating the place, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called shall be given not less than ten nor more than 60 days before the date of such meeting to each stockholder entitled to vote at such meeting.

Section 6. Voting List. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at such meeting, arranged in alphabetical order and showing the address of each stockholder and the number of shares of capital stock of the Corporation registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to such meeting, during ordinary business hours, for a period of at least ten days prior to such meeting, either (i) on a reasonably accessible electronic network, *provided* that the information required to gain access to such list is provided with the notice of meeting, or (ii) at the Corporation's principal place of business. In the event that the Corporation determines to make such list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to its stockholders. If such meeting is to be held at a place, then such list shall be produced and kept at the time and place of such meeting during the whole time thereof and may be inspected by any stockholder who is present at such meeting. If such meeting is to be held solely by means of remote communication, then such list shall also be open to the examination of any stockholder during the whole time of such meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the Corporation or to vote in person, by means of remote communication or by proxy at any meeting of stockholders.

Section 7. Quorum. The holders of shares of capital stock of the Corporation representing a majority in voting power of the stock issued and outstanding and entitled to vote thereat, present in person or by means of remote communication, or represented by proxy, shall constitute a quorum at all meetings of stockholders for the transaction of business, except as otherwise provided by the General Corporation Law, the Certificate of Incorporation or these Amended and Restated Bylaws. Where a separate vote by a class or classes of capital stock of the Corporation is required by the General Corporation Law, capital stock representing a majority of the voting power of the outstanding shares of such class or classes, present in person or by means of remote communication, or represented by proxy, shall constitute a quorum entitled to take action with respect to such vote. If no quorum shall be present or represented at any meeting of stockholders, such meeting may be adjourned in accordance with ARTICLE II, Section 8, until a quorum shall be present or represented. If a quorum is present when a meeting of stockholders is convened, the subsequent withdrawal of stockholders, even though less than a quorum remains, shall not affect the ability of the remaining stockholders lawfully to transact business.

Section 8. Adjournments. Any meeting of stockholders may be adjourned from time to time to any other time and to any other place at which a meeting of stockholders may be held under these Amended and Restated Bylaws, which time and place shall be announced at such meeting, by the holders of capital stock representing a majority in voting power of the stock present in person or by means of remote communication, or represented by proxy, at such meeting and entitled to vote (whether or not a quorum is present), or, if no stockholder is present or represented by proxy, by any officer entitled to preside at or to act as Secretary of such meeting, without notice other than announcement at such meeting. At such adjourned meeting, any business may be transacted which might have been transacted at the original meeting, *provided* that a quorum either was present at the original meeting or is present at the adjourned meeting. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at such meeting.

Section 9. Action at Meetings. When a quorum is present at any meeting of stockholders, the affirmative vote of the holders of capital stock of the Corporation representing a majority in voting power of the stock present in person or by means of remote communication, or represented by proxy, entitled to vote and voting on a matter properly brought before such meeting (or where a separate vote by a class or classes of capital stock of the Corporation is required, the affirmative vote of the holders of capital stock representing a majority in voting power of such class or classes present in person or by means of remote communication, or represented by proxy, at such meeting) shall decide such matter (other than the election of Directors), unless such matter is one upon which by express provision of the General Corporation Law, the Certificate of Incorporation or these Amended and Restated Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such matter. The capital stock of holders who abstain from voting on any matter shall be deemed not to have been voted on such matter. Directors shall be elected by a plurality of the votes of the shares of capital stock of the Corporation present in person or by means of remote communication, or represented by proxy, at such meeting, entitled to vote and voting on the election of Directors.

Section 10. Proxies. Each stockholder entitled to vote at a meeting of stockholders, or to express consent or dissent to corporate action in writing without a meeting, may authorize another person or persons to act for him, her or it by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless such proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending, in person or by means of remote communication, as the case may be, the meeting of stockholders and voting or by filing with the Secretary an instrument in writing revoking such proxy or another duly executed proxy bearing a later date. Proxies for use at any meeting of stockholders shall be filed with the Secretary, or such other officer as the Board of Directors may from time to time determine by resolution, before or at the time of such meeting. All proxies shall be received and taken charge of and all ballots, if any, shall be received and canvassed by the secretary of such meeting who shall decide all questions relating to the qualification of voters, the validity of the proxies and the acceptance or rejection of votes, unless an inspector or inspectors shall have been appointed by the chairman of such meeting, in which event such inspector or inspectors shall decide all such questions.

Section 11. Treasury Stock. The Corporation shall not vote, directly or indirectly, shares of its own capital stock owned by it or any other corporation, if a majority of shares entitled to vote in the election of the directors of such other corporation is held, directly or indirectly, by the Corporation, and such shares shall not be counted for quorum purposes.

Section 12. Action Without Meeting. Unless otherwise provided in the Certificate of Incorporation, for so long as the Corporation qualifies as a "controlled company" under the rules of The Nasdaq Global Select Market (or its successor) ("**NASDAQ**"), any action permitted or required by the General Corporation Law, the Certificate of Incorporation or these Amended and Restated Bylaws to be taken at a meeting of stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding capital stock of the Corporation having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of capital stock of the Corporation entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than an unanimous written consent shall be given by the Secretary to those stockholders of the Corporation who have not consented in writing. From and after the date that the Corporation fails to qualify as a "controlled company" under the rules of NASDAQ, the authority contemplated by this ARTICLE II, Section 11 and Section 228 of the General Corporation Law, which permits stockholders to act by written consent, shall be revoked and expressly denied to the stockholders, without need for any further action on behalf of the Corporation, and, accordingly, the stockholders shall have no ability to take any action unless such action is taken at a duly called and held annual meeting or special meeting of stockholders.

ARTICLE III

DIRECTORS

Section 1. Number, Election, Tenure and Qualification. Except as otherwise provided in the Certificate of Incorporation, the number of Directors that shall constitute the whole Board of Directors shall be not less than three. Within such limit, the number of Directors shall be determined by the majority vote of the Board of Directors. Only those persons nominated for election to the Board of Directors in accordance with the requirements and procedures set forth in these Amended and Restated Bylaws shall be eligible for election as Directors. The Directors shall be elected at the annual meeting or any special meeting of stockholders, or by written consent in lieu of an annual meeting or special meeting of stockholders (*provided*, *however*, that if such written consent is less than unanimous, such action by written consent may be in lieu of holding an annual meeting of stockholders only if all of the directorships to which Directors could be elected at an annual meeting of stockholders held at the effective time of such written consent are vacant and are filled by such written consent), except as provided in ARTICLE III, Section 3. Each Director shall hold office for the term for which he or she is elected, and until his or her successor shall have been elected and qualified or until his or her earlier death, resignation or removal. Unless otherwise provided in the Certificate of Incorporation, Directors need not be stockholders nor residents of the State of Delaware.

Section 2. Size of the Board of Directors. Except as otherwise provided in the Certificate of Incorporation and these Amended and Restated Bylaws, the number of Directors may be increased or decreased at any time by the majority vote of the Directors then in office; *provided* that the number of Directors shall not be decreased to an amount less than the number of Directors then in office.

Section 3. Vacancies. Vacancies resulting from death, resignation, disqualification, removal or other cause and newly created directorships resulting from any increase in the authorized number of Directors may be filled by the majority vote of the Directors then in office, though less than a quorum, or by a sole remaining Director, and a Director so chosen shall hold office until the next annual election of Directors and until his or her successor shall have been duly elected and qualified or until his or her earlier death, resignation, disqualification or removal. If there are no Directors in office, then an election of Directors may be held in the manner provided by the General Corporation Law. In the event of a vacancy on the Board of Directors, the remaining Directors, except as otherwise provided by the General Corporation Law, the Certificate of Incorporation or these Amended and Restated Bylaws, may exercise the powers of the full Board of Directors until such vacancy is filled.

Section 4. Resignation and Removal. Any Director may resign at any time upon notice given in writing or by electronic transmission to the Corporation at its principal place of business or to the Chief Executive Officer or the Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event. Any Director or the entire Board of Directors may be removed, with or without cause, by the holders of capital stock of the Corporation representing a majority in voting power of the shares then entitled to vote at an election of Directors, unless otherwise specified by the General Corporation Law or the Certificate of Incorporation.

Section 5. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, which may exercise all powers of the Corporation and do all such lawful acts and things as are not by statute, the Certificate of Incorporation or these Amended and Restated Bylaws restricted, or directed or required to be exercised or done by the stockholders.

Section 6. Chairman of the Board. If the Board of Directors appoints a chairman or co-chairmen of the Board, either chairman or co-chairman, when present, may (or, if only one chairman or co-chairman is present, such chairman or co-chairman shall) preside at all meetings of stockholders and the Board of Directors. Each chairman or co-chairman shall perform such duties and possess such powers as are customarily vested in the office of the chairman of the board of directors or as may be vested in such chairman or co-chairman by the Board of Directors.

Section 7. Place of Meetings. All meetings of the Board of Directors shall be held at such place within or without the State of Delaware as shall from time to time be determined by the Board of Directors.

Section 8. Regular Meetings. Unless otherwise determined by the Board of Directors, a regular annual meeting of the Board of Directors shall be held, without call or notice, immediately after and, if the annual meeting of stockholders is held at a place, at the same place as the annual meeting of stockholders, for the purpose of organizing the Board of Directors, electing officers and transacting any other business that may properly come before such meeting. Additional regular meetings of the Board of Directors may be held without call or notice at such time and place as shall from time to time be determined by the Board of Directors; *provided* that any Director who is absent when such determination is made shall be given prompt notice of such determination.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the Chief Executive Officer, the Secretary or on the written request of any Director. Notice of a special meeting of the Board of Directors shall be given by the person or persons calling such special meeting at least twenty-four hours before such special meeting. The purpose or purposes of a special meeting need not be stated in the call or notice.

Section 10. Notice, Waiver of Notice. Notice or a waiver of notice of a meeting of the Board of Directors need not specify the purposes of such meeting.

Section 11. Quorum, Action at Meeting, Adjournments. At all meetings of the Board of Directors, a majority of Directors then in office, but in no event less than one third of the entire Board of Directors, shall constitute a quorum for the transaction of business. A Director who is directly or indirectly a party to a contract or transaction with the Corporation, or is a director or officer of or has a financial interest in any other corporation, partnership, limited liability company, association or other organization that is a party to a contract or transaction with the Corporation, may be counted in determining whether a quorum is present at any meeting of the Board of Directors or a committee thereof at which such contract or transaction is considered or authorized, and such Director may participate in such meeting and vote on such authorization to the extent permitted by applicable law, including Section 144 of the General Corporation Law. The act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by the General Corporation Law or the Certificate of Incorporation. For purposes of this ARTICLE III, Section 11, the phrase "entire Board of Directors" shall mean the number of Directors last fixed by the Board of Directors in accordance with the General Corporation Law, the Certificate of Incorporation and these Amended and Restated Bylaws; *provided*, *however*, that if less than all the number of Directors so fixed were elected, the "entire Board of Directors" shall mean the greatest number of Directors so elected to hold office at any one time pursuant to such authorization. If a quorum shall not be present at any meeting of the Board of Directors, a majority of the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at such meeting, until a quorum shall be present.

Section 12. Action by Written Consent. Unless otherwise restricted by the Certificate of Incorporation or these Amended and Restated Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee thereof, as the case may be, consent thereto in writing or writings or electronic transmission or transmissions, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee thereof. Such filing shall be in paper form if such minutes are maintained in paper form and shall be in electronic form if such minutes are maintained in electronic form.

Section 13. Meetings by Remote Communication. Unless otherwise restricted by the Certificate of Incorporation or these Amended and Restated Bylaws, members of the Board of Directors or any committee thereof may participate in a meeting of the Board of Directors or any committee thereof, as the case may be, by means of remote communication by means of which all persons participating in such meeting can hear each other, and such participation in such meeting shall constitute presence in person at such meeting.

Section 14. Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the Directors. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member of such committee at any meeting of such committee. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation; *provided* that no such committee shall have the power or authority in reference to (a) adopting, amending or repealing any of these Amended and Restated Bylaws or (b) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the General Corporation Law to be submitted to stockholders for approval. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. Each committee shall keep regular minutes of its meetings and make such reports to the Board of Directors as the Board of Directors may request. Except as the Board of Directors may otherwise determine, any committee may make rules for the conduct of its business, but, unless otherwise provided by the Board of Directors or in such rules, its business shall be conducted as nearly as possible in the same manner as is provided in these Amended and Restated Bylaws for the conduct of business by the Board of Directors.

Section 15. Compensation. Unless otherwise restricted by the Certificate of Incorporation or these Amended and Restated Bylaws, the Board of Directors shall have the authority to fix from time to time the compensation of Directors. The Directors may be paid their expenses, if any, in connection with attendance at each meeting of the Board of Directors or any committee thereof, as the case may be, and the performance of their responsibilities as Directors. The Directors may be paid a fixed sum for attendance at each meeting of the Board of Directors or any committee thereof, as the case may be, and/or a stated salary as a Director. No such payment shall preclude any Director from serving the Corporation or its parent or subsidiary corporations in any other capacity and receiving compensation therefor.

Section 16. Reliance upon Records. Every Director, and every member of any committee of the Board of Directors, shall, in the performance of his or her duties, be fully protected in relying in good faith upon the records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers or employees, or committees of the Board of Directors, or by any other person as to matters such Director or committee member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation, including such records, information, opinions, reports or statements as to the value and amount of the assets, liabilities and/or net profits of the Corporation, or any other facts pertinent to the existence and amount of surplus or other funds from which dividends might properly be declared and paid, or with which the Corporation's capital stock might properly be purchased or redeemed.

ARTICLE IV

OFFICERS

Section 1. Enumeration. The officers of the Corporation shall be chosen by the Board of Directors and shall be a President, Chief Executive Officer and a Secretary and, if the Board of Directors so elects, a Chairman of the Board of Directors, one or more Vice Presidents (any one or more of whom may be designated Executive Vice President or Senior Vice President), a Treasurer and such other officers with such titles, terms of office and duties as the Board of Directors may from time to time determine. Any number of offices may be held by the same person, unless otherwise provided by the Certificate of Incorporation or these Amended and Restated Bylaws. Except for Chairman of the Board of Directors, if any, no officer of the Corporation need be a Director.

Section 2. Tenure. Each officer of the Corporation shall hold office until his or her successor shall be duly elected and shall qualify, unless a different term is specified in the vote or written consent, as the case may be, choosing or appointing such officer, or until his or her earlier death or until he or she shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Powers and Duties. The officers of the Corporation shall have such powers and duties as generally pertain to their offices, except as modified herein or by the Board of Directors, as well as such powers and duties as from time to time may be conferred by the Board of Directors. the Chief Executive Officer shall have general supervision over the business, affairs and property of the Corporation and shall have such duties as may be assigned to him by the Board of Directors.

Section 4. Removal. Any officer elected or appointed by the Board of Directors or by the Chief Executive Officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the Board of Directors; *provided* that any officer appointed by the Chief Executive Officer may also be removed at any time, with or without cause, by the Chief Executive Officer.

Section 5. Resignation. Any officer may resign by delivering his or her written resignation to the Corporation at its principal place of business or to the Chief Executive Officer or the Secretary. Such resignation shall be effective upon receipt, unless such resignation is specified to be effective at some other time or upon the happening of some other event.

Section 6. Vacancies. Any vacancy occurring in any office of the Corporation may be filled by the Board of Directors, at its discretion.

Section 7. Bond. If required by the Board of Directors, any officer shall give the Corporation a bond in such sum and with such surety or sureties and upon such terms and conditions as shall be satisfactory to the Board of Directors, including a bond for the faithful performance of the duties of his or her office and for the restoration to the Corporation of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control and belonging to the Corporation.

Section 8. Action with Respect to Securities of Other Corporations Unless otherwise directed by the Board of Directors, the Chief Executive Officer shall have power to vote and otherwise act on behalf of the Corporation, in person, by means of remote communication or by proxy, at any meeting of security holders of or with respect to any action of security holders of any other corporation, limited liability company, partnership or other enterprise in which the Corporation may hold securities and to otherwise exercise any and all rights and powers which this Corporation may possess by reason of its ownership of securities in such other corporation, limited liability company, partnership or other enterprise.

ARTICLE V

NOTICES

Section 1. Delivery. Except as otherwise provided by the General Corporation Law, the Certificate of Incorporation or these Amended and Restated Bylaws, whenever notice is required to be given to any person, such notice may be given by mail, addressed to such person, at such address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Unless written notice by mail is required by applicable law, notice may also be given by telegram, cable, telecopy, commercial delivery service, telex or similar means, addressed to such person at such address as it appears on the records of the Corporation, in which case such notice shall be deemed to be given when delivered into the control of the persons charged with effecting such transmission, the transmission charge to be paid by the Corporation or the person sending such notice and not by the addressee. Notice may also be given to stockholders by a form of electronic transmission in accordance with and subject to the provisions of Section 232 of the General Corporation Law. Oral notice or other in-hand delivery (in person or by telephone) shall be deemed given at the time it is actually given.

Section 2. Waiver of Notice. Whenever any notice is required to be given under the provisions of the General Corporation Law, the Certificate of Incorporation or of these Amended and Restated Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice or a waiver by electronic transmission by the person entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when such person attends such meeting for the sole and express purpose of objecting, at the beginning of such meeting, to the transaction of any business because such meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of stockholders, Directors or members of a committee of Directors need be specified in any written waiver of notice unless so required by the Certificate of Incorporation or these Amended and Restated Bylaws.

ARTICLE VI

INDEMNIFICATION

Section 1. Right to Indemnification of Directors and Officers. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "**proceeding**"), by reason of the fact that he or she or a person of whom he or she is the legal representative, is or was or has agreed to become a Director or officer of the Corporation or is or was serving or has agreed to serve at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, limited liability company, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving or having agreed to serve as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including without limitation, attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to serve in the capacity which initially entitled such person to indemnity hereunder and shall inure to the benefit of his or her heirs, executors and administrators; *provided*, *however*, that the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof), other than a proceeding (or part thereof) brought under ARTICLE VI, Section 2, initiated by such person or his or her heirs, executors and administrators only if such proceeding (or part thereof) was authorized by the Board of Directors. The right to indemnification conferred in this ARTICLE VI shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition; *provided*, *however*, that, if the General Corporation Law requires, the payment of such expenses incurred by a current, former or proposed director or officer in his or her capacity as a director or officer or proposed director or officer (and not in any other capacity in which service was or is or has been agreed to be rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such indemnified person, to repay all amounts so advanced if it shall ultimately be determined that such indemnified person is not entitled to be indemnified under this ARTICLE VI, Section 1 or otherwise.

Section 2. Claims by Directors and Officers. If a written claim received by the Corporation from or on behalf of an indemnified party under thisARTICLE VI is not paid in full by the Corporation within 30 days after such receipt, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including the Board of Directors, independent legal counsel, or the stockholders of the Corporation) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law, nor an actual determination by the Corporation (including the Board of Directors, independent legal counsel, or the stockholders of the Corporation) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 3. Indemnification of Employees and Agents. The Corporation may, by action of the Board of Directors, provide indemnification and advance expenses to employees and agents of the Corporation, individually or as a group, with the same scope and effect as the indemnification of directors and officers provided for in this ARTICLE VI.

Section 4. Non-Exclusivity of Rights. The right to indemnification and the advancement and payment of expenses conferred in this ARTICLE VI shall not be exclusive of any other right which any person may have or hereafter acquire under any law (common or statutory), provision of the Certificate of Incorporation or these Amended and Restated Bylaws, agreement, vote of stockholders or disinterested Directors or otherwise.

Section 5. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any person who is or was serving as a Director or officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense liability or loss under the General Corporation Law.

Section 6. Savings Clause. If this ARTICLE VI or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify and hold harmless each director and officer of the Corporation, as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any proceeding to the full extent permitted by any applicable portion of this ARTICLE VI that shall not have been invalidated and to the fullest extent permitted by applicable law. Any repeal or modification of the foregoing provisions of this ARTICLE VI shall not adversely affect any right or protection hereunder for a person protected under this ARTICLE VI in respect of any act or omission occurring prior to the time of such repeal or modification.

Section 7. Definitions. For purposes of this ARTICLE VI, reference to the "**Corporation**" shall include, in addition to the Corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger prior to (or, in the case of an entity specifically designated in a resolution of the Board of Directors, after) the adoption hereof and which, if its separate existence had continued, would have had the power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this ARTICLE VI with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

ARTICLE VII

LIMITATION OF DIRECTOR LIABILITY

Section 1. Limitation of Director Liability. No Director shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a Director, except for any liability for (i) any breach of such Director's duty of loyalty to the Corporation or its stockholders, (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) unlawful payment of dividends or unlawful stock repurchases or redemptions, as provided under Section 174 of the General Corporation Law or (iv) any transaction from which such Director derived an improper personal benefit. If the General Corporation Law, or any other law of the State of Delaware, is amended after the adoption date of these Amended and Restated Bylaws to authorize corporate action further eliminating or limiting the liability of directors, then the liability of a Director shall be eliminated or limited to the fullest extent permitted by the General Corporation Law or such other law, as so amended.

Section 2. Repeal or Modification. Any repeal or modification of this ARTICLE VII shall be prospective only and shall not adversely affect any right or protection of, or limitation of the liability of, a Director existing at, or arising out of facts or incidents occurring prior to, the effective date of such repeal or modification.

ARTICLE VIII

CAPITAL STOCK

Section 1. Certificates of Stock. Each holder of capital stock in the Corporation shall be entitled to have a certificate, signed by, or in the name of the Corporation by, the Chairman of the Board of Directors, or the President or a Vice President and the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation, certifying the number of shares of capital stock owned by such holder in the Corporation. Any or all of the signatures on such certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. Certificates may be issued for partly paid shares and, in such case, upon the face or back of the certificates issued to represent any such partly paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be specified. Notwithstanding anything herein to the contrary, any or all classes and series of shares of capital stock of the Corporation, or any part thereof, may be represented by uncertificated shares to the extent determined by the Board of Directors, except that shares represented by a certificate that is issued and outstanding shall continue to be represented thereby until the certificate is surrendered to the Corporation. Within a reasonable time after the issuance or transfer of uncertificated shares, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to this ARTICLE VIII, Section 1. The rights and obligations of the holders of shares of capital stock of the Corporation represented by certificates and the rights and obligations of the holders of uncertificated shares of the same class shall be identical.

Section 2. Lost Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his or her legal representative, to give reasonable evidence of such loss, theft or destruction, to advertise the same in such manner as it shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate or certificates alleged to have been lost, stolen or destroyed or the issuance of such new certificate or certificates.

Section 3. Transfer of Stock. Upon surrender to the Corporation or the transfer agent or registrar of the Corporation of a certificate for shares, duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, and proper evidence of compliance with other conditions to the rightful transfer thereof, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon the books of the Corporation.

Section 4. Record Date.

(a) In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which shall not (i) precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and (ii) be more than 60 days nor less than 10 days before the date of such meeting. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided*, *however*, that the Board of Directors may fix a new record date for the adjourned meeting. If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the day before the day on which notice is given, or, if notice is waived, the close of business on the day before the day on which such meeting is held.

(b) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, if applicable, the Board of Directors may fix a record date, which shall not (i) precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and (ii) be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date is fixed, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by the General Corporation Law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation as provided in ARTICLE II, Section 11. If no record date is fixed and prior action by the Board of Directors is required, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the date on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of capital stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which shall not (i) precede the date upon which the resolution fixing the record date is adopted and (ii) be more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating to such purpose.

Section 5. Registered Stockholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on the books of the Corporation as the owner of shares of capital stock of the Corporation to receive dividends and to vote as such owner and to hold liable for calls and assessments such person registered on the books of the Corporation as the owner of shares. The Corporation shall not be bound to recognize any equitable or other claim to, or interest in, such share or shares on the part of any other person, whether or not the Corporation shall have express or other notice thereof, except as otherwise provided by the General Corporation Law.

ARTICLE IX

GENERAL PROVISIONS

Section 1. Dividends. Dividends upon the capital stock of the Corporation, if any, may be declared by the Board of Directors at any regular meeting or special meeting of the Board of Directors, or by written consent of the Board of Directors, pursuant to the General Corporation Law. Dividends may be paid in cash, property or shares of capital stock of the Corporation, subject to the Certificate of Incorporation.

Section 2. Reserves. The Directors may set apart out of any funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve or reserves.

Section 3. Checks. Except as otherwise provided in these Amended and Restated Bylaws, all checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 4. Fiscal Year. The fiscal year of the Corporation shall such as established from time to time by the Board of Directors.

Section 5. Seal. The Board of Directors may provide a suitable seal, containing the name of the Corporation. The Secretary shall have charge of the seal, if any. If and when so directed by the Board of Directors or a committee thereof, duplicates of the seal may be kept and used by the Treasurer or by the Assistant Secretary or Assistant Treasurer.

Section 6. Facsimile Signatures. In addition to the provisions for the use of facsimile signatures elsewhere specifically authorized in these Amended and Restated Bylaws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors.

Section 7. Form of Records. Any records maintained by the Corporation in the regular course of business, including the Corporation's stock ledger, books of account and minute books, may be kept on, or by means of, or be in the form of, any information storage device or method, *provided* that the records so kept can be converted into clearly legible paper form within a reasonable time.

Section 8. Claiming Stockholder Threshold. Except where a private right of action at a lower threshold than that required by this ARTICLE IX, Section 6 is expressly authorized by the General Corporation Law, a current or prior stockholder or group of stockholders (each, a "Claiming Stockholder") may not initiate a claim in a court of law on behalf of (i) the Corporation and/or (ii) any class of current and/or prior stockholders against the Corporation and/or against any Director and/or officer of the Corporation in his or her official capacity, unless the Claiming Stockholder, no later than the date the claim is asserted, delivers to the Secretary written consents by beneficial stockholders owning capital stock representing at least 1% of the voting power of the issued and outstanding capital stock of the Corporation as of (x) the date the claim was discovered (or should have been discovered) by the Claiming Stockholder or (y) if on behalf of a class consisting only of prior stockholders, the last date on which a stockholder must have held shares to be included in such class.

Section 9. Invalid Provisions. If any provision of these Amended and Restated Bylaws is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of the stockholders would not be materially and adversely affected thereby, such provision shall be fully separable; these Amended and Restated Bylaws shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; the remaining provisions of these Amended and Restated Bylaws shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom; and in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of these Amended and Restated Bylaws, a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

Section 10. Expense Reimbursement Provision. Notwithstanding anything in these Amended and Restated Bylaws to the contrary, to the fullest extent permitted by the General Corporation Law, in the event that (i) any current or prior stockholder or anyone on such person's behalf (a "**Claiming Party**") initiates any proceeding or asserts any claim or counterclaim (each, a "**Claim**") or joins, offers substantial assistance to or has a direct financial interest in any Claim against the Corporation (including any Claim purportedly filed on behalf of any other stockholder) and/or any Director, officer, employee, agent or affiliate thereof (each, a "**Company Party**") and (ii) the Claiming Party (or the third party, who such Claiming Party joined, who received substantial assistance from the Claiming Party or in whose Claim the Claiming Party had a direct financial interest) does not obtain a judgment on the merits that substantially achieves, in substance and amount, the full remedy sought, then each Claiming Party shall be obligated jointly and severally to reimburse the applicable Company Party for all fees, costs and expenses of every kind and description (including all reasonable attorneys' fees and other litigation expenses) that the applicable Company Party may incur in connection with such Claim. If any provision (or any part thereof) of this ARTICLE IX, Section 10 shall be held to be invalid, illegal or unenforceable, facially or as applied to any circumstance for any reason whatsoever: (x) the validity, legality and enforceability of such provision (or part thereof) in any other circumstance and of the remaining provisions of this ARTICLE IX, Section 10 (including each portion of any subsection of this ARTICLE IX, Section 10 containing any such provision (or part thereof) held to be invalid, illegal, or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (y) to the fullest extent permitted by applicable law, the provisions of this ARTICLE IX, Section 10 (including each such portion containing any such provision (or part thereof) held to be invalid, illegal, or unenforceable) shall be construed for the benefit of the Corporation to the fullest extent permitted by applicable law so as to (A) give effect to the intent manifested by the provision (or part thereof) held invalid, illegal or unenforceable and (B) permit the Corporation to protect its Directors, officers, employees and agents from personal liability in respect of their good faith service. Any person or entity purchasing or otherwise acquiring any interest in the shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this ARTICLE IX, Section 10.

ARTICLE X

AMENDMENTS

These Amended and Restated Bylaws may be amended, altered, changed or repealed, and new bylaws made, by the Board of Directors, at any regular meeting or special meeting of the Board of Directors or by the stockholders, at any regular meeting or special meeting of stockholders at which such amendment, alteration, change, repeal or addition has been properly brought before such meeting.


SPECIMEN
SPECIMEN
NUMBER
SHARES
SEE REVERSE FOR CERTAIN DEFINITIONS
DREAM FINDERS HOMES
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE
CLASS A COMMON STOCK
THIS CERTIFIES THAT:
SPECIMEN - NOT NEGOTIABLE
IS THE OWNER OF
FULLY PAID AND NON-ASSESSABLE SHARES OF CLASS A COMMON STOCK OF $0.01 PAR VALUE EACH OF
DREAM FINDERS HOMES, INC.
transferable on the books of the Corporation by the holder thereof in person or by duly authorized attorney upon surrender of this certificate duly endorsed or assigned. This certificate and the shares represented hereby are subject to the laws of the State of Delaware, and to the Certificate of Incorporation and Bylaws of the Corporation, as now or hereafter amended.
This certificate is not valid until countersigned by the Transfer Agent.
WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.
DATED:
COUNTERSIGNED:
BROADRIDGE CORPORATE ISSUER SOLUTIONS, INC.
TRANSFER AGENT
BY:
AUTHORIZED SIGNATURE
DREAM FINDERS HOMES, INC.
CORPORATE
SEAL
2020
DELAWARE
SPECIMEN
NOT NEGOTIABLE
SECRETARY
PRESIDENT
© COLUMBIA PRINTING SERVICES, LLC

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common	*UNIF GIFT MIN ACT - .....Custodian.....*
TEN ENT - as tenants by the entireties	*(Cust) (Minor)*
JT TEN - as joint tenants with right of survivorship and not as tenants in common	*under Uniform Gifts to Minors Act .....*
	(State)

Additional abbreviations may also be used though not in the above list.

For Value Received,_____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

(PLEASE PRINT OR TYPE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____

_____

_____ *Shares of the stock represented by the within Certificate, and do hereby irrevocably constitute and appoint*

_____ *Attorney to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.*

Dated _____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

Signature(s) Guaranteed

By _____

The Signature(s) must be guaranteed by an eligible guarantor institution (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions with membership in an approved Signature Guarantee Medallion Program), pursuant to SEC Rule 17Ad-15.

THE CORPORATION WILL FURNISH TO ANY STOCKHOLDER, UPON REQUEST AND WITHOUT CHARGE, A FULL STATEMENT OF THE DESIGNATIONS, RELATIVE RIGHTS, PREFERENCES AND LIMITATIONS OF THE SHARES OF EACH CLASS AND SERIES AUTHORIZED TO BE ISSUED, SO FAR AS THE SAME HAVE BEEN DETERMINED, AND OF THE AUTHORITY, IF ANY, OF THE BOARD TO DIVIDE THE SHARES INTO CLASSES OR SERIES AND TO DETERMINE AND CHANGE THE RELATIVE RIGHTS, PREFERENCES AND LIMITATIONS OF ANY CLASS OR SERIES. SUCH REQUEST MAY BE MADE TO THE SECRETARY OF THE CORPORATION OR TO THE TRANSFER AGENT NAMED ON THIS CERTIFICATE.

Exhibit 5.1

BAKER BOTTS L.L.P.

910 LOUISIANA
HOUSTON, TEXAS
77002-4995

TEL +1 713.229.1234
FAX +1 713.229.1522
BakerBotts.com

AUSTIN
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LONDON
MOSCOW
NEW YORK
PALO ALTO
RIYADH
SAN FRANCISCO
WASHINGTON

January 11, 2021

Dream Finders Homes, Inc.
14701 Philips Highway
Suite 300
Jacksonville, Florida 32256

Ladies and Gentlemen:

We have acted as counsel for Dream Finders Homes, Inc., a Delaware corporation ("Dream Finders"), in connection with the proposed offer and sale (the "Offering") by Dream Finders of up to 9,600,000 shares of its Class A Common Stock, par value $0.01 per share (the "Class A Common Stock"), including up to 1,440,000 shares of Class A Common Stock issuable upon exercise by the underwriters of an option to purchase additional shares of Class A Common Stock, pursuant to a prospectus (the "Prospectus") forming a part of a registration statement on Form S-1 (File No. 333-251612) (such Registration Statement, as amended at the effective date thereof, being referred to herein as the "Registration Statement"), originally filed with the Securities and Exchange Commission (the "Commission") on December 22, 2020 under the Securities Act of 1933, as amended (the "Securities Act"), as described in the Registration Statement. At your request, this opinion letter is being furnished to you for filing as Exhibit 5.1 to the Registration Statement.

The term "Class A Common Stock" shall include any additional shares of Class A common stock of the Company registered pursuant to Rule 462(b) under the Securities Act in connection with the offering contemplated by the Registration Statement.

In our capacity as your counsel in the connection referred to aboveand as a basis for the opinion hereinafter expressed, we have examined (i) the form of underwriting agreement filed as an exhibit to the Registration Statement, (ii) the form of Amended and Restated Certificate of Incorporation of Dream Finders, filed as an exhibit to the Registration Statement, (iii) the form of Amended and Restated Bylaws of Dream Finders, filed as an exhibit to the Registration Statement, (iv) the form of Agreement and Plan of Merger relating to the Corporate Reorganization (as defined in the Prospectus), filed as an exhibit to the Registration Statement, (v) originals, or copies certified or otherwise identified, of the corporate records of Dream Finders and Dream Finders Holdings LLC, a Florida limited liability company and affiliate of Dream Finders ("DFH LLC"), (vi) originals, or copies certified or otherwise identified, of certificates of public officials and of representatives of Dream Finders and DFH LLC, (vii) the Registration Statement and the Prospectus and (viii) statutes and other instruments and documents as we have deemed necessary or advisable for purposes of this opinion letter.

In connection with the opinion hereinafter expressed, we have assumed that (i) the Registration Statement and any amendments thereto (including post-effective amendments) will have become effective; (ii) the Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws of Dream Finders, in the forms filed as exhibits to the Registration Statement, will have become effective; (iii) all Class A Common Stock will be issued and sold in the manner stated in the Registration Statement and the Prospectus; (iv) the Corporate Reorganization will have been consummated in the manner described in the Registration Statement and the Prospectus; (v) a definitive underwriting agreement, in the form filed as an exhibit to the Registration Statement, with respect to the sale of shares of Class A Common Stock offered in the Offering will have been duly authorized and validly executed and delivered by Dream Finders and the other parties thereto; and (vi) the certificates, if any, for the Class A Common Stock will conform to the specimens thereof examined by us and will have been duly countersigned by a transfer agent and duly registered by a registrar of the Class A Common Stock, or, if uncertificated, valid book-entry notations will have been made in the stock register of Dream Finders in accordance with the provisions of the governing documents of Dream Finders.

In addition, in giving the opinion hereinafter expressed, we have relied, to the extent we deemed proper, without independent investigation, upon certificates, statements and other representations of officers and other representatives of Dream Finders and of governmental and public officials with respect to the accuracy and completeness of the material factual matters contained therein or covered thereby, and we have assumed, without independent investigation, that the signatures on all documents examined by us are genuine, that all documents submitted to us as originals are accurate and complete, that all documents submitted to us as copies are true and correct copies of the originals thereof, that such original copies are authentic and complete and that all information submitted to us was accurate and complete.

Based upon and subject to the foregoing, we are of the opinion that when such Class A Common Stock has been issued and delivered in accordance with the terms of a definitive underwriting agreement approved by the Board of Directors of Dream Finders upon payment of the consideration therefor provided for therein, such Class A Common Stock will be duly authorized, validly issued, fully paid and nonassessable.

The opinion set forth above is limited in all respects to matters of the General Corporation Law of the State of Delaware, and applicable reported judicial decisions, rules and regulations interpreting and implementing those laws as in effect on the date hereof. We express no opinion as to the effect of the laws of any other jurisdiction.

We hereby consent to the filing of this opinion letter with the Commission as Exhibit 5.1 to the Registration Statement. We also consent to the reference to our Firm under the heading "Legal Matters" in the Prospectus. In giving this consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ Baker Botts L.L.P.

Exhibit 10.1

Published CUSIP Number: [_____]

FORM OF CREDIT AGREEMENT

Dated as of January [_], 2021

among

DREAM FINDERS HOMES, INC.,
as Borrower,

BANK OF AMERICA, N.A.,
as Administrative Agent
and
an L/C Issuer,

The Other L/C Issuers Party Hereto,

and

The Other Lenders Party Hereto

U.S. BANK NATIONAL ASSOCIATION
D/B/A HOUSING CAPITAL COMPANY,
as
Syndication Agent

FLAGSTAR BANK, FSB,
as
Documentation Agent

BOFA SECURITIES, INC.,
as
Sole Bookrunner

BOFA SECURITIES, INC.
and
U.S. BANK NATIONAL ASSOCIATION
D/B/A HOUSING CAPITAL COMPANY,
as
Joint Lead Arrangers

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SCHEDULES

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FORM OF CREDIT AGREEMENT

This **CREDIT AGREEMENT** is entered into as of January [__], 2021, among **DREAM FINDERS HOMES, INC.**, a Delaware corporation ("***Borrower***"), each lender from time to time party hereto (collectively, the "***Lenders***" and individually, a "***Lender***"), **BANK OF AMERICA, N.A.**, as Administrative Agent and an L/C Issuer, and the other L/C Issuers from time to time party hereto.

Borrower has requested that the Lenders provide a revolving credit facility, and the Lenders are willing to do so on the terms and conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

I. **DEFINITIONS AND ACCOUNTING TERMS**.

1.01 **Defined Terms**. As used in this Agreement, the following terms shall have the meanings set forth below:

"***Act***" has the meaning specified in ***Section 10.18***.

"***Additional Commitment Lender***" has the meaning specified in ***Section 2.13***.

"***Administrative Agent***" means Bank of America in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

"***Administrative Agent's Office***" means Administrative Agent's address and, as appropriate, account as set forth on ***Schedule 10.02***, or such other address or account as Administrative Agent may from time to time notify to Borrower and the Lenders.

"***Administrative Questionnaire***" means an Administrative Questionnaire in substantially the form of ***Exhibit E-2*** or any other form approved by Administrative Agent.

"***Affected Financial Institution***" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"***Affiliate***" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"***Aggregate Commitments***" means the Commitments of all the Lenders.

"***Agreement***" means this Credit Agreement.

"***Applicable Law***" means, as to any Person, all applicable Laws binding upon such Person or to which such a Person is subject.

"***Applicable Percentage***" means with respect to any Lender at any time, the percentage (carried out to the ninth decimal place) of the Aggregate Commitments represented by such Lender's Commitment at such time, subject to adjustment as provided in ***Section 2.16***. If the commitment of each Lender to make Loans and the obligation of the L/C Issuers to make L/C Credit Extensions have been terminated pursuant to ***Section 8.02*** or if the Aggregate Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect,

giving effect to any subsequent assignments and to any Lender's status as a Defaulting Lender at the time of determination. The initial Applicable Percentage of each Lender is set forth opposite the name of such Lender on ***Schedule 2.01A*** or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

"***Applicable Rate***" means, from time to time, the following percentages per annum, based upon the Debt to Capitalization Ratio as set forth below:

Pricing Level	Debt to Capitalization Ratio	Eurodollar Rate + Letters of Credit Applicable Rate	Base Rate Applicable Rate	Unused Fee
1	< 50.00%	3.00%	2.00%	0.20%
2	≥ 50.00% - < 55.00%	3.25%	2.25%	0.25%
3	≥ 55.00% - < 60.00%	3.50%	2.50%	0.30%
4	≥ 60.00%	3.75%	2.75%	0.30%

Any increase or decrease in the Applicable Rate resulting from a change in the Debt to Capitalization Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to ***Section 6.02(a)***; *provided, however*, that if a Compliance Certificate is not delivered when due in accordance with such ***Section***, then, upon the request of the Required Lenders, Pricing Level 4 shall apply as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered and shall remain in effect until the date on which such Compliance Certificate is delivered; *provided, further*, that, while any Default exists, upon the request of the Required Lenders, Pricing Level 4 shall apply as of the first Business Day after the date on which such Default occurred and shall remain in effect until the date on which such Default is cured or waived. The Applicable Rate in effect from the Closing Date through the date of delivery of the first Compliance Certificate due hereunder shall be determined based upon Pricing Level [1].

Notwithstanding anything to the contrary contained in this definition, the determination of the Applicable Rate for any period shall be subject to the provisions of ***Section 2.09(b)***.

"***Approved Fund***" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"***Arrangers***" means BofA Securities, Inc., in its capacity as a joint lead arranger and sole bookrunner, and U.S. Bank National Association d/b/a Housing Capital Company, in its capacity as a joint lead arranger, and "***Arranger***" means any one of the Arrangers.

"***Assignment and Assumption***" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by ***Section 10.06(b)***), and accepted by Administrative Agent, in substantially the form of ***Exhibit E-1*** or any other form (including electronic documentation generated by use of an electronic platform) approved by Administrative Agent.

"***Attributable Indebtedness***" means, on any date, (a) in respect of any Capital Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a Capital Lease.

"***Audited Financial Statements***" means the audited consolidated balance sheet of the Consolidated Group for the fiscal year ended December 31, 2020, and the related consolidated statements of income or

operations, shareholders' equity and cash flows for such fiscal year of the Consolidated Group, including the notes thereto.

"***Authorized Person***" means any representative of Borrower duly designated by Borrower in accordance with Borrower's Instruction Certificate, authorized to bind Borrower requesting disbursements of Loan proceeds.

"***Authorized Signer***" means any representative of Borrower duly designated by Borrower in accordance with Borrower's Instruction Certificate, authorized to bind Borrower and to act for Borrower for all purposes in connection with any Loan, including requesting disbursements of Loan proceeds, obtaining information pertaining to any Loan, requesting any action under the Loan Documents, providing any certificates, and appointing and changing any Authorized Persons.

"***Availability Period***" means the period from and including the Closing Date to the earliest of (a) the Maturity Date, (b) the date of termination of the Aggregate Commitments pursuant to ***Section 2.05***, and (c) the date of termination of the commitment of each Lender to make Loans and of the obligation of the L/C Issuers to make L/C Credit Extensions pursuant to ***Section 8.02***.

"***Bail-In Action***" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"***Bail-In Legislation***" means, (a) with respect to any EEA Member Country implementing *Article 55* of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, rule, regulation or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"***Bank of America***" means Bank of America, N.A. and its successors.

"***Base Rate***" means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate," and (c) the Eurodollar Rate plus 1.00%. The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change. If the Base Rate is being used as an alternate rate of interest pursuant to ***Section 3.03*** hereof, then the Base Rate shall be the greater of ***clauses (a)*** and ***(b)*** above and shall be determined without reference to ***clause (c)*** above. If the Base Rate shall be less than 1.50%, such rate shall be deemed 1.50% for purposes of this Agreement.

"***Base Rate Loan***" means a Loan that bears interest based on the Base Rate.

"***Beneficial Ownership Certification***" means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

"***Beneficial Ownership Regulation***" means 31 C.F.R. §1010.230.

"***Benefit Plan***" means any of (a) an "*employee benefit plan*" (as defined in ERISA) that is subject to *Title I* of ERISA, (b) a "*plan*" as defined in and subject to *Section 4975* of the Code or (c) any Person whose assets include (for purposes of ERISA *Section 3(42)* or otherwise for purposes of *Title I* of ERISA or *Section 4975* of the Code) the assets of any such "employee benefit plan" or "plan".

"***Borrower***" has the meaning specified in the introductory paragraph hereto.

"***Borrower Materials***" has the meaning specified in ***Section 6.02***.

"***Borrower Remittance Instructions***" means Borrower's remittance instructions provided in the form attached hereto as***Exhibit I***.

"***Borrower S-1***" means the Form S-1 Registration Statement under *The Securities Act of 1933* of Borrower dated December 22, 2020.

"***Borrower's Instruction Certificate***" means a certificate provided by or on behalf of Borrower in the form attached hereto as ***Exhibit J***, designating certain Authorized Persons and Authorized Signers as set forth therein.

"***Borrowing***" means a borrowing consisting of simultaneous Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by each of the Lenders pursuant to ***Section 2.01***.

"***Borrowing Base Availability***" means at any time the sum (without duplication) of the following assets that are (w) wholly-owned in fee simple absolute by Borrower or a Wholly-Owned Subsidiary of Borrower that is a Guarantor, (x) not subject to any ground lease, Lien, Negative Pledge, or other encumbrance or restriction on the ability of the applicable owner to dispose of, pledge or otherwise encumber such asset or any income therefrom (other than Liens permitted by ***Section 7.01***), (y) not subject to any title, survey, environmental or other defects and (z) not part of a multifamily residential condominium project having four or more floors or twenty-five or more Housing Units:

(a) 90% of the Net Book Value of Presold Housing Units; *provided* that such percentage shall be 85% for any Presold Housing Unit the purchaser of which is under contract to purchase more than three Housing Units;

(b) 85% of the Net Book Value of Model Housing Units; *provided* that such percentage shall be reduced by 5% for any Model Housing Unit that has been included in the calculation of Borrowing Base Availability as a "*Model Housing Unit*" for twenty-four (24) months and shall be further reduced for such Model Housing Unit by an additional 5% every six (6) months thereafter;

(c) 85% of the Net Book Value of Speculative Housing Units; and

(d) 70% of the Net Book Value of Finished Lots;

provided that (i) to the extent the portion of Borrowing Base Availability attributable to Finished Lots would exceed 30% of Borrowing Base Availability, then such excess shall be disregarded in the calculation of the Borrowing Base Availability, (ii) to the extent the portion of Borrowing Base Availability attributable to Model Housing Units and the Speculative Housing Units would exceed 65% of Borrowing Base Availability (excluding amounts attributable to Finished Lots), then such excess shall be disregarded in the calculation of Borrowing Base Availability, (iii) any Presold Housing Unit shall be excluded from the

calculation of Borrowing Base Availability if such Presold Housing Unit has been included in the calculation of Borrowing Base Availability as a "Presold Housing Unit" for more than 24 months, as determined on a cumulative basis, (iv) any Model Housing Unit shall be excluded from the calculation of Borrowing Base Availability if such Model Housing Unit has been included in the calculation of Borrowing Base Availability as a "Model Housing Unit" for more than 36 months, as determined on a cumulative basis, (v) any Speculative Housing Unit shall be excluded from the calculation of Borrowing Base Availability if such Speculative Housing Unit has been included in the calculation of Borrowing Base Availability as a "Speculative Housing Unit" for more than 24 months, as determined on a cumulative basis, (vi) any Finished Lot shall be excluded from the calculation of Borrowing Base Availability if such Finished Lot has been included in the calculation of Borrowing Base Availability as a "Finished Lot" for more than 24 months, as determined on a cumulative basis; and (vii) to the extent the portion of Borrowing Base Availability attributable to Presold Housing Units, the purchaser of which is under contract to purchase more than three Housing Units, exceeds 10% of Borrowing Base Availability, then such excess shall be disregarded in the calculation of Borrowing Base Availability.

"***Borrowing Base Certificate***" means a certificate substantially in the form of ***Exhibit D*** executed by a Responsible Officer of Borrower setting forth in reasonable detail all assets used in the calculation of Borrowing Base Availability and component breakdowns on a per unit basis to determine Borrowing Base Availability.

"***Borrowing Base Debt***" means all Indebtedness of the Consolidated Group, including the Obligations, but excluding Non-Recourse Indebtedness and PPP Forgiven Indebtedness.

"***Business Day***" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where Administrative Agent's Office is located and, if such day relates to any Eurodollar Rate Loan, means any such day that is also a London Banking Day.

"***Capitalization***" means, for the Consolidated Group as of any date of determination, the sum of (a) all Indebtedness *less* all Unrestricted Cash in excess of $25,000,000, *plus* (b) Tangible Net Worth.

"***Capital Lease***" means each lease that has been or is required to be, in accordance with GAAP, classified and accounted for as a capital lease or financing lease.

"***Cash Collateralize***" means to pledge and deposit with or deliver to Administrative Agent, for the benefit of one or more of the L/C Issuers or the Lenders, as collateral for L/C Obligations or obligations of the Lenders to fund participations in respect of L/C Obligations, cash or deposit account balances or, if Administrative Agent and the L/C Issuers shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to Administrative Agent and the L/C Issuers. "***Cash Collateral***" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"***Change in Law***" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith or in the implementation thereof and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar

authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted, issued or implemented.

"***Change of Control***" means an event or series of events by which:

(a) any "*person*" or "*group*" (as such terms are used in *Sections 13(d)* and *14(d)* of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) other than Existing Owners becomes the "*beneficial owner*" (as defined in *Rules 13d-3* and *13d-5* under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "***option right***")), directly or indirectly, of 25% or more of the equity securities of Borrower entitled to vote for members of the board of directors or equivalent governing body of Borrower on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right);

(b) during any period of 12 consecutive months, a majority of the members of the board of directors or other equivalent governing body of Borrower cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in ***clause (i)*** above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in ***clauses (i)*** and ***(ii)*** above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body;

(c) the passage of 30 days from the date upon which any Person or two or more Persons (other than Existing Owners) acting in concert shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation thereof, will result in its or their acquisition of the power to exercise, directly or indirectly, a controlling influence over the management or policies of Borrower, or control over the equity securities of Borrower entitled to vote for members of the board of directors or equivalent governing body of Borrower on a fully-diluted basis (and taking into account all such securities that such Person or group has the right to acquire pursuant to any option right) representing 25% or more of the combined voting power of such securities; or

(d) Borrower shall, at any time, cease to own, directly or indirectly, 100% of the Equity Interests of DF Holdings and DF Homes.

"***Closing Date***" means the first date all the conditions precedent in ***Section 4.01*** are satisfied or waived in accordance with ***Section 10.01***.

"***Code***" means the Internal Revenue Code of 1986.

"***Collateral Account***" has the meaning specified in ***Section 2.03(o)***.

"***Commitment***" means, as to each Lender, its obligation to (a) make Loans to Borrower pursuant to ***Section 2.01*** and (b) purchase participations in L/C Obligations, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on ***Schedule 2.01A***

or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"***Commodity Exchange Act***" means the Commodity Exchange Act (7 U.S.C. §1 *et seq*.), as amended from time to time, and any successor statute.

"***Communication***" has the meaning specified in ***Section 10.17***.

"***Compliance Certificate***" means a certificate substantially in the form of ***Exhibit C***.

"***Connection Income Taxes***" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"***Consolidated Group***" means Borrower and its Subsidiaries.

"***Contractual Obligation***" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"***Control***" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "***Controlling***" and "***Controlled***" have meanings correlative thereto.

"***Corporate Reorganization***" means the "Corporate Reorganization" described in the Borrower S-1 resulting in (a) Borrower being a holding company and the managing member of DF Holdings, with no material assets other than Equity Interests in DF Holdings, (b) DF Holdings being a Wholly-Owned Subsidiary of Borrower and (c) DF Homes being a Wholly-Owned Subsidiary of DF Holdings.

"***Covered Entity***" has the meaning specified in ***Section 10.22(b)***.

"***Credit Extension***" means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

"***Debt to Capitalization Ratio***" means, as of any date, the ratio (stated as a percentage) of (a) Indebtedness of the Consolidated Group *less* all Unrestricted Cash in excess of $25,000,000, to (b) Capitalization.

"***Debtor Relief Laws***" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

"***Default***" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"***Default Rate***" means (a) when used with respect to Obligations other than Letter of Credit Fees, an interest rate equal to (i) the Base Rate *plus* (ii) the Applicable Rate, if any, applicable to Base Rate Loans *plus* (iii) 2% per annum; *provided*, *however*, that with respect to a Eurodollar Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan *plus* 2% per annum, and (b) when used with respect to Letter of Credit Fees, a rate equal to the Applicable Rate *plus* 2% per annum.

"***Defaulting Lender***" means, subject to ***Section 2.16(b)***, any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies Administrative Agent and Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to Administrative Agent, any L/C Issuer or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit) within two Business Days of the date when due, (b) has notified Borrower, Administrative Agent or any L/C Issuer in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by Administrative Agent or Borrower, to confirm in writing to Administrative Agent and Borrower that it will comply with its prospective funding obligations hereunder (*provided* that such Lender shall cease to be a Defaulting Lender pursuant to this ***clause (c)*** upon receipt of such written confirmation by Administrative Agent and Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (iii) become the subject of a Bail-In Action; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by Administrative Agent that a Lender is a Defaulting Lender under any one or more of ***clauses (a)*** through ***(d)*** above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to ***Section 2.16(b)***) as of the date established therefor by Administrative Agent in a written notice of such determination, which shall be delivered by Administrative Agent to Borrower, each L/C Issuer and each other Lender promptly following such determination.

"***Designated Jurisdiction***" means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

"***DF Holdings***" means Dream Finders Holdings LLC, a Florida limited liability company.

"***DF Homes***" means Dream Finders Homes LLC, a Florida limited liability company.

"***Disposition***" or "***Dispose***" means the sale, transfer, license, lease or other disposition (in one transaction or in a series of transactions and whether effected pursuant to a Division or otherwise) of any property by any Person (including any sale and leaseback transaction and any issuance of Equity Interests by a Subsidiary of such Person), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

"***Disqualified Stock***" means any Equity Interest of a Person that by its terms (or by the terms of any Equity Interest into which it is convertible or for which it is exchangeable or exercisable) (a) matures or is subject to mandatory redemption, pursuant to a sinking fund obligation or otherwise on or prior to the Maturity Date, (b) is convertible into or exchangeable or exercisable for a liability or Disqualified Stock on

or prior to the Maturity Date, (c) is redeemable on or prior to the Maturity Date at the option of the holder of such Equity Interest or (d) otherwise requires any payments by such person on or prior to the Maturity Date.

"***Dividing Person***" has the meaning assigned to it in the definition of "*Division.*"

"***Division***" means the division of the assets, liabilities and/or obligations of a Person (the "***Dividing Person***") among two or more Persons (whether pursuant to a "*plan of division*" or similar arrangement), which may or may not include the Dividing Person and pursuant to which the Dividing Person may or may not survive.

"***Dollar***" and "***$***" mean lawful money of the United States.

"***EBITDA***" means, for the Consolidated Group for any period, without duplication, an amount equal to the sum of (a) Net Income of the Consolidated Group for such period, in each case, excluding (i) any nonrecurring or extraordinary gains and losses for such period, (ii) any income or gain and any loss in each case resulting from early extinguishment of Indebtedness, and (iii) any net income or gain or any loss resulting from a Swap Contract or other derivative contract (including by virtue of a termination thereof), *plus* (b) an amount which, in the determination of Net Income for such period pursuant to***clause (a)*** above, has been deducted for or in connection with (i) interest expense (plus, amortization of deferred financing costs, to the extent included in the determination of interest expense in accordance with GAAP), (ii) income Taxes, and (iii) depreciation and amortization, all determined in accordance with GAAP.

"***EEA Financial Institution***" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in ***clause (a)*** of this definition, or (c) any financial institution established in an EEA Member Country which is a Subsidiary of an institution described in ***clauses (a)*** or ***(b)*** of this definition and is subject to consolidated supervision with its parent.

"***EEA Member Country***" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"***EEA Resolution Authority***" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"***Electronic Copy***" has the meaning specified in ***Section 10.17***.

"***Electronic Record***" has the meaning specified in ***Section 10.17***.

"***Electronic Signature***" has the meaning specified in ***Section 10.17***.

"***Eligible Assignee***" means any Person that meets the requirements to be an assignee under ***Section 10.06(b)(iii)***, and ***(v)*** (subject to such consents, if any, as may be required under ***Section 10.06(b)(iii)***).

"***Entitled Land***" means a parcel of real property where all requisite zoning requirements and land use requirements have been identified and approved (on a preliminary or final basis) by the applicable Governmental Authorities, and all other requisite approvals have been obtained from all applicable

Governmental Authorities (other than approvals which are simply ministerial and non-discretionary in nature or otherwise not material), including approval of a tentative plat map (or equivalent), for purposes of developing land as a residential housing project.

"***Environmental Laws***" means any and all Federal, state, local, and foreign statutes, laws (including common law), regulations, standards, ordinances, rules, judgments, interpretations, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of human health and safety, the environment and natural resources or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

"***Environmental Liability***" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law, directly or indirectly relating to (a) any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"***Equity Interests***" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"***ERISA Affiliate***" means any trade or business (whether or not incorporated) under common control with any Loan Party within the meaning of *Section 414(b)* or *(c)* of the Code (and *Sections 414(m)* and *(o)* of the Code for purposes of provisions relating to *Section 412* of the Code).

"***ERISA Event***" means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of a Loan Party or any ERISA Affiliate from a Pension Plan subject to *Section 4063* of ERISA during a plan year in which such entity was a "*substantial employer*" as defined in *Section 4001(a)(2)* of ERISA or a cessation of operations that is treated as such a withdrawal under *Section 4062(e)* of ERISA; (c) a complete or partial withdrawal by a Loan Party or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under *Section 4041* or *4041A* of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under *Section 4042* of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of *Sections 430*, *431* and *432* of the Code or *Sections 303*, *304* and *305* of ERISA; or (h) the imposition of any liability under *Title IV* of ERISA, other than for PBGC premiums due but not delinquent under *Section 4007* of ERISA, upon a Loan Party or any ERISA Affiliate.

"***EU Bail-In Legislation Schedule***" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"***Eurodollar Rate***" means:

(a) for any Interest Period with respect to a Eurodollar Rate Loan, the rate per annum equal to the London Interbank Offered Rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate for U.S. Dollars for a period equal in length to such Interest Period) ("***LIBOR***") as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period;

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to LIBOR, at or about 11:00 a.m., London time determined two London Banking Days prior to such date for U.S. Dollar deposits with a term of one month commencing that day; and

(c) if the Eurodollar Rate shall be less than 0.50%, such rate shall be deemed 0.50% for purposes of this Agreement.

"***Eurodollar Rate Loan***" means a Loan that bears interest at a rate based on***clause (a)*** of the definition of "*Eurodollar Rate.*"

"***Event of Default***" has the meaning specified in ***Section 8.01***.

"***Excluded Subsidiary***" means (a) each Financial Services Subsidiary, (b) each Immaterial Subsidiary, and (c) each Subsidiary that is a VIE.

"***Excluded Swap Obligation***" means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of any Guaranty of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an "*eligible contract participant*" as defined in the Commodity Exchange Act (determined after giving effect to ***Section 10.23*** and any other "*keepwell, support or other agreement*" for the benefit of such Guarantor and any and all guarantees of such Guarantor's Swap Obligations by other Loan Parties) at the time any Guaranty of such Guarantor, or a grant by such Guarantor of a security interest, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guaranty or security interest is or becomes excluded in accordance with the first sentence of this definition.

"***Excluded Taxes***" means any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in

a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by Borrower under ***Section 10.13***) or (ii) such Lender changes its Lending Office, except in each case to the extent that, pursuant to ***Section 3.01(a)(ii)***, ***(a)(iii)*** or ***(c)***, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient's failure to comply with ***Section 3.01(e)*** and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA.

"***Existing Credit Agreements***" means those agreements set forth on ***Schedule 1.01A***.

"***Existing Owners***" means Patrick Zalupski and POZ Holdings, Inc.

"***Extending Lender***" has the meaning specified in ***Section 2.13***.

"***FASB ASC***" means the Accounting Standards Codification of the Financial Accounting Standards Board.

"***FATCA***" means *Sections 1471* through *1474* of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to *Section 1471(b)(1)* of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities entered into in connection with the implementation of the foregoing.

"***Federal Funds Rate***" means, for any day, the rate per annum calculated by the Federal Reserve Bank of New York based on such day's federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate; *provided* that if the Federal Funds Rate as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"***Fee Letter***" means any fee letter among Borrower, DF Holdings, Administrative Agent or any Arranger.

"***Financial Services Subsidiary***" means any Subsidiary engaged exclusively in mortgage banking (including mortgage origination, loan servicing, mortgage broker and title and escrow businesses), master servicing and related activities, including any Subsidiary which facilitates the financing of mortgage loans and mortgage-backed securities and the securitization of mortgage-backed bonds and other activities ancillary thereto.

"***Finished Lot***" means Entitled Land owned by a member of the Consolidated Group (a) with respect to which development has been completed to such an extent that permits to allow use and construction (other than building permits and the payment of fees that are required to be paid at or near the time of start of construction), including building, sanitary sewer and water, are entitled to be obtained for a Housing Unit on such Entitled Land, and (b) with respect to which start of construction has not occurred.

"***Foreign Lender***" means (a) if Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"***FRB***" means the Board of Governors of the Federal Reserve System of the United States.

"***Fronting Exposure***" means, at any time there is a Defaulting Lender, with respect to any L/C Issuer, such Defaulting Lender's Applicable Percentage of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

"***Fund***" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

"***GAAP***" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

"***Governmental Authority***" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"***Guarantee***" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "***primary obligor***") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"***Guaranty***" means the Guaranty made by each Guarantor in favor of Administrative Agent, the L/C Issuers and the Lenders, substantially in the form of ***Exhibit F***.

"***Guarantors***" means, as of any date, each Subsidiary of Borrower that has executed the Guaranty (or a counterpart thereto in the form attached thereto), but excluding all Excluded Subsidiaries and Subsidiaries of Borrower that have been released from the Guaranty.

"***Hazardous Materials***" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"***Historical Audited Financial Statements***" means the audited consolidated balance sheet of DF Holdings and its Subsidiaries for the fiscal year ended December 31, 2019, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year of DF Holdings and its Subsidiaries, including the notes thereto.

"***Housing Unit***" means a residential housing unit (whether completed or under construction) owned by a member of the Consolidated Group that is (or will be, upon completion of construction thereof) available for sale.

"***Immaterial Subsidiary***" means, as of any date of determination, any Subsidiary whose (a) total assets determined in accordance with GAAP, as of the last day of the then most recently ended fiscal quarter for which financial statements are available, were less than $500,000 and (b) assets are not included in the calculation of Borrowing Base Availability.

"***Impacted Loans***" has the meaning specified in ***Section 3.03(a)***.

"***Improvements***" means on and off-site development work, including but not limited to filling to grade, main water distribution and sewer collection systems and drainage system installation, paving, and other improvements necessary for the use of residential dwelling units and as required pursuant to development agreements which may have been entered into with Governmental Authorities.

"***Indebtedness***" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds, comfort letters, keep-well agreements, capital maintenances agreements and similar instruments, to the extent such instruments and agreements support financial, rather than performance, obligations;

(c) net obligations of such Person under any Swap Contract;

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and, in each case, not past due for more than 60 days after the date on which such trade account payable was created);

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) Capital Leases and Synthetic Lease Obligations;

(g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Disqualified Stock or other Equity Interest in such Person or any other Person, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference *plus* accrued and unpaid dividends; and

(h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any Capital Lease or Synthetic Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date.

"***Indemnified Taxes***" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in ***(a)***, Other Taxes.

"***Indemnitees***" has the meaning specified in ***Section 10.04(b)***.

"***Information***" has the meaning specified in ***Section 10.07***.

"***Interest Coverage Ratio***" means, as of the end of each fiscal quarter of Borrower for the 12 month period ending on such date, the ratio of (a) EBITDA for such period to (b) Interest Incurred by the Consolidated Group.

"***Interest Incurred***" means, for the Consolidated Group for any period, interest incurred, whether such interest was expensed, capitalized, paid, accrued or scheduled to be paid or accrued. Notwithstanding that GAAP may otherwise provide, "Interest Incurred" shall not include any fees paid to lot owners in connection with any lot option contracts.

"***Interest Payment Date***" means, (a) as to any Loan other than a Base Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date; *provided*, *however*, that if any Interest Period for a Eurodollar Rate Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan, the first Business Day of each calendar month and the Maturity Date.

"***Interest Period***" means, as to each Eurodollar Rate Loan, the period commencing on the date such Eurodollar Rate Loan is disbursed or converted to or continued as a Eurodollar Rate Loan and ending on the date one, two, three or six months thereafter (in each case, subject to availability), as selected by Borrower in its Loan Notice; *provided* that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Rate Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period pertaining to a Eurodollar Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding

day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period shall extend beyond the Maturity Date.

"***Investment***" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor Guarantees Indebtedness of such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"***IPO***" means the issuance by Borrower of its common Equity Interests in an underwritten primary public offering pursuant to an effective registration statement filed with the SEC resulting in minimum gross proceeds of $100,000,000 and the listing of such common Equity Interests on the New York Stock Exchange or NASDAQ.

"***IP Rights***" has the meaning specified in ***Section 5.18***.

"***IRS***" means the United States Internal Revenue Service.

"***ISDA Definitions***" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

"***ISP***" means the International Standby Practices, International Chamber of Commerce Publication No. 590 (or such later version thereof as may be in effect at the applicable time).

"***Issuer Documents***" means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by any L/C Issuer and Borrower (or any Subsidiary) or in favor of such L/C Issuer and relating to such Letter of Credit.

"***Land Held for Future Development/Disposition***" means Entitled Land upon which no Improvements have been commenced.

"***Laws***" means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"***L/C Advance***" means, with respect to each Lender, such Lender's funding of its participation in any L/C Borrowing in accordance with its Applicable Percentage.

"***L/C Borrowing***" means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Borrowing.

"***L/C Commitment***" means, with respect to each L/C Issuer, the commitment of such L/C Issuer to issue Letters of Credit hereunder. The initial amount of each L/C Issuer's Letter of Credit Commitment is set forth on ***Schedule 2.01B***, or if an L/C Issuer has entered into an Assignment and Assumption or has otherwise assumed a Letter of Credit Commitment after the Closing Date, the amount set forth for such L/C Issuer as its Letter of Credit Commitment in the Register maintained by Administrative Agent. The Letter of Credit Commitment of an L/C Issuer may be modified from time to time by agreement between such L/C Issuer and Borrower, and notified to Administrative Agent.

"***L/C Credit Extension***" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

"***L/C Disbursement***" means a payment made by an L/C Issuer pursuant to a Letter of Credit.

"***L/C Issuer***" means each of Bank of America and U.S. Bank National Association d/b/a Housing Capital Company, in its capacity as issuer of Letters of Credit hereunder. Any L/C Issuer may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such L/C Issuer, in which case the term "***L/C Issuer***" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate. Each reference herein to the "*L/C Issuer*" in connection with a Letter of Credit or other matter shall be deemed to be a reference to the relevant L/C Issuer with respect thereto.

"***L/C Obligations***" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time, including any automatic or scheduled increases provided for by the terms of such Letters of Credit, determined without regard to whether any conditions to drawing could be met at that time, *plus* (b) the aggregate amount of all Unreimbursed Amounts, including all L/C Borrowings. The L/C Obligations of any Lender at any time shall be its Applicable Percentage of the total L/C Obligations at such time. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of *Article 29(a)* of the UCP or *Rule 3.13* or *Rule 3.14* of the ISP or similar terms of the Letter of Credit itself, or if compliant documents have been presented but not yet honored, such Letter of Credit shall be deemed to be "outstanding" and "undrawn" in the amount so remaining available to be paid, and the obligations of Borrower and each Lender shall remain in full force and effect until the L/C Issuers and the Lenders shall have no further obligations to make any payments or disbursements under any circumstances with respect to any Letter of Credit.

"***Lender***" has the meaning specified in the introductory paragraph hereto.

"***Lending Office***" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify Borrower and Administrative Agent , which office may include any Affiliate of such Lender or any domestic or foreign branch of such Lender or such Affiliate. Unless the context otherwise requires each reference to a Lender shall include its applicable Lending Office.

"***Letter of Credit***" means any standby letter of credit issued hereunder providing for the payment of cash upon the honoring of a presentation thereunder.

"***Letter of Credit Application***" means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the applicable L/C Issuer.

"***Letter of Credit Expiration Date***" means the date that is one year following the Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).

"***Letter of Credit Fee***" has the meaning specified in ***Section 2.03(j)***.

"***Letter of Credit Sublimit***" means an amount equal to $25,000,000. The Letter of Credit Sublimit is part of, and not in addition to, the Aggregate Commitments.

"***LIBOR***" has the meaning specified in the definition of Eurodollar Rate.

"***LIBOR Replacement Date***" has the meaning specified in ***Section 3.03(c)***.

"***LIBOR Screen Rate***" means the LIBOR quote on the applicable screen page Administrative Agent designates to determine LIBOR (or such other commercially available source providing such quotations as may be designated by Administrative Agent from time to time).

"***LIBOR Successor Rate***" has the meaning specified in ***Section 3.03(c)***.

"***LIBOR Successor Rate Conforming Changes***" means, with respect to any proposed LIBOR Successor Rate, any conforming changes to the definition of Base Rate, Interest Period, timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definition of Business Day, timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of Administrative Agent, to reflect the adoption and implementation of such LIBOR Successor Rate and to permit the administration thereof by Administrative Agent in a manner substantially consistent with market practice (or, if Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such LIBOR Successor Rate exists, in such other manner of administration as Administrative Agent determines is reasonably necessary in connection with the administration of this Agreement and any other Loan Document).

"***Lien***" means any mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, easement, right-of-way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"***Liquidity Ratio***" means, as of any date of determination, the ratio of (a) the sum of (i) Unrestricted Cash and (ii) the amounts immediately available to be drawn under this Agreement but which are not yet drawn, to (b) Interest Incurred by the Consolidated Group for the 12 month period ending on such date.

"***Loan***" means an extension of credit by a Lender to Borrower under ***Sections 2.01*** and ***2.02***.

"***Loan Documents***" means this Agreement, including schedules and exhibits hereto, each Note, each Issuer Document, any agreement creating or perfecting rights in Cash Collateral pursuant to the provisions of ***Section 2.15*** of this Agreement, each Guaranty and any amendments, modifications or supplements hereto or to any other Loan Document or waivers hereof or to any other Loan Document.

"***Loan Notice***" means a notice of (a) a Borrowing, (b) a conversion of Loans from one Type to the other, or (c) a continuation of Eurodollar Rate Loans, pursuant to ***Section 2.02(a)***, which shall be substantially in the form of ***Exhibit A*** or such other form as may be approved by Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by Administrative Agent), appropriately completed and signed by a Responsible Officer of Borrower.

"***Loan Parties***" means, collectively, Borrower and each Guarantor.

"***London Banking Day***" means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

"***Lots Under Development***" means Entitled Land owned by a member of the Consolidated Group upon which construction of Improvements has commenced but not been completed and for which: (a) to the extent required, a performance bond, surety or other security has been issued to and in favor of and unconditionally accepted by each local agency and all relevant Governmental Authorities, including any municipal utility district in which the real property is situated with regard to all work to be performed pursuant to each and all of said subdivision improvement agreements or other agreements; (b) all necessary plans have been approved by all relevant Governmental Authorities for the installation of any and all Improvements required to be installed upon such real property; (c) all necessary permits have been issued for the installation of said Improvements; and (d) utility services necessary for construction of Improvements and residential dwelling units and the operation thereon for the purpose intended will be available to such real property upon completion of the Improvements and there exists a binding obligation on the part of each and every utility company to deliver necessary utility services to such real property.

"***Material Adverse Effect***" means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) of the Consolidated Group, taken as a whole; or (b) a material adverse effect on (i) the ability of any Loan Party to perform its Obligations under any Loan Document, (ii) the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party or (iii) the rights, remedies and benefits available to, or conferred upon, Administrative Agent or any Lender under any Loan Documents.

"***Material Contract***" means, with respect to any Person, any agreement or contract to which such Person or any of its Subsidiaries is a party the loss of which would be reasonably likely to have a Material Adverse Effect.

"***Maturity Date***" means the later of (a) January [●], 2024[1] and (b) if maturity is extended pursuant to ***Section 2.13***, such extended maturity date as determined pursuant to such *Section*; *provided*, *however*, that, in each case, if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day.

"***Minimum Collateral Amount***" means, at any time, (i) with respect to Cash Collateral consisting of cash or deposit account balances, an amount equal to 105% of the Fronting Exposure of all L/C Issuers with respect to Letters of Credit issued and outstanding at such time and (ii) otherwise, an amount determined by Administrative Agent and the L/C Issuers in their sole discretion.

"***Model Housing Unit***" means a Housing Unit for which a building permit has been issued that will be or has been constructed initially for inspection by prospective purchasers and that is not intended to be sold until all or substantially all other Housing Units in such Model Housing Unit's subdivision are sold.

"***Multiemployer Plan***" means any employee benefit plan of the type described in *Section 4001(a)(3)* of ERISA, to which any Loan Party or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

[1] NTD – date that is 3 years from Closing Date.

"***Multiple Employer Plan***" means a Plan which has two or more contributing sponsors (including any Loan Party or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in *Section 4064* of ERISA.

"***Negative Pledge***" means a provision of any agreement (other than any Loan Document) that prohibits the creation of any Lien on any assets of a Person.

"***Net Book Value***" means, with respect to an asset owned by a Loan Party, the gross investment of such Loan Party in such asset, less all reserves (including loss reserves and reserves for depreciation) attributable to such asset, all determined in accordance with GAAP consistently applied, including, in the case of Land Held for Future Development/Disposition, any unamortized land credits.

"***Net Income***" means, for any period, the net income (or loss) of the Consolidated Group *provided, however*, that "***Net Income***" shall exclude (a) extraordinary gains and extraordinary losses for such period, (b) the net income of any Subsidiary during such period to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary of such income is not permitted by operation of the terms of its Organization Documents or any agreement, instrument or Law applicable to such Subsidiary during such period, except that Borrower's equity in any net loss of any such Subsidiary for such period shall be included in determining Net Income, and (c) any income (or loss) for such period of any Person if such Person is not a Subsidiary of Borrower, except that Borrower's equity in the net income of any such Person for such period shall be included in Net Income up to the aggregate amount of cash actually distributed by such Person during such period to Borrower or a Subsidiary thereof as a Restricted Payment (and in the case of a Restricted Payment to a Subsidiary of Borrower, such Subsidiary is not precluded from further distributing such amount to Borrower as described in ***clause (b)*** of this proviso).

"***Non-Consenting Lender***" means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders or all affected Lenders in accordance with the terms of ***Section 10.01*** and (b) has been approved by the Required Lenders.

"***Non-Defaulting Lender***" means, at any time, each Lender that is not a Defaulting Lender at such time.

"***Non-Extending Lender***" has the meaning specified in ***Section 2.13***.

"***Non-Recourse Indebtedness***" means, for any member of the Consolidated Group, Indebtedness or other obligations of such member of the Consolidated Group secured by a Lien on property to the extent that the liability for such Indebtedness or other obligations is limited to the security of such property (or to Persons other than a member of the Consolidated Group) without liability on the part of any member of the Consolidated Group (other than, in the case of Indebtedness or obligations of a Subsidiary, any Subsidiary that holds title to such property (if such property constitutes all or substantially all the property of such Subsidiary) and a pledge of the equity interests of such Subsidiary or its Subsidiaries) for any deficiency.

"***Note***" means a promissory note made by Borrower in favor of a Lender evidencing Loans made by such Lender, substantially in the form of ***Exhibit B***, the terms of which are expressly not incorporated herein by reference pursuant to Section 12B-4, Florida Administrative Code.

"***Notice Date***" has the meaning specified in ***Section 2.13***.

"***Notice of Loan Prepayment***" means a notice of prepayment with respect to a Loan, which shall be substantially in the form of ***Exhibit H*** or such other form as may be approved by Administrative Agent

(including any form on an electronic platform or electronic transmission system as shall be approved by Administrative Agent), appropriately completed and signed by a Responsible Officer.

"***Obligations***" means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the foregoing, the Obligations include (a) the obligation to pay principal, interest, Letter of Credit commissions, charges, expenses, fees, indemnities and other amounts payable by any Loan Party under any Loan Document and (b) the obligation of the Loan Parties to reimburse any amount in respect of any of the foregoing that Administrative Agent or any Lender, in each case in its sole discretion, may elect to pay or advance on behalf of the Loan Parties. Notwithstanding the foregoing, the Obligations shall exclude any Excluded Swap Obligations

"***OFAC***" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"***Organization Documents***" means, (a) with respect to any corporation, the charter or certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating or limited liability agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"***Other Connection Taxes***" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"***Other Taxes***" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to ***Section 3.06***).

"***Outstanding Amount***" means (i) with respect to Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Loans, as the case may be, occurring on such date; and (ii) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by Borrower of Unreimbursed Amounts.

"***Participant***" has the meaning specified in ***Section 10.06(d)***.

"***Participant Register***" has the meaning specified in ***Section 10.06(d)***.

"***PBGC***" means the Pension Benefit Guaranty Corporation.

"***Pension Funding Rules***" means the rules of the Code and ERISA regarding minimum funding standards with respect to Pension Plans and set forth in *Sections 412*, *430*, *431*, *432* and *436* of the Code and *Sections 302*, *303*, *304* and *305* of ERISA.

"***Pension Plan***" means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by any Loan Party and any ERISA Affiliate or with respect to which any Loan Party or any ERISA Affiliate has any liability and is either covered by *Title IV* of ERISA or is subject to the minimum funding standards under *Section 412* of the Code.

"***Person***" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"***Plan***" means any employee benefit plan within the meaning of *Section 3(3)* of ERISA (including a Pension Plan), maintained for employees of any Loan Party or any ERISA Affiliate or any such Plan to which any Loan Party or any ERISA Affiliate is required to contribute on behalf of any of its employees.

"***Platform***" has the meaning specified in ***Section 6.02***.

"***PPP Forgiven Indebtedness***" means Indebtedness of Borrower in the form of a loan under the Small Business Administration's Paycheck Protection Program (PPP) so long as: (a) the proceeds of any such Indebtedness are used solely for the purposes required under the Paycheck Protection Program; (b) Borrower complies with the terms of such Indebtedness; (c) anything to the contrary contained in this Agreement notwithstanding, without the prior written consent of Administrative Agent, no portion of any such Indebtedness is optionally prepaid by Borrower (whether by refinancing or otherwise) unless (i) such prepayment is required pursuant to any requirement of any Governmental Authority, or (ii) such prepayment is made solely from (A) unused proceeds of such Indebtedness and/or (B) additional equity contributed to Borrower (directly or indirectly) from its constituent members, in each case described in this ***clause (ii)***, so long as no Event of Default has occurred and is continuing; and (d) all such Indebtedness is and remains at all times forgivable in accordance with the Paycheck Protection Program.

"***Pre-Adjustment Successor Rate***" has the meaning specified in ***Section 3.03(c)***.

"***Presold Housing Unit***" means a Housing Unit as to which the Loan Party that owns such Housing Unit has a bona fide contract of sale, in a form customarily employed by such Loan Party, entered into with a Person who is not an Affiliate of a Loan Party, and: (a) under which contract no defaults then exist; (b) under which contract the purchaser has made the customary earnest money deposit; and (c) under which contract there are no contingencies (other than ordinary and customary contingencies to the purchaser's obligation to buy such Housing Unit entered into in the ordinary course of business).

"***Proforma Financial Statements***" means the unaudited pro forma condensed financial statements as of and for the nine months ended September 30, 2020 and the year ended December 31, 2019 that were prepared by Borrower based upon DF Holdings' historical financial statements and adjusted to give pro forma effect to the Corporate Reorganization, the IPO, and other matters more particularly described in the Borrower S-1.

"***PTE***" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"***Public Lender***" has the meaning specified in ***Section 6.02***.

"***Qualified ECP Guarantor***" shall mean, at any time, each Loan Party with total assets exceeding $10,000,000 or that qualifies at such time as an "eligible contract participant" under the Commodity Exchange Act and can cause another person to qualify as an "*eligible contract participant*" at such time under §1a(18)(A)(v)(II) of the Commodity Exchange Act.

"***Recipient***" means Administrative Agent, any Lender, any L/C Issuer or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder.

"***Register***" has the meaning specified in ***Section 10.06(c)***.

"***Regulation U***" means Regulation U of the FRB, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"***Related Adjustment***" means, in determining any LIBOR Successor Rate, the first relevant available alternative set forth in the order below that can be determined by Administrative Agent applicable to such LIBOR Successor Rate:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, that has been selected or recommended by the Relevant Governmental Body for the relevant Pre-Adjustment Successor Rate (taking into account the interest period, interest payment date or payment period for interest calculated and/or tenor thereto) and which adjustment or method (x) is published on an information service as selected by Administrative Agent from time to time in its reasonable discretion or (y) solely with respect to Term SOFR, if not currently published, which was previously so recommended for Term SOFR and published on an information service acceptable to Administrative Agent; or

(b) the spread adjustment that would apply (or has previously been applied) to the fallback rate for a derivative transaction referencing the ISDA Definitions (taking into account the interest period, interest payment date or payment period for interest calculated and/or tenor thereto).

"***Related Parties***" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors, consultants, service providers and representatives of such Person and of such Person's Affiliates.

"***Relevant Governmental Body***" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York.

"***Reportable Event***" means any of the events set forth in*Section 4043(c)* of ERISA, other than events for which the 30 day notice period has been waived.

"***Request for Credit Extension***" means (a) with respect to a Borrowing, conversion or continuation of Loans, a Loan Notice and (b) with respect to an L/C Credit Extension, a Letter of Credit Application.

"***Required Lenders***" means, at any time, Lenders having aggregate Commitments representing more than 50% of the Aggregate Commitments; *provided*, that if the Commitments have been terminated, "***Required Lenders***" means, at any such time, Lenders having aggregate Revolving Credit Exposure representing more than 50% of aggregate Revolving Credit Exposure of all Lenders. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time;

provided that, the amount of any Unreimbursed Amounts that such Defaulting Lender has failed to fund that have not been reallocated to and funded by another Lender shall be deemed to be held by the Lender that is the applicable L/C Issuer, as the case may be, in making such determination.

"***Resolution Authority***" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"***Responsible Officer***" means the chief executive officer, president, chief financial officer, treasurer, assistant treasurer or controller or other Authorized Signer of a Loan Party. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

"***Restricted Payment***" means any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock or other Equity Interest of Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to Borrower's stockholders, partners or members (or the equivalent Person thereof).

"***Revolving Credit Exposure***" means, as to any Lender at any time, the aggregate principal amount at such time of its outstanding Loans and such Lender's participation in L/C Obligations at such time.

"***Risk Assets Ratio***" means, as of any date of determination, the ratio of (a) the sum of the Net Book Value of all Finished Lots, Lots Under Development, and Land Held for Future Development/Disposition of the Consolidated Group, to (b) Tangible Net Worth.

"***Sanction(s)***" means any sanction administered or enforced by the United States Government (including OFAC), the United Nations Security Council, the European Union, Her Majesty's Treasury ("***HMT***") or other relevant sanctions authority.

"***Scheduled Unavailability Date***" has the meaning specified in ***Section 3.03(c)***.

"***SEC***" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"***SOFR***" with respect to any Business Day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark (or a successor administrator) on the Federal Reserve Bank of New York's website (or any successor source) at approximately 8:00 a.m. (New York City time) on the immediately succeeding Business Day and, in each case, that has been selected or recommended by the Relevant Governmental Body.

"***SOFR-Based Rate***" means SOFR or Term SOFR.

"***Solvent***" means, with respect to any Person on any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature, (d) such Person is not engaged

in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute an unreasonably small capital, and (e) such Person is able to pay its debts and liabilities, contingent obligations and other commitments as they mature in the ordinary course of business. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"***Specified Loan Party***" means any Loan Party that is not an "*eligible contract participant*" under the Commodity Exchange Act (determined prior to giving effect to ***Section 10.23***).

"***Speculative Housing Unit***" means a Housing Unit that is not a Presold Housing Unit or Model Housing Unit.

"***Subsidiary***" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "***Subsidiary***" or to "***Subsidiaries***" shall refer to a Subsidiary or Subsidiaries of Borrower.

"***Swap Contract***" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "***Master Agreement***"), including any such obligations or liabilities under any Master Agreement.

"***Swap Obligations***" means with respect to any Guarantor any obligation to pay or perform under any agreement, contract or transaction that constitutes a "*swap*" within the meaning of *Section 1a(47)* of the Commodity Exchange Act.

"***Swap Termination Value***" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in ***clause (a)***, the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"***Synthetic Lease Obligation***" means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency

or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"***Tangible Net Worth***" means, for the Consolidated Group as of any date of determination, (a) total equity on a consolidated basis determined in accordance with GAAP, *minus* (b) all intangible assets on a consolidated basis determined in accordance with GAAP *plus* (c) all depreciation determined in accordance with GAAP.

"***Taxes***" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"***Term SOFR***" means the forward-looking term rate for any period that is approximately (as determined by Administrative Agent) as long as any of the Interest Period options set forth in the definition of "*Interest Period*" and that is based on SOFR and that has been selected or recommended by the Relevant Governmental Body, in each case as published on an information service as selected by Administrative Agent from time to time in its reasonable discretion.

"***Threshold Amount***" means $5,000,000.

"***Total Credit Exposure***" means, as to any Lender at any time, the unused Commitments and Revolving Credit Exposure of such Lender at such time.

"***Total Outstandings***" means the aggregate Outstanding Amount of all Loans and all L/C Obligations.

"***Type***" means, with respect to a Loan, its character as a Base Rate Loan or a Eurodollar Rate Loan.

"***UCC***" means, at any time, the Uniform Commercial Code as in effect in the applicable jurisdiction at such time.

"***UCP***" means the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce Publication No. 600 (or such later version thereof as may be in effect at the applicable time).

"***UK Financial Institution***" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended form time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person subject to IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"***UK Resolution Authority***" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"***Unconsolidated Affiliates***" means an Affiliate of Borrower whose financial statements are not required to be consolidated with the financial statements of Borrower in accordance with GAAP.

"***United States***" and "***U.S.***" mean the United States of America.

"***Unreimbursed Amount***" has the meaning specified in ***Section 2.03(f)***.

"***Unrestricted Cash***" means an amount equal to (a) cash and cash equivalents of the Loan Parties that are not subject to a Lien (excluding statutory Liens in favor of any depositary bank where such cash is maintained), Negative Pledge or other restriction *minus* (b) amounts included in the foregoing ***clause (a)*** that are with an entity other than a Loan Party as deposits or security for contractual obligations.

"***U.S. Person***" means any Person that is a "*United States Person*" as defined in *Section 7701(a)(30)* of the Code.

"***U.S. Tax Compliance Certificate***" has the meaning specified in ***Section 3.01(g)(ii)(B)(3)***.

"***VIE***" means a variable interest entity (as such term is used in Accounting Standards Codification *Section 810*) in which Borrower owns a direct or indirect interest and that is an Affiliate of Borrower and whose financial statements are required to be consolidated with the financial statements of Borrower under GAAP.

"***Wholly-Owned Subsidiary***" means, with respect to any Person on any date, any corporation, partnership, limited liability company or other entity of which 100% of the Equity Interests and 100% of the ordinary voting power are, as of such date, owned and Controlled by such Person.

"***Withholding Agent***" means Borrower and Administrative Agent.

"***Write-Down and Conversion Powers***" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

1.02 **Other Interpretive Provisions**. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "hereto," "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions

consolidating, amending, replacing or interpreting such law and any reference to any law, rule or regulation shall, unless otherwise specified, refer to such law, rule or regulation as amended, modified or supplemented from time to time, and (vi) the words "*asset*" and "*property*" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word "***from***" means "from and including;" the words "***to***" and "***until***" each mean "to but excluding;" and the word "***through***" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

(d) Any reference herein to a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company shall constitute a separate Person hereunder (and each division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

1.03 **Accounting Terms**.

(a) **Generally**. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Historical Audited Financial Statements, *except* as otherwise specifically prescribed herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Consolidated Group shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 on financial liabilities shall be disregarded.

(b) **Changes in GAAP**. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either Borrower or the Required Lenders shall so request, Administrative Agent, the Lenders and Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); *provided* that, until so amended, (A) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (B) Borrower shall provide to Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Without limiting the foregoing, leases shall continue to be classified and accounted for on a basis consistent with that reflected in the Historical Audited Financial Statements for all purposes of this Agreement, notwithstanding any change in GAAP relating thereto, unless the parties hereto shall enter into a mutually acceptable amendment addressing such changes, as provided for above.

1.04 **Rounding**. Any financial ratios required to be maintained by Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 **Times of Day**. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

1.06 **Letter of Credit Amounts**. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; *provided, however*, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

1.07 **Interest Rates**. Administrative Agent does not warrant, nor accept responsibility, nor shall Administrative Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of "*Eurodollar Rate*" or with respect to any rate that is an alternative or replacement for or successor to any of such rate (including any LIBOR Successor Rate) or the effect of any of the foregoing, or of any LIBOR Successor Rate Conforming Changes.

II. THE COMMITMENTS AND CREDIT EXTENSIONS.

2.01 **Loans**. Subject to the terms and conditions set forth herein, each Lender severally agrees to make Loans to Borrower from time to time, on any Business Day during the Availability Period, in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Commitment; *provided, however*, that after giving effect to any Borrowing, (a) the Total Outstandings shall not exceed the lesser of (i) the Aggregate Commitments and (ii) Borrowing Base Availability minus Borrowing Base Debt other than the Obligations; (b) the outstanding Borrowing Base Debt shall not exceed Borrowing Base Availability; and (c) the Revolving Credit Exposure of any Lender shall not exceed such Lender's Commitment. Within the limits of each Lender's Commitment, and subject to the other terms and conditions hereof, Borrower may borrow under this ***Section 2.01***, prepay under ***Section 2.04***, and reborrow under this ***Section 2.01***. Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

2.02 **Borrowings, Conversions and Continuations of Loans**.

(a) Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of Eurodollar Rate Loans shall be made upon Borrower's irrevocable notice to Administrative Agent, which may be given by (A) telephone or (B) a Loan Notice; *provided* that any telephonic notice must be confirmed immediately by delivery to Administrative Agent of a Loan Notice. Each such Loan Notice must be received by Administrative Agent not later than 11:00 a.m. (i) three Business Days prior to the requested date of any Borrowing of, conversion to or continuation of Eurodollar Rate Loans or of any conversion of Eurodollar Rate Loans to Base Rate Loans, and (ii) on the requested date of any Borrowing of Base Rate Loans. Each Borrowing of, conversion to or continuation of Eurodollar Rate Loans shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof. Except as provided in ***Section 2.03(c)***, each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof. Each Loan Notice shall specify (i) whether Borrower is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of Eurodollar Rate Loans, (ii) the requested date of the Borrowing, conversion or

continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If Borrower fails to specify a Type of Loan in a Loan Notice or if Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Loans shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Loans. If Borrower requests a Borrowing of, conversion to, or continuation of Eurodollar Rate Loans in any such Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(b) Following receipt of a Loan Notice, Administrative Agent shall promptly notify each Lender of the amount of its Applicable Percentage of the applicable Loans, and if no timely notice of a conversion or continuation is provided by Borrower, Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans described in the preceding subsection. In the case of a Borrowing, each Lender shall make the amount of its Loan available to Administrative Agent in immediately available funds at Administrative Agent's Office not later than 1:00 p.m. on the Business Day specified in the applicable Loan Notice. Upon satisfaction of the applicable conditions set forth in ***Section 4.02*** (and, if such Borrowing is the initial Credit Extension, ***Section 4.01***), Administrative Agent shall make all funds so received available to Borrower in like funds as received by Administrative Agent either by (i) crediting the account of Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) Administrative Agent by Borrower; *provided*, *however*, that if, on the date the Loan Notice with respect to such Borrowing is given by Borrower, there are L/C Borrowings outstanding, then the proceeds of such Borrowing, *first*, shall be applied to the payment in full of any such L/C Borrowings, and*second*, shall be made available to Borrower as provided above.

(c) Except as otherwise provided herein, a Eurodollar Rate Loan may be continued or converted only on the last day of an Interest Period for such Eurodollar Rate Loan. During the existence of a Default, no Loans may be requested as, converted to or continued as Eurodollar Rate Loans without the consent of the Required Lenders.

(d) Administrative Agent shall promptly notify Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurodollar Rate Loans upon determination of such interest rate.

(e) After giving effect to all Borrowings, all conversions of Loans from one Type to the other, and all continuations of Loans as the same Type, there shall not be more than 10 Interest Periods in effect with respect to Loans.

(f) Notwithstanding anything to the contrary in this Agreement, any Lender may exchange, continue or rollover all of the portion of its Loans in connection with any refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to a cashless settlement mechanism approved by Borrower, Administrative Agent, and such Lender.

2.03 **Letters of Credit**.

(a) **General**. Subject to the terms and conditions set forth herein, in addition to the Loans provided for in ***Section 2.01***, Borrower may request any L/C Issuer, in reliance on the

agreements of the Lenders set forth in this ***Section 2.03***, to issue, at any time and from time to time during the Availability Period, Letters of Credit denominated in Dollars for its own account in such form as is acceptable to Administrative Agent and such L/C Issuer in its reasonable determination. Letters of Credit issued hereunder shall constitute utilization of the Commitments.

(b) **Notice of Issuance, Amendment, Extension, Reinstatement or Renewal**. To request the issuance of a Letter of Credit (or the amendment of the terms and conditions, extension of the terms and conditions, extension of the expiration date, or reinstatement of amounts paid, or renewal of an outstanding Letter of Credit), Borrower shall deliver (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable L/C Issuer) to an L/C Issuer selected by it and to Administrative Agent not later than 11:00 a.m. at least five Business Days (or such later date and time as Administrative Agent and such L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, extended, reinstated or renewed, and specifying the date of issuance, amendment, extension, reinstatement or renewal (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with ***clause (d)*** of this ***Section 2.03***), the amount of such Letter of Credit, the name and address of the beneficiary thereof, the purpose and nature of the requested Letter of Credit and such other information as shall be necessary to prepare, amend, extend, reinstate or renew such Letter of Credit. If requested by the applicable L/C Issuer, Borrower also shall submit a letter of credit application and reimbursement agreement on such L/C Issuer's standard form in connection with any request for a Letter of Credit. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application and reimbursement agreement or other agreement submitted by Borrower to, or entered into by Borrower with, an L/C Issuer relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(c) **Limitations on Amounts, Issuance and Amendment**. A Letter of Credit shall be issued, amended, extended, reinstated or renewed only if (and upon issuance, amendment, extension, reinstatement or renewal of each Letter of Credit Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, extension, reinstatement or renewal (i) the aggregate amount of the outstanding Letters of Credit issued by any L/C Issuer shall not exceed its L/C Commitment, (ii) the aggregate L/C Obligations shall not exceed the Letter of Credit Sublimit, (iii) the Revolving Credit Exposure of any Lender shall not exceed its Commitment, (iv) the Total Outstandings shall not exceed the lesser of (A) the Aggregate Commitments, and (B) Borrowing Base Availability minus Borrowing Base Debt other than the Obligations and (v) the outstanding Borrowing Base Debt shall not exceed Borrowing Base Availability.

(i) No L/C Issuer shall be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such L/C Issuer from issuing the Letter of Credit, or any Law applicable to such L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such L/C Issuer shall prohibit, or request that such L/C Issuer refrain from, the issuance of letters of credit generally or the Letter of Credit in particular or shall impose upon such L/C Issuer with respect to the Letter of Credit any restriction, reserve or capital requirement (for which such L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall

impose upon such L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which such L/C Issuer in good faith deems material to it;

(B) the issuance of such Letter of Credit would violate one or more policies of such L/C Issuer applicable to letters of credit generally;

(C) except as otherwise agreed by Administrative Agent and such L/C Issuer, the Letter of Credit is in an initial stated amount less than $50,000;

(D) any Lender is at that time a Defaulting Lender, unless such L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to such L/C Issuer (in its sole discretion) with Borrower or such Lender to eliminate such L/C Issuer's actual or potential Fronting Exposure (after giving effect to ***Section 2.16(a)(iv)***) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which such L/C Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion; or

(E) the Letter of Credit contains any provisions for automatic reinstatement of the stated amount after any drawing thereunder.

(ii) No L/C Issuer shall be under any obligation to amend any Letter of Credit if (A) such L/C Issuer would have no obligation at such time to issue the Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of the Letter of Credit does not accept the proposed amendment to the Letter of Credit.

(d) **Expiration Date**. Each Letter of Credit shall have a stated expiration date no later than the earlier of (i) the date 12 months after the date of the issuance of such Letter of Credit (or, in the case of any extension of the expiration date thereof, whether automatic or by amendment, 12 months after the then current expiration date of such Letter of Credit) and (ii) the Letter of Credit Expiration Date.

(e) **Participations**. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount or extending the expiration date thereof), and without any further action on the part of the applicable L/C Issuer or the Lenders, such L/C Issuer hereby grants to each Lender, and each Lender hereby acquires from such L/C Issuer, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this ***clause (e)*** in respect of Letters of Credit is absolute, unconditional and irrevocable and shall not be affected by any circumstance whatsoever, including any amendment, extension, reinstatement or renewal of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments.

In consideration and in furtherance of the foregoing, each Lender hereby absolutely, unconditionally and irrevocably agrees to pay to Administrative Agent, for account of the applicable L/C Issuer, such Lender's Applicable Percentage of each L/C Disbursement made by an L/C Issuer not later than 1:00 p.m. on the Business Day specified in the notice provided by Administrative Agent to the Lenders pursuant to ***Section 2.03(f)*** until such L/C Disbursement is reimbursed by Borrower or at any time after any reimbursement payment is required to be refunded to Borrower for any reason, including after the Maturity Date then in effect. Such payment shall be

made without any offset, abatement, withholding or reduction whatsoever. Each such payment shall be made in the same manner as provided in ***Section 2.02*** with respect to Loans made by such Lender (and ***Section 2.02*** shall apply, *mutatis mutandis*, to the payment obligations of the Lenders), and Administrative Agent shall promptly pay to the applicable L/C Issuer the amounts so received by it from the Lenders. Promptly following receipt by Administrative Agent of any payment from Borrower pursuant to ***Section 2.03(f)***, Administrative Agent shall distribute such payment to the applicable L/C Issuer or, to the extent that the Lenders have made payments pursuant to this ***clause (e)*** to reimburse such L/C Issuer, then to such Lenders and such L/C Issuer as their interests may appear. Any payment made by a Lender pursuant to this ***clause (e)*** to reimburse an L/C Issuer for any L/C Disbursement shall not constitute a Loan and shall not relieve Borrower of its obligation to reimburse such L/C Disbursement.

Each Lender further acknowledges and agrees that its participation in each Letter of Credit will be automatically adjusted to reflect such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit at each time such Lender's Commitment is amended pursuant to the operation of ***Section 2.13*** or ***2.14***, as a result of an assignment in accordance with ***Section 10.06*** or otherwise pursuant to this Agreement.

If any Lender fails to make available to Administrative Agent for the account of the applicable L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this ***Section 2.03(e)***, then, without limiting the other provisions of this Agreement, the applicable L/C Issuer shall be entitled to recover from such Lender (acting through Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to such L/C Issuer at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the applicable L/C Issuer in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by such L/C Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Loan included in the relevant Borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of any L/C Issuer submitted to any Lender (through Administrative Agent) with respect to any amounts owing under this ***clause (e)*** shall be conclusive absent manifest error.

(f) **Reimbursement**. If an L/C Issuer shall make any L/C Disbursement in respect of a Letter of Credit, Borrower shall reimburse such L/C Issuer in respect of such L/C Disbursement by paying to Administrative Agent an amount equal to such L/C Disbursement not later than 12:00 noon on (i) the Business Day that Borrower receives notice of such L/C Disbursement, if such notice is received prior to 10:00 a.m. or (ii) the Business Day immediately following the day that Borrower receives such notice, if such notice is not received prior to such time, *provided* that, if such L/C Disbursement is not less than $1,000,000, Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with ***Section 2.02*** that such payment be financed with a Borrowing of Base Rate Loans in an equivalent amount and, to the extent so financed, Borrower's obligation to make such payment shall be discharged and replaced by the resulting Borrowing of Base Rate Loans. If Borrower fails to make such payment when due, Administrative Agent shall notify each Lender of the applicable L/C Disbursement, the payment then due from Borrower in respect thereof (the "***Unreimbursed Amount***") and such Lender's Applicable Percentage thereof. In such event, Borrower shall be deemed to have requested a Borrowing of Base Rate Loans to be disbursed on the date of payment by the applicable L/C Issuer under a Letter of Credit in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in ***Section 2.02*** for the principal amount of Base Rate Loans, but subject to the amount of the unutilized portion of the Aggregate Commitments and the conditions set forth in

Section 4.02 (other than the delivery of a Loan Notice). Any notice given by any L/C Issuer or Administrative Agent pursuant to this ***Section 2.03(f)*** may be given by telephone if immediately confirmed in writing; *provided* that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice. Notwithstanding the foregoing, any L/C Disbursement in respect of a Letter of Credit made by L/C Issuer after the Maturity Date shall be due and payable by Borrower on demand.

(g) **Obligations Absolute**. Borrower's obligation to reimburse L/C Disbursements as provided in ***clause (f)*** of this ***Section 2.03*** shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of:

(i) any lack of validity or enforceability of this Agreement, any other Loan Document or any Letter of Credit, or any term or provision herein or therein;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), any L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement in such draft or other document being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) waiver by any L/C Issuer of any requirement that exists for such L/C Issuer's protection and not the protection of Borrower or any waiver by such L/C Issuer which does not in fact materially prejudice Borrower;

(v) honor of a demand for payment presented electronically even if such Letter of Credit required that demand be in the form of a draft;

(vi) any payment made by any L/C Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under such Letter of Credit if presentation after such date is authorized by the UCC, the ISP or the UCP, as applicable;

(vii) payment by the applicable L/C Issuer under a Letter of Credit against presentation of a draft or other document that does not comply strictly with the terms of such Letter of Credit; or any payment made by any L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(viii) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this ***Section 2.03***, constitute a legal

or equitable discharge of, or provide a right of setoff against, Borrower's obligations hereunder.

Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with Borrower's instructions or other irregularity, Borrower will immediately notify the applicable L/C Issuer. Borrower shall be conclusively deemed to have waived any such claim against each L/C Issuer and its correspondents unless such notice is given as aforesaid.

None of Administrative Agent, the Lenders, any L/C Issuer, or any of their Related Parties shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit by the applicable L/C Issuer or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms, any error in translation or any consequence arising from causes beyond the control of the applicable L/C Issuer; *provided* that the foregoing shall not be construed to excuse an L/C Issuer from liability to Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by Borrower to the extent permitted by Applicable Law) suffered by Borrower that are caused by such L/C Issuer's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of an L/C Issuer (as finally determined by a court of competent jurisdiction), an L/C Issuer shall be deemed to have exercised care in each such determination, and that:

(i) an L/C Issuer may replace a purportedly lost, stolen, or destroyed original Letter of Credit or missing amendment thereto with a certified true copy marked as such or waive a requirement for its presentation;

(ii) an L/C Issuer may accept documents that appear on their face to be in substantial compliance with the terms of a Letter of Credit without responsibility for further investigation, regardless of any notice or information to the contrary, and may make payment upon presentation of documents that appear on their face to be in substantial compliance with the terms of such Letter of Credit and without regard to any non-documentary condition in such Letter of Credit;

(iii) an L/C Issuer shall have the right, in its sole discretion, to decline to accept such documents and to make such payment if such documents are not in strict compliance with the terms of such Letter of Credit; and

(iv) this sentence shall establish the standard of care to be exercised by an L/C Issuer when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof (and the parties hereto hereby waive, to the extent permitted by Applicable Law, any standard of care inconsistent with the foregoing).

Without limiting the foregoing, none of Administrative Agent, the Lenders, any L/C Issuer, or any of their Related Parties shall have any liability or responsibility by reason of (i) any presentation that includes forged or fraudulent documents or that is otherwise affected by the fraudulent, bad faith, or illegal conduct of the beneficiary or other Person, (ii) an L/C Issuer declining to take-up documents and make payment (A) against documents that are fraudulent,

forged, or for other reasons by which that it is entitled not to honor or (B) following a Borrower's waiver of discrepancies with respect to such documents or request for honor of such documents or (iii) an L/C Issuer retaining proceeds of a Letter of Credit based on an apparently applicable attachment order, blocking regulation, or third-party claim notified to such L/C Issuer.

(h) **Applicability of ISP and UCP; Limitation of Liability**. Unless otherwise expressly agreed by the applicable L/C Issuer and Borrower when a Letter of Credit is issued by it, the rules of the ISP shall apply to each standby Letter of Credit. Notwithstanding the foregoing, no L/C Issuer shall be responsible to Borrower for, and no L/C Issuer's rights and remedies against Borrower shall be impaired by, any action or inaction of any L/C Issuer required or permitted under any law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where any L/C Issuer or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade - International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

(i) **Benefits and Immunities of each L/C Issuer**. Each L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and each L/C Issuer shall have all of the benefits and immunities (A) provided to Administrative Agent in ***Article IX*** with respect to any acts taken or omissions suffered by such L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "*Administrative Agent*" as used in ***Article IX*** included such L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to such L/C Issuer.

(j) **Letter of Credit Fees**. Borrower shall pay to Administrative Agent for the account of each Lender in accordance, subject to ***Section 2.16***, with its Applicable Percentage a Letter of Credit fee (the "***Letter of Credit Fee***") for each Letter of Credit equal to the Applicable Rate times the daily amount available to be drawn under such Letter of Credit. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with ***Section 1.06***. Letter of Credit Fees shall be (i) due and payable on the first Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Maturity Date, on the Letter of Credit Expiration Date and thereafter on demand and (ii) computed on a quarterly basis in arrears. If there is any change in the Applicable Rate during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. Notwithstanding anything to the contrary contained herein, upon the request of the Required Lenders, while any Event of Default exists, all Letter of Credit Fees shall accrue at the Default Rate.

(k) **Fronting Fee and Documentary and Processing Charges Payable to L/C Issuer**. Borrower shall pay directly to the applicable L/C Issuer for its own account a fronting fee with respect to each Letter of Credit, equal to the greater of (i) $1,500 and (ii) 0.125% per annum times the maximum amount available to be drawn under such Letter of Credit (whether or not such maximum amount is then in effect with respect to such Letter of Credit), payable at the time of the issuance of such Letter of Credit and at each renewal of same. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with ***Section 1.06***. In addition, Borrower shall pay directly to the

applicable L/C Issuer for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of such L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(l) **Disbursement Procedures**. The L/C Issuer for any Letter of Credit shall, within the time allowed by Applicable Laws or the specific terms of the Letter of Credit following its receipt thereof, examine all documents purporting to represent a demand for payment under such Letter of Credit. such L/C Issuer shall promptly after such examination notify Administrative Agent and Borrower in writing of such demand for payment if such L/C Issuer has made or will make an L/C Disbursement thereunder; *provided* that any failure to give or delay in giving such notice shall not relieve Borrower of its obligation to reimburse such L/C Issuer and the Lenders with respect to any such L/C Disbursement.

(m) **Interim Interest**. If the L/C Issuer for any Letter of Credit shall make any L/C Disbursement, then, unless Borrower shall reimburse such L/C Disbursement in full on the date such L/C Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such L/C Disbursement is made to but excluding the date that Borrower reimburses such L/C Disbursement, at the rate per annum then applicable to Base Rate Loans; *provided* that if Borrower fails to reimburse such L/C Disbursement when due pursuant to ***clause (f)*** of this ***Section 2.03***, then ***Section 2.07(b)*** shall apply. Interest accrued pursuant to this ***clause (m)*** shall be for account of such L/C Issuer, except that interest accrued on and after the date of payment by any Lender pursuant to ***clause (f)*** of this ***Section 2.03*** to reimburse such L/C Issuer shall be for account of such Lender to the extent of such payment.

(n) **Replacement of any L/C Issuer**. any L/C Issuer may be replaced at any time by written agreement between Borrower, Administrative Agent, the replaced L/C Issuer and the successor L/C Issuer. Administrative Agent shall notify the Lenders of any such replacement of an L/C Issuer. At the time any such replacement shall become effective, Borrower shall pay all unpaid fees accrued for the account of the replaced L/C Issuer pursuant to ***Section 2.03(j)***. From and after the effective date of any such replacement, (i) the successor L/C Issuer shall have all the rights and obligations of an L/C Issuer under this Agreement with respect to Letters of Credit to be issued by it thereafter and (ii) references herein to the term "***L/C Issuer***" shall be deemed to include such successor or any previous L/C Issuer, or such successor and all previous L/C Issuer, as the context shall require. After the replacement of an L/C Issuer hereunder, the replaced L/C Issuer shall remain a party hereto and shall continue to have all the rights and obligations of an L/C Issuer under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(o) **Cash Collateralization**. If any Event of Default shall occur and be continuing, on the Business Day that Borrower receives notice from Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with L/C Obligations representing at least 50% of the total L/C Obligations) demanding the deposit of Cash Collateral pursuant to this ***clause (o)***, Borrower shall immediately deposit into an account established and maintained on the books and records of Administrative Agent (the "***Collateral Account***") an amount in cash equal to the Minimum Collateral Amount as of such date plus any accrued and unpaid interest thereon, *provided* that the obligation to deposit such Cash Collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to Borrower described in ***clause (f)*** of ***Section 8.01***. Such deposit shall be held by Administrative Agent as collateral for the payment and performance of the obligations of Borrower under this Agreement. In addition, and

without limiting the foregoing or ***clause (d)*** of this ***Section 2.03***, if any L/C Obligations remain outstanding after the expiration date specified in said ***clause (d)***, Borrower shall immediately deposit into the Collateral Account an amount in cash equal to the Minimum Collateral Amount as of such date plus any accrued and unpaid interest thereon; *provided*, that Borrower shall Cash Collateralize, in an amount equal to the Minimum Collateral Amount plus any accrued and unpaid interest thereon, each Letter of Credit that has an expiration date beyond the Maturity Date then in effect at least 30 days prior to the Maturity Date then in effect.

Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over the Collateral Account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of Administrative Agent and at Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in the Collateral Account. Moneys in the Collateral Account shall be applied by Administrative Agent to reimburse each L/C Issuer for L/C Disbursements for which it has not been reimbursed, together with related fees, costs, and customary processing charges, and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of Borrower for the L/C Obligations at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with L/C Obligations representing 50% of the total L/C Obligations), be applied to satisfy other obligations of Borrower under this Agreement. If Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to Borrower within three Business Days after all Events of Default have been cured or waived.

(p) **Conflict with Issuer Documents**. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

2.04 **Prepayments**.

(a) Borrower may, upon notice to Administrative Agent pursuant to delivery to Administrative Agent of a Notice of Loan Prepayment, at any time or from time to time voluntarily prepay Loans in whole or in part without premium or penalty; *provided* that (i) such notice must be received by Administrative Agent not later than 11:00 a.m. (A) three Business Days prior to any date of prepayment of Eurodollar Rate Loans and (B) on the date of prepayment of Base Rate Loans; (ii) any prepayment of Eurodollar Rate Loans shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof; and (iii) any prepayment of Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid and, if Eurodollar Rate Loans are to be prepaid, the Interest Period(s) of such Loans. Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by Borrower, Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurodollar Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to ***Section 3.05***. Subject to ***Section 2.16***, each such prepayment shall be applied to the Loans of the Lenders in accordance with their respective Applicable Percentages.

(b) If for any reason (i) the Total Outstandings at any time exceed the lesser of (A) Aggregate Commitments then in effect or (B) Borrowing Base Availability minus Borrowing Base Debt other than the Obligations or (ii) the outstanding Borrowing Base Debt shall at any time

exceed Borrowing Base Availability, then Borrower shall immediately prepay Loans and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess; *provided*, however, that Borrower shall not be required to Cash Collateralize the L/C Obligations pursuant to this ***Section 2.04(b)*** unless after the prepayment in full of the Loans either (x) the Total Outstandings exceed the lesser of (1) the Aggregate Commitments then in effect or (2) Borrowing Base Availability minus Borrowing Base Debt other than the Obligations or (y) the outstanding Borrowing Base Debt exceeds Borrowing Base Availability.

2.05 **Termination or Reduction of Commitments**. Borrower may, upon notice to Administrative Agent, terminate the Aggregate Commitments, or from time to time permanently reduce the Aggregate Commitments; *provided* that (i) any such notice shall be received by Administrative Agent not later than 11:00 a.m. five Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of $10,000,000 or any whole multiple of $1,000,000 in excess thereof, (iii) Borrower shall not terminate or reduce the Aggregate Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, (A) the Total Outstandings would exceed the lesser of (1) the Aggregate Commitments and (2) Borrowing Base Availability minus Borrowing Base Debt other than the Obligations or (B) the outstanding Borrowing Base Debt would exceed Borrowing Base Availability, and (iv) if, after giving effect to any reduction of the Aggregate Commitments, the Letter of Credit Sublimit exceeds the amount of the Aggregate Commitments, such Letter of Credit Sublimit shall be automatically reduced by the amount of such excess. Administrative Agent will promptly notify the Lenders of any such notice of termination or reduction of the Aggregate Commitments. Any reduction of the Aggregate Commitments shall be applied to the Commitment of each Lender according to its Applicable Percentage. All fees accrued until the effective date of any termination of the Aggregate Commitments shall be paid on the effective date of such termination.

2.06 **Repayment of Loans**. Borrower shall repay to the Lenders on the Maturity Date the aggregate principal amount of Loans and L/C Borrowings outstanding on such date.

2.07 **Interest**.

(a) Subject to the provisions of ***subsection (b)*** below, (i) each Eurodollar Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurodollar Rate for such Interest Period plus the Applicable Rate; and (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate.

(b) (i) If any amount of principal of any Loan is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by Applicable Laws.

(ii) If any amount (other than principal of any Loan) payable by Borrower under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then upon the request of the Required Lenders, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by Applicable Laws.

(iii) Upon the request of the Required Lenders, while any Event of Default exists (other than as set forth in ***clauses (b)(i)*** and ***(b)(ii)*** above), Borrower shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating

interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by Applicable Laws.

(iv) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.08 **Fees**. In addition to any other fees described herein or in any other Loan Document, but subject in all cases to the provisions of ***Section 2.16*** hereof:

(a) **Unused Fee**. Borrower shall pay to Administrative Agent for the account of each Lender in accordance with its Applicable Percentage, an unused fee equal to the Applicable Rate *times* the actual daily amount by which the Aggregate Commitments then in effect (or, if terminated, in effect immediately prior to such termination) exceed the Total Outstandings at such time, subject to adjustment as provided in ***Section 2.16***. The unused fee shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in ***Article IV*** is not met, and shall be due and payable quarterly in arrears on the first Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the Closing Date, and on the last day of the Availability Period (and, if applicable, thereafter on demand). The unused fee shall be calculated quarterly in arrears and if there is any change in the Applicable Rate during any quarter, the daily amount shall be computed and multiplied by the Applicable Rate for each period during which such Applicable Rate was in effect.

(b) **Other Fees**.

(i) Borrower shall pay to each Arranger and Administrative Agent for their own respective accounts fees in the amounts and at the times specified in each Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

(ii) Borrower shall pay to the Lenders such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.09 **Computation of Interest and Fees; Retroactive Adjustments of Applicable Rate**.

(a) All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to the Eurodollar Rate) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, *provided* that any Loan that is repaid on the same day on which it is made shall, subject to ***Section 2.11(a)***, bear interest for one day. Each determination by Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(b) If, as a result of any restatement of or other adjustment to the financial statements of Borrower or for any other reason, Borrower or the Lenders determine that (i) the Debt to Capitalization Ratio as calculated by Borrower as of any applicable date was inaccurate and (ii) a proper calculation of the Debt to Capitalization Ratio would have resulted in higher pricing for such period, Borrower shall immediately and retroactively be obligated to pay to Administrative Agent for the account of the applicable Lenders or the applicable L/C Issuer, as the case may be, promptly on demand by Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to Borrower under the Bankruptcy Code of the United States, automatically and without further action by Administrative Agent, any Lender or any L/C Issuer), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. This ***clause (b)*** shall not limit the rights of Administrative Agent, any Lender or any L/C Issuer, as the case may be, under ***Section 2.03(c)(iii)***, ***2.03(h)*** or ***2.07(b)*** or under ***Article VIII***. Borrower's obligations under this ***clause (b)*** shall survive the termination of the Aggregate Commitments and the repayment of all other Obligations hereunder.

2.10 **Evidence of Debt**.

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender in the ordinary course of business. Administrative Agent shall maintain the Register in accordance with ***Section 10.06(c)***. The accounts or records maintained by each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the Register, the Register shall control in the absence of manifest error. Upon the request of any Lender made through Administrative Agent, Borrower shall execute and deliver to such Lender (through Administrative Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in ***subsection (a)*** above, each Lender and Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit. In the event of any conflict between the accounts and records maintained by Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of Administrative Agent shall control in the absence of manifest error.

2.11 **Payments Generally; Administrative Agent's Clawback**.

(a) **General**. All payments to be made by Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by Borrower hereunder shall be made to Administrative Agent, for the account of the respective Lenders to which such payment is owed, at Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by Administrative Agent after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by

Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) **Funding by Lenders; Presumption by Administrative Agent**. Unless Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Eurodollar Rate Loans (or, in the case of any Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Borrowing) that such Lender will not make available to Administrative Agent such Lender's share of such Borrowing, Administrative Agent may assume that such Lender has made such share available on such date in accordance with ***Section 2.02*** (or, in the case of a Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by ***Section 2.02***) and may, in reliance upon such assumption, make available to Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to Administrative Agent, then the applicable Lender and Borrower severally agree to pay to Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to Borrower to but excluding the date of payment to Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by Administrative Agent in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by Borrower, the interest rate applicable to Base Rate Loans. If Borrower and such Lender shall pay such interest to Administrative Agent for the same or an overlapping period, Administrative Agent shall promptly remit to Borrower the amount of such interest paid by Borrower for such period. If such Lender pays its share of the applicable Borrowing to Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by Borrower shall be without prejudice to any claim Borrower may have against a Lender that shall have failed to make such payment to Administrative Agent.

(ii) **Payments by Borrower; Presumptions by Administrative Agent**. Unless Administrative Agent shall have received notice from Borrower prior to the date on which any payment is due to Administrative Agent for the account of the Lenders or any L/C Issuer hereunder that Borrower will not make such payment, Administrative Agent may assume that Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the applicable L/C Issuer, as the case may be, the amount due. In such event, if Borrower has not in fact made such payment, then each of the Lenders or the applicable L/C Issuer, as the case may be, severally agrees to repay to Administrative Agent forthwith on demand the amount so distributed to such Lender or such L/C Issuer, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of Administrative Agent to any Lender or Borrower with respect to any amount owing under this ***clause (b)*** shall be conclusive, absent manifest error.

(c) **Failure to Satisfy Conditions Precedent**. If any Lender makes available to Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this ***Article II***, and such funds are not made available to Borrower by Administrative

Agent because the conditions to the applicable Credit Extension set forth in ***Article IV*** are not satisfied or waived in accordance with the terms hereof, Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) **Obligations of Lenders Several**. The obligations of the Lenders hereunder to make Loans, to fund participations in Letters of Credit and to make payments pursuant to ***Section 10.04(c)*** are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under ***Section 10.04(c)*** on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under ***Section 10.04(c)***.

(e) **Funding Source**. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2 . 1 2 **Sharing of Payments by Lenders**. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Loans made by it, or the participations in L/C Obligations held by it resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and subparticipations in L/C Obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them, *provided* that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this ***Section 2.12*** shall not be construed to apply to (x) any payment made by or on behalf of Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (y) the application of Cash Collateral provided for in ***Section 2.15***, or (z) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or subparticipations in L/C Obligations to any assignee or participant, other than an assignment to Borrower or any Affiliate thereof (as to which the provisions of this ***Section 2.12*** shall apply).

Borrower consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of Borrower in the amount of such participation.

2.13 **Extension of Maturity Date**.

(a) **Requests for Extension**. Borrower may, by written notice to Administrative Agent (who shall promptly notify the Lenders) not earlier than 90 days and not later than 30 days prior to each annual anniversary of the Closing Date, request that the then-existing Maturity Date

be extended for an additional one year; *provided, however*, that any such request may be made only once during each such 60-day period.

(b) **Lender Elections to Extend**. Each Lender, acting in its sole and individual discretion, shall, by notice to Administrative Agent given not later than the date (the "***Notice Date***") that is 20 days prior to the annual anniversary of the Closing Date, advise Administrative Agent whether or not such Lender agrees to such extension (and each Lender that determines not to so extend its Maturity Date (a "***Non-Extending Lender***") shall promptly notify Administrative Agent of such determination (but in any event no later than the Notice Date) and any Lender that does not so advise Administrative Agent on or before the Notice Date shall be deemed to be a Non-Extending Lender). The election of any Lender to agree to such extension shall not obligate any other Lender to so agree.

(c) **Notification by Administrative Agent**. Administrative Agent shall notify Borrower of each Lender's determination under this ***Section*** no later than the date 15 days prior to the annual anniversary of the Closing Date (or, if such date is not a Business Day, on the next preceding Business Day).

(d) **Additional Commitment Lenders**. Borrower shall have the right to replace each Non-Extending Lender with, and add as "*Lenders*" under this Agreement in place thereof, one or more Eligible Assignees (each, an "***Additional Commitment Lender***") as provided in ***Section 10.13***; *provided* that each of such Additional Commitment Lenders shall enter into an Assignment and Assumption pursuant to which such Additional Commitment Lender shall, effective as of the Maturity Date then in effect, undertake a Commitment (and, if any such Additional Commitment Lender is already a Lender, its Commitment shall be in addition to such Lender's Commitment hereunder on such date).

(e) **Minimum Extension Requirement**. If (and only if) the total of the Commitments of the Lenders that have agreed so to extend their Maturity Date (each, an "***Extending Lender***") and the additional Commitments of the Additional Commitment Lenders shall be more than 66-2/3% of the aggregate amount of the Commitments in effect immediately prior to the Maturity Date then in effect, then, effective as of the then-existing Maturity Date, the Maturity Date of each Extending Lender and of each Additional Commitment Lender shall be extended to the date falling one year after the Maturity Date then in effect (except that, if such date is not a Business Day, such Maturity Date as so extended shall be the next preceding Business Day) and each Additional Commitment Lender shall thereupon become a "*Lender*" for all purposes of this Agreement.

(f) **Conditions to Effectiveness of Extensions**. As conditions precedent to each such extension:

(i) Borrower shall deliver to Administrative Agent a certificate of each Loan Party as of the Maturity Date then in effect (in sufficient copies for each Lender and each Additional Commitment Lender) signed by a Responsible Officer of such Loan Party (A) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such extension and (B) in the case of Borrower, certifying that, before and after giving effect to such extension, (1) the representations and warranties contained in ***Article V*** and the other Loan Documents are true and correct on and as of the Maturity Date then in effect, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that for purposes of this ***Section 2.13***, the representations and warranties contained in ***clauses (a)*** and ***(b)*** of ***Section 5.05*** shall be deemed to refer to the most recent statements

furnished pursuant to ***clauses (a)*** and ***(b)***, respectively, of ***Section 6.01***, and (2) no Default exists or would result therefrom.

(ii) On the Maturity Date of each Non-Extending Lender, Borrower shall prepay any Loans outstanding on such date (and pay any additional amounts required pursuant to ***Section 3.05***) to the extent necessary to keep outstanding Loans ratable with any revised Applicable Percentages of the respective Lenders effective as of such date.

(iii) On the Maturity Date then in effect, Borrower shall pay to Administrative Agent a fee, for the pro rata account of each Extending Lender and each Additional Commitment Lender in an amount to be determined by Borrower and Administrative Agent at the time of any request to extend the Maturity Date under this ***Section***, which fee shall, when paid, be fully earned and non-refundable under any circumstances.

(iv) (A) Upon the reasonable request of any Lender, including any Additional Commitment Lender, made at least 15 days prior to the Maturity Date then in effect, Borrower shall have provided to such Lender, and such Lender shall be reasonably satisfied with, the documentation and other information so requested in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including the PATRIOT Act, in each case at least 10 days prior to the Maturity Date then in effect and (B) at least 10 days prior to the Maturity Date then in effect, any Loan Party that qualifies as a "legal entity customer" under the Beneficial Ownership Regulation shall have delivered, to each Lender that so requests, a Beneficial Ownership Certification in relation to such Loan Party.

(v) On the date of the notice described in ***Section 2.13(a)*** and the date of such extension and after giving effect thereto, (A) the representations and warranties contained in ***Article V*** and the other Loan Documents are true and correct on and as of the Maturity Date then in effect, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that for purposes of this ***Section 2.13***, the representations and warranties contained in ***clauses (a)*** and ***(b)*** of ***Section 5.05*** shall be deemed to refer to the most recent statements furnished pursuant to ***clauses (a)*** and ***(b)***, respectively, of ***Section 6.01***, and (B) no Default exists or would result therefrom.

(g) **Amendment; Sharing of Payments**. In connection with any extension of the Maturity Date, Borrower, Administrative Agent and each Extending Lender may make such amendments to this Agreement as Administrative Agent determines to be reasonably necessary to evidence the extension. This ***Section 2.13*** shall supersede any provisions in ***Section 2.12*** or ***10.01*** to the contrary.

2.14 **Increase in Commitments**.

(a) **Request for Increase**. Provided there exists no Default, upon notice to Administrative Agent (which shall promptly notify the Lenders), Borrower may from time to time, request an increase in the Aggregate Commitments (which increase may take the form of additional Commitments, new revolving loan tranches, new term loan tranches or any combination of the foregoing) by an amount (for all such requests) not exceeding $300,000,000; *provided* that any such request for an increase shall be in a minimum amount of $25,000,000 (or such lesser amount approved by Administrative Agent in writing). At the time of sending such notice, Borrower (in consultation with Administrative Agent) shall specify the time period within which each Lender is

requested to respond (which shall in no event be less than ten Business Days from the date of delivery of such notice to the Lenders).

(b) **Lender Elections to Increase**. Each Lender shall notify Administrative Agent within such time period whether or not it agrees to increase its Commitment and, if so, whether by an amount equal to, greater than, or less than its Applicable Percentage of such requested increase. Any Lender not responding within such time period shall be deemed to have declined to increase its Commitment.

(c) **Notification by Administrative Agent; Additional Lenders**. Administrative Agent shall notify Borrower and each Lender of the Lenders' responses to each request made hereunder. To achieve the full amount of a requested increase and subject to the approval of Administrative Agent and each L/C Issuer, Borrower may also invite additional Eligible Assignees to become Lenders pursuant to a joinder agreement in form and substance satisfactory to Administrative Agent and its counsel.

(d) **Effective Date and Allocations**. If the Aggregate Commitments are increased in accordance with this ***Section***, Administrative Agent and Borrower shall determine the effective date (the "***Increase Effective Date***") and the final allocation of such increase. Administrative Agent shall promptly notify Borrower and the Lenders of the final allocation of such increase and the Increase Effective Date.

(e) **Conditions to Effectiveness of Increase**. As conditions precedent to each such increase:

(i) Administrative Agent shall have approved in writing of such increase;

(ii) Borrower shall deliver to Administrative Agent a certificate of each Loan Party dated as of the Increase Effective Date (in sufficient copies for each Lender) signed by a Responsible Officer of such Loan Party (A) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such increase, and (B) in the case of Borrower, certifying that, before and after giving effect to such increase, (1) the representations and warranties contained in ***Article V*** and the other Loan Documents are true and correct on and as of the Increase Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that for purposes of this ***Section 2.14***, the representations and warranties contained in ***subsections (a)*** and ***(b)*** of ***Section 5.05*** shall be deemed to refer to the most recent statements furnished pursuant to ***subsections (a)*** and ***(b)***, respectively, of ***Section 6.01***, and (2) no Default exists or would result therefrom.

(iii) (x) Upon the reasonable request of any Lender made at least 15 days prior to the Increase Effective Date, Borrower shall have provided to such Lender, and such Lender shall be reasonably satisfied with, the documentation and other information so requested in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including the PATRIOT Act, in each case at least 10 days prior to the Increase Effective Date and (y) at least 10 days prior to the Increase Effective Date, any Loan Party that qualifies as a "legal entity customer" under the Beneficial Ownership Regulation shall have delivered, to each Lender that so requests, a Beneficial Ownership Certification in relation to such Loan Party.

(iv) On the date of the notice described in ***Section 2.14(a)*** and the Increase Effective Date and after giving effect thereto, (A) the representations and warranties contained in ***Article V*** and the other Loan Documents are true and correct on and as of the Maturity Date then in effect, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that for purposes of this ***Section 2.14***, the representations and warranties contained in ***clauses (a)*** and ***(b)*** of ***Section 5.05*** shall be deemed to refer to the most recent statements furnished pursuant to ***clauses (a)*** and ***(b)***, respectively, of ***Section 6.01***, and (B) no Default exists or would result therefrom.

(v) To the extent that the increase of the Aggregate Commitments shall take the form of a term loan tranche, this Agreement shall be amended, in form and substance satisfactory to Administrative Agent to include such terms as are customary for a term loan commitment. Borrower shall prepay any Loans outstanding on the Increase Effective Date (and pay any additional amounts required pursuant to ***Section 3.05***) to the extent necessary to keep the outstanding Loans ratable with any revised Applicable Percentages arising from any nonratable increase in the Commitments under this ***Section***. Each Loan Party shall execute and deliver such other documents or instruments as Administrative Agent may reasonably require to evidence such increase to the Commitments and to ratify each such Loan Party's continuing obligations hereunder and under the other Loan Documents.

(f) **Conflicting Provisions**. This ***Section 2.14*** shall supersede any provisions in ***Section 2.12*** or ***10.01*** to the contrary.

2.15 **Cash Collateral**.

(a) **Obligation to Cash Collateralize**. At any time that there shall exist a Defaulting Lender, within one Business Day following the written request of Administrative Agent or any L/C Issuer (with a copy to Administrative Agent), Borrower shall Cash Collateralize the L/C Issuers' Fronting Exposure with respect to such Defaulting Lender (determined after giving effect to ***Section 2.16(a)(iv)*** and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the Minimum Collateral Amount.

(b) **Grant of Security Interest**. Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subjects to the control of) Administrative Agent, for the benefit of Administrative Agent, the L/C Issuers and the Lenders, and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to ***Section 2.15(c)***. If at any time Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than Administrative Agent or the applicable L/C Issuer as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, Borrower will, promptly upon demand by Administrative Agent, pay or provide to Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (determined in the case of Cash Collateral provided pursuant to ***clause (a)(iv)*** above, after giving effect to ***Section 2.16(a)(iv)*** and any Cash Collateral provided by the Defaulting Lender). All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts at Bank of America. Borrower shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral.

(c) **Application**. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this ***Section 2.15*** or ***Sections 2.03***, ***2.04***, ***2.16*** or ***8.02*** in respect of Letters of Credit shall be held and applied to the satisfaction of the specific L/C Obligations, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(d) **Release**. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender (or, as appropriate, its assignee following compliance with ***Section 10.06(b)(vi)***)) or (ii) the determination by Administrative Agent and the applicable L/C Issuer that there exists excess Cash Collateral; *provided*, *however*, (x) any such release shall be without prejudice to, and any disbursement or other transfer of Cash Collateral shall be and remain subject to, any other Lien conferred under the Loan Documents and the other applicable provisions of the Loan Documents, and (y) the Person providing Cash Collateral and the applicable L/C Issuer may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

2.16 **Defaulting Lenders**.

(a) **Adjustments**. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) **Waivers and Amendments**. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "*Required Lenders*" and ***Section 10.01***.

(ii) **Defaulting Lender Waterfall**. Any payment of principal, interest, fees or other amounts received by Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to ***Article VIII*** or otherwise) or received by Administrative Agent from a Defaulting Lender pursuant to ***Section 10.08*** shall be applied at such time or times as may be determined by Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to any L/C Issuer hereunder; *third*, to Cash Collateralize the L/C Issuers' Fronting Exposure with respect to such Defaulting Lender in accordance with ***Section 2.15***; *fourth*, as Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by Administrative Agent; *fifth*, if so determined by Administrative Agent and Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the L/C Issuers' future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with ***Section 2.15***; *sixth*, to the payment of any amounts owing to the Lenders, the L/C Issuers as a result of any judgment of a court of competent jurisdiction obtained by any Lender, any L/C Issuer against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or

Event of Default exists, to the payment of any amounts owing to Borrower as a result of any judgment of a court of competent jurisdiction obtained by Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in ***Section 4.02*** were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations are held by the Lenders pro rata in accordance with the Commitments hereunder without giving effect to ***Section 2.16(a)(iv)***. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this ***Section 2.16(a)(ii)*** shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) **Certain Fees**.

(A) No Defaulting Lender shall be entitled to receive any fee payable under ***Section 2.08*** for any period during which that Lender is a Defaulting Lender (and Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to ***Section 2.15***.

(C) With respect to any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to ***clause (A)*** or ***(B)*** above, Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations that has been reallocated to such Non-Defaulting Lender pursuant to ***clause (iv)*** below, (y) pay to each L/C Issuer, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such L/C Issuer's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) **Reallocation of Applicable Percentages to Reduce Fronting Exposure**. All or any part of such Defaulting Lender's participation in L/C Obligations shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Commitment. Subject to ***Section 10.21***, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) **Cash Collateral**. If the reallocation described in ***clause (a)(iv)*** above cannot, or can only partially, be effected, Borrower shall, without prejudice to any right or remedy available to it hereunder or under Applicable Law, Cash Collateralize the L/C Issuers' Fronting Exposure in accordance with the procedures set forth in ***Section 2.15***.

(b) **Defaulting Lender Cure**. If Borrower, Administrative Agent and each L/C Issuer agree in writing that a Lender is no longer a Defaulting Lender, Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit to be held pro rata by the Lenders in accordance with the Commitments (without giving effect to ***Section 2.16(a)(iv)***), whereupon such Lender will cease to be a Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of Borrower while that Lender was a Defaulting Lender; and *provided*, *further*, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c) **New Letters of Credit**. So long as any Lender is a Defaulting Lender, no L/C Issuer shall be required to issue, extend, increase, reinstate or renew any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

III. TAXES, YIELD PROTECTION AND ILLEGALITY.

3.01 Taxes.

(a) **Defined Terms**. For purposes of this ***Section 3.01***, the term "Applicable Law" includes FATCA.

(b) **Payments Free of Taxes**. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this ***Section 3.01***) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) **Payment of Other Taxes by Loan Parties**. The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) **Indemnification by Loan Parties**. Each of the Loan Parties shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this

Section 3.01) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Borrower by a Lender (with a copy to Administrative Agent), or by Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) **Indemnification by the Lenders**. Each Lender shall severally indemnify Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of ***Section 10.06(d)*** relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by Administrative Agent to the Lender from any other source against any amount due to Administrative Agent under this ***clause (e)***.

(f) **Evidence of Payments**. As soon as practicable after any payment of Taxes by Borrower to a Governmental Authority as provided in this ***Section 3.01***, Borrower shall deliver to Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to Administrative Agent.

(g) **Status of Lenders; Tax Documentation**.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to Borrower and Administrative Agent, at the time or times reasonably requested by Borrower or Administrative Agent, such properly completed and executed documentation reasonably requested by Borrower or Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by Borrower or Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by Borrower or Administrative Agent as will enable Borrower or Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in ***Section 3.01(g)(ii)(A)***, ***(ii)(B)*** and ***(ii)(D)*** below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to Borrower and Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower and Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN-E (or W-8BEN, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN-E (or W-8BEN, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under *Section 881(c)* of the Code, (x) a certificate substantially in the form of ***Exhibit G-1*** to the effect that such Foreign Lender is not a "*bank*" within the meaning of *Section 881(c)(3)(A)* of the Code, a "*10 percent shareholder*" of Borrower within the meaning of *Section 881(c)(3)(B)* of the Code, or a "*controlled foreign corporation*" described in *Section 881(c)(3)(C)* of the Code (a "***U.S. Tax Compliance Certificate***") and (y) executed copies of IRS Form W-8BEN-E (or W-8BEN, as applicable); or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN-E (or W-8BEN, as applicable), a U.S. Tax Compliance Certificate substantially in the form of ***Exhibit G-2*** or ***Exhibit G-3***, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of ***Exhibit G-4*** on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower and Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit Borrower or Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in *Section 1471(b)* or *1472(b)* of the Code, as applicable), such Lender shall deliver to Borrower and Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by Borrower or Administrative Agent such documentation prescribed by applicable law (including as prescribed by *Section 1471(b)(3)(C)(i)* of the Code) and such additional documentation reasonably requested by Borrower or Administrative Agent as may be necessary for Borrower and Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this ***clause (D)***, "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iii) Each Lender agrees that if any form or certification it previously delivered pursuant to this ***Section 3.01*** expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Borrower and Administrative Agent in writing of its legal inability to do so.

(h) **Treatment of Certain Refunds**. Unless required by applicable Laws, at no time shall Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender or an L/C Issuer, or have any obligation to pay to any Lender or any L/C Issuer, any refund of Taxes withheld or deducted from funds paid for the account of such Lender or such L/C Issuer, as the case may be. If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this ***Section 3.01***, it shall pay to the Loan Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by a Loan Party under this ***Section 3.01*** with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), *provided* that the Loan Party, upon the request of the Recipient, agrees to repay the amount paid over to the Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this ***clause (h)***, in no event will the applicable Recipient be required to pay any amount to the Loan Party pursuant to this ***clause (h)*** the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise

imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This ***subsection*** shall not be construed to require any Recipient to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to any Loan Party or any other Person.

(i) **Survival**. Each party's obligations under this ***Section 3.01*** shall survive the resignation or replacement of Administrative Agent or any assignment of rights by, or the replacement of, a Lender or an L/C Issuer, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

3.02 **Illegality**. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to the Eurodollar Rate, or to determine or charge interest rates based upon the Eurodollar Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, upon notice thereof by such Lender to Borrower (through Administrative Agent), (a) any obligation of such Lender to make or continue Eurodollar Rate Loans or to convert Base Rate Loans to Eurodollar Rate Loans shall be suspended, and (b) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Eurodollar Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by Administrative Agent without reference to the Eurodollar Rate component of the Base Rate, in each case until such Lender notifies Administrative Agent and Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (i) Borrower shall, upon demand from such Lender (with a copy to Administrative Agent), prepay or, if applicable, convert all Eurodollar Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by Administrative Agent without reference to the Eurodollar Rate component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Rate Loans and (ii) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurodollar Rate, Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurodollar Rate component thereof until Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurodollar Rate. Upon any such prepayment or conversion, Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to ***Section 3.05***.

3.03 **Inability to Determine Rates**.

(a) If in connection with any request for a Eurodollar Rate Loan or a conversion to or continuation thereof, (i) Administrative Agent determines that (A) Dollar deposits are not being offered to banks in the London interbank Eurodollar market for the applicable amount and Interest Period of such Eurodollar Rate Loan, or (B) (x) adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or in connection with an existing or proposed Base Rate Loan and (y) the circumstances described in ***Section 3.03(c)(i)*** do not apply (in each case with respect to this ***clause (i)***, "***Impacted Loans***"), or (ii) Administrative Agent or the Required Lenders determine that for any reason the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Eurodollar Rate Loan, Administrative Agent will promptly so notify Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurodollar Rate Loans

shall be suspended, (to the extent of the affected Eurodollar Rate Loans or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the Eurodollar Rate component of the Base Rate, the utilization of the Eurodollar Rate component in determining the Base Rate shall be suspended, in each case until Administrative Agent (or, in the case of a determination by the Required Lenders described in ***clause (ii)*** of ***Section 3.03(a)***, until Administrative Agent upon instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans (to the extent of the affected Eurodollar Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein.

(b) Notwithstanding the foregoing, if Administrative Agent has made the determination described in ***clause (i)*** of ***Section 3.03(a)***, Administrative Agent, in consultation with Borrower and Required Lenders, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (i) Administrative Agent revokes the notice delivered with respect to the Impacted Loans under ***clause (i)*** of the first sentence of ***Section 3.03(a)***, (ii) Administrative Agent or the Required Lenders notify Administrative Agent and Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (iii) any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides Administrative Agent and Borrower written notice thereof. Administrative Agent will promptly (in one or more notices) notify Borrower and each Lender of the establishment of an alternative interest rate pursuant to this ***clause (b)***.

(c) Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, if Administrative Agent determines (which determination shall be conclusive absent manifest error), or Borrower or Required Lenders notify Administrative Agent (with, in the case of the Required Lenders, a copy to Borrower) that Borrower or Required Lenders (as applicable) have determined, that:

(i) adequate and reasonable means do not exist for ascertaining LIBOR for any Interest Period hereunder or any other tenors of LIBOR, including because the LIBOR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) the administrator of the LIBOR Screen Rate or a Governmental Authority having jurisdiction over Administrative Agent or such administrator has made a public statement identifying a specific date after which LIBOR or the LIBOR Screen Rate shall no longer be made available, or used for determining the interest rate of loans, *provided* that, at the time of such statement, there is no successor administrator that is satisfactory to Administrative Agent, that will continue to provide LIBOR after such specific date (such specific date, the "***Scheduled Unavailability Date***"); or

(iii) the administrator of the LIBOR Screen Rate or a Governmental Authority having jurisdiction over such administrator has made a public statement announcing that all Interest Periods and other tenors of LIBOR are no longer representative; or

(iv) syndicated loans currently being executed, or that include language similar to that contained in this ***Section 3.03***, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace LIBOR,

then, in the case of ***clauses (i)-(iii)*** above, on a date and time determined by Administrative Agent (any such date, the "***LIBOR Replacement Date***"), which date shall be at the end of an Interest Period or on the relevant interest payment date, as applicable, for interest calculated and shall occur reasonably promptly upon the occurrence of any of the events or circumstances under ***clauses (i)***, ***(ii)*** or ***(iii)*** above and, solely with respect to ***clause (ii)*** above, no later than the Scheduled Unavailability Date, LIBOR will be replaced hereunder and under any Loan Document with, subject to the proviso below, the first available alternative set forth in the order below for any payment period for interest calculated that can be determined by Administrative Agent, in each case, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document (the "***LIBOR Successor Rate***"; and any such rate before giving effect to the Related Adjustment, the "***Pre-Adjustment Successor Rate***"):

(x) Term SOFR *plus* the Related Adjustment; and

(y) SOFR *plus* the Related Adjustment;

and in the case of ***clause (iv)*** above, Borrower and Administrative Agent may amend this Agreement solely for the purpose of replacing LIBOR under this Agreement and under any other Loan Document in accordance with the definition of "***LIBOR Successor Rate***" and such amendment will become effective at 5:00 p.m., on the fifth Business Day after Administrative Agent shall have notified all Lenders and Borrower of the occurrence of the circumstances described in ***clause (iv)*** above unless, prior to such time, Lenders comprising the Required Lenders have delivered to Administrative Agent written notice that such Required Lenders object to the implementation of a LIBOR Successor Rate pursuant to such clause; *provided* that, if Administrative Agent determines that Term SOFR has become available, is administratively feasible for Administrative Agent and would have been identified as the Pre-Adjustment Successor Rate in accordance with the foregoing if it had been so available at the time that the LIBOR Successor Rate then in effect was so identified, and Administrative Agent notifies Borrower and each Lender of such availability, then from and after the beginning of the Interest Period, relevant interest payment date or payment period for interest calculated, in each case, commencing no less than 30 days after the date of such notice, the Pre-Adjustment Successor Rate shall be Term SOFR and the LIBOR Successor Rate shall be Term SOFR plus the relevant Related Adjustment.

Administrative Agent will promptly (in one or more notices) notify Borrower and each Lender of (x) any occurrence of any of the events, periods or circumstances under ***clauses (i)*** through ***(iii)*** above, (y) a LIBOR Replacement Date and (z) the LIBOR Successor Rate.

Any LIBOR Successor Rate shall be applied in a manner consistent with market practice; provided that to the extent such market practice is not administratively feasible for Administrative Agent, such LIBOR Successor Rate shall be applied in a manner as otherwise reasonably determined by Administrative Agent.

Notwithstanding anything else herein, if at any time any LIBOR Successor Rate as so determined would otherwise be less than 0.50%, the LIBOR Successor Rate will be deemed to be 0.50% for the purposes of this Agreement and the other Loan Documents.

In connection with the implementation of a LIBOR Successor Rate, Administrative Agent will have the right to make LIBOR Successor Rate Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such LIBOR Successor Rate Conforming Changes will become effective without any further action or consent of any other party to this Agreement; *provided* that, with respect to any such amendment effected, Administrative Agent shall post each such amendment implementing such LIBOR Successor Rate Conforming Changes to Borrower and the Lenders reasonably promptly after such amendment becomes effective.

If the events or circumstances of the type described in ***Section 3.03(c)(i)-(iii)*** have occurred with respect to the LIBOR Successor Rate then in effect, then the successor rate thereto shall be determined in accordance with the definition of "***LIBOR Successor Rate***."

(d) Notwithstanding anything to the contrary herein, (i) after any such determination by Administrative Agent or receipt by Administrative Agent of any such notice described under ***Section 3.03(c)(i)-(iii)***, as applicable, if Administrative Agent determines that none of the LIBOR Successor Rates is available on or prior to the LIBOR Replacement Date, (ii) if the events or circumstances described in ***Section 3.03(c)(iv)*** have occurred but none of the LIBOR Successor Rates is available, or (iii) if the events or circumstances of the type described in ***Section 3.03(c)(i)-(iii)*** have occurred with respect to the LIBOR Successor Rate then in effect and Administrative Agent determines that none of the LIBOR Successor Rates is available, then in each case, Administrative Agent and Borrower may amend this Agreement solely for the purpose of replacing LIBOR or any then current LIBOR Successor Rate in accordance with this ***Section 3.03*** at the end of any Interest Period, relevant interest payment date or payment period for interest calculated, as applicable, with another alternate benchmark rate giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated syndicated credit facilities for such alternative benchmarks and, in each case, including any Related Adjustments and any other mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated syndicated credit facilities for such benchmarks, which adjustment or method for calculating such adjustment shall be published on an information service as selected by Administrative Agent from time to time in its reasonable discretion and may be periodically updated. For the avoidance of doubt, any such proposed rate and adjustments shall constitute a LIBOR Successor Rate. Any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after Administrative Agent shall have posted such proposed amendment to all Lenders and Borrower unless, prior to such time, Lenders comprising the Required Lenders have delivered to Administrative Agent written notice that such Required Lenders object to such amendment.

(e) If, at the end of any Interest Period, relevant interest payment date or payment period for interest calculated, no LIBOR Successor Rate has been determined in accordance with ***clauses (c)*** or ***(d)*** of this ***Section 3.03*** and the circumstances under ***clauses (c)(i)*** or ***(c)(iii)*** above exist or the Scheduled Unavailability Date has occurred (as applicable), Administrative Agent will promptly so notify Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended, (to the extent of the affected Eurodollar Rate Loans, Interest Periods, interest payment dates or payment periods), and (y) the Eurodollar Rate component shall no longer be utilized in determining the Base Rate, until the LIBOR Successor Rate has been determined in accordance with ***clauses (c)*** or ***(d)***. Upon receipt of such notice, Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans (to the extent of the affected Eurodollar Rate Loans, Interest Periods, interest payment dates or payment periods) or, failing that, will be deemed to have converted such

request into a request for a Borrowing of Base Rate Loans (subject to the foregoing ***clause (y)***) in the amount specified therein.

3.04 **Increased Costs; Reserves on Eurodollar Rate Loans**.

(a) **Increased Costs Generally**. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by ***Section 3.04(e)***) or any L/C Issuer;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in ***clauses (b)*** through ***(d)*** of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or any L/C Issuer or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Rate Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or such L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or such L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or such L/C Issuer, Borrower will pay to such Lender or such L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or such L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) **Capital Requirements**. If any Lender or any L/C Issuer determines that any Change in Law affecting such Lender or such L/C Issuer or any Lending Office of such Lender or such Lender's or such L/C Issuer's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or such L/C Issuer's capital or on the capital of such Lender's or such L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such L/C Issuer, to a level below that which such Lender or such L/C Issuer or such Lender's or such L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such L/C Issuer's policies and the policies of such Lender's or such L/C Issuer's holding company with respect to capital adequacy), then from time to time Borrower will pay to such Lender or such L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or such L/C Issuer or such Lender's or such L/C Issuer's holding company for any such reduction suffered.

(c) **Certificates for Reimbursement**. A certificate of a Lender or an L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or such L/C Issuer or its holding company, as the case may be, as specified in ***clauses (a)*** or ***(b)*** of this ***Section 3.04*** and delivered to Borrower shall be conclusive absent manifest error. Borrower shall pay such Lender

or such L/C Issuer, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) **Delay in Requests**. Failure or delay on the part of any Lender or any L/C Issuer to demand compensation pursuant to the foregoing provisions of this ***Section 3.04*** shall not constitute a waiver of such Lender's or such L/C Issuer's right to demand such compensation, *provided* that Borrower shall not be required to compensate a Lender or an L/C Issuer pursuant to the foregoing provisions of this ***Section 3.04*** for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or such L/C Issuer, as the case may be, notifies Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) **Reserves on Eurodollar Rate Loans**. Borrower shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "***Eurocurrency liabilities***"), additional interest on the unpaid principal amount of each Eurodollar Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, *provided* Borrower shall have received at least 10 days' prior notice (with a copy to Administrative Agent) of such additional interest from such Lender. If a Lender fails to give notice 10 days prior to the relevant Interest Payment Date, such additional interest shall be due and payable 10 days from receipt of such notice.

3.05 **Compensation for Losses**. Upon demand of any Lender (with a copy to Administrative Agent) from time to time, Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by Borrower; or

(c) any assignment of a Eurodollar Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by Borrower pursuant to ***Section 10.13***;

including any loss of anticipated profits and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by Borrower to the Lenders under this ***Section 3.05***, each Lender shall be deemed to have funded each Eurodollar Rate Loan made by it at the Eurodollar Rate for such Loan by a matching deposit or other borrowing in the London interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan was in fact so funded.

3.06 **Mitigation Obligations; Replacement of Lenders**.

(a) **Designation of a Different Lending Office**. Each Lender may make any Credit Extension to Borrower through any Lending Office,*provided* that the exercise of this option shall not affect the obligation of Borrower to repay the Credit Extension in accordance with the terms of this Agreement. If any Lender requests compensation under ***Section 3.04***, or requires Borrower to pay any Indemnified Taxes or additional amounts to any Lender, any L/C Issuer, or any Governmental Authority for the account of any Lender or any L/C Issuer pursuant to ***Section 3.01***, or if any Lender gives a notice pursuant to ***Section 3.02***, then at the request of Borrower such Lender or such L/C Issuer shall, as applicable, use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender or such L/C Issuer, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to ***Section 3.01*** or ***3.04***, as the case may be, in the future, or eliminate the need for the notice pursuant to ***Section 3.02***, as applicable, and (ii) in each case, would not subject such Lender or such L/C Issuer, as the case may be, to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or such L/C Issuer, as the case may be. Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender or any L/C Issuer in connection with any such designation or assignment.

(b) **Replacement of Lenders**. If any Lender requests compensation under ***Section 3.04***, or if Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to ***Section 3.01*** and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with ***Section 3.06(a)***, Borrower may replace such Lender in accordance with ***Section 10.13***.

3.07 **Survival**. All of Borrower's obligations under this ***Article III*** shall survive termination of the Aggregate Commitments, repayment of all other Obligations hereunder, and resignation of Administrative Agent.

IV. CONDITIONS PRECEDENT TO CREDIT EXTENSIONS.

4.01 **Conditions of Initial Credit Extension**. The obligation of each L/C Issuer and each Lender to make its initial Credit Extension hereunder is subject to satisfaction of the following conditions precedent:

(a) Administrative Agent's receipt of the following, each of which shall be originals or telecopies (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance satisfactory to Administrative Agent and each of the Lenders:

(i) executed counterparts of this Agreement and each Guaranty, sufficient in number for distribution to Administrative Agent, each L/C Issuer, each Lender and Borrower;

(ii) a Note executed by Borrower in favor of each Lender requesting a Note;

(iii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as Administrative

Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which any Loan Party is a party;

(iv) such documents and certifications as Administrative Agent may reasonably require to evidence that each Loan Party is duly organized or formed, and that each Loan Party is validly existing, in good standing and qualified to engage in business in each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect;

(v) a favorable opinion of Baker Botts LLP, counsel to the Loan Parties, addressed to Administrative Agent, each L/C Issuer and each Lender, regarding the Loan Parties and the Loan Documents in form and substance reasonably acceptable to the Required Lenders;

(vi) a certificate of a Responsible Officer of each Loan Party (A) either (1) attaching copies of all consents, licenses and approvals required in connection with the execution, delivery and performance by such Loan Party and the validity against such Loan Party of the Loan Documents to which it is a party, and such consents, licenses and approvals shall be in full force and effect, or (2) stating that no such consents, licenses or approvals are so required; and (B) certifying that there are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of each such Loan Party after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against any member of the Consolidated Group or against any of their properties or revenues that (1) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby, or (2) either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect;

(vii) a certificate signed by a Responsible Officer of Borrower certifying (A) that the conditions specified in ***Sections 4.02(a)*** and ***(b)*** have been satisfied; and (B) that there has been no event or circumstance since December 31, 2019 that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect;

(viii) executed affidavits establishing that all of the Loan Documents have been executed and delivered by Borrower and accepted by the Administrative Agent outside of the State of Florida and delivered to Administrative Agent (or its agent or designee) outside of the State of Florida;

(ix) the Historical Audited Financial Statements, the unaudited financial statements and the Proforma Financial Statements referred to in ***Section 5.05(a), (b)*** and ***(d)***;

(x) a duly completed Compliance Certificate dated as of the Closing Date and calculated as of the last day of the fiscal quarter of Borrower ended on September 30, 2020 after giving pro forma effect to the IPO, the Corporate Reorganization, the Borrowings on the Closing Date under the Credit Agreement, and payment in full of the Existing Credit Agreements, signed by a Responsible Officer of Borrower;

(xi) a duly completed Borrowing Base Certificate dated as of the Closing Date and calculated as of December 31, 2020, signed by a Responsible Officer of Borrower;

(xii) payoff letters or other evidence that each of the Existing Credit Agreements has been or concurrently with the Closing Date is being terminated and all Liens securing obligations thereunder, except for Liens permitted under ***Section 7.01(j)***, have been or concurrently with the Closing Date are being released;

(xiii) evidence that Borrower shall have completed the Corporate Reorganization and the IPO; and

(xiv) such other assurances, certificates, documents, consents or opinions as Administrative Agent, any L/C Issuer or the Required Lenders reasonably may require, including Borrower's Instruction Certificate and Borrower Remittance Instructions.

(b) (i) Upon the reasonable request of any Lender made at least 15 days prior to the Closing Date, Borrower shall have provided to such Lender, and such Lender shall be reasonably satisfied with, the documentation and other information so requested in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including the PATRIOT Act, in each case at least 10 days prior to the Closing Date and (ii) at least 10 days prior to the Closing Date, any Loan Party that qualifies as a "legal entity customer" under the Beneficial Ownership Regulation shall have delivered, to each Lender that so requests, a Beneficial Ownership Certification in relation to such Loan Party.

(c) Any fees required to be paid on or before the Closing Date shall have been paid.

(d) Unless waived by Administrative Agent, Borrower shall have paid all fees, charges and disbursements of counsel to Administrative Agent (directly to such counsel if requested by Administrative Agent) to the extent invoiced prior to or on the Closing Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (*provided* that such estimate shall not thereafter preclude a final settling of accounts between Borrower and Administrative Agent).

(e) The Closing Date shall have occurred on or before [February 1], 2021.

Without limiting the generality of the provisions of the last paragraph of ***Section 9.03***, for purposes of determining compliance with the conditions specified in this ***Section 4.01***, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

4.02 **Conditions to all Credit Extensions**. The obligation of each Lender to honor any Request for Credit Extension (other than a Loan Notice requesting only a conversion of Loans to the other Type, or a continuation of Eurodollar Rate Loans) is subject to the following conditions precedent:

(a) The representations and warranties of Borrower and each other Loan Party contained in ***Article V*** or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct on and as of the date of such Credit Extension, except to the extent that such representations and warranties

specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date, and except that for purposes of this ***Section 4.02***, the representations and warranties contained in ***subsections (a)*** and ***(b)*** of ***Section 5.05*** shall be deemed to refer to the most recent statements furnished pursuant to ***subsections (a)*** and ***(b)***, respectively, of ***Section 6.01***.

(b) No Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) Administrative Agent and, if applicable, the applicable L/C Issuer shall have received a Request for Credit Extension in accordance with the requirements hereof.

(d) Administrative Agent and, if applicable, the applicable L/C Issuer shall have received a pro forma Borrowing Base Certificate, dated as of the date of the applicable Credit Extension.

(e) After giving effect to such proposed Credit Extension, (i) the Total Outstandings do not exceed the lesser of (A) the Aggregate Commitments and (B) Borrowing Base Availability minus Borrowing Base Debt other than the Obligations; (ii) the amount of the credit extension does not exceed the unused portion of the Aggregate Commitments; (iii) the outstanding Borrowing Base Debt does not exceed Borrowing Base Availability; and (iv) Borrower is in compliance with the covenants set forth in ***Section 7.13*** calculated on a pro forma basis.

Each Request for Credit Extension (other than a Loan Notice requesting only a conversion of Loans to the other Type or a continuation of Eurodollar Rate Loans) submitted by Borrower shall be deemed to be a representation and warranty that the conditions specified in ***Sections 4.02(a)*** and ***(b)*** have been satisfied on and as of the date of the applicable Credit Extension.

V. **REPRESENTATIONS AND WARRANTIES**. Borrower represents and warrants to Administrative Agent and the Lenders that:

5.01 **Existence, Qualification and Power**. Each Loan Party and each Subsidiary thereof (a) is duly organized or formed, validly existing and, as applicable, in good standing or active status under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in ***clause (b)(i)*** or ***(c)***, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.02 **Authorization; No Contravention**. The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is party, have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of (or the requirement to create) any Lien under, or require any payment to be made under (i) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Applicable Law.

5.03 **Governmental Authorization; Other Consents**. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document.

5.04 **Binding Effect**. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms.

5.05 **Financial Statements; No Material Adverse Effect**.

(a) The Historical Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present the financial condition of DF Holdings and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (iii) show all material indebtedness and other liabilities, direct or contingent, of DF Holdings and its Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Indebtedness. When delivered as required under this Agreement, the Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present the financial condition of the Consolidated Group as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Consolidated Group as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(b) The unaudited consolidated balance sheet of DF Holdings and its Subsidiaries dated September 30, 2020, and the related consolidated statements of income or operations, shareholders' equity and cash flows for the fiscal quarter ended on that date (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present the financial condition of DF Holdings and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of ***clauses (i)*** and ***(ii)***, to the absence of footnotes and to normal year-end audit adjustments. ***Schedule 5.05*** sets forth all material indebtedness and other liabilities, direct or contingent, of DF Holdings as of the Closing Date not reflected in such financial statements, including liabilities for taxes, material commitments and Indebtedness. When delivered as required under this Agreement, the unaudited consolidated balance sheet of the Consolidated Group dated March 31, 2021, and the related consolidated statements of income or operations, shareholders' equity and cash flows for the fiscal quarter ended on that date (A) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (B) fairly present the financial condition of the Consolidated Group as of the date thereof and their results of operations for the period covered thereby, subject, in the case of ***clauses (A)*** and ***(B)***, to the absence of footnotes and to normal year-end audit adjustments.

(c) Since the date of the Historical Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

(d) The Proforma Financial Statements fairly present the consolidated pro forma financial condition of the Consolidated Group as of the dates set forth therein and the consolidated pro forma results of operations of the Consolidated Group for the periods ended on such dates, all in accordance with GAAP.

5.06 **Litigation**. There are no actions, suits, proceedings, claims or disputes pending or, to the actual knowledge of any member of the Consolidated Group after due and diligent investigation, threatened, at law, in equity, in arbitration or before any Governmental Authority, by or against any member of the Consolidated Group or against any of their properties or revenues that (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby, or (b) either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect.

5.07 **No Default**. No member of the Consolidated Group is in default under or with respect to any Contractual Obligation that could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

5.08 **Ownership of Property; Liens**. Each member of the Consolidated Group has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The property of Borrower and its Subsidiaries is subject to no Liens, other than Liens permitted by ***Section 7.01***.

5.09 **Environmental Compliance**. Each member of the Consolidated Group conducts in the ordinary course of business a review of the effect of existing Environmental Laws and claims alleging potential liability or responsibility for violation of any Environmental Law on their respective businesses, operations and properties. Such Environmental Laws and claims could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.10 **Insurance**. The properties of each member of the Consolidated Group are insured with financially sound and reputable insurance companies not Affiliates of any member of the Consolidated Group, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the applicable member of the Consolidated Group operates.

5.11 **Taxes**. The members of the Consolidated Group have filed all Federal, state and other material tax returns and reports required to be filed, and have paid all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against the members of the Consolidated Group that would, if made, have a Material Adverse Effect. No member of the Consolidated Group is party to any tax sharing agreement.

5.12 **ERISA Compliance**.

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other Federal or state laws. Each Pension Plan that is intended to be a qualified plan under *Section 401(a)* of the Code has received a favorable determination letter from the Internal Revenue Service to the effect that the form of such Plan is qualified under *Section 401(a)* of the Code and the trust related thereto has been determined by the Internal

Revenue Service to be exempt from federal income tax under *Section 501(a)* of the Code, or an application for such a letter is currently being processed by the Internal Revenue Service. To the best knowledge of each member of the Consolidated Group, nothing has occurred that would prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the best knowledge of each member of the Consolidated Group, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) (i) No ERISA Event has occurred, and no Loan Party nor any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan; (ii) each Loan Party and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; (iii) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in *Section 430(d)(2)* of the Code) is 60% or higher and no Loan Party nor any ERISA Affiliate knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage for any such plan to drop below 60% as of the most recent valuation date; (iv) no Loan Party nor any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; (v) no Loan Party nor any ERISA Affiliate has engaged in a transaction that could be subject to *Section 4069* or *Section 4212(c*) of ERISA; and (vi) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under *Title IV* of ERISA to terminate any Pension Plan.

(d) No Loan Party nor any ERISA Affiliate maintains or contributes to, or has any unsatisfied obligation to contribute to, or liability under, any active or terminated Pension Plan other than Pension Plans not otherwise prohibited by this Agreement.

(e) Each Loan Party represents and warrants as of the Closing Date that such Loan Party is not and will not be using "plan assets" (within the meaning of 29 CFR §2510.3-101, as modified by *Section 3(42)* of ERISA or otherwise) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments.

5 . 1 3 **Subsidiaries; Equity Interests**. As of the Closing Date, Borrower has no Subsidiaries (other than any VIE's) other than those specifically disclosed in ***Part (a)*** of ***Schedule 5.13***, and all of the outstanding Equity Interests in such Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by a Loan Party in the amounts specified on ***Part (a)*** of ***Schedule 5.13*** free and clear of all Liens. As of the Closing Date, Borrower has no equity Investments in any other Person other than those specifically disclosed in ***Part (b)*** of ***Schedule 5.13***. As of the Closing Date, Borrower has no Investments in any VIE's other than those specifically disclosed in ***Part (c)*** of ***Schedule 5.13***.

5.14 **Margin Regulations; Investment Company Act**.

(a) No member of the Consolidated Group is engaged nor will any member of the Consolidated Group engage, principally or as one of its important activities, in the business of

purchasing or carrying margin stock (within the meaning of Regulation U), or extending credit for the purpose of purchasing or carrying margin stock.

(b) Following the application of the of the proceeds of each Borrowing or drawing under each Letter of Credit, not more than 25% of the value of the assets (either of Borrower only or of the Consolidated Group) subject to the provisions of ***Section 7.01*** or ***Section 7.05*** or subject to any restriction contained in any agreement or instrument between Borrower and any Lender or any Affiliate of any Lender relating to Indebtedness and within the scope of ***Section 8.01(e)*** will be margin stock.

(c) No member of the Consolidated Group, nor any Person Controlling any member of the Consolidated Group, is or is required to be registered as an "investment company" under the Investment Company Act of 1940.

5.15 **Disclosure**.

(a) Each Loan Party has disclosed to Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information furnished (whether in writing or orally) by or on behalf of any Loan Party to Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case, as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that, with respect to projected financial information, Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

(b) As of the date most recently delivered, the information included in the Beneficial Ownership Certification, if applicable, is true and correct in all respects.

5.16 **Compliance with Laws**. Each member of the Consolidated Group is in compliance in all material respects with the requirements of all Applicable Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

5.17 **Taxpayer Identification Number**. Borrower's true and correct U.S. taxpayer identification number is set forth on ***Schedule 10.02***.

5.18 **Intellectual Property; Licenses, Etc**. Each member of the Consolidated Group owns, or possesses the right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights, trade secrets, know-how, franchises, licenses and other intellectual property rights (collectively, "***IP Rights***") that are reasonably necessary for the operation of its respective businesses, without conflict with the rights of any other Person. To the best knowledge of each member of the Consolidated Group, no product, service, process, method, substance, part or other material now used, or now contemplated to be used, by any member of the Consolidated Group infringes, misappropriates or otherwise violates upon any rights held by any other Person. No claim or litigation regarding any of the foregoing is pending or, to the actual knowledge of each member of the Consolidated Group, threatened, which, either individually or in

the aggregate, could reasonably be expected to have a Material Adverse Effect. To the best knowledge of each member of the Consolidated Group, there has been no unauthorized use, access, interruption, modification, corruption or malfunction of any information technology assets or systems (or any information or transactions stored or contained therein or transmitted thereby) owned or used by any member of the Consolidated Group, which, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

5.19 **OFAC**. No member of the Consolidated Group, nor, to the knowledge of any member of the Consolidated Group, any director, officer, employee, agent, affiliate or representative thereof, is an individual or entity that is, or is owned or controlled by one or more individuals or entities that are (a) currently the subject or target of any Sanctions, (b) included on OFAC's List of Specially Designated Nationals or HMT's Consolidated List of Financial Sanctions Targets, or any similar list enforced by any other relevant sanctions authority or (c) located, organized or resident in a Designated Jurisdiction. The members of the Consolidated Group have conducted their businesses in compliance in all material respects with all applicable Sanctions and have instituted and maintained policies and procedures designed to promote and achieve compliance with such Sanctions.

5.20 **Anti-Corruption Laws**. Each member of the Consolidated Group has conducted its businesses in compliance in all material respects with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other applicable anti-corruption legislation in other jurisdictions and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

5.21 **Affected Financial Institutions**. No Loan Party is an Affected Financial Institution.

5.22 **Covered Entities**. No Loan Party is a Covered Entity.

5.23 **Solvency**. Each Loan Party is, individually and together with its Subsidiaries on a consolidated basis, Solvent.

5.24 **Stock Exchange Listing**. On and after the Closing Date, Borrower's common Equity Interests are currently publicly traded on the New York Stock Exchange and NASDAQ.

5.25 **Borrowing Base**. Each Housing Unit and each Finished Lot included in Borrowing Base Availability is eligible to be included therein pursuant to the requirements of this Agreement.

VI. **AFFIRMATIVE COVENANTS**. So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, Borrower shall, and shall (except in the case of the covenants set forth in ***Sections 6.01***, ***6.02***, and ***6.03***) cause each other member of the Consolidated Group to:

6.01 **Financial Statements**. Deliver to Administrative Agent and each Lender, in form and detail satisfactory to Administrative Agent:

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of Borrower (or, if earlier, 15 days after the date required to be filed with the SEC (without giving effect to any extension permitted by the SEC)) (commencing with the fiscal year ended December 31, 2020), a consolidated balance sheet of the Consolidated Group as at the end of such fiscal year, and the related consolidated statements of income or operations, changes in shareholders' equity, and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance

with GAAP, audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing reasonably acceptable to the Required Lenders, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception; *provided* that the audited financial statements for the fiscal year ended December 31, 2020 may be for DF Holdings;

(b) as soon as available, but in any event within 45 days after the end of each of the first three fiscal quarters of each fiscal year of Borrower (or, if earlier, five days after the date required to be filed with the SEC (without giving effect to any extension permitted by the SEC)) (commencing with the fiscal quarter ended March 31, 2021), a consolidated balance sheet of the Consolidated Group as at the end of such fiscal quarter, the related consolidated statements of income or operations for such fiscal quarter and for the portion of Borrower's fiscal year then ended, and the related consolidated statements of changes in shareholders' equity, and cash flows for the portion of Borrower's fiscal year then ended, in each case setting forth in comparative form, as applicable, the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, certified by a Responsible Officer of Borrower as fairly presenting the financial condition, results of operations, shareholders' equity and cash flows of the Consolidated Group in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes; and

(c) as soon as available, but in any event within 90 days after the end of each fiscal year of Borrower, forecasts prepared by management of Borrower, in form satisfactory to Administrative Agent and the Required Lenders, of consolidated balance sheets and statements of income or operations and cash flows of the Consolidated Group on a monthly basis for the immediately following fiscal year (including the fiscal year in which the Maturity Date occurs).

As to any information contained in materials furnished pursuant to ***Section 6.02(e)***, Borrower shall not be separately required to furnish such information under ***subsection (a)*** or ***(b)*** above, but the foregoing shall not be in derogation of the obligation of Borrower to furnish the information and materials described in ***subsections (a)*** and ***(b)*** above at the times specified therein.

6.02 **Certificates; Other Information**. Deliver to Administrative Agent and each Lender, in form and detail satisfactory to Administrative Agent and the Required Lenders:

(a) concurrently with the delivery of the financial statements referred to in ***Sections 6.01(a)*** and ***(b)***, a duly completed Compliance Certificate signed by a Responsible Officer of Borrower (which delivery may, unless Administrative Agent, or a Lender requests executed originals, be by electronic communication including fax or email and shall be deemed to be an original authentic counterpart thereof for all purposes) representing and certifying, inter alia, compliance with the covenants set forth in ***Section 7.13*** for the period covered by such Compliance Certificate, and containing the calculations in reasonable detail evidencing such compliance as of the end of the period covered by such Compliance Certificate; *provided* that the Compliance Certificate delivered with the audited financial statements for the fiscal year ended December 31, 2020 shall be calculated as of December 31, 2020 after giving pro forma effect to the IPO, the Corporate Reorganization, the Borrowings on the Closing Date under the Credit Agreement, and payment in full of the Existing Credit Agreements;

(b) promptly, and in any event within 45 days after each fiscal quarter end, a report from a Responsible Officer of Borrower detailing, sales, closings, and inventory of Housing Units of the Consolidated Group for such fiscal quarter;

(c) promptly, and in any event within 30 days after each calendar month end, a Borrowing Base Certificate with calculations as of the end of such calendar month;

(d) promptly after any request by Administrative Agent or any Lender, copies of any detailed audit reports, management letters or recommendations submitted to the board of directors (or the audit committee of the board of directors) of Borrower by independent accountants in connection with the accounts or books of Borrower or any Subsidiary, or any audit of any of them;

(e) promptly after the same are available, copies of each annual report, proxy or financial statement or other report or communication sent to the stockholders of Borrower, and copies of all annual, regular, periodic and special reports and registration statements which Borrower may file or be required to file with the SEC under *Section 13* or *15(d)* of the Securities Exchange Act of 1934, and not otherwise required to be delivered to Administrative Agent pursuant hereto;

(f) promptly, and in any event within five Business Days after receipt thereof by any member of the Consolidated Group, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of any member of the Consolidated Group;

(g) promptly following any request therefor, provide information and documentation reasonably requested by Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money-laundering rules and regulations, including the PATRIOT Act and the Beneficial Ownership Regulation; and

(h) promptly, such additional information regarding the business, financial, legal or corporate affairs of any member of the Consolidated Group, or compliance with the terms of the Loan Documents, as Administrative Agent or any Lender may from time to time reasonably request.

Documents required to be delivered pursuant to ***Section 6.01(a)*** and ***(b)*** or ***Section 6.02(e)*** (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the applicable member of the Consolidated Group posts such documents, or provides a link thereto on a member of the Consolidated Group's website on the Internet at the website address listed on ***Schedule 10.02***; or (ii) on which such documents are posted on the applicable member of the Consolidated Group's behalf on an Internet or intranet website, if any, to which each Lender and Administrative Agent have access (whether a commercial, third-party website or whether sponsored by Administrative Agent); *provided* that: (i) Borrower shall deliver paper copies of such documents to Administrative Agent or any Lender upon its request to Borrower to deliver such paper copies until a written request to cease delivering paper copies is given by Administrative Agent or such Lender and (ii) Borrower shall notify Administrative Agent and each Lender (by facsimile or electronic mail) of the posting of any such documents and provide to Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by Borrower with any such request by a Lender for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

Borrower hereby acknowledge that (a) Administrative Agent and/or the Arrangers may, but shall not be obligated to, make available to the Lenders and the L/C Issuers materials and/or information provided by or on behalf of Borrower hereunder (collectively, "***Borrower Materials***") by posting Borrower Materials on IntraLinks, SyndTrak, ClearPar, or a substantially similar electronic transmission system (the "***Platform***") and (b) certain of the Lenders (each, a "***Public Lender***") may have personnel who do not wish

to receive material non-public information with respect to Borrower or their Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. Borrower hereby agree that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," Borrower shall be deemed to have authorized Administrative Agent, the Arrangers, each L/C Issuer and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to Borrower or their securities for purposes of United States Federal and state securities laws (*provided*, *however*, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in ***Section 10.07***); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (z) Administrative Agent and the Arrangers shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information." Notwithstanding the foregoing, Borrower shall not be under any obligation to mark any Borrower Materials "PUBLIC."

6.03 **Notices**. Promptly notify Administrative Agent and each Lender:

(a) of the occurrence of any Default;

(b) of any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect, including (i) breach or non-performance of, or any default under, a Contractual Obligation of any member of the Consolidated Group; (ii) any action, suit, dispute, litigation, investigation, proceeding or suspension involving any Loan Party or any Subsidiary or any of their respective properties and any Governmental Authority; or (iii) the commencement of, or any material development in, any litigation or proceeding affecting any member of the Consolidated Group, including pursuant to any applicable Environmental Laws;

(c) of the occurrence of any ERISA Event; and

(d) of any material change in accounting policies or financial reporting practices by any member of the Consolidated Group, including any determination by Borrower referred to in ***Section 2.09(b)***.

Each notice pursuant to this ***Section 6.03*** shall be accompanied by a statement of a Responsible Officer of the applicable member of the Consolidated Group setting forth details of the occurrence referred to therein and stating what action such member of the Consolidated Group has taken and proposes to take with respect thereto. Each notice pursuant to ***Section 6.03(a)*** shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

6.04 **Payment of Obligations**. Pay and discharge as the same shall become due and payable, all its obligations and liabilities, including (a) all Tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by Borrower or such Subsidiary; (b) all lawful claims which, if unpaid, would by law become a Lien upon its property; and (c) all Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness.

6.05 **Preservation of Existence, Etc**. (a) Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by ***Section 7.04*** or ***7.05***; (b) take all reasonable action to maintain all rights,

privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

6.06 **Maintenance of Properties**. (a) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; (b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) use the standard of care typical in the industry in the operation and maintenance of its facilities.

6.07 **Maintenance of Insurance**. Maintain with financially sound and reputable insurance companies not Affiliates of Borrower, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons.

6.08 **Compliance with Laws**. Comply in all material respects with the requirements of all Applicable Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

6.09 **Books and Records**. (a) Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of each such Person, as the case may be; and (b) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over such Person, as the case may be.

6.10 **Inspection Rights**. Permit representatives and independent contractors of Administrative Agent and each Lender to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at the expense of Borrower and at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to Borrower; *provided*, *however*, that when an Event of Default exists Administrative Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of Borrower at any time during normal business hours and without advance notice.

6.11 **Use of Proceeds**. Use the proceeds of the Credit Extensions for refinancing existing Indebtedness of the Consolidated Group on the Closing Date under the Existing Credit Agreements, general corporate purposes (including, without limitation, working capital, capital expenditures, acquisitions, construction, horizontal and vertical development and redevelopment), and other lawful corporate purposes not in contravention of any Law or of any Loan Document.

6.12 **Additional Guarantors**. Notify Administrative Agent at the time that any Person becomes a Subsidiary (other than an Excluded Subsidiary) or any Subsidiary no longer qualifies as an Excluded Subsidiary, and promptly thereafter (and in any event within 30 days), cause such Person to (a) become a Guarantor by executing and delivering to Administrative Agent a counterpart of the Guaranty or such other document as Administrative Agent shall deem appropriate for such purpose, and (b) deliver to

Administrative Agent documents of the types referred to in ***clauses (iii)*** and ***(iv)*** of ***Section 4.01(a)*** and favorable opinions of counsel to such Person (which shall cover, among other things, the legality, validity, binding effect and enforceability of the documentation referred to in ***clause (a)***), all in form, content and scope reasonably satisfactory to Administrative Agent.

6.13 **Anti-Corruption Laws; Sanctions**. Conduct its businesses in compliance in all material respects with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other applicable anti-corruption legislation in other jurisdictions and with all applicable Sanctions, and maintain policies and procedures designed to promote and achieve compliance with such laws and Sanctions.

6.14 **Environmental Matters**. (a) Comply with all Environmental Laws except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect; and (b) keep its properties free of Hazardous Material to the extent failing to take any such action or actions could reasonably be expected to have a Material Adverse Effect.

6.15 **Further Assurances**. Execute any and all further documents, agreements and instruments, and take all such further actions which may be required under any Applicable Law, or which either Administrative Agent or any Lender may reasonably request, to effectuate the transactions contemplated by the Loan Documents to which it is a party.

6.16 **Lien Searches**. Promptly following a written request from Administrative Agent, Borrower shall deliver to Administrative Agent completed requests for information listing all financing statements that name any Loan Party as debtor, together with copies of such financing statements.

6.17 **Material Contracts**. Perform and observe all the terms and provisions of each Material Contract to be performed or observed by it, maintain each such Material Contract in full force and effect, enforce each such Material Contract in accordance with its terms, take all such action to such end as may be from time to time requested by Administrative Agent and, upon request of Administrative Agent, make to each other party to each such Material Contract such demands and requests for information and reports or for action as any Loan Party or any of its Subsidiaries is entitled to make under such Material Contract, and cause each of its Subsidiaries to do so.

VII. **NEGATIVE COVENANTS**. So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, Borrower shall not, nor shall it permit any other member of the Consolidated Group to, directly or indirectly:

7.01 **Liens**. Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) Liens pursuant to any Loan Document;

(b) Liens for Taxes not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(c) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 30 days or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person;

(d) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA;

(e) deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(f) notices of commencement, easements, rights-of-way, restrictions, development agreements, special taxing district documents, community development district documents, metropolitan district documents and other similar encumbrances affecting real property which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person;

(g) Liens securing Indebtedness permitted under ***Section 7.03(d)***; *provided* that (i) such Liens do not at any time encumber any property other than the property financed by such Indebtedness and (ii) the Indebtedness secured thereby does not exceed the cost or fair market value, whichever is lower, of the property being acquired on the date of acquisition;

(h) Liens securing judgments for the payment of money not constituting an Event of Default under ***Section 8.01(h)***;

(i) Liens securing Indebtedness permitted under ***Section 7.03(i)***; and

(j) Liens that secure Indebtedness that has been paid in full in accordance with payoff statements, payoff letters, or other similar documentation but for which Lien terminations have not yet been filed or recorded but are being diligently pursued in good faith, so long as such Lien terminations are filed or recorded within 60 days following the date such Indebtedness has been paid in full (or such later date as Administrative Agent agrees in its sole discretion).

7.02 **Investments**. Make any Investments, except:

(a) Investments held by a member of the Consolidated Group in the form of cash equivalents;

(b) advances to officers, directors and employees of a member of the Consolidated Group in an aggregate amount not to exceed $6,000,000 at any time outstanding, for travel, entertainment, relocation and analogous ordinary business purposes;

(c) Subject to ***Section 7.13(f)***, Investments of any member of the Consolidated Group in any other member of the Consolidated Group;

(d) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(e) Subject to ***Section 7.13(f)***, Investments in Unconsolidated Affiliates; and

(f) Guarantees permitted by ***Section 7.03***.

7.03 **Indebtedness**. Create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness under the Loan Documents;

(b) Guarantees of any member of the Consolidated Group in respect of Indebtedness otherwise permitted hereunder of any other member of the Consolidated Group;

(c) obligations (contingent or otherwise) of Borrower or any Subsidiary existing or arising under any Swap Contract, *provided* that (i) such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person, and not for purposes of speculation or taking a "market view;" and (ii) such Swap Contract does not contain any provision exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party;

(d) Indebtedness in respect of Capital Leases, Synthetic Lease Obligations and purchase money obligations for fixed or capital assets within the limitations set forth in ***Section 7.01(f)***; *provided*, *however*, that the aggregate amount of all such Indebtedness at any one time outstanding shall not exceed $5,000,000; *provided, further* Borrower or its Affiliates shall be permitted to enter into any model home lease back in the normal course of business in which Borrower or its Affiliates are a tenant to the extent any such lease is deemed a Capital Lease and such model home leases shall not be subject to the limitation in the preceding clause;

(e) Non-Recourse Indebtedness to the extent permitted under ***Section 7.13(g)***;

(f) obligations with respect to homeowners' association obligations, community facility district bonds, metro district bonds, Mello-Roos bonds and subdivision improvement bonds and similar bonding requirements arising in the ordinary course of business of a homebuilder;

(g) obligations not constituting Indebtedness for borrowed money with vendors, subcontractors and other contractors in the normal course of business;

(h) PPP Forgiven Indebtedness; and

(i) Indebtedness of Financial Services Subsidiaries and VIEs, in each case so long as no other member of the Consolidated Group has guaranteed or is otherwise obligated with respect to such Indebtedness or has pledged collateral to secure such Indebtedness.

7.04 **Fundamental Changes**. Merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person (including, in each case, pursuant to a Division), except that, so long as no Default exists or would result therefrom:

(a) (i) any Subsidiary may merge or consolidate with Borrower, *provided* that Borrower shall be the continuing or surviving Person, (ii) any Subsidiary other than DF Homes may merge or consolidate with DF Holdings, *provided* that DF Holdings shall be the continuing or surviving Person, (iii) any Subsidiary other than DF Holdings may merge or consolidate with DF Homes, *provided* that DF Homes shall be the continuing or surviving Person, or (iv) any Subsidiary other than DF Holdings and DF Homes may merge or consolidate with any one or more Subsidiaries other than DF Holdings and DF Homes, *provided* that when any Guarantor is merging

with another Subsidiary pursuant to this *subsection*, the continuing or surviving Person shall be or become a Guarantor; and

(b) any Subsidiary other than DF Holdings and DF Homes may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to Borrower or to another Subsidiary; *provided* that if the transferor in such a transaction is a Guarantor, then the transferee must either be Borrower or a Guarantor.

7.05 **Dispositions**. Make any Disposition or enter into any agreement to make any Disposition, except:

(a) Dispositions of obsolete or worn out property, whether now owned or hereafter acquired, in the ordinary course of business;

(b) Dispositions of Housing Units and Finished Lots in the ordinary course of business;

(c) Dispositions of equipment or real property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such Disposition are reasonably promptly applied to the purchase price of such replacement property;

(d) Dispositions of property by any Subsidiary to Borrower or to a Wholly-Owned Subsidiary; *provided* that if the transferor of such property is a Guarantor, the transferee thereof must either be Borrower or a Guarantor; and

(e) Dispositions permitted by ***Section 7.04***;

provided, *however*, that any Disposition pursuant to ***subsections (a)*** through ***(e)*** shall be for fair market value.

7.06 **Restricted Payments**. Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, or issue or sell any Equity Interests if any Default shall have occurred and be continuing or would result therefrom or if, after giving effect thereto, Borrower would not be in compliance with the covenants set forth in ***Section 7.13*** calculated on a pro forma basis.

7.07 **Change in Nature of Business**. Engage in any material line of business substantially different from those lines of business conducted by the Consolidated Group on the date hereof or any business substantially related or incidental thereto.

7.08 **Transactions with Affiliates**. Enter into any transaction of any kind with any Affiliate of a member of the Consolidated Group, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to such member of the Consolidated Group as would be obtainable by such member of the Consolidated Group at the time in a comparable arm's length transaction with a Person other than an Affiliate.

7.09 **Burdensome Agreements**. Enter into any Contractual Obligation (other than this Agreement or any other Loan Document) that (a) limits the ability (i) of any Subsidiary to make Restricted Payments to Borrower or any Guarantor or to otherwise transfer property to Borrower or any Guarantor, (ii) of any Guarantor to Guarantee the Indebtedness of Borrower or (iii) of Borrower or any Subsidiary to create, incur, assume or suffer to exist Liens on property of such Person; *provided, however*, that this

clause (iii) shall not prohibit any Negative Pledge incurred or provided in favor of any holder of Indebtedness permitted under ***Section 7.03(e)*** solely to the extent any such Negative Pledge relates to the property financed by or the subject of such Indebtedness; or (b) requires the grant of a Lien to secure an obligation of such Person if a Lien is granted to secure another obligation of such Person.

7.10 **Use of Proceeds**. Use the proceeds of any Credit Extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

7.11 **Amendment to Organizational Documents**. Amend any Organization Document of any Loan Party in any manner that would adversely affect any Loan Party's ability to pay its Obligations hereunder or materially and adversely impairs any rights or remedies of Administrative Agent or any Lender under the Loan Documents or Applicable Laws.

7.12 **Accounting Changes**. Make any change in (a) accounting policies or reporting practices, except as required by or otherwise in accordance with GAAP, the Financial Accounting Standards Board, the SEC or other Governmental Authority, or (b) its fiscal year.

7.13 **Financial Covenants**.

(a) **Maximum Debt to Capitalization Ratio**. Permit the Debt to Capitalization Ratio as of the last day of any fiscal quarter of Borrower to be greater than the ratio set forth below opposite such fiscal quarter:

Four Fiscal Quarters Ending	Maximum Debt to Capitalization Ratio
Closing Date through December 2021	65.00%
January 2022 through December 2022	62.50%
January 2023 and each fiscal quarter thereafter	60.00%

(b) **Minimum Interest Coverage Ratio**. Permit the Interest Coverage Ratio as of the last day of any fiscal quarter of Borrower to be less than 2.00 to 1.00.

(c) **Minimum Liquidity Ratio**. Permit the Liquidity Ratio as of the last day of any fiscal quarter of Borrower to be less than 1.00 to 1.00.

(d) **Minimum Tangible Net Worth**. Permit Tangible Net Worth at any time to be less than the sum of (i) $[_____][2], (ii) an amount equal to 50% of the Net Income earned in each full fiscal quarter ending after September 30, 2020 (with no deduction for a net loss in any such fiscal quarter) and (iii) an amount equal to 50% of the aggregate increases in shareholders' equity of the Consolidated Group after the date hereof by reason of the issuance and sale of Equity Interests of the members of the Consolidated Group (other than issuances to Borrower or a Wholly-Owned Subsidiary), including upon any conversion of debt securities of any member of the Consolidated Group into such Equity Interests.

(e) **Maximum Risk Assets Ratio**. Permit the Risk Assets Ratio as of the last day of any fiscal quarter of Borrower to be less than 1.00 to 1.00.

[2] NTD – Equal to 75% of Tangible Net Worth as of September 30, 2020

(f) **Investments in Unconsolidated Affiliates**. Permit the aggregate amount of Investments of the Consolidated Group in Unconsolidated Affiliates to exceed 15% of Tangible Net Worth as of the last day of any fiscal quarter of Borrower.

(g) **Maximum Non-Recourse Indebtedness**. Permit the aggregate amount of Non-Recourse Indebtedness of the Consolidated Group to exceed 15% of Tangible Net Worth as of the last day of any fiscal quarter of Borrower.

7.14 **Sanctions**. Directly or indirectly, use the proceeds of any Credit Extension, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other Person, to fund any activities of or business with any Person that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as Lender, Arranger, Administrative Agent, L/C Issuer, or otherwise) of Sanctions.

7.15 **Anti-Corruption Laws**. Directly or indirectly use the proceeds of any Credit Extension for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other anti-corruption legislation in other jurisdictions.

VIII. EVENTS OF DEFAULT AND REMEDIES.

8.01 **Events of Default**. Any of the following shall constitute an event of default (each, an "***Event of Default***"):

(a) **Non-Payment**. Borrower or any other Loan Party fails to pay (i) when and as required to be paid herein, any amount of principal of any Loan or any L/C Obligation, or (ii) within three days after the same becomes due, any interest on any Loan or on any L/C Obligation, or any fee due hereunder, or (iii) any other amount payable hereunder or under any other Loan Document, in the case of this ***clause (iii)***, within five Business Days after written notice from Administrative Agent; or

(b) **Specific Covenants**. Any member of the Consolidated Group fails to perform or observe any term, covenant or agreement contained in any of ***Section 6.01***, ***6.02***, ***6.03***, ***6.05***, ***6.10***, ***6.11*** or ***6.12*** or ***Article VII***; or

(c) **Other Defaults**. Any member of the Consolidated Group fails to perform or observe any other covenant or agreement (not specified in ***subsection (a)*** or ***(b)*** above) contained in any Loan Document on its part to be performed or observed and such failure continues for 30 days; or

(d) **Representations and Warranties**. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of Borrower or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be materially incorrect or misleading when made or deemed made; or

(e) **Cross-Default**. (i) Any member of the Consolidated Group (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) beyond any applicable cure period in respect of any Indebtedness or Guarantee (other than Indebtedness hereunder and Indebtedness under Swap Contracts) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than the

Threshold Amount, or (B) fails to observe or perform beyond any applicable cure period any other agreement or condition relating to any such Indebtedness or Guarantee or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which any member of the Consolidated Group is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which any member of the Consolidated Group is an Affected Party (as so defined) and, in either event, the Swap Termination Value owed by such member of the Consolidated Group as a result thereof is greater than the Threshold Amount; or

(f) **Insolvency Proceedings, Etc**. Any member of the Consolidated Group institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for 60 calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding; or

(g) **Inability to Pay Debts; Attachment**. (i) Any member of the Consolidated Group becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within 30 days after its issue or levy; or

(h) **Judgments**. There is entered against any member of the Consolidated Group (i) one or more final judgments or orders for the payment of money in an aggregate amount (as to all such judgments or orders) exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of 10 consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) **ERISA**. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any member of the Consolidated Group under *Title IV* of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, or (ii) Any member of the Consolidated Group fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under *Section 4201* of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount; or

(j) **Invalidity of Loan Documents**. Any provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or any Loan Party or any other Person contests in any manner the validity or enforceability of any provision of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any provision of any Loan Document; or

(k) **Change of Control**. There occurs any Change of Control; or

(l) **Stock Exchange Listing**. Borrower's common Equity Interests shall cease to be traded on the New York Stock Exchange, NASDAQ, or other nationally recognized exchange reasonably acceptable to Required Lenders.

8.02 **Remedies Upon Event of Default**. If any Event of Default occurs and is continuing, Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) declare the commitment of each Lender to make Loans and any obligation of each L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by Borrower;

(c) require that Borrower Cash Collateralize the L/C Obligations (in an amount equal to the Minimum Collateral Amount with respect thereto); and

(d) exercise on behalf of itself, the Lenders and the L/C Issuers all rights and remedies available to it, the Lenders and the L/C Issuers under the Loan Documents;

provided, *however*, that upon the occurrence of an event described in ***Section 8.01(f)***, the obligation of each Lender to make Loans and any obligation of each L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of Borrower to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of Administrative Agent or any Lender.

8.03 **Application of Funds**. After the exercise of remedies provided for in ***Section 8.02*** (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to ***Section 8.02***), any amounts received on account of the Obligations shall, subject to the provisions of ***Sections 2.15*** and ***2.16***, be applied by Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to Administrative Agent and amounts payable under ***Article III***) payable to Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders and the L/C Issuers (including fees, charges and disbursements of counsel to the respective Lenders and the L/C Issuers (including fees and time charges for attorneys who may be employees of any Lender or any L/C Issuer) and amounts payable under ***Article III***), ratably among them in proportion to the respective amounts described in this ***clause Second*** payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans, L/C Borrowings and other Obligations, ratably among the Lenders and the L/C Issuers in proportion to the respective amounts described in this ***clause Third*** payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans and L/C Borrowings, ratably among the Lenders and the L/C Issuers in proportion to the respective amounts described in this ***clause Fourth*** held by them;

Fifth, to Administrative Agent for the account of the applicable L/C Issuer, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit to the extent not otherwise Cash Collateralized by Borrower pursuant to ***Sections 2.03*** and ***2.15***; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to Borrower or as otherwise required by Law.

Subject to ***Sections 2.03(c)*** and ***2.15***, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to***clause Fifth*** above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

IX. ADMINISTRATIVE AGENT.

9.01 **Appointment and Authority**. Each of the Lenders and each L/C Issuer hereby irrevocably appoints Bank of America to act on its behalf as Administrative Agent hereunder and under the other Loan Documents and authorizes Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this ***Article IX*** are solely for the benefit of Administrative Agent, the Lenders and the L/C Issuers, and no member of the Consolidated Group shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

9.02 **Rights as a Lender**. The Person serving as Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with Borrower or any Subsidiary or other Affiliate thereof as if such Person were not Administrative Agent hereunder and without any duty to account therefor to the Lenders.

9.03 **Exculpatory Provisions**. Administrative Agent or the Arrangers, as applicable, shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, Administrative Agent or the Arrangers, as applicable:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), *provided* that Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose Administrative Agent to liability or that is contrary to any Loan Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law;

(c) shall not have any duty or responsibility to disclose, and shall not be liable for the failure to disclose, to any Lender or any L/C Issuer, any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any of the Loan Parties or any of their Affiliates, that is communicated to, obtained or in the possession of, Administrative Agent, Arrangers or any of their Related Parties in any capacity, except for notices, reports and other documents expressly required to be furnished to the Lenders by Administrative Agent herein;

(d) shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in ***Sections 10.01*** and ***8.02***) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to Administrative Agent by Borrower, a Lender or an L/C Issuer; and

(e) shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in ***Article IV*** or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to Administrative Agent.

9.04 **Reliance by Administrative Agent**. Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Administrative Agent also may rely upon any statement made to it

orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an L/C Issuer, Administrative Agent may presume that such condition is satisfactory to such Lender or such L/C Issuer unless Administrative Agent shall have received notice to the contrary from such Lender or such L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. Administrative Agent may consult with legal counsel (who may be counsel for Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.05 **Delegation of Duties**. Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub agents appointed by Administrative Agent. Administrative Agent and any such sub agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this ***Article IX*** shall apply to any such sub agent and to the Related Parties of Administrative Agent and any such sub agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

9.06 **Resignation of Administrative Agent**.

(a) Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuers and Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with Borrower (so long as no Event of Default exists), to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "***Resignation Effective Date***"), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders and the L/C Issuers, appoint a successor Administrative Agent meeting the qualifications set forth above, *provided* that in no event shall any such successor Administrative Agent be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to ***clause (d)*** of the definition thereof, the Required Lenders may, to the extent permitted by Applicable Law, by notice in writing to Borrower and such Person remove such Person as Administrative Agent and, in consultation with Borrower (so long as no Event of Default exists), appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "***Removal Effective Date***"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (2) except for any indemnity payments or other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through

Administrative Agent shall instead be made by or to each Lender and each L/C Issuer directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Administrative Agent (other than as provided in ***Section 3.01(g)*** and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this ***Section 9.06***). The fees payable by Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this ***Article IX*** and ***Section 10.04*** shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them (i) while the retiring or removed Administrative Agent was acting as Administrative Agent and (ii) after such resignation or removal for as long as any of them continues to act in any capacity hereunder or under the other Loan Documents, including in respect of any actions taken in connection with transferring the agency to any successor Administrative Agent.

(d) Any resignation or removal by Bank of America as Administrative Agent pursuant to this ***Section 9.06*** shall also constitute its resignation as an L/C Issuer. If Bank of America resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of an L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as an L/C Issuer and all L/C Obligations with respect thereto, including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to ***Section 2.03(c)***. Upon the appointment by Borrower of a successor L/C Issuer hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer, as applicable, (b) the retiring L/C Issuer shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

9.07 **Non-Reliance on Administrative Agent, the Arrangers and the Other Lenders** . Each Lender and each L/C Issuer expressly acknowledges that none of Administrative Agent nor any Arranger has made any representation or warranty to it, and that no act by Administrative Agent or any Arranger hereafter taken, including any consent to, and acceptance of any assignment or review of the affairs of any Loan Party of any Affiliate thereof, shall be deemed to constitute any representation or warranty by Administrative Agent or any Arranger to any Lender or each L/C Issuer as to any matter, including whether Administrative Agent or any Arranger have disclosed material information in their (or their Related Parties') possession. Each Lender and each L/C Issuer represents to Administrative Agent and each Arranger that it has, independently and without reliance upon Administrative Agent, any Arranger, any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis of, appraisal of, and investigation into, the business, prospects, operations, property, financial and other condition and creditworthiness of the Loan Parties and their Subsidiaries, and all applicable bank or other regulatory Laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to Borrower hereunder. Each Lender and each L/C Issuer also acknowledges that it will, independently and without reliance upon

Administrative Agent, any Arranger, any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Loan Parties. Each Lender and each L/C Issuer represents and warrants that (i) the Loan Documents set forth the terms of a commercial lending facility and (ii) it is engaged in making, acquiring or holding commercial loans in the ordinary course and is entering into this Agreement as a Lender or L/C Issuer for the purpose of making, acquiring or holding commercial loans and providing other facilities set forth herein as may be applicable to such Lender or L/C Issuer, and not for the purpose of purchasing, acquiring or holding any other type of financial instrument, and each Lender and each L/C Issuer agrees not to assert a claim in contravention of the foregoing. Each Lender and each L/C Issuer represents and warrants that it is sophisticated with respect to decisions to make, acquire and/or hold commercial loans and to provide other facilities set forth herein, as may be applicable to such Lender or such L/C Issuer, and either it, or the Person exercising discretion in making its decision to make, acquire and/or hold such commercial loans or to provide such other facilities, is experienced in making, acquiring or holding such commercial loans or providing such other facilities.

9.08 **No Other Duties, Etc**. Anything herein to the contrary notwithstanding, none of the Bookrunners, Arrangers or other titles listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as Administrative Agent, a Lender or an L/C Issuer hereunder.

9.09 **Administrative Agent May File Proofs of Claim**. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether Administrative Agent shall have made any demand on Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuers and Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuers and Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuers and Administrative Agent under ***Sections 2.03(i)*** and ***(j)*** and ***10.04***) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and each L/C Issuer to make such payments to Administrative Agent and, in the event that Administrative Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuers, to pay to Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of Administrative Agent and its agents and counsel, and any other amounts due Administrative Agent under ***Section 10.04***.

Nothing contained herein shall be deemed to authorize Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or any L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or any L/C Issuer to authorize Administrative Agent to vote in respect of the claim of any Lender or any L/C Issuer in any such proceeding.

9.10 **Guaranty Matters**. Without limiting the provisions of ***Section 9.09***, the Lenders and the L/C Issuers irrevocably authorize Administrative Agent, at its option and in its discretion, to release any Guarantor from its obligations under the Guaranty if such Person ceases to be required to be a Guarantor as a result of a transaction permitted under the Loan Documents.

Upon request by Administrative Agent at any time, the Required Lenders will confirm in writing Administrative Agent's authority to release any Guarantor from its obligations under the Guaranty pursuant to this ***Section 9.10***.

9.11 **Certain ERISA Matters**.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, Administrative Agent and not, for the avoidance of doubt, to or for the benefit of Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of *Section 3(42)* of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of *Part VI* of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of *subsections (b)* through *(g)* of *Part I* of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of *subsection (a)* of *Part I* of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) ***subclause (i)*** in the immediately preceding ***clause (a)*** is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with ***subclause (iv)*** in the immediately preceding ***clause (a)***, such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, Administrative Agent and not, for the avoidance of doubt, to or for the benefit of Borrower or any other Loan Party, that Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

X. **MISCELLANEOUS**.

10.01 **Amendments, Etc**. Subject to ***Section 3.03(c)*** and the last paragraph of this ***Section 10.01***, no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders and Borrower or the applicable Loan Party, as the case may be, and acknowledged by Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however*, that no such amendment, waiver or consent shall:

(a) waive any condition set forth in ***Section 4.01(a)*** without the written consent of each Lender;

(b) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to ***Section 8.02***) without the written consent of such Lender;

(c) postpone any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby;

(d) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to the second proviso to this ***Section 10.01***) any fees or other amounts payable hereunder or under any other Loan Document, or change the manner of computation of any financial ratio (including any change in any applicable defined term) used in determining the Applicable Rate that would result in a reduction of any interest rate on any Loan or any fee payable hereunder without the written consent of each Lender directly affected thereby; *provided*, *however*, that only the consent of the Required Lenders shall be necessary to (i) amend the definition of "*Default Rate*", (ii) waive any obligation of Borrower to pay interest or Letter of Credit Fees at the Default Rate or (iii) amend any financial covenant in the Loan Documents, including ***Section 7.13***, (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or L/C Borrowing or to reduce any fee payable under the Loan Documents);

(e) without the written consent of each Lender, (i) change ***Section 2.12***, ***Section 8.03***, or any other provision hereof in a manner that would have the effect of altering the ratable reduction

of Commitments or the pro rata sharing of payments otherwise required hereunder; (ii) subordinate, or have the effect of subordinating, the Obligations hereunder to any other Indebtedness or other obligation; and (iii) release, or have the effect of releasing, all or substantially all of the value of the Obligations;

(f) change any provision of this ***Section*** or the definition of "*Required Lenders*" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; or

(g) release all or substantially all of the value of the Guaranties without the written consent of each Lender, except to the extent the release of any Guarantor is permitted pursuant to ***Section 9.10*** (in which case such release may be made by Administrative Agent acting alone);

and, *provided*, *further*, that (i) no amendment, waiver or consent shall, unless in writing and signed by each L/C Issuer in addition to the Lenders required above, affect the rights or duties of each L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by Administrative Agent in addition to the Lenders required above, affect the rights or duties of Administrative Agent under this Agreement or any other Loan Document; and (iii) any Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended or the maturity of any of its Loans may not be extended, the rate of interest on any of its Loans may not be reduced and the principal amount of any of its Loans may not be forgiven, in each case without the consent of such Defaulting Lender and (y) any waiver, amendment, consent or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely relative to other affected Lenders shall require the consent of such Defaulting Lender.

Notwithstanding any provision herein to the contrary, this Agreement may be amended with the written consent of the Required Lenders, Administrative Agent and Borrower (i) to add one or more additional revolving credit or term loan facilities to this Agreement, in each case subject to the limitations in ***Section 2.14***, and to permit the extensions of credit and all related obligations and liabilities arising in connection therewith from time to time outstanding to share ratably (or on a basis subordinated to the existing facilities hereunder) in the benefits of this Agreement and the other Loan Documents with the obligations and liabilities from time to time outstanding in respect of the existing facilities hereunder, and (ii) in connection with the foregoing, to permit, as deemed appropriate by Administrative Agent and approved by the Required Lenders, the Lenders providing such additional credit facilities to participate in any required vote or action required to be approved by the Required Lenders or by any other number, percentage or class of Lenders hereunder.

Notwithstanding any provision herein to the contrary, if Administrative Agent and Borrower acting together identify any ambiguity, omission, mistake, typographical error or other defect in any provision of this Agreement or any other Loan Document (including the schedules and exhibits thereto), then Administrative Agent and Borrower shall be permitted to amend, modify or supplement such provision to cure such ambiguity, omission, mistake, typographical error or other defect, and such amendment shall become effective without any further action or consent of any other party to this Agreement.

10.02 **Notices; Effectiveness; Electronic Communication**.

(a) **Notices Generally**. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in ***clause (b)*** below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by electronic mail as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to Borrower or any other Loan Party, Administrative Agent, any L/C Issuer, to the address, electronic mail address or telephone number specified for such Person on ***Schedule 10.02***; and

(ii) if to any other Lender, to the address, electronic mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by e-mail shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in sub ***clause (b)*** below, shall be effective as provided in such ***clause (b)***.

(b) **Electronic Communications**. Notices and other communications to the Lenders and the L/C Issuers hereunder may be delivered or furnished by electronic communication (including e mail, FpML messaging, and Internet or intranet websites) pursuant to procedures approved by Administrative Agent, *provided* that the foregoing shall not apply to notices to any Lender or any L/C Issuer pursuant to ***Article II*** if such Lender or such L/C Issuer, as applicable, has notified Administrative Agent that it is incapable of receiving notices under such ***Article II*** by electronic communication. Administrative Agent, any L/C Issuer or Borrower may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, *provided* that approval of such procedures may be limited to particular notices or communications.

Unless Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing ***clause (i)*** of notification that such notice or communication is available and identifying the website address therefor; *provided* that, for both ***clauses (i)*** and ***(ii)***, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) **The Platform**. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE

ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall Administrative Agent or any of its Related Parties (collectively, the "***Agent Parties***") have any liability to Borrower, any Lender, any L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of Borrower's, any Loan Party's or Administrative Agent's transmission of Borrower Materials or notices through the Platform, any other electronic platform or electronic messaging service, or through the Internet.

(d) **Change of Address, Etc**. Each of Borrower, Administrative Agent, and each L/C Issuer may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to Borrower, Administrative Agent and each L/C Issuer. In addition, each Lender agrees to notify Administrative Agent from time to time to ensure that Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and Applicable Law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to Borrower or its securities for purposes of United States Federal or state securities laws.

(e) **Reliance by Administrative Agent, L/C Issuer and Lenders**. Administrative Agent, the L/C Issuers and the Lenders shall be entitled to rely and act upon any notices (including telephonic notices, Loan Notices and Letter of Credit Applications) purportedly given by or on behalf of Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Loan Parties shall indemnify Administrative Agent, each L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of Borrower. All telephonic notices to and other telephonic communications with Administrative Agent may be recorded by Administrative Agent, and each of the parties hereto hereby consents to such recording.

10.03 **No Waiver; Cumulative Remedies; Enforcement**. No failure by any Lender, any L/C Issuer or Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, Administrative Agent in accordance with ***Section 8.02*** for the benefit of all the Lenders and the L/C Issuers;*provided*, *however*, that the foregoing shall not prohibit (a) Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) any L/C Issuer from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with ***Section 10.08*** (subject to the terms of ***Section 2.12***), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and *provided*, *further*, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to Administrative Agent pursuant to ***Section 8.02*** and (ii) in addition to the matters set forth in***clauses (b)***, ***(c)*** and ***(d)*** of the preceding proviso and subject to***Section 2.12***, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

10.04 **Expenses; Indemnity; Damage Waiver.**

(a) **Costs and Expenses**. Borrower shall pay (i) all reasonable out of pocket expenses incurred by Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for Administrative Agent) in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out of pocket expenses incurred by the L/C Issuers in connection with the issuance, amendment, extension, reinstatement or renewal of any Letter of Credit or any demand for payment thereunder and (iii) all out of pocket expenses incurred by Administrative Agent, any Lender or any L/C Issuer (including the fees, charges and disbursements of any counsel for Administrative Agent, any Lender or any L/C Issuer) in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this ***Section 10.04***, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out of pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) **Indemnification by Borrower**. Borrower shall indemnify Administrative Agent (and any sub-agent thereof), each Arranger, each Lender and each L/C Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an "***Indemnitee***") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee) incurred by any Indemnitee or asserted against any Indemnitee by any Person (including Borrower or any other Loan Party) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or, in the case of Administrative Agent (and any sub agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents (including in respect of any matters addressed in ***Section 3.01***), (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by any L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly

comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto, IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF THE INDEMNITEE; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim not involving an act or omission of Borrower and that is brought by an Indemnitee against another Indemnitee (other than against an Arranger or Administrative Agent in their capacities as such). Without limiting the provisions of ***Section 3.01(c)***, this ***Section 10.04(b)*** shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) **Reimbursement by Lenders**. To the extent that Borrower for any reason fails to indefeasibly pay any amount required under ***clauses (a)*** or ***(b)*** of this ***Section 10.04*** to be paid by it to Administrative Agent (or any sub-agent thereof), any L/C Issuer, or any Related Party of any of the foregoing, each Lender severally agrees to pay to Administrative Agent (or any such sub-agent), such L/C Issuer or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), such payment to be made severally among them based on such Lenders' Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against Administrative Agent (or any such sub-agent), such L/C Issuer in its capacity as such, or against any Related Party of any of the foregoing acting for Administrative Agent (or any such sub-agent) or such L/C Issuer in connection with such capacity. The obligations of the Lenders under this ***clause (c)*** are subject to the provisions of ***Section 2.11(d)***.

(d) **Waiver of Consequential Damages, Etc**. To the fullest extent permitted by Applicable Law, Borrower shall not assert, and hereby waives, and acknowledges that no other Person shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in ***clause (b)*** above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) **Payments**. All amounts due under this ***Section 10.04*** shall be payable not later than ten Business Days after demand therefor.

(f) **Survival**. The agreements in this ***Section 10.04*** and the indemnity provisions of ***Section 10.02(e)*** shall survive the resignation of Administrative Agent, the L/C Issuers, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

10.05 **Payments Set Aside**. To the extent that any payment by or on behalf of Borrower is made to Administrative Agent, any L/C Issuer or any Lender, or Administrative Agent, any L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by Administrative Agent, such L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and each L/C Issuer severally agrees to pay to Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and the L/C Issuers under ***clause (b)*** of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

10.06 **Successors and Assigns**.

(a) **Successors and Assigns Generally**. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither Borrower nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of ***subsection (b)*** of this ***Section***, (ii) by way of participation in accordance with the provisions of ***subsection (d)*** of this ***Section***, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of ***subsection (e)*** of this ***Section*** (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in ***clause (d)*** of this ***Section 10.06*** and, to the extent expressly contemplated hereby, the Related Parties of each of Administrative Agent, the L/C Issuers and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) **Assignments by Lenders**. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans (including for purposes of this ***subsection (b)***, participations in L/C Obligations) at the time owing to it); *provided* that any such assignment shall be subject to the following conditions:

(i) **Minimum Amounts**.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it or contemporaneous assignments to related Approved Funds (determined after giving effect to such Assignments) that equal at least the amount specified in ***clause (b)(i)(B)*** of this ***Section 10.06*** in the aggregate or in the case of an

assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in ***clause (b)(i)(A)*** of this ***Section 10.06***, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than $5,000,000 unless each of Administrative Agent and, so long as no Event of Default has occurred and is continuing, Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) **Proportionate Amounts**. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned, except that this ***clause (ii)*** shall not prohibit any Lender from assigning all or a portion of its rights and obligations among the revolving credit facility provided hereunder and any separate revolving credit provided pursuant to the second to last paragraph of ***Section 10.01*** on a non-pro rata basis;

(iii) **Required Consents**. No consent shall be required for any assignment except to the extent required by***clause (b)(i)(B)*** of this ***Section 10.06*** and, in addition:

(A) the consent of Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; *provided* that Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to Administrative Agent within five Business Days after having received notice thereof; and *provided*, *further*, that Borrower's consent shall not be required during the primary syndication of the credit facility provided herein;

(B) the consent of Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and

(C) the consent of each L/C Issuer shall be required for any assignment.

(iv) **Assignment and Assumption**. The parties to each assignment shall execute and deliver to Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of $3,500; *provided*, *however*, that Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to Administrative Agent an Administrative Questionnaire.

(v) **No Assignment to Certain Persons**. No such assignment shall be made (A) to Borrower or any of Borrower's Affiliates or Subsidiaries, (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this ***clause (B)***, or (C) to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of one or more natural Persons).

(vi) **Certain Additional Payments**. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of Borrower and Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to Administrative Agent, any L/C Issuer or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this ***clause (vi)***, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(vii) Subject to acceptance and recording thereof by Administrative Agent pursuant to ***clause (c)*** of this ***Section 10.06***, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of ***Sections 3.01***, ***3.04***, ***3.05***, and ***10.04*** with respect to facts and circumstances occurring prior to the effective date of such assignment; *provided* that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this ***clause (b)*** shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with ***clause (d)*** of this ***Section 10.06***.

(c) **Register**. Administrative Agent, acting solely for this purpose as an agent of Borrower (and such agency being solely for Tax purposes), shall maintain at Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and L/C

Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "***Register***"). The entries in the Register shall be conclusive absent manifest error, and Borrower, Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) **Participations**. Any Lender may at any time, without the consent of, or notice to, Borrower or Administrative Agent, sell participations to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of one or more natural Persons, a Defaulting Lender or Borrower or any of Borrower's Affiliates or Subsidiaries) (each, a "***Participant***") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations) owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) Borrower, Administrative Agent, the Lenders and the L/C Issuers shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under ***Section 10.04(c)*** without regard to the existence of any participation.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to ***Section 10.01*** that affects such Participant. Borrower agrees that each Participant shall be entitled to the benefits of ***Sections 3.01***, ***3.04*** and ***3.05*** to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to ***clause (b)*** of this ***Section 10.06*** (it being understood that the documentation required under ***Section 3.01(e)*** shall be delivered to the Lender who sells the participation) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to ***clause (b)*** of this ***Section 10.06***; *provided* that such Participant (A) agrees to be subject to the provisions of ***Sections 3.06*** and ***10.13*** as if it were an assignee under ***clause (b)*** of this ***Section 10.06*** and (B) shall not be entitled to receive any greater payment under ***Sections 3.01*** or ***3.04***, with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at Borrower's request and expense, to use reasonable efforts to cooperate with Borrower to effectuate the provisions of ***Section 3.06*** with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of ***Section 10.08*** as though it were a Lender; *provided* that such Participant agrees to be subject to ***Section 2.12*** as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "***Participant Register***"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under *Section 5f.103-1(c)* of the United States Treasury Regulations. The

entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) **Certain Pledges**. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) **Resignation as L/C Issuer after Assignment**. Notwithstanding anything to the contrary contained herein, if at any time any L/C Issuer assigns all of its Commitment and Loans pursuant to ***clause (b)*** above, such L/C Issuer may, upon 30 days' notice to Administrative Agent, Borrower and the Lenders, resign as an L/C Issuer. In the event of any such resignation as an L/C Issuer, Borrower shall be entitled to appoint from among the Lenders a successor L/C Issuer hereunder; *provided, however*, that no failure by Borrower to appoint any such successor shall affect the resignation of the applicable L/C Issuer as an L/C Issuer. If the applicable L/C Issuer resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of an L/C Issuer hereunder with respect to all Letters of Credit issued by it and outstanding as of the effective date of its resignation as an L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to ***Section 2.03(c)***). Upon the appointment of a successor L/C Issuer, (x) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer, as the case may be, and (y) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the applicable retiring L/C Issuer to effectively assume the obligations of the applicable retiring L/C Issuer with respect to such Letters of Credit.

10.07 **Treatment of Certain Information; Confidentiality**. Each of Administrative Agent, the Lenders and the L/C Issuers agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates, its auditors and its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this ***Section 10.07***, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or any Eligible Assignee invited to be a Lender pursuant to ***Section 2.14(c)*** or ***Section 10.01*** or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to Borrower and its obligations, this Agreement or payments hereunder, (g) on a confidential basis to (i) any rating agency in connection with rating Borrower or its Subsidiaries or the credit facilities provided hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the application, issuance, publishing and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, (h) with the consent of Borrower or (i) to the extent

such Information (x) becomes publicly available other than as a result of a breach of this ***Section 10.07***, (y) becomes available to Administrative Agent, any Lender, any L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than Borrower or (z) is independently discovered or developed by a party hereto without utilizing any Information received from Borrower or violating the terms of this ***Section 10.07***. In addition, Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to Administrative Agent and the Lenders in connection with the administration of this Agreement, the other Loan Documents, and the Commitments.

For purposes of this ***Section 10.07***, "***Information***" means all information received from Borrower or any Subsidiary relating to Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to Administrative Agent, any Lender or any L/C Issuer on a nonconfidential basis prior to disclosure by Borrower or any Subsidiary, *provided* that, in the case of information received from Borrower or any Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this ***Section 10.07*** shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of Administrative Agent, the Lenders and the L/C Issuers acknowledges that (a) the Information may include material non-public information concerning Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with Applicable Law, including United States Federal and state securities Laws.

10.08 **Right of Setoff**. If an Event of Default shall have occurred and be continuing, each Lender, each L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, such L/C Issuer or any such Affiliate to or for the credit or the account of any Loan Party against any and all of the obligations of such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or such L/C Issuer or their respective Affiliates, irrespective of whether or not such Lender, L/C Issuer or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of such Loan Party may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender or such L/C Issuer different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; *provided* that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to Administrative Agent for further application in accordance with the provisions of ***Section 2.16*** and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of Administrative Agent, the L/C Issuers and the Lenders, and (y) the Defaulting Lender shall provide promptly to Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, each L/C Issuer and their respective Affiliates under this ***Section 10.08*** are in addition to other rights and remedies (including other rights of setoff) that such Lender, such L/C Issuer or their respective Affiliates may have. Each Lender and each L/C Issuer agrees to notify Borrower and Administrative Agent promptly after any such setoff and application, *provided* that the failure to give such notice shall not affect the validity of such setoff and application.

10.09 **Interest Rate Limitation**. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by Applicable Law (the "***Maximum Rate***"). If Administrative Agent

or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to Borrower. In determining whether the interest contracted for, charged, or received by Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by Applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

10.10 **Counterparts; Integration; Effectiveness**. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents, and any separate letter agreements with respect to fees payable to Administrative Agent or any L/C Issuer, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in ***Section 4.01***, this Agreement shall become effective when it shall have been executed by Administrative Agent and when Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement.

10.11 **Survival of Representations and Warranties**. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by Administrative Agent and each Lender, regardless of any investigation made by Administrative Agent or any Lender or on their behalf and notwithstanding that Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

10.12 **Severability**. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this ***Section 10.12***, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by Administrative Agent or any L/C Issuer, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

10.13 **Replacement of Lenders**. If Borrower is entitled to replace a Lender pursuant to the provisions of ***Section 3.06***, or if any Lender is a Defaulting Lender or a Non-Consenting Lender or if any other circumstance exists hereunder that gives Borrower the right to replace a Lender as a party hereto, then Borrower may, at its sole expense and effort, upon notice to such Lender and Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, ***Section 10.06***), all of its interests, rights (other than its existing rights to payments pursuant to ***Sections 3.01*** and ***3.04***) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), *provided* that:

(a) Borrower shall have paid to Administrative Agent the assignment fee (if any) specified in ***Section 10.06(b)***;

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under ***Section 3.05***) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under ***Section 3.04*** or payments required to be made pursuant to ***Section 3.01***, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with Applicable Laws; and

(e) in the case of an assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling Borrower to require such assignment and delegation cease to apply.

Each party hereto agrees that (a) an assignment required pursuant to this ***Section 10.13*** may be effected pursuant to an Assignment and Assumption executed by Borrower, Administrative Agent and the assignee and (b) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to an be bound by the terms thereof; *provided* that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender, *provided, further* that any such documents shall be without recourse to or warranty by the parties thereto.

Notwithstanding anything in this ***Section 10.13*** to the contrary, (i) any Lender that acts as an L/C Issuer may not be replaced hereunder at any time it has any Letter of Credit outstanding hereunder unless arrangements satisfactory to such Lender (including the furnishing of a backstop standby letter of credit in form and substance, and issued by an issuer, reasonably satisfactory to such L/C Issuer or the depositing of cash collateral into a cash collateral account in amounts and pursuant to arrangements reasonably satisfactory to such L/C Issuer) have been made with respect to such outstanding Letter of Credit and (ii) the Lender that acts as Administrative Agent may not be replaced hereunder except in accordance with the terms of ***Section 9.06***.

10.14 **Governing Law; Jurisdiction; Etc**.

(a) **GOVERNING LAW**. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) **SUBMISSION TO JURISDICTION**. BORROWER IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST ADMINISTRATIVE AGENT, ANY LENDER, ANY L/C ISSUER, OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT ADMINISTRATIVE AGENT, ANY LENDER OR ANY L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) **WAIVER OF VENUE**. BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN ***CLAUSE (b)*** OF THIS ***SECTION 10.14***. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) **SERVICE OF PROCESS**. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN ***SECTION 10.02***. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

10.15 **Waiver of Jury Trial**. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (a) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (b) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS

AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS ***SECTION 10.15***.

10.16 **No Advisory or Fiduciary Responsibility**. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by Administrative Agent, the Arrangers, and the Lenders are arm's-length commercial transactions between each Loan Party and its respective Affiliates, on the one hand, and Administrative Agent, the Arrangers, and the Lenders, on the other hand, (B) each Loan Party has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) each Loan Party is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) Administrative Agent, each Arranger, and each Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for any Loan Party or any of their respective Affiliates, or any other Person and (B) neither Administrative Agent, the Arrangers nor any Lender has any obligation to any Loan Party or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) Administrative Agent, the Arrangers and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Loan Parties and their Affiliates, and neither Administrative Agent, nor any Arranger, nor any Lender has any obligation to disclose any of such interests to the Loan Parties or any of their Affiliates. To the fullest extent permitted by law, Borrower hereby waives and releases any claims that it may have against Administrative Agent, any Arranger or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

10.17 **Electronic Execution of Assignments and Certain Other Documents**.

(a) The words "execute," "execution," "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including Assignment and Assumptions, amendments or other modifications, Loan Notices, waivers and consents) shall be deemed to include Electronic Signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by Administrative Agent, or any other Electronic Record.

(b) This Agreement and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this Agreement (each a "***Communication***"), including Communications required to be in writing, may be in the form of an Electronic Record and may be executed using Electronic Signatures. Borrower agrees that any Electronic Signature on or associated with any Communication shall be valid and binding on Borrower to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of Borrower enforceable against such in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include use or acceptance by Administrative Agent, any Lender, or any L/C Issuer of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. Each of Administrative Agent, each Lender, and each L/C Issuer may, at its option, create one or more copies of any

Communication in the form of an imaged Electronic Record ("***Electronic Copy***"), which shall be deemed created in the ordinary course of the such Person's business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, Administrative Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by Administrative Agent pursuant to procedures approved by it; *provided*, that, without limiting the foregoing, (a) to the extent Administrative Agent has agreed to accept such Electronic Signature, Administrative Agent, each Lender, and each L/C Issuer shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of Borrower without further verification and (b) upon the request of Administrative Agent, any Lender, or any L/C Issuer, any Electronic Signature shall be promptly followed by such manually executed counterpart. For purposes hereof, "***Electronic Record***" and "***Electronic Signature***" shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

10.18 **USA PATRIOT Act**. Each Lender that is subject to the Act (as hereinafter defined) and Administrative Agent (for itself and not on behalf of any Lender) hereby notifies Borrower that pursuant to the requirements of the USA PATRIOT Act (*Title III* of Pub. L. 107-56 (signed into law October 26, 2001)) (the "***Act***"), it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each such Loan Party and other information that will allow such Lender or Administrative Agent, as applicable, to identify such Loan Party in accordance with the Act. Each Loan Party shall, promptly following a request by Administrative Agent or any Lender, provide all documentation and other information that Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act.

10.19 **Time of the Essence**. Time is of the essence of the Loan Documents.

10.20 **ENTIRE AGREEMENT**. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

10.21 **Acknowledgement and Consent to Bail-In of Affected Financial Institutions**. Solely to the extent any Lender or L/C Issuer that is an Affected Financial Institution is a party to this Agreement and notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender or L/C Issuer that is an Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender or L/C Issuer that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

10.22 **Acknowledgement Regarding Any Supported QFCs**. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that is a QFC (such support, "***QFC Credit Support***", and each such QFC, a "***Supported QFC***"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the " ***U.S. Special Resolution Regimes***") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "***Covered Party***") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this ***Section 10.22***, the following terms have the following meanings:

"***BHC Act Affiliate***" of a party means an "*affiliate*" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"***Covered Entity***" means any of the following: (i) a "*covered entity*" as that term is defined in, and interpreted in accordance with, 12 C.F.R. §252.82(b); (ii) a "*covered bank*" as that term is defined in, and interpreted in accordance with, 12 C.F.R. §47.3(b); or (iii) a "*covered FSI*" as that term is defined in, and interpreted in accordance with, 12 C.F.R. §382.2(b).

"***Default Right***" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§252.81, 47.2 or 382.1, as applicable.

"***QFC***" has the meaning assigned to the term "*qualified financial contract*" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

10.23 **Keepwell**. Each Loan Party that is a Qualified ECP Guarantor at the time any Guaranty, in each case, by any Specified Loan Party, becomes effective with respect to any Swap Obligation, hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Loan Party with respect to such Swap Obligation as may be needed by such Specified Loan Party from time to time to honor all of its obligations under its Guaranty and the other Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor's obligations and undertakings under this ***Section*** voidable under Applicable Law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations and undertakings of each Qualified ECP Guarantor under this ***Section*** shall remain in full force and effect until the Obligations have been indefeasibly paid and performed in full. Each Qualified ECP Guarantor intends this ***Section*** to constitute, and this ***Section*** shall be deemed to constitute, a guarantee of the obligations of, and a "*keepwell, support, or other agreement*" for the benefit of, each Specified Loan Party for all purposes of the Commodity Exchange Act.

10.24 **Florida Administrative Code**. Notwithstanding anything to the contrary herein, pursuant to Section 12B-4, Florida Administrative Code, the terms and provisions of the Note are expressly not incorporated herein by reference to this Loan Agreement.

Remainder of Page Intentionally Left Blank;
Signature Page(s) to Follow.

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

BORROWER:

DREAM FINDERS HOMES, INC.

By: _____
Name:
Title:

BANK OF AMERICA, N.A., as Administrative Agent

By: _____
Name:
Title:

BANK OF AMERICA, N.A., as a Lender and an L/C Issuer

By: _____

Name:
Title:

[**OTHER LENDERS**], as a Lender[and an L/C Issuer]

By: _____
Name:
Title:

EXISTING CREDIT AGREEMENTS

COMMITMENTS AND APPLICABLE PERCENTAGES

LETTER OF CREDIT COMMITMENTS

SUPPLEMENT TO INTERIM FINANCIAL STATEMENTS

SUBSIDIARIES AND OTHER EQUITY INVESTMENTS

SUBSIDIARIES AND OTHER EQUITY INVESTMENTS (CONTINUED)

ADMINISTRATIVE AGENT'S OFFICE; CERTAIN ADDRESSES FOR NOTICES

FORM OF LOAN NOTICE

FORM OF NOTE

FORM OF COMPLIANCE CERTIFICATE

FORM OF BORROWING BASE CERTIFICATE

ASSIGNMENT AND ASSUMPTION

FORM OF ADMINISTRATIVE QUESTIONNAIRE

FORM OF GUARANTY

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

FORM OF NOTICE OF LOAN PREPAYMENT

FORM OF BORROWER'S REMITTANCE INSTRUCTIONS

FORM OF BORROWER'S INSTRUCTION CERTIFICATE

Exhibit 10.4

FORM OF REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "**Agreement**"), is made as of January [●], 2021, by and among Dream Finders Homes, Inc., a Delaware corporation (the "**Company**"), and each of the stockholders listed on Schedule A hereto, each of which is referred to in this Agreement as a "**Holder**."

RECITALS

WHEREAS, the Holders and the Company hereby agree that this Agreement shall govern the rights of the Holders to cause the Company to register Class A Common Stock (as defined below) held or issuable to the Holders as set forth in this Agreement;

NOW, THEREFORE, the parties hereby agree as follows:

1. Definitions. For purposes of this Agreement:

1.1 "**Adverse Disclosure**" means public disclosure of material non-public information that, in the Board of Directors' good faith judgment, after consultation with independent outside counsel to the Company, (a) would be required to be made in any Registration Statement or report filed with the SEC by the Company so that such Registration Statement from and after its effective date, does not contain an untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; (b) would not be required to be made at such time but for the filing, effectiveness or continued use of such Registration Statement or report; and (c) would have a material adverse effect on the Company or its business or on the Company's ability to effect a material proposed acquisition, disposition, financing, reorganization, recapitalization or similar transaction.

1.2 "**Affiliate**" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including, without limitation, any general partner, managing member, manager, officer or director of such Person or any venture capital or private equity fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company with, such Person.

1.3 "**Board of Directors**" means the board of directors of the Company.

1.4 "**Business Day**" means any day of the year on which national banking institutions in Jacksonville, Florida are open to the public for conducting business and are not required or authorized to close.

1.5 "**Class A Common Stock**" means the Class A common stock, par value $0.01 per share, of the Company.

1.6 "**Class B Common Stock**" means the Class B common stock, par value $0.01 per share, of the Company.

1.7 "**Damages**" means any loss, damage, claim or liability (joint or several) to which a party hereto may become subject under the Securities Act, the Exchange Act, or other federal or state law, insofar as such loss, damage, claim or liability (or any action in respect thereof) arises out of or is based upon: (a) any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement of the Company, including any preliminary Prospectus or final Prospectus contained therein or any amendments or supplements thereto; (b) an omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or (c) any violation or alleged violation by the indemnifying party (or any of its agents or Affiliates) of the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any state securities law.

1.8 "**Demand Notice**" has the meaning given to such term in Section 2.1(a).

1.9 "**Demand Period**" has the meaning given to such term in Section 2.1(d).

1.10 "**Demand Suspension**" has the meaning given to such term in Section 2.1(c).

1.11 "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.12 "**Excluded Registration**" means (a) a registration relating to the sale of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, or similar plan; (b) a registration relating to an SEC Rule 145 transaction; (c) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; or (d) a registration in which the only Class A Common Stock being registered is Class A Common Stock issuable upon conversion of debt securities that are also being registered.

1.13 "**FINRA**" means the Financial Industry Regulatory Authority, Inc.

1.14 "**Free Writing Prospectus**" shall mean any "free writing prospectus" as defined in Rule 405 promulgated under the Securities Act.

1.15 "**Form S-1**" means such form under the Securities Act as in effect on the date hereof, Form F-1 or any successor registration form thereto under the Securities Act subsequently adopted by the SEC.

1.16 "**Form S-3**" means such form under the Securities Act as in effect on the date hereof, Form F-3 or any registration form thereto under the Securities Act subsequently adopted by the SEC that permits incorporation of substantial information by reference to other documents filed by the Company with the SEC.

1.17 "**Holder**" has the meaning given to such term in the preamble.

1.18 "**Immediate Family Member**" means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including, adoptive relationships, of a natural person referred to herein.

1.19 "**Initiating Holder**" means Mr. Zalupski, on behalf of himself or POZ Holdings, Inc., after properly initiating a registration request under this Agreement.

1.20 "**IPO**" means the Company's first underwritten public offering of its Class A Common Stock under the Securities Act, which closed on January [●], 2021.

1.21 "**Mr. Zalupski**" means Patrick O. Zalupski, the President, Chief Executive Officer and Chairman of the Board of Directors of the Company.

1.22 "**Notice**" has the meaning given to such term in Section 3.15.

1.23 "**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

1.24 "**POZ Holdings, Inc.**" means POZ Holdings, Inc., a Florida corporation, which is owned by Mr. Zalupski.

1.25 "**Prospectus**" means the prospectus included in any Registration Statement, all amendments and supplements to such prospectus, including pre- and post-effective amendments to such Registration Statement, and all other material incorporated by reference in such prospectus.

1.26 "**Registrable Securities**" means (a) any Class A Common Stock owned by the Holders, (b) any Class A Common Stock held by any Holder that may be issued or distributed or be issuable in respect of any such shares by way of conversion, dividend, stock split or other distribution, merger, consolidation, exchange, recapitalization or reclassification or similar transaction, including those shares of Class A Common Stock that may be issued upon conversion of Class B Common Stock, (c) any Class A Common Stock issued as a distribution with respect to, or in exchange for or in replacement of any of such shares, and (d) any Class A Common Stock issued or transferred in exchange for or upon conversion of any of such shares as a result of a merger, consolidation, reorganization or otherwise (including, without limitation, any securities issued upon the conversion of the Company to a successor corporation) and any other securities issued to any of the Holder in connection with any such transaction; excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Section 3.1, and excluding for purposes of Section 2 any Class A Common Stock for which registration rights have terminated pursuant to Section 2.11 of this Agreement.

1.27 "**Registrable Securities then outstanding**" means the number of shares determined by adding the number of shares of outstanding Class A Common Stock that are Registrable Securities and the number of shares of Class A Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Registrable Securities, including Class B Common Stock.

1.28 "**Registration Statement**" means any registration statement of the Company filed with, or to be filed with, the SEC under the rules and regulations promulgated under the Securities Act, including the related Prospectus, amendments and supplements to such registration statement, including pre- and post-effective amendments, and all exhibits and all material incorporated by reference in such registration statement.

1.29 "**SEC**" means the Securities and Exchange Commission.

1.30 "**SEC Rule 144**" means Rule 144 promulgated by the SEC under the Securities Act.

1.31 "**SEC Rule 145**" means Rule 145 promulgated by the SEC under the Securities Act.

1.32 "**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.33 "**Selling Expenses**" means all underwriting discounts, selling commissions, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder, except for the fees and disbursements of the Selling Holder Counsel borne and paid by the Company as provided in Section 2.6.

1.34 "**Selling Holder Counsel**" has the meaning given to such term in Section 2.6.

1.35 "**Underwritten Offering**" means a sale of securities of the Company to an underwriter or underwriters for reoffering to the public.

1.36 "**WKSI**" means a "well known seasoned issuer" as defined in Rule 405 promulgated under the Securities Act.

2. Registration Rights. The Company covenants and agrees as follows:

2.1 Demand Registration.

(a) Form S-1 Demand. If at any time after one hundred eighty (180) days after the effective date of the Registration Statement for the IPO, the Company receives a request from the Initiating Holder that the Company file a Registration Statement on Form S-1 with respect to Registrable Securities having an anticipated aggregate offering price, net of Selling Expenses, in excess of $20 million, then the Company shall (1) within ten (10) days after the date such request is given, give notice thereof (the "**Demand Notice**") to all Holders other than the Initiating Holder; and (2) as soon as practicable, and in any event within sixty (60) days after the date such request is given by the Initiating Holder, file a Registration Statement on Form S-1 under the Securities Act covering all Registrable Securities that the Initiating Holder requested to be registered and any additional Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within ten (10) days of the date the Demand Notice is given, and in each case, subject to the limitations of Section 2.1(c) and Section 2.3.

(b) Form S-3 Demand. If at any time when it is eligible to use Form S-3, the Company receives a request from the Initiating Holder that the Company file a Registration Statement, including a shelf registration statement, and if the Company is a WKSI, an automatic shelf registration statement, on Form S-3 with respect to outstanding Registrable Securities of the Initiating Holder, then the Company shall (1) within ten (10) days after the date such request is given, give a Demand Notice to all Holders other than the Initiating Holder; and (2) as soon as practicable, and in any event within thirty (30) days after the date such request is given by the Initiating Holder, file a Registration Statement on Form S-3 under the Securities Act covering all Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within ten (10) days of the date the Demand Notice is given, and in each case, subject to the limitations of Section 2.1(c) and Section 2.3.

(c) At any time, and from time-to-time, during the period during which a shelf registration statement is effective (the "**Shelf Registration Effectiveness Period**") (except during a Demand Suspension, as defined below), the Initiating Holder may notify the Company in writing (the "**Takedown Request**"), of the intent to sell Registrable Securities covered by the Registration Statement (in whole or in part) in an offering (a "**Shelf Offering**"). Such Takedown Request shall specify the aggregate number of Registrable Securities requested to be registered in such Shelf Offering. Within ten (10) days after receipt by the Company of such Takedown Request, the Company shall deliver a written notice (a "**Takedown Notice**") to each other Holder informing each such other Holder of its right to include Registrable Securities in such Shelf Offering. As soon as reasonably practicable and in any event no later than five (5) Business Days after receipt of a Takedown Notice (and no later than two (2) Business Days after the receipt of such Demand Notice in the case of a "bought deal," a "registered direct offering" or an "overnight transaction" where no preliminary prospectus is used), each such other Holder shall have the right to request in writing that the Company include all or a specific portion of the Registrable Securities held by such other Holder in such Shelf Offering and the Company shall include such Registrable Securities in such Shelf Offering.

(d) Notwithstanding the foregoing obligations, if the Company furnishes to Holders requesting a Registration Statement or Takedown Request pursuant to this Section 2.1 a certificate signed by the Company's chief executive officer stating that in the good faith judgment of the Board of Directors it would be materially detrimental to the Company and its stockholders for such Registration Statement, including any shelf registration statement, to either become effective or remain effective for as long as such Registration Statement otherwise would be required to remain effective, or for the prospectus supplement, related the Registration Statement to be filed pursuant to the Takedown Request, to be filed because such action would: (i) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (ii) require the Company to make an Adverse Disclosure; (iii) render the Company unable to comply with requirements under the Securities Act or Exchange Act; or (iv) in the good faith judgment of the underwriters of such registration, otherwise be materially detrimental to the Company and its stockholders for such Registration Statement or prospectus supplement to be filed (a "**Demand Suspension**"), then the Company shall have the right to defer taking action with respect to such filing, and any time periods with respect to filing or effectiveness thereof shall be tolled correspondingly, for a period of not more than sixty (60) days (or thirty (30) days in the case of clause (iv) after the request of the Initiating Holder is given; provided, however, that the Company may not invoke this right more than twice in any twelve (12) month period, and at least thirty (30) days must elapse between each Demand Suspension. If a Demand Suspension is made because the Registration Statement or Takedown Request would require the Company to make an Adverse Disclosure, such Demand Suspension shall terminate at such time as the public disclosure of such information is made. The Company shall immediately notify the Holders upon the termination of any Demand Suspension, without any further request from a Holder.

(e) The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Section 2.1(a): (i) during the period that is sixty (60) days before the Company's good faith estimate of the date of filing of, and ending on a date that is ninety (90) days after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such Registration Statement to become effective and may only exercise this right once in any twelve (12) month period; (ii) after the Company has effected three (3) registrations requested by the Initiating Holder pursuant to Section 2.1(a) (excluding the IPO); or (iii) if the Initiating Holder proposes to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Section 2.1(b). The Company shall not be obligated to effect, or to take any action to effect, any registration or offering pursuant to Section 2.1(b) or Section 2.1(c), respectively, during the period that is thirty (30) days before the Company's good faith estimate of the date of filing of, and ending on a date that is ninety (90) days after the effective date of, a Company-initiated registration or Company Offering, provided that, in the case of Section 2.1(b), the Company is actively employing in good faith commercially reasonable efforts to cause such Registration Statement to become effective, or, in the case of Section 2.1(c), the Company is actively employing in good faith commercially reasonable efforts to cause such Company Offering to take place, and, in any case, the Company may only exercise this right once in any twelve (12) month period. A registration shall not be counted as "effected" for purposes of this Section 2.1(e) until such time as the applicable Registration Statement has been declared effective by the SEC and, in the case of a registration pursuant to Section 2.1(a), remains effective for not less than one hundred eighty (180) days (or such shorter period as shall terminate when all Registrable Securities covered by such Registration Statement have been sold or withdrawn), or if such Registration Statement relates to an underwritten offering, such longer period as, in the opinion of counsel for the underwriter or underwriters, a Prospectus is required by law to be delivered in connection with sales of Registrable Securities by an underwriter or dealer (the "**Demand Period**"). No registration pursuant to Section 2.1(a) shall be deemed to have been effected if (i) during the Demand Period such registration is interfered with by any stop order, injunction or other order or requirement of the SEC or other governmental agency or court or (ii) the conditions to closing specified in the underwriting agreement, if any, entered into in connection with such registration are not satisfied other than by reason of a wrongful act, misrepresentation or breach of such applicable underwriting agreement by the Initiating Holder.

(f) Any Holders that have requested its Registrable Securities be included in any registration pursuant to Section 2.1(a) may withdraw all or any portion of its Registrable Securities from such registration at any time prior to the effectiveness of the applicable Registration Statement or in the case of an underwritten public offering, prior to the Registration Statement's latest effective date with regard to the registration (as determined for purposes of Rule 430B(f)(2) under the Securities Act). The Company shall continue all efforts to secure effectiveness of the applicable Registration Statement in respect of the Registrable Securities of any other Holder that has requested inclusion in the Demand Registration pursuant to Section 2.1(a) so long as the Initiating Holder has requested and not withdrawn all of his Registrable Securities to be included in such registration; provided, however, if the Initiating Holder has requested for all of his Registrable Securities to be withdrawn from such registration, the Company shall immediately cease all efforts to secure effectiveness of the applicable Registration Statement, even if one or more other Holders have requested for Registrable Securities to be included in such applicable Registration Statement pursuant to Section 2.1(a) and such withdrawn registration shall not count towards the limitation on registrations set forth in Section 2.1(e) so long as the applicable Registration Statement has not been filed or submitted to the SEC.

(g) In the event any Holder requests to participate in a registration pursuant to this Section 2.1 in connection with a distribution of Registrable Securities to its partners or members, the registration shall provide for resale by such partners or members, if requested by the Holder.

(h) For purposes of this Section 2.1, the Company shall use its commercially reasonable efforts to qualify for registration on Form S-3 for secondary sales and, during such time as the Company is so qualified, shall effect any registration of secondary sales on Form S-3 after such qualification.

2.2 Company Offering.

(a) If the Company proposes to offer (including, for this purpose, a registration effected by the Company for its stockholders other than the Holders) any of its securities under the Securities Act in connection with the public offering of such securities (including an "at-the market offering," a "bought deal" or a "registered direct offering") solely for cash (other than in an Excluded Registration), the Company shall, at such time, promptly give each Holder notice of such offering (a "**Company Offering**"). Such notice shall specify, as applicable, the amount of Class A Common Stock to be registered, the proposed filing date of the registration statement or applicable prospectus supplement and the proposed minimum offering price of the Class A Common Stock, in each case to the extent then known. In the case of an offering under a shelf registration statement previously filed or to be filed by the Company pursuant to Rule 415 under the Securities Act, including where the Company qualifies as a WKSI, such notice shall be sent as promptly as reasonably practicable and in any event no later than ten (10) days prior to the expected date of filing of such registration statement or commencement of marketing efforts for such offering (and no later than five (5) days prior in the case of a "bought deal," a "registered direct offering" or an "overnight transaction" where no preliminary prospectus is used). In the case of a Company Offering under a registration statement to be filed that is not a shelf registration statement, such notice shall be given sent as promptly as reasonably practicable and, in any event, no later than ten (10) days prior to the expected date of filing of such registration statement. Upon the written request of each Holder given within five (5) Business Days after such notice is given by the Company (except that each Holder shall have two (2) Business Days after the Company gives such notice to request inclusion of Registrable Securities in the Company Offering in the case of a "bought deal," a "registered direct offering" or an "overnight transaction" where no preliminary prospectus is used), the Company shall, subject to the provisions of Section 2.3, as promptly as reasonably practicable cause to be registered or include in the prospectus supplement, as applicable, all of the Registrable Securities that each such Holder has requested to be included in such registration. The Company shall have the right to terminate or withdraw any offering initiated by it under this Section 2.2 before the effective date of such offering, whether or not any Holder has elected to include Registrable Securities in such offering. The expenses (other than Selling Expenses) of such withdrawn offering shall be borne by the Company in accordance with Section 2.6.

(b) No offering of Registrable Securities effected pursuant to a request under this Section 2.2 shall be deemed to have been effected pursuant to Section 2.1 or shall relieve the Company of its obligations under Section 2.1.

(c) Each Holder shall be permitted to withdraw all or part of its Registrable Securities in an offering under this Section 2.2 by giving written notice to the Company of its request to withdraw; provided, that (i) such request must be made in writing prior to the effectiveness of such Registration Statement or, in the case of a public offering, at least five (5) Business Days prior to the earlier of the anticipated filing of the "red herring" Prospectus, if applicable, and the anticipated pricing or trade date and (ii) such withdrawal shall be irrevocable and, after making such withdrawal, the Holder shall no longer have any right to include Registrable Securities in such offering as to which such withdrawal was made.

2.3 Underwriting Requirements.

(a) If, pursuant to Section 2.1, the Initiating Holder intends to distribute the Registrable Securities covered by his request by means of an underwriting, he shall so advise the Company as a part of his request made pursuant to Section 2.1, and the Company shall include such information in the Demand Notice. The underwriter(s) will be selected by the Initiating Holder and shall be reasonably acceptable to the Company. In such event, the right of any Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in Section 2.4(e)) enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting. Notwithstanding any other provision of this Section 2.3, if the managing underwriter(s) advise(s) the Initiating Holder in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holder shall so advise all Holders of Registrable Securities that otherwise would be underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be allocated among such Holders of Registrable Securities, including the Initiating Holder, in proportion (as nearly as practicable) to the number of Registrable Securities owned by each Holder or in such other proportion as shall mutually be agreed to by all such selling Holders; provided, however, that the number of Registrable Securities held by the Holders to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting.

(b) In connection with any offering involving an underwriting of shares of the Company's capital stock pursuant to Section 2.2, the Company shall not be required to include any of the Holders' Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company. If the total number of securities, including Registrable Securities, requested by Holders to be included in such offering exceeds the number of securities to be sold (other than by the Company) that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering. If the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering because marketing factors require a limitation of the number of shares to be underwritten, then the Registrable Securities that are included in such offering shall be allocated among the selling Holders in proportion (as nearly as practicable to) the number of Registrable Securities owned by each selling Holder or in such other proportions as shall mutually be agreed to by all such selling Holders. Notwithstanding the foregoing, in no event shall (i) the number of Registrable Securities included in the offering be reduced unless all other securities (other than securities to be sold by the Company) are first entirely excluded from the offering, or (ii) the number of Registrable Securities included in the offering be reduced below thirty percent (30%) of the total number of securities included in such offering. For purposes of the provision in this Section 2.3(b) concerning apportionment, for any selling Holder that is a partnership, limited liability company, or corporation, the partners, members, retired partners, retired members, stockholders, and Affiliates of such Holder, or the estates and Immediate Family Members of any such partners, retired partners, members, and retired members and any trusts for the benefit of any of the foregoing Persons, shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate number of Registrable Securities owned by all Persons included in such "selling Holder," as defined in this sentence.

(c) For purposes of Section 2.1, a registration shall not be counted as "effected" if, as a result of an exercise of the underwriter's cutback provisions in Section 2.3(a), fewer than fifty percent (50%) of the total number of Registrable Securities that Holders have requested to be included in such Registration Statement are actually included.

(d) In the case of an underwritten offering under Section 2.1, the price, underwriting discount and other financial terms for the Registrable Securities shall be determined by the Initiating Holder and shall be reasonably acceptable to the Company. In addition, in the case of any underwritten offering under Section 2.2, each of the Holders may, subject to any limitations on withdrawal contained herein, withdraw all or part of their request to participate in the registration pursuant Section 2.2 after being advised of such price, discount and other terms and shall not be required to enter into any agreements or documentation that would require otherwise.

2.4 Obligations of the Company. Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file a Registration Statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such Registration Statement to become effective, and, to keep such Registration Statement effective for a period of up to one hundred eighty (180) days or, if earlier, until the distribution contemplated in the Registration Statement has been completed, provided, however, that (i) such one hundred eighty (180) day period shall be extended for a period of time equal to the period the Holder refrains, at the request of an underwriter of Class A Common Stock (or other securities) of the Company, from selling any securities included in such registration, and (ii) in the case of an automatic Registration Statement on Form S-3, where the Company shall use its commercially reasonable efforts to keep such Registration Statement effective for three years from the date of effectiveness, which period may be extended, at the request of the Holders of a majority of the Registrable Securities registered thereunder, until the earlier of (i) the effective date of the new Registration Statement or (ii) one hundred eighty (180) days after the third anniversary of the initial effective date of the prior automatic Registration Statement on Form S-3; in each case, subject to compliance with applicable SEC rules;

(b) (i) prepare and file with the SEC such amendments, including post-effective amendments, and supplements to such Registration Statement, and the Prospectus used in connection with such Registration Statement, as may be necessary to comply with the Securities Act in order to enable the disposition of all securities covered by such Registration Statement through the applicable periods during which the Company is obligated to maintain the effectiveness of such Registration Statement, (ii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement, and as so supplemented or amended to be filed pursuant to Rule 424 promulgated by the SEC under the Securities Act; and (iii) respond to any comments received from the SEC with respect to each Registration Statement or any amendment thereto;

(c) that, to the extent practicable, at least five (5) Business Days prior to filing any registration statement or prospectus or any amendments or supplements thereto, the Company shall furnish to the holders of the Registrable Securities covered by such registration statement and their counsel, copies of all such documents proposed to be filed;

(d) furnish to the selling Holders such numbers of copies of the signed Registration Statement, any post-effective amendment thereto, a Prospectus, including a preliminary Prospectus, as required by the Securities Act, any amendments or supplements thereto, any Free Writing Prospectus, and such other documents as the Holders may reasonably request in order to facilitate their disposition of their Registrable Securities;

(e) use its commercially reasonable efforts to register and qualify the securities covered by such Registration Statement under such other securities or blue-sky laws of such jurisdictions as shall be reasonably requested by the selling Holders; provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(f) in the event of any underwritten public offering, (i) enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the underwriter(s) of such offering and (ii) cooperate with the holders of Registrable Securities to be included in such registration and the managing underwriter or underwriters, if any, to facilitate the timely preparation and delivery of certificates (not bearing any restrictive legends other than as may be required by applicable law, by the stock transfer agent, depositary or their nominee, if applicable) representing securities to be sold under such registration, and enable such securities to be in such denominations and registered in such names as the managing underwriter or underwriters, if any, or such holders may request;

(g) cooperate with each Holder and each underwriter, if any, participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with FINRA;

(h) to the extent the Company is eligible under the relevant provisions of Rule 430B under the Securities Act, if the Company files any shelf Registration Statement, include in such shelf Registration Statement such disclosures as may be required by Rule 430B under the Securities Act (referring to the unnamed selling security holders in a generic manner by identifying the initial offering of the securities to the Holders) in order to ensure that the Holders may be added to such shelf Registration Statement at a later time through the filing of a Prospectus supplement rather than a post-effective amendment;

(i) use its commercially reasonable efforts to cause all such Registrable Securities covered by such Registration Statement to be listed on a national securities exchange or trading system and each securities exchange and trading system (if any) on which similar securities issued by the Company are then listed;

(j) (i) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration, and (ii) cooperate with any selling Holders to facilitate the timely preparation and delivery of book-entry interests representing Registrable Securities to be delivered to a transferee pursuant to a Registration Statement, which book-entry interests shall be free of all restrictive legends indicating that the Registrable Securities are unregistered or unqualified for resale under the Securities Act, Exchange Act or other applicable securities laws, and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holder may request in writing;

(k) (i) promptly make available for inspection by the selling Holders, any managing underwriter(s) participating in any disposition pursuant to such Registration Statement, and any attorney or accountant or other agent retained by any such underwriter or selected by the selling Holders, all financial and other records, pertinent corporate documents, and properties of the Company, (ii) cause the Company's officers, directors, employees, and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary or advisable to verify the accuracy of the information in such Registration Statement and to conduct appropriate due diligence in connection therewith (as shall be necessary, in the opinion of such seller or underwriter's legal counsel, to conduct a reasonable investigation with the meaning of Section 11(b)(3) of the Securities Act), and (iii) cause appropriate officers and employees to be available, on a customary basis and upon reasonable notice, to meet with prospective investors in presentations, meetings and road shows;

(l) notify each selling Holder, promptly after the Company receives notice thereof, of the time when such Registration Statement has been declared effective or a supplement to any Prospectus forming a part of such Registration Statement has been filed;

(m) after such Registration Statement becomes effective, promptly notify each selling Holder of any (i) request by the SEC that the Company amend or supplement such Registration Statement or Prospectus or (ii) stop order or other order suspending the effectiveness of any registration statement, issued or threatened in writing by the SEC in connection therewith, and use its commercially reasonable efforts to prevent the entry of such stop order or to remove it or obtain withdrawal of it as soon as practicable if entered;

(n) use its commercially reasonable efforts to obtain:

(i) at the time of pricing of any underwritten offering (including an "at-the-market offering," a "bought deal" or a "registered direct offering") a "cold comfort letter" from the Company's independent registered public accounting firm covering such matters of the type customarily covered by "cold comfort letters" as the Holders and the underwriters reasonably request; and

(ii) at the time of any sale in an underwritten offering pursuant to the registration statement, a "bring-down comfort letter," dated as of the date of such sale, from the Company's independent registered public accountants covering such matters of the type customarily covered by "bring-down comfort letters" as the Holders and the underwriters reasonably request;

(o) use its commercially reasonable efforts to obtain, at the time of effectiveness of each registration or, in the case of a shelf registration, at the time of pricing, and at the time of any sale pursuant to each registration, an opinion or opinions addressed to the holders of the Registrable Securities to be included in such registration and the underwriter or underwriters, if any, in customary form and scope from legal counsel for the Company (who may be its internal legal counsel);

(p) promptly notify each seller of Registrable Securities covered by such registration, upon discovery by an executive officer of the Company that the prospectus included in such registration, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and promptly thereafter prepare and file with the SEC and furnish to such seller a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers or prospective purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they are made; and

(q) enter into such agreements (including underwriting agreements in customary form) and take such other actions as the Holders shall reasonably request in order to expedite or facilitate the disposition of such Registrable Securities, including customary holdback / lock-up provisions.

In addition, the Company shall ensure that, at all times after any Registration Statement covering a public offering of securities of the Company under the Securities Act shall have become effective, its insider trading policy shall provide that the directors of the Company may implement a trading program under Rule 10b5-1 of the Exchange Act.

2.5 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of such Holder's Registrable Securities.

2.6 Expenses of Registration. All expenses (other than Selling Expenses) incurred in connection with registrations, filings, or qualifications pursuant to Section 2, including all registration, filing, and qualification fees (including fees and expenses (a) with respect to filings required to be made with the trading market and (b) in compliance with applicable state securities or "Blue Sky" laws); printers' and accounting fees; all reasonable out-of-pocket expenses relating to marketing the sale of the Registrable Securities, including expenses related to conducting a "road show"; fees and disbursements of counsel, auditors and accountants for the Company; and the reasonable fees and disbursements of one counsel for the selling Holders ("**Selling Holder Counsel**"), shall be borne and paid by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 2.1 if the registration request is subsequently withdrawn at the request of the Initiating Holder (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration); provided further, that if, at the time of such withdrawal, the Holders shall have learned of a material adverse change in the condition, business, or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness after learning of such information then the Holders shall not be required to pay any of such expenses and shall not forfeit their right to one registration pursuant to Section 2.1(a). All Selling Expenses relating to Registrable Securities registered pursuant to this Section 2 shall be borne and paid by the Holders pro rata on the basis of the number of Registrable Securities registered on their behalf.

2.7 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.8 Indemnification. If any Registrable Securities are included in a Registration Statement under this Section 2:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, and the partners, members, officers, directors, and stockholders of each such Holder; legal counsel and accountants for each such Holder; any underwriter (as defined in the Securities Act) for each such Holder; and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any Damages, and the Company will pay to each such Holder, underwriter, controlling Person, or other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Section 2.8(a) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable for any Damages to the extent that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of any such Holder, underwriter, controlling Person, or other aforementioned Person expressly for use in connection with such registration.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, and each of its directors, each of its officers who has signed the Registration Statement, each Person (if any) who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter (as defined in the Securities Act), any other Holder selling securities in such Registration Statement, and any controlling Person of any such underwriter or other Holder, against any Damages, in each case only to the extent that such Damages arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of such selling Holder expressly for use in connection with such registration; and each such selling Holder will pay to the Company and each other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Section 2.8(b) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and provided, further, that in no event shall the aggregate amounts payable by any Holder by way of indemnity or contribution under Section 2.8(b) and Section 2.8(d) exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of fraud or willful misconduct by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 2.8 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification hereunder, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.8, give the indemnifying party notice of the commencement thereof. The indemnifying party shall have the right to participate in such action and, to the extent the indemnifying party so desires, participate jointly with any other indemnifying party to which notice has been given, and to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such action. The failure to give notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Section 2.8, to the extent that such failure materially prejudices the indemnifying party's ability to defend such action. The failure to give notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 2.8.

(d) To provide for just and equitable contribution to joint liability under the Securities Act in any case in which either: (i) any party otherwise entitled to indemnification hereunder makes a claim for indemnification pursuant to this Section 2.8 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that this Section 2.8 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any party hereto for which indemnification is provided under this Section 2.8, then, and in each such case, such parties will contribute to the aggregate losses, claims, damages, liabilities, or expenses to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of each of the indemnifying party and the indemnified party in connection with the statements, omissions, or other actions that resulted in such loss, claim, damage, liability, or expense, as well as to reflect any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact, or the omission or alleged omission of a material fact, relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; provided, however, that, in any such case (x) no Holder will be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by such Holder pursuant to such Registration Statement, and (y) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided, further, that in no event shall a Holder's liability pursuant to this Section 2.8(d), when combined with the amounts paid or payable by such Holder pursuant to Section 2.8(b), exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of willful misconduct or fraud by such Holder.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) Unless otherwise superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and Holders under this Section 2.8 shall survive the completion of any offering of Registrable Securities in a registration under thisSection 2, and otherwise shall survive the termination of this Agreement.

2.9 Reports Under Exchange Act. With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company shall:

(a) make and keep available adequate current public information, as those terms are understood and defined in SEC Rule 144, at all times after the effective date of the Registration Statement filed by the Company for the IPO;

(b) use commercially reasonable efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after the Company has become subject to such reporting requirements); and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after ninety (90) days after the effective date of the Registration Statement filed by the Company for the IPO), the Securities Act, and the Exchange Act (at any time after the Company has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after the Company so qualifies); and (ii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act) or pursuant to Form S-3 (at any time after the Company so qualifies to use such form).

2.10 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of a majority of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company that would (a) allow such holder or prospective holder to include such securities in any registration unless, under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the number of the Registrable Securities of the Holders that are included; or (b) allow such holder or prospective holder to initiate a demand for registration of any securities held by such holder or prospective holder.

2.11 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Section 2.1 or Section 2.2 shall terminate at such time as SEC Rule 144(b)(1) under the Securities Act (or any successor provision) is available for the sale of all of such Holder's shares without any need to comply with the public information requirements of SEC Rule 144(b)(1) (or any successor provision) or any such shares are sold pursuant to SEC Rule 144.

3. Miscellaneous.

3.1 Successors and Assigns. The rights under this Agreement may be assigned (but only with all related obligations) by a Holder to a transferee of Registrable Securities that (a) is an Affiliate of a Holder; (b) is a Holder's Immediate Family Member or trust for the benefit of an individual Holder or one or more of such Holder's Immediate Family Members; or (c) after such transfer, holds at least one percent (1%) of the Company's then outstanding Registrable Securities; provided, however, that the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred. For the purposes of determining the number of shares of Registrable Securities held by a transferee, the holdings of a transferee (1) that is an Affiliate, member or stockholder of a Holder; (2) who is a Holder's Immediate Family Member; or (3) that is a trust for the benefit of an individual Holder or such Holder's Immediate Family Member shall be aggregated together and with those of the transferring Holder; provided, further, that all transferees who would not qualify individually for assignment of rights shall have a single attorney-in-fact for the purpose of exercising any rights, receiving notices, or taking any action under this Agreement. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

3.2 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

3.3 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

3.4 Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or (a) personal delivery to the party to be notified; (b) when sent, if sent by electronic mail or facsimile during the recipient's normal business hours, and if not sent during normal business hours, then on the recipient's next Business Day; (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one (1) Business Day after the Business Day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their addresses as set forth on Schedule A hereto, or to the principal office of the Company and to the attention of the Chief Executive Officer, in the case of the Company, or to such email address, facsimile number, or address as subsequently modified by written notice given in accordance with this Section 3.4.

3.5 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company and Mr. Zalupski; provided that any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party. The Company shall give prompt notice of any amendment or termination hereof or waiver hereunder to any party hereto that did not consent in writing to such amendment, termination, or waiver. Any amendment, termination, or waiver effected in accordance with this Section 3.5 shall be binding on all parties hereto, regardless of whether any such party has consented thereto. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision. Notwithstanding the foregoing, in no event may the demand registration rights granted to any Holder pursuant to Section 2.1 of this Agreement be removed without the prior written consent of such Holders.

3.6 Severability. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

3.7 Entire Agreement. This Agreement (including any Schedules and Exhibits hereto) constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof (other than any lock-up or similar agreement between any Holder and any underwriter), and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled. This Agreement hereby amends, restates and supersedes the Original Registration Rights Agreement in all respects.

3.8 Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without regard to the conflicts of law principles of such State. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the courts of the State of Delaware sitting in New Castle County and to the jurisdiction of the United States District Court sitting in Wilmington, Delaware for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the courts of the State of Delaware sitting in New Castle County or the United States District Court sitting in Wilmington, Delaware, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

3.9 WAIVER OF JURY TRIAL. EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

3.10 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or nondefaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

3.11 Other Interpretive Matters. For purposes of this Agreement, (a) when calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period is excluded, and if the last day of such period is a non-Business Day, the period in question ends on the next succeeding Business Day, (b) unless the context otherwise requires, all references in this Agreement to any "Article," "Section" or "Exhibit" are to the corresponding Article, Section or Exhibit of this Agreement, (c) the word "including," or any variation thereof, means "including, without limitation" and does not limit any general statement that it follows to the specific or similar items or matters immediately following it, and (d) all references to dollar amounts are expressed in United States Dollars. As used herein, the singular shall include the plural, the plural shall include the singular and any use of the male or female gender shall include the other gender, all wherever the same shall be applicable and when the context shall admit or require.

3.12 No Recourse. Notwithstanding anything to the contrary that may be expressed or implied in this Agreement, and notwithstanding the fact that any Holder or its Affiliates or any of its or their successors or permitted assignees may be a partnership or a limited liability company, the Company, by its acceptance of the benefits hereof, covenants, agrees and acknowledges that no Person other than the Holders and their respective successors and permitted assignees shall have any obligation hereunder, and that it has no rights of recovery against, and no recourse hereunder against, any former, current or future director, officer, agent, advisor, attorney, representative, Affiliate, manager or employee of any Holder (or any of its successors or assignees), against any former, current or future general or limited partner, manager, member or stockholder of any Holder or any Affiliate thereof or against any former, current or future director, officer, agent, advisor, attorney, representative, employee, Affiliate, assignee, general or limited partner, stockholder, manager or member of any of the foregoing, whether by or through attempted piercing of the corporate veil, by the enforcement of any judgment or assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable law.

3.13 Specific Performance. The rights of each party to consummate the transactions contemplated hereby are agreed to be unique, and recognizing that the remedy at law for any breach or threatened breach by a party hereto of the agreements and conditions set forth herein would be inadequate, and further recognizing that any such breach or threatened breach would cause immediate, irreparable and permanent damage to the parties, the extent of which would be impossible or difficult to ascertain, the parties hereto agree that in the event of any such breach or threatened breach, and in addition to any and all remedies at law or otherwise provided herein, any party hereto may specifically enforce the terms of this Agreement and may obtain temporary and/or permanent injunctive relief (including a mandatory injunction) without the necessity of proving actual damage or the lack of an adequate remedy at law and, to the extent permissible under applicable rules, provision and statutes, a temporary injunction may be granted immediately upon the commencement of any suit hereunder regardless of whether the breaching party or parties have actually received notice thereof. Such remedy shall be cumulative and not exclusive, and shall be in addition to any other remedy or remedies available to the parties.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first written above.

COMPANY:

DREAM FINDERS HOMES, INC.

By: _____
Name: Patrick O. Zalupski
Title: President, Chief Executive Officer and Chairman of the Board of Directors

PATRICK O. ZALUPSKI

POZ HOLDINGS, INC.

By: _____

Name:

Title:

[Signature Page to Registration Rights Agreement]

DFH INVESTORS, LLC

By: _____

Name:

Title:

[Signature Page to Registration Rights Agreement]

[Additional members of management party hereto]

SCHEDULE A

Holders

Name	Address
DFH Investors, LLC	241 Atlantic Blvd., Suite 201 Neptune Beach, Florida 32266
Patrick O. Zalupski	c/o Dream Finders Homes, Inc. 1407 Phillips Highway, Suite 300 Jacksonville, Florida 32256
POZ Holdings, Inc.	c/o Dream Finders Homes, Inc. 1407 Phillips Highway, Suite 300 Jacksonville, Florida 32256
[Additional members of management party hereto]	c/o Dream Finders Homes, Inc. 1407 Phillips Highway, Suite 300 Jacksonville, Florida 32256

DREAM FINDERS HOMES, INC.

Form of 2021 Equity Incentive Plan

ARTICLE I.
PURPOSE

The Plan's purpose is to enhance the Company's ability to attract, retain and motivate persons who make (or are expected to make) important contributions to the Company by providing these individuals with equity ownership opportunities. Capitalized terms used in the Plan and not defined elsewhere in the text are defined in Article XI.

ARTICLE II.
ELIGIBILITY

Service Providers are eligible to be granted Awards under the Plan, subject to the limitations described herein.

ARTICLE III.
ADMINISTRATION AND DELEGATION

3.1 Administration. The Plan is administered by the Administrator. The Administrator has authority to determine which Service Providers receive Awards, grant Awards and set Award terms and conditions, subject to the conditions and limitations in the Plan. The Administrator also has the authority to take all actions and make all determinations under the Plan, to interpret the Plan and Award Agreements and to adopt, amend and repeal Plan administrative rules, guidelines and practices as it deems advisable. The Administrator may correct defects and ambiguities, supply omissions and reconcile inconsistencies in the Plan or any Award as it deems necessary or appropriate to administer the Plan and any Awards. The Administrator's determinations under the Plan are in its sole discretion and will be final and binding on all persons having or claiming any interest in the Plan or any Award.

3.2 Appointment of Committees. To the extent Applicable Laws permit, the Board may delegate any or all of its powers under the Plan to one or more Committees or officers of the Company or any of its Subsidiaries; provided, that, any such officer delegation shall exclude the power to grant Awards to non-employee Directors or Section 16 Persons. The Board may abolish any Committee and/or re-vest in itself any previously delegated authority at any time. The Board or Committee, as applicable, may engage or authorize the engagement of a third party administrator to carry out the administrative functions of the Plan.

ARTICLE IV.
STOCK AVAILABLE FOR AWARDS

4.1 Number of Shares. Subject to adjustment under Article VIII and the terms of this Article IV, the maximum number of shares that may be issued pursuant to Awards under the Plan shall be equal to the Overall Share Limit. Shares issued under the Plan may consist of authorized but unissued Shares, Shares purchased on the open market or treasury Shares.

4.2 Share Recycling. If all or any part of an Award expires, lapses or is terminated, exchanged for or settled in cash, surrendered, repurchased, canceled without having been fully exercised or forfeited, in any case, in a manner that results in the Company acquiring Shares covered by the Award at a price not greater than the price (as adjusted to reflect any Equity Restructuring) paid by the Participant for such Shares or not issuing any Shares covered by the Award, the unused Shares covered by the Award will, as applicable, become or again be available for Award grants under the Plan. Further, Shares delivered (either by actual delivery or attestation) to the Company by a Participant to satisfy the applicable exercise or purchase price of an Award and/or to satisfy any applicable tax withholding obligation (including Shares retained by the Company from the Award being exercised or purchased and/or creating the tax obligation) will again be available for Award grants under the Plan. The payment of Dividend Equivalents in cash in conjunction with any outstanding Awards will not count against the Overall Share Limit.

4.3 Incentive Stock Option Limitations. Notwithstanding anything to the contrary herein, all Shares that may be issued pursuant to Awards under the Plan may be issued pursuant to the exercise of Incentive Stock Options.

4.4 Substitute Awards. In connection with an entity's merger or consolidation with the Company or the Company's acquisition of an entity's property or stock, the Administrator may grant Awards in substitution for any options or other stock or stock-based awards granted before such merger or consolidation by such entity or its affiliate. Substitute Awards may be granted on such terms as the Administrator deems appropriate, notwithstanding limitations on Awards in the Plan. Substitute Awards will not count against the Overall Share Limit (nor shall Shares subject to a Substitute Award be added to the Shares available for Awards under the Plan as provided above), except that Shares acquired by exercise of substitute Incentive Stock Options will count against the maximum number of Shares that may be issued pursuant to the exercise of Incentive Stock Options under the Plan. Additionally, in the event that a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary combines has shares available under a pre-existing plan approved by stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the Shares authorized for grant under the Plan (and Shares subject to such Awards shall not be added to the Shares available for Awards under the Plan as provided above); provided that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not Employees, Consultants or Directors prior to such acquisition or combination.

4.5 Non-Employee Director Compensation. Notwithstanding any provision to the contrary in the Plan, the Administrator may establish compensation for non-employee Directors from time to time, subject to the limitations in the Plan. The sum of any cash compensation, or other compensation, and the value (determined as of the grant date in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, or any successor thereto) of Awards granted to a non-employee Director as compensation for services as a non-employee Director during any fiscal year of the Company may not exceed $400,000 (the "***Director Limit***").

ARTICLE V.
STOCK OPTIONS AND STOCK APPRECIATION RIGHTS

5.1 General. The Administrator may grant Options or Stock Appreciation Rights to Service Providers subject to the limitations in the Plan, including any limitations in the Plan that apply to Incentive Stock Options. A Stock Appreciation Right will entitle the Participant (or other person entitled to exercise the Stock Appreciation Right) to receive from the Company upon exercise of the exercisable portion of the Stock Appreciation Right an amount determined by multiplying the excess, if any, of the Fair Market Value of one Share on the date of exercise over the exercise price per Share of the Stock Appreciation Right by the number of Shares with respect to which the Stock Appreciation Right is exercised, subject to any limitations of the Plan or that the Administrator may impose and payable in cash, Shares valued at Fair Market Value or a combination of the two as the Administrator may determine or provide in the Award Agreement.

5.2 Exercise Price. The Administrator will establish each Option's and Stock Appreciation Right's exercise price and specify the exercise price in the Award Agreement. The exercise price will not be less than 100% of the Fair Market Value on the grant date of the Option or Stock Appreciation Right (subject to Section 5.6). Notwithstanding the foregoing, in the case of an Option or a Stock Appreciation Right that is a Substitute Award, the exercise price per share of the Shares subject to such Option or Stock Appreciation Right, as applicable, may be less than the Fair Market Value per share on the date of grant; provided that the exercise price of any Substitute Award shall be determined in accordance with the applicable requirements of Sections 424 and 409A of the Code.

5.3 Duration. Each Option or Stock Appreciation Right will be exercisable at such times and as specified in the Award Agreement, provided that the term of an Option or Stock Appreciation Right will not exceed ten years (subject to Section 5.6). Notwithstanding the foregoing and unless determined otherwise by the Company, in the event that on the last business day of the term of an Option or Stock Appreciation Right (other than an Incentive Stock Option) (i) the exercise of the Option or Stock Appreciation Right is prohibited by Applicable Law, as determined by the Company, or (ii) Shares may not be purchased or sold by the applicable Participant due to any Company insider trading policy (including blackout periods) or a "lock-up" agreement undertaken in connection with an issuance of securities by the Company, the term of the Option or Stock Appreciation Right shall be extended until the date that is thirty (30) days after the end of the legal prohibition, black-out period or lock-up agreement, as determined by the Company; provided, however, in no event shall the extension last beyond the ten year term of the applicable Option or Stock Appreciation Right. Notwithstanding the foregoing, to the extent permitted under Applicable Laws, if the Participant, prior to the end of the term of an Option or Stock Appreciation Right, violates the non-competition, non-solicitation, confidentiality or other similar restrictive covenant provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company or any of its Subsidiaries, the right of the Participant and the Participant's transferees to exercise any Option or Stock Appreciation Right issued to the Participant shall terminate immediately upon such violation, unless the Company otherwise determines.

5.4 Exercise. Options and Stock Appreciation Rights may be exercised by delivering to the Company a written notice of exercise, in a form the Administrator approves (which may be electronic), signed by the person authorized to exercise the Option or Stock Appreciation Right, together with, as applicable, payment in full (i) as specified in Section 5.5 for the number of Shares for which the Award is exercised and (ii) as specified in Section 9.5 for any applicable taxes. Unless the Administrator otherwise determines, an Option or Stock Appreciation Right may not be exercised for a fraction of a Share.

5.5 Payment Upon Exercise. Subject to Section 10.8, any Company insider trading policy (including blackout periods) and Applicable Laws, the exercise price of an Option must be paid by:

(a) cash, wire transfer of immediately available funds or by check payable to the order of the Company, provided that the Company may limit the use of one of the foregoing payment forms if one or more of the payment forms below is permitted;

(b) if there is a public market for Shares at the time of exercise, unless the Company otherwise determines, through a Broker Assisted Transaction;

(c) to the extent permitted by the Administrator, delivery (either by actual delivery or attestation) of Shares owned by the Participant valued at their Fair Market Value;

(d) to the extent permitted by the Administrator, surrendering Shares then issuable upon the Option's exercise valued at their Fair Market Value on the exercise date;

(e) to the extent permitted by the Administrator, delivery of a promissory note or any other property that the Administrator determines is good and valuable consideration; or

(f) to the extent permitted by the Company, any combination of the above payment forms approved by the Administrator.

5.6 Additional Terms of Incentive Stock Options. The Administrator may grant Incentive Stock Options only to employees of the Company, any of its present or future parent or subsidiary corporations, as defined in Sections 424(e) or (f) of the Code, respectively, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code. If an Incentive Stock Option is granted to a Greater Than 10% Stockholder, the exercise price will not be less than 110% of the Fair Market Value on the Option's grant date, and the term of the Option will not exceed five years. All Incentive Stock Options will be subject to and construed consistently with Section 422 of the Code. By accepting an Incentive Stock Option, the Participant agrees to give prompt notice to the Company of dispositions or other transfers (other than in connection with a Change in Control) of Shares acquired under the Option made within (i) two years from the grant date of the Option or (ii) one year after the transfer of such Shares to the Participant, specifying the date of the disposition or other transfer and the amount the Participant realized, in cash, other property, assumption of indebtedness or other consideration, in such disposition or other transfer. Neither the Company nor the Administrator will be liable to a Participant, or any other party, if an Incentive Stock Option fails or ceases to qualify as an "incentive stock option" under Section 422 of the Code. Any Incentive Stock Option or portion thereof that fails to qualify as an "incentive stock option" under Section 422 of the Code for any reason, including becoming exercisable with respect to Shares having a fair market value exceeding the $100,000 limitation under Treasury Regulation Section 1.422-4, will be a Non-Qualified Stock Option.

ARTICLE VI.
RESTRICTED STOCK; RESTRICTED STOCK UNITS

6.1 General. The Administrator may grant Restricted Stock, or the right to purchase Restricted Stock, to any Service Provider, subject to the Company's right to repurchase all or part of such shares at their issue price or other stated or formula price from the Participant (or to require forfeiture of such shares) if conditions the Administrator specifies in the Award Agreement are not satisfied before the end of the applicable restriction period or periods that the Administrator establishes for such Award. In addition, the Administrator may grant to Service Providers Restricted Stock Units, which may be subject to vesting and forfeiture conditions during the applicable restriction period or periods, as set forth in an Award Agreement. The Administrator will determine and set forth in the Award Agreement the terms and conditions for each Restricted Stock and Restricted Stock Unit Award, subject to the conditions and limitations contained in the Plan.

6.2 Restricted Stock.

(a) Dividends. Participants holding shares of Restricted Stock will be entitled to all ordinary cash dividends paid with respect to such Shares, unless the Administrator provides otherwise in the Award Agreement. In addition, unless the Administrator provides otherwise, if any dividends or distributions are paid in Shares, or consist of a dividend or distribution to holders of Common Stock of property other than an ordinary cash dividend, the Shares or other property will be subject to the same restrictions on transferability and forfeitability as the shares of Restricted Stock with respect to which they were paid.

(b) Stock Certificates. The Company may require that the Participant deposit in escrow with the Company (or its designee) any stock certificates issued in respect of shares of Restricted Stock, together with a stock power endorsed in blank.

6.3 Restricted Stock Units.

(a) Settlement. The Administrator may provide that settlement of Restricted Stock Units will occur upon or as soon as reasonably practicable after the Restricted Stock Units vest or will instead be deferred, on a mandatory basis or at the Participant's election, in a manner intended to comply with Section 409A.

(b) Stockholder Rights. A Participant will have no rights of a stockholder with respect to Shares subject to any Restricted Stock Unit unless and until the Shares are delivered in settlement of the Restricted Stock Unit.

ARTICLE VII.
OTHER STOCK OR CASH BASED AWARDS; DIVIDEND EQUIVALENTS

7.1 Other Stock or Cash Based Awards. Other Stock or Cash Based Awards may be granted to Participants, including Awards entitling Participants to receive Shares to be delivered in the future and including annual or other periodic or long-term cash bonus awards (whether based on specified Performance Criteria or otherwise), in each case subject to any conditions and limitations in the Plan. Such Other Stock or Cash Based Awards will also be available as a payment form in the settlement of other Awards, as standalone payments and as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock or Cash Based Awards may be paid in Shares, cash or other property, as the Administrator determines. Subject to the provisions of the Plan, the Administrator will determine the terms and conditions of each Other Stock or Cash Based Award, including any purchase price, performance goal (which may be based on the Performance Criteria), transfer restrictions, and vesting conditions, which will be set forth in the applicable Award Agreement.

7.2 Dividend Equivalents. A grant of Restricted Stock Units or Other Stock or Cash Based Award may provide a Participant with the right to receive Dividend Equivalents, and no Dividend Equivalents shall be payable with respect to Options or Stock Appreciation Rights. Dividend Equivalents may be paid currently or credited to an account for the Participant, settled in cash or Shares and subject to the same restrictions on transferability and forfeitability as the Award with to which the Dividend Equivalents are paid and subject to other terms and conditions as set forth in the Award Agreement. Notwithstanding anything to the contrary herein, Dividend Equivalents with respect to an Award shall only be paid out to the Participant to the extent that the vesting conditions are subsequently satisfied. All such Dividend Equivalent payments will be made no later than March 15 of the calendar year following calendar year in which the right to the Dividend Equivalent payment becomes nonforfeitable, unless determined otherwise by the Administrator or unless deferred in a manner intended to comply with Section 409A.

ARTICLE VIII.
ADJUSTMENTS FOR CHANGES IN COMMON STOCK
AND CERTAIN OTHER EVENTS

8 . 1 Equity Restructuring. In connection with any Equity Restructuring, notwithstanding anything to the contrary in this Article VIII, the Administrator will equitably adjust each outstanding Award to reflect the Equity Restructuring, which may include adjusting the number and type of securities subject to each outstanding Award and/or the Award's exercise price or grant price (if applicable), granting new Awards to Participants, and making a cash payment to Participants. The adjustments provided under this Section 8.1 will be nondiscretionary and final and binding on the affected Participant and the Company; provided that the Administrator will determine whether an adjustment is equitable.

8.2 Corporate Transactions. In the event of any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), reorganization, merger, consolidation, combination, amalgamation, repurchase, recapitalization, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of the assets of the Company, or sale or exchange of Common Stock or other securities of the Company, Change in Control, issuance of warrants or other rights to purchase Common Stock or other securities of the Company, other similar corporate transaction or event, other unusual or nonrecurring transaction or event affecting the Company or its financial statements or any change in any Applicable Laws or accounting principles, the Administrator, on such terms and conditions as it deems appropriate, either by the terms of the Award or by action taken prior to the occurrence of such transaction or event (except that action to give effect to a change in Applicable Law or accounting principles may be made within a reasonable period of time after such change) is hereby authorized to take any one or more of the following actions whenever the Administrator determines that such action is appropriate in order to (x) prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the Plan or with respect to any Award granted or issued under the Plan, (y) to facilitate such transaction or event or (z) give effect to such changes in Applicable Laws or accounting principles:

(a) To provide for the cancellation of any such Award in exchange for either an amount of cash or other property with a value equal to the amount that could have been obtained upon the exercise or settlement of the vested portion of such Award or realization of the Participant's rights under the vested portion of such Award, as applicable; provided that, if the amount that could have been obtained upon the exercise or settlement of the vested portion of such Award or realization of the Participant's rights, in any case, is equal to or less than zero, then the Award may be terminated without payment;

(b) To provide that such Award shall vest and, to the extent applicable, be exercisable as to all Shares covered thereby, notwithstanding anything to the contrary in the Plan or the provisions of such Award;

(c) To provide that such Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and/or applicable exercise or purchase price, in all cases, as determined by the Administrator;.

(d) To make adjustments in the number and type of Shares (or other securities or property) subject to outstanding Awards and/or with respect to which Awards may be granted under the Plan (including, but not limited to, adjustments of the limitations in Article IV hereof on the maximum number and kind of shares which may be issued) and/or in the terms and conditions of (including the grant or exercise price or applicable performance goals), and the criteria included in, outstanding Awards;

(e) To replace such Award with other rights or property selected by the Administrator; and/or

(f) To provide that the Award will terminate and cannot vest, be exercised or become payable after the applicable event.

8.3 Effect of Non-Assumption in a Change in Control. Notwithstanding the provisions of Section 8.2, if a Change in Control occurs and a Participant's Awards are not continued, converted, assumed, or replaced with a substantially similar award by (a) the Company, or (b) a successor entity or its parent or subsidiary (an "***Assumption***"), and provided that the Participant has not had a Termination of Service, then, immediately prior to the Change in Control, such Awards shall become fully vested, exercisable and/or payable, as applicable, and all forfeiture, repurchase and other restrictions on such Awards shall lapse, in which case, such Awards shall be canceled upon the consummation of the Change in Control in exchange for the right to receive the Change in Control consideration payable to other holders of Common Stock (i) which may be on such terms and conditions as apply generally to holders of Common Stock under the Change in Control documents (including, without limitation, any escrow, earn-out or other deferred consideration provisions) or such other terms and conditions as the Administrator may provide, and (ii) determined by reference to the number of Shares subject to such Awards and net of any applicable exercise price; provided that to the extent that any Awards constitute "nonqualified deferred compensation" that may not be paid upon the Change in Control under Section 409A without the imposition of taxes thereon under Section 409A, the timing of such payments shall be governed by the applicable Award Agreement (subject to any deferred consideration provisions applicable under the Change in Control documents); and provided, further, that if the amount to which a Participant would be entitled upon the settlement or exercise of such Award at the time of the Change in Control is equal to or less than zero, then such Award may be terminated without payment. The Administrator shall determine whether an Assumption of an Award has occurred in connection with a Change in Control.

8 . 4 Administrative Stand Still. In the event of any pending stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other extraordinary transaction or change affecting the Shares or the share price of Common Stock, including any Equity Restructuring or any securities offering or other similar transaction, for administrative convenience, the Administrator may refuse to permit the exercise of any Award for up to sixty (60) days before or after such transaction.

8.5 General. Except as expressly provided in the Plan or the Administrator's action under the Plan, no Participant will have any rights due to any subdivision or consolidation of Shares of any class, dividend payment, increase or decrease in the number of Shares of any class or dissolution, liquidation, merger, or consolidation of the Company or other corporation. Except as expressly provided with respect to an Equity Restructuring under Section 8.1 or the Administrator's action under the Plan, no issuance by the Company of Shares of any class, or securities convertible into Shares of any class, will affect, and no adjustment will be made regarding, the number of Shares subject to an Award or the Award's grant or exercise price. The existence of the Plan, any Award Agreements and the Awards granted hereunder will not affect or restrict in any way the Company's right or power to make or authorize (i) any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, (ii) any merger, consolidation dissolution or liquidation of the Company or sale of Company assets or (iii) any sale or issuance of securities, including securities with rights superior to those of the Shares or securities convertible into or exchangeable for Shares. The Administrator may treat Participants and Awards (or portions thereof) differently under this Article VIII.

ARTICLE IX.
GENERAL PROVISIONS APPLICABLE TO AWARDS

9.1 Transferability. Except as the Administrator may determine or provide in an Award Agreement or otherwise for Awards other than Incentive Stock Options, Awards may not be sold, assigned, transferred, pledged or otherwise encumbered, either voluntarily or by operation of law, except by will or the laws of descent and distribution, or, subject to the Administrator's consent, pursuant to a domestic relations order, and, during the life of the Participant, will be exercisable only by the Participant. Any permitted transfer of an Award hereunder shall be without consideration, except as required by Applicable Law. References to a Participant, to the extent relevant in the context, will include references to a Participant's authorized transferee that the Administrator specifically approves.

9.2 Documentation. Each Award will be evidenced in an Award Agreement, which may be written or electronic, as the Administrator determines. The Award Agreement will contain the terms and conditions applicable to an Award. Each Award may contain terms and conditions in addition to those set forth in the Plan.

9.3 Discretion. Except as the Plan otherwise provides, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award to a Participant need not be identical, and the Administrator need not treat Participants or Awards (or portions thereof) uniformly.

9.4 Termination of Status. The Administrator will determine how an authorized leave of absence or any other change or purported change in a Participant's Service Provider status affects an Award and the extent to which, and the period during which, the Participant, the Participant's legal representative, conservator, guardian or Designated Beneficiary may exercise rights under the Award, if applicable.

9.5 Withholding. Each Participant must pay the Company, or make provision satisfactory to the Administrator for payment of, any taxes required by Applicable Law to be withheld in connection with such Participant's Awards by the date of the event creating the tax liability. The Company may deduct an amount sufficient to satisfy such tax obligations based on the applicable statutory withholding rates (or such other rate as may be determined by the Company after considering any accounting consequences or costs) from any payment of any kind otherwise due to a Participant. In the absence of a contrary determination by the Company (or, with respect to withholding pursuant to clause (ii) below with respect to Awards held by Section 16 Persons, a contrary determination by the Administrator), all tax withholding obligations will be calculated based on the maximum applicable statutory withholding rates. Subject to Section 10.8 and any Company insider trading policy (including blackout periods), Participants may satisfy such tax obligations (i) in cash, by wire transfer of immediately available funds, by check made payable to the order of the Company, provided that the Company may limit the use of the foregoing payment forms if one or more of the payment forms below is permitted, (ii) to the extent permitted by the Administrator, in whole or in part by delivery of Shares, including Shares delivered by attestation and Shares retained from the Award creating the tax obligation, valued at their Fair Market Value on the date of delivery, (iii) if there is a public market for Shares at the time the tax obligations are satisfied, unless the Company otherwise determines, (A) delivery through a Broker Assisted Transaction, or (iv) to the extent permitted by the Company, any combination of the foregoing payment forms approved by the Administrator. Notwithstanding any other provision of the Plan, the number of Shares which may be so delivered or retained pursuant to clause (ii) of the immediately preceding sentence shall be limited to the number of Shares which have a Fair Market Value on the date of delivery or retention no greater than the aggregate amount of such liabilities based on the maximum individual statutory tax rate in the applicable jurisdiction at the time of such withholding (or such other rate as may be required to avoid the liability classification of the applicable award under generally accepted accounting principles in the United States of America)); provided, however, to the extent such Shares were acquired by Participant from the Company as compensation, the Shares must have been held for the minimum period required by applicable accounting rules to avoid a charge to the Company's earnings for financial reporting purposes; provided, further, that, any such Shares delivered or retained shall be rounded up to the nearest whole Share to the extent rounding up to the nearest whole Share does not result in the liability classification of the applicable Award under generally accepted accounting principles in the United States of America. If any tax withholding obligation will be satisfied under clause (ii) above by the Company's retention of Shares from the Award creating the tax obligation and there is a public market for Shares at the time the tax obligation is satisfied, the Company may elect to instruct any brokerage firm determined acceptable to the Company for such purpose to sell on the applicable Participant's behalf some or all of the Shares retained and to remit the proceeds of the sale to the Company or its designee, and each Participant's acceptance of an Award under the Plan will constitute the Participant's authorization to the Company and instruction and authorization to such brokerage firm to complete the transactions described in this sentence.

9.6 Amendment of Award; Repricing. The Administrator may amend, modify or terminate any outstanding Award, including by substituting another Award of the same or a different type, changing the exercise or settlement date, and converting an Incentive Stock Option to a Non-Qualified Stock Option. The Participant's consent to such action will be required unless (i) the action, taking into account any related action, does not materially and adversely affect the Participant's rights under the Award, or (ii) the change is permitted under Article VIII or pursuant to Section 10.6. Notwithstanding the foregoing or anything in the Plan to the contrary, the Administrator may, without the approval of the stockholders of the Company, reduce the exercise price per share of outstanding Options or Stock Appreciation Rights or cancel outstanding Options or Stock Appreciation Rights in exchange for cash, other Awards or Options or Stock Appreciation Rights with an exercise price per share that is less than the exercise price per share of the original Options or Stock Appreciation Rights.

9.7 Conditions on Delivery of Stock. The Company will not be obligated to deliver any Shares under the Plan or remove restrictions from Shares previously delivered under the Plan until (i) all Award conditions have been met or removed to the Company's satisfaction, (ii) as determined by the Company, all other legal matters regarding the issuance and delivery of such Shares have been satisfied, including any applicable securities laws and stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Administrator deems necessary or appropriate to satisfy any Applicable Laws. The Company's inability to obtain authority from any regulatory body having jurisdiction, which the Administrator determines is necessary to the lawful issuance and sale of any securities, will relieve the Company of any liability for failing to issue or sell such Shares as to which such requisite authority has not been obtained.

9.8 Acceleration. The Administrator may at any time provide that any Award will become immediately vested and fully or partially exercisable, free of some or all restrictions or conditions, or otherwise fully or partially realizable.

ARTICLE X.
MISCELLANEOUS

10.1 No Right to Employment or Other Status. No person will have any claim or right to be granted an Award, and the grant of an Award will not be construed as giving a Participant the right to continued employment or any other relationship with the Company or any of its Subsidiaries. The Company and its Subsidiaries expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan or any Award, except as expressly provided in an Award Agreement.

10.2 No Rights as Stockholder; Certificates. Subject to the Award Agreement, no Participant or Designated Beneficiary will have any rights as a stockholder with respect to any Shares to be distributed under an Award until becoming the record holder of such Shares. Notwithstanding any other provision of the Plan, unless the Administrator otherwise determines or Applicable Laws require, the Company will not be required to deliver to any Participant certificates evidencing Shares issued in connection with any Award and instead such Shares may be recorded in the books of the Company (or, as applicable, its transfer agent or stock plan administrator). The Company may place legends on stock certificates issued under the Plan that the Administrator deems necessary or appropriate to comply with Applicable Laws.

10.3 Effective Date and Term of Plan. Unless earlier terminated by the Board, the Plan will become effective on the day immediately prior to the Public Trading Date. Notwithstanding anything to the contrary in the Plan, an Incentive Stock Option may not be granted under the Plan after 10 years from the earlier of (i) the date the Board adopted the Plan or (ii) the date the Company's stockholders approved the Plan, but Awards previously granted may extend beyond that date in accordance with the Plan. If the Plan is not approved by the Company's stockholders, the Plan will not become effective and no Awards will be granted under the Plan.

10.4 Amendment of Plan. The Board may amend, suspend or terminate the Plan at any time; provided that no amendment, other than an increase to the Overall Share Limit, may materially and adversely affect any Award outstanding at the time of such amendment without the affected Participant's consent. No Awards may be granted under the Plan during any suspension period or after the Plan's termination. Awards outstanding at the time of any Plan suspension or termination will continue to be governed by the Plan and the Award Agreement, as in effect before such suspension or termination. The Board will obtain stockholder approval of any Plan amendment to the extent necessary to comply with Applicable Laws, or any amendment to increase the Director Limit.

10.5 Provisions for Foreign Participants. The Administrator may modify Awards granted to Participants who are foreign nationals or employed outside the United States or establish subplans or procedures under the Plan to address differences in laws, rules, regulations or customs of such foreign jurisdictions with respect to tax, securities, currency, employee benefit or other matters.

10.6 Section 409A.

(a) General. The Company intends that all Awards be structured to comply with, or be exempt from, Section 409A, such that no adverse tax consequences, interest, or penalties under Section 409A apply. Notwithstanding anything in the Plan or any Award Agreement to the contrary, the Administrator may, without a Participant's consent, amend this Plan or Awards, adopt policies and procedures, or take any other actions (including amendments, policies, procedures and retroactive actions) as are necessary or appropriate to preserve the intended tax treatment of Awards, including any such actions intended to (A) exempt this Plan or any Award from Section 409A, or (B) comply with Section 409A, including regulations, guidance, compliance programs and other interpretative authority that may be issued after an Award's grant date. The Company makes no representations or warranties as to an Award's tax treatment under Section 409A or otherwise. The Company will have no obligation under this Section 10.6 or otherwise to avoid the taxes, penalties or interest under Section 409A with respect to any Award and will have no liability to any Participant or any other person if any Award, compensation or other benefits under the Plan are determined to constitute noncompliant "nonqualified deferred compensation" subject to taxes, penalties or interest under Section 409A.

(b) Separation from Service. If an Award constitutes "nonqualified deferred compensation" under Section 409A, any payment or settlement of such Award upon a termination of a Participant's Service Provider relationship will, to the extent necessary to avoid taxes under Section 409A, be made only upon the Participant's "separation from service" (within the meaning of Section 409A), whether such "separation from service" occurs upon or after the termination of the Participant's Service Provider relationship. For purposes of this Plan or any Award Agreement relating to any such payments or benefits, references to a "termination," "termination of employment" or like terms means a "separation from service."

(c) Payments to Specified Employees. Notwithstanding any contrary provision in the Plan or any Award Agreement, any payment(s) of "nonqualified deferred compensation" required to be made under an Award to a "specified employee" (as defined under Section 409A and as the Administrator determines) due to his or her "separation from service" will, to the extent necessary to avoid taxes under Section 409A(a)(2)(B)(i) of the Code, be delayed for the six-month period immediately following such "separation from service" (or, if earlier, until the specified employee's death) and will instead be paid (as set forth in the Award Agreement) on the day immediately following such six-month period or as soon as administratively practicable thereafter (without interest). Any payments of "nonqualified deferred compensation" under such Award payable more than six months following the Participant's "separation from service" will be paid at the time or times the payments are otherwise scheduled to be made.

10.7 Limitations on Liability. Notwithstanding any other provisions of the Plan, no individual acting as a director, officer, other employee or agent of the Company or any Subsidiary will be liable to any Participant, former Participant, spouse, beneficiary, or any other person for any claim, loss, liability, or expense incurred in connection with the Plan or any Award, and such individual will not be personally liable with respect to the Plan because of any contract or other instrument executed in his or her capacity as an Administrator, director, officer, other employee or agent of the Company or any Subsidiary. The Company will indemnify and hold harmless each director, officer, other employee and agent of the Company or any Subsidiary that has been or will be granted or delegated any duty or power relating to the Plan's administration or interpretation, against any cost or expense (including attorneys' fees) or liability (including any sum paid in settlement of a claim with the Administrator's approval) arising from any act or omission concerning this Plan unless arising from such person's own fraud or bad faith.

10.8 Lock-Up Period. The Company may, at the request of any underwriter representative or otherwise, in connection with registering the offering of any Company securities under the Securities Act, prohibit Participants from, directly or indirectly, selling or otherwise transferring any Shares or other Company securities during a period of up to one hundred eighty (180) days following the effective date of a Company registration statement filed under the Securities Act, or such longer period as determined by the underwriter.

10.9 Data Privacy. As a condition for receiving any Award, each Participant explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of personal data as described in this section by and among the Company and its Subsidiaries and affiliates exclusively for implementing, administering and managing the Participant's participation in the Plan. The Company and its Subsidiaries and affiliates may hold certain personal information about a Participant, including the Participant's name, address and telephone number; birthdate; social security, insurance number or other identification number; salary; nationality; job title(s); any Shares held in the Company or its Subsidiaries and affiliates; and Award details, to implement, manage and administer the Plan and Awards (the "***Data***"). The Company and its Subsidiaries and affiliates may transfer the Data amongst themselves as necessary to implement, administer and manage a Participant's participation in the Plan, and the Company and its Subsidiaries and affiliates may transfer the Data to third parties assisting the Company with Plan implementation, administration and management. These recipients may be located in the Participant's country, or elsewhere, and the Participant's country may have different data privacy laws and protections than the recipients' country. By accepting an Award, each Participant authorizes such recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, to implement, administer and manage the Participant's participation in the Plan, including any required Data transfer to a broker or other third party with whom the Company or the Participant may elect to deposit any Shares. The Data related to a Participant will be held only as long as necessary to implement, administer, and manage the Participant's participation in the Plan. A Participant may, at any time, view the Data that the Company holds regarding such Participant, request additional information about the storage and processing of the Data regarding such Participant, recommend any necessary corrections to the Data regarding the Participant or refuse or withdraw the consents in this Section 10.9 in writing, without cost, by contacting the local human resources representative. The Company may cancel Participant's ability to participate in the Plan and, in the Administrator's discretion, the Participant may forfeit any outstanding Awards if the Participant refuses or withdraws the consents in this Section 10.9. For more information on the consequences of refusing or withdrawing consent, Participants may contact their local human resources representative.

10.10 Severability. If any portion of the Plan or any action taken under it is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Plan, and the Plan will be construed and enforced as if the illegal or invalid provisions had been excluded, and the illegal or invalid action will be null and void.

10.11 Governing Documents. If any contradiction occurs between the Plan and any Award Agreement or other written agreement between a Participant and the Company (or any Subsidiary) that the Administrator has approved, the Plan will govern, unless it is expressly specified in such Award Agreement or other written document that a specific provision of the Plan will not apply.

10.12 Governing Law. The Plan and all Awards will be governed by and interpreted in accordance with the laws of the State of Delaware, disregarding any state's choice-of-law principles requiring the application of a jurisdiction's laws other than the State of Delaware.

10.13 Claw-back Provisions. All Awards (including, without limitation, any proceeds, gains or other economic benefit actually or constructively received by Participant upon any receipt or exercise of any Award or upon the receipt or resale of any Shares underlying the Award) shall be subject to the provisions of any claw-back policy implemented by the Company, including, without limitation, any claw-back policy adopted to comply with Applicable Laws (including the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder) as and to the extent set forth in such claw-back policy or the Award Agreement.

10.14 Titles and Headings. The titles and headings in the Plan are for convenience of reference only and, if any conflict, the Plan's text, rather than such titles or headings, will control.

10.15 Conformity to Securities Laws. Participant acknowledges that the Plan is intended to conform to the extent necessary with Applicable Laws. Notwithstanding anything herein to the contrary, the Plan and all Awards will be administered only in conformance with Applicable Laws. To the extent Applicable Laws permit, the Plan and all Award Agreements will be deemed amended as necessary to conform to Applicable Laws.

10.16 Relationship to Other Benefits. No payment under the Plan will be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary except as expressly provided in writing in such other plan or an agreement thereunder.

10.17 Broker-Assisted Sales. In the event of the sale of Shares in a Broker-Assisted Transaction in connection with the payment of amounts owed by a Participant under or with respect to the Plan or Awards, including amounts to be paid under the final sentence of Section 9.5: (a) any Shares to be sold through the Broker-Assisted Transaction will be sold on the day the payment first becomes due, or as soon thereafter as practicable; (b) such Shares may be sold as part of a block trade with other Participants in the Plan in which all participants receive an average price; (c) the applicable Participant will be responsible for all broker's fees and other costs of sale, and by accepting an Award, each Participant agrees to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale; (d) to the extent the Company or its designee receives proceeds of such sale that exceed the amount owed, the Company will pay such excess in cash to the applicable Participant as soon as reasonably practicable; (e) the Company and its designees are under no obligation to arrange for such sale at any particular price; and (f) in the event the proceeds of such sale are insufficient to satisfy the Participant's applicable obligation, the Participant may be required to pay immediately upon demand to the Company or its designee an amount in cash sufficient to satisfy any remaining portion of the Participant's obligation.

ARTICLE XI.
DEFINITIONS

As used in the Plan, the following words and phrases will have the following meanings:

11.1 "***Administrator***" means the Board or a Committee to the extent that the Board's powers or authority under the Plan have been delegated to such Committee.

11.2 "***Applicable Laws***" means the requirements relating to the administration of equity incentive plans under U.S. federal and state securities, tax and other applicable laws, rules and regulations, the applicable rules of any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws and rules of any foreign country or other jurisdiction where Awards are granted.

11.3 "***Award***" means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Dividend Equivalents, or Other Stock or Cash Based Awards.

11.4 "***Award Agreement***" means a written agreement evidencing an Award, which may be electronic, that contains such terms and conditions as the Administrator determines, consistent with and subject to the terms and conditions of the Plan.

11.5 "***Board***" means the Board of Directors of the Company.

11.6 "***Broker Assisted Transaction***" means either (A) delivery (including electronically or telephonically to the extent permitted by the Company) of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to pay the exercise price or withholding tax obligations, or (B) the Participant's delivery to the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a check sufficient to pay the exercise price; provided that such amount is paid to the Company at such time as may be required by the Administrator.

11.7 "***Cause***" with respect to a Participant, means "Cause" (or any term of similar effect) as defined in such Participant's employment agreement with the Company if such an agreement exists and contains a definition of Cause (or term of similar effect), or, if no such agreement exists or such agreement does not contain a definition of Cause (or term of similar effect), then Cause will include, but not be limited to: (i) the Participant's unauthorized use or disclosure of confidential information or trade secrets of the Company or any material breach of a written agreement between the Participant and the Company, including without limitation a material breach of any employment, confidentiality, non-compete, non-solicit or similar agreement; (ii) the Participant's commission of, indictment for or the entry of a plea of guilty or *nolo contendere* by the Participant to, a felony under the laws of the United States or any state thereof or any crime involving dishonesty or moral turpitude (or any similar crime in any jurisdiction outside the United States); (iii) the Participant's gross negligence or willful misconduct or the Participant's willful or repeated failure or refusal to substantially perform assigned duties; (iv) any act of fraud, embezzlement, material misappropriation or dishonesty committed by the Participant against the Company; or (v) any acts, omissions or statements by a Participant which the Company reasonably determines to be materially detrimental or damaging to the reputation, operations, prospects or business relations of the Company. For purposes of this definition. "Company" will also be deemed to include any Subsidiary of the Company.

11.8 "***Change in Control***" means and includes each of the following:

(a) A transaction or series of transactions (other than an offering of Common Stock to the general public through a registration statement filed with the Securities and Exchange Commission or a transaction or series of transactions that meets the requirements of clauses (i) and (ii) of subsection (c) below) whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Company, any of its Subsidiaries, an employee benefit plan maintained by the Company or any of its Subsidiaries or a "person" that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of the Company's securities outstanding immediately after such acquisition; or

(b) During any period of two consecutive years, individuals who, at the beginning of such period, constitute the Board together with any new Director(s) (other than a Director designated by a person who shall have entered into an agreement with the Company to effect a transaction described in subsections (a) or (c)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the Directors then still in office who either were Directors at the beginning of the two-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or

(c) The consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination or (y) a sale or other disposition of all or substantially all of the Company's assets in any single transaction or series of related transactions or (z) the acquisition of assets or stock of another entity, in each case other than a transaction:

(i) which results in the Company's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company's assets or otherwise succeeds to the business of the Company (the Company or such person, the "***Successor Entity***")) directly or indirectly, at least a majority of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction, and

(ii) after which no person or group beneficially owns voting securities representing 50% or more of the combined voting power of the Successor Entity; *provided*, *however*, that no person or group shall be treated for purposes of this clause (ii) as beneficially owning 50% or more of the combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction.

Notwithstanding the foregoing, if a Change in Control constitutes a payment event with respect to any Award (or portion of any Award) that provides for the deferral of compensation that is subject to Section 409A, to the extent required to avoid the imposition of additional taxes under Section 409A, the transaction or event described in subsection (a), (b) or (c) with respect to such Award (or portion thereof) shall only constitute a Change in Control for purposes of the payment timing of such Award if such transaction also constitutes a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5).

The Administrator shall have full and final authority, which shall be exercised in its discretion, to determine conclusively whether a Change in Control has occurred pursuant to the above definition, the date of the occurrence of such Change in Control and any incidental matters relating thereto; provided that any exercise of authority in conjunction with a determination of whether a Change in Control is a "change in control event" as defined in Treasury Regulation Section 1.409A-3(i)(5) shall be consistent with such regulation.

11.9 "***Code***" means the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

11.10 "***Committee***" means one or more committees or subcommittees of the Board, which may include one or more Company directors or executive officers, to the extent Applicable Laws permit. To the extent required to comply with the provisions of Rule 16b-3, it is intended that each member of the Committee will be, at the time the Committee takes any action with respect to an Award that is subject to Rule 16b-3, a "non-employee director" within the meaning of Rule 16b-3; however, a Committee member's failure to qualify as a "non-employee director" within the meaning of Rule 16b-3 will not invalidate any Award granted by the Committee that is otherwise validly granted under the Plan.

11.11 "***Common Stock***" means the Class A Common Stock.

11.12 "***Company***" means Dream Finders Homes, Inc., a Delaware corporation, or any successor.

11.13 "***Consultant***" means any person, including any adviser, engaged by the Company or its parent or any of its Subsidiaries to render services to such entity if the consultant or adviser: (a) renders bona fide services to the Company; (b) renders services not in connection with the offer or sale of securities in a capital-raising transaction and does not directly or indirectly promote or maintain a market for the Company's securities; and (c) is a natural person.

11.14 "***Designated Beneficiary***" means the beneficiary or beneficiaries the Participant designates, in a manner the Administrator determines, to receive amounts due or exercise the Participant's rights if the Participant dies or becomes incapacitated. Without a Participant's effective designation, "Designated Beneficiary" will mean the Participant's estate.

11.15 "***Director***" means a Board member.

11.16 "***Disability***" means a permanent and total disability under Section 22(e)(3) of the Code, as amended.

11.17 "***Dividend Equivalents***" means a right granted to a Participant under the Plan to receive the equivalent value (in cash or Shares) of dividends paid on Shares.

11.18 "***Employee***" means any employee of the Company or its Subsidiaries.

11.19 "***Equity Restructuring***" means, as determined by the Administrator, a non-reciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split, spin-off or recapitalization through a large, nonrecurring cash dividend, or other large, nonrecurring cash dividend, that affects the Shares (or other securities of the Company) or the share price of Common Stock (or other securities of the Company) and causes a change in the per share value of the Common Stock underlying outstanding Awards.

11.20 "***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

11.21 "***Fair Market Value***" means, as of any date, the value of a share of Common Stock determined as follows: (a) if the Common Stock is listed on any established stock exchange, its Fair Market Value will be the closing sales price for such Common Stock as quoted on such exchange for such date, or if no sale occurred on such date, the last day preceding such date during which a sale occurred, as reported in *The Wall Street Journal* or another source the Administrator deems reliable; (b) if the Common Stock is not traded on a stock exchange but is quoted on a national market or other quotation system, the closing sales price on such date, or if no sales occurred on such date, then on the last date preceding such date during which a sale occurred, as reported in *The Wall Street Journal* or another source the Administrator deems reliable; or (c) without an established market for the Common Stock, the Administrator will determine the Fair Market Value in its discretion. Notwithstanding the foregoing, with respect to any Award granted on the pricing date of the Company's initial public offering, the Fair Market Value shall mean the initial public offering price of a Share as set forth in the Company's final prospectus relating to its initial public offering filed with the Securities and Exchange Commission.

11.22 "***Greater Than 10% Stockholder***" means an individual then owning (within the meaning of Section 424(d) of the Code) more than 10% of the total combined voting power of all classes of stock of the Company or its parent or subsidiary corporation, as defined in Section 424(e) and (f) of the Code, respectively.

11.23 "***Incentive Stock Option***" means an Option, or portion thereof, intended to qualify as an "incentive stock option" as defined in Section 422 of the Code.

11.24 "***Non-Qualified Stock Option***" means an Option, or portion thereof, not intended or not qualifying as an Incentive Stock Option.

11.25 "***Option***" means an option to purchase Shares awarded to a Participant under Article V, which will either be an Incentive Stock Option or a Non-Qualified Stock Option.

11.26 "***Other Stock or Cash Based Awards***" means cash awards, awards of Shares, and other awards valued wholly or partially by referring to, or are otherwise based on, Shares or other property awarded to a Participant under Article VII.

11.27 "***Overall Share Limit***" means 9,100,000 Shares.

11.28 "***Participant***" means a Service Provider who has been granted an Award.

11.29 "***Performance Criteria***" mean the criteria (and adjustments) that the Administrator may select for an Award to establish performance goals for a performance period, which may include the following: net earnings or losses (either before or after one or more of interest, taxes, depreciation, amortization, and non-cash equity-based compensation expense); gross or net sales or revenue or sales or revenue growth; net income (either before or after taxes) or adjusted net income; profits (including but not limited to gross profits, net profits, profit growth, net operation profit or economic profit), profit return ratios or operating margin; budget or operating earnings (either before or after taxes or before or after allocation of corporate overhead and bonus); cash flow (including operating cash flow and free cash flow or cash flow return on capital); return on assets; return on capital or invested capital; cost of capital; return on stockholders' equity; total stockholder return; return on sales; costs, reductions in costs and cost control measures; expenses; working capital; earnings or loss per share; adjusted earnings or loss per share; price per share or dividends per share (or appreciation in or maintenance of such price or dividends); regulatory achievements or compliance; implementation, completion or attainment of objectives relating to research, development, regulatory, commercial, or strategic milestones or developments; market share; economic value or economic value added models; division, group or corporate financial goals; customer satisfaction/growth; customer service; employee satisfaction; recruitment and maintenance of personnel; human resources management; supervision of litigation and other legal matters; strategic partnerships and transactions; financial ratios (including those measuring liquidity, activity, profitability or leverage); debt levels or reductions; sales-related goals; financing and other capital raising transactions; cash on hand; acquisition activity; investment sourcing activity; and marketing initiatives, any of which may be measured in absolute terms or as compared to any incremental increase or decrease. Such performance goals also may be based solely by reference to the Company's performance or the performance of a Subsidiary, division, business segment or business unit of the Company or a Subsidiary, or based upon performance relative to performance of other companies or upon comparisons of any of the indicators of performance relative to performance of other companies.

11.30 "***Plan***" means this 2021 Equity Incentive Plan.

11.31 "***Public Trading Date***" means the first date upon which the Class A Common Stock is listed (or approved for listing) upon notice of issuance on any securities exchange or designated (or approved for designation) upon notice of issuance as a national market security on an interdealer quotation system, or, if earlier, the date on which the Company becomes a "publicly held corporation" for purposes of Treasury Regulation Section 1.162-27(c)(1).

11.32 "***Restricted Stock***" means Shares awarded to a Participant under Article VI subject to certain vesting conditions and other restrictions.

11.33 "***Restricted Stock Unit***" means an unfunded, unsecured right to receive, on the applicable settlement date, one Share or an amount in cash or other consideration determined by the Administrator to be of equal value as of such settlement date awarded to a Participant under Article VI subject to certain vesting conditions and other restrictions.

11.34 "***Rule 16b-3***" means Rule 16b-3 promulgated under the Exchange Act.

11.35 "***Section 409A***" means Section 409A of the Code and all regulations, guidance, compliance programs and other interpretative authority thereunder.

11.36 "***Section 16 Persons***" means those officers, directors or other persons who are subject to Section 16 of the Exchange Act.

11.37 "***Securities Act***" means the Securities Act of 1933, as amended.

11.38 "***Service Provider***" means an Employee, Consultant or Director.

11.39 "***Shares***" means shares of Common Stock.

11.40 "***Stock Appreciation Right***" means a stock appreciation right granted under Article V.

11.41 "***Subsidiary***" means any entity (other than the Company), whether domestic or foreign, in an unbroken chain of entities beginning with the Company if each of the entities other than the last entity in the unbroken chain beneficially owns, at the time of the determination, securities or interests representing at least 50% of the total combined voting power of all classes of securities or interests in one of the other entities in such chain.

11.42 "***Substitute Awards***" means Awards granted or Shares issued by the Company in assumption of, or in substitution or exchange for, awards previously granted, or the right or obligation to make future awards, in each case by a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary combines.

11.43 "***Termination of Service***" means the date the Participant ceases to be a Service Provider.

*** * * ***

Exhibit 10.6

DREAM FINDERS HOMES, INC.

2021 EQUITY INCENTIVE PLAN

FORM OF RESTRICTED STOCK GRANT NOTICE

Dream Finders Homes, Inc. (the "***Company***"), pursuant to its 2021 Equity Incentive Plan (the "***Plan***"), hereby grants to Participant the number of shares of the Company's Common Stock (referred to herein as "***Shares***") set forth below. This Restricted Stock award (this "***Award***") is subject to all of the terms and conditions as set forth herein and in the Restricted Stock Agreement attached hereto as Exhibit A (the "***Agreement***") and the Plan, each of which is incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Restricted Stock Grant Notice ("***Grant Notice***") and the Agreement.

Participant:	*[Insert Participant Name]*
Grant Date:	*[Insert Grant Date]*
Vesting Commencement Date:	*[Insert Vesting Commencement Date]*
Total Number of Shares of Restricted Stock:	*[Insert Number of Shares]*
Vesting Schedule:	The Shares shall vest and be released from the "***Forfeiture Restriction***" (as defined in Section 2(a) of the Agreement) as follows: One-third (33 1/3%) of the Shares shall vest and be released from the Forfeiture Restriction on each of the first, second and third anniversary of the Vesting Commencement Date, so that all of the Shares shall be vested and released from the Forfeiture Restriction on the 3rd anniversary of the Vesting Commencement Date.

By his or her signature and the Company's signature below, Participant agrees to be bound by the terms and conditions of the Plan, the Agreement and this Grant Notice. Participant has reviewed the Agreement, the Plan and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of this Grant Notice, the Agreement and the Plan. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator of the Plan upon any questions arising under the Plan or the Agreement. Participant shall also execute and deliver to the Company the stock assignment duly endorsed in blank, attached to this Grant Notice as Exhibit B (the "***Stock Assignment***"). If Participant is married, his or her spouse has signed the Consent of Spouse attached to this Grant Notice as Exhibit C.

DREAM FINDERS HOMES, INC.		**PARTICIPANT**	
By:	_____	By:	_____
Print Name:	_____	Print Name:	_____
Title:	_____	State of Residence:	_____

EXHIBIT A

TO RESTRICTED STOCK GRANT NOTICE

RESTRICTED STOCK AGREEMENT

Pursuant to the Grant Notice to which this Agreement is attached, the Company has granted to Participant the number of Shares indicated in the Grant Notice.

1. ***Grant of Restricted Stock***.

(a) *Grant of Restricted Stock.* In consideration of Participant's past and/or continued employment with or service to the Company or a parent or subsidiary of the Company and for other good and valuable consideration, which the Administrator has determined exceeds the par value per Share, effective as of the Grant Date set forth in the Grant Notice, the Company grants to Participant the Shares set forth in the Grant Notice, upon the terms and conditions set forth in the Plan and this Agreement.

(b) *Issuance of Shares.* On the Grant Date, the Company shall issue the Shares to Participant and shall (i) cause a share certificate or certificates representing the Shares to be registered in the name of Participant, or (ii) cause such Shares to be held in book entry form. If a share certificate is issued, it shall be delivered to and held in custody by the Company and shall bear the restrictive legends required by Section 4(a) below. If the Shares are held in book entry form, then such entry will reflect that the Shares are subject to the restrictions of this Agreement.

(c) *Rights as a Stockholder*. Except as otherwise provided herein, upon issuance of the Shares by the Company to Participant (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), Participant shall have all the rights of a stockholder with respect to said Shares, including the right to receive any cash or stock dividends or other distributions paid to or made with respect to the Shares, subject to the restrictions described in the following sentence, which restrictions shall lapse when the Unreleased Shares are released from the Forfeiture Restriction as set forth in Section 2. Unless otherwise provided by the Administrator, if any dividends or distributions are paid in cash or shares, or consist of a dividend or distribution to holders of Common Stock of property, the cash, shares or other property paid or made with respect to Unreleased Shares will be retained in custody by the Company (without interest) (the "***Retained Distributions***") and subject to the same forfeiture and transferability restrictions as the Unreleased Shares with respect to which they were paid or made and shall automatically be forfeited to the Company for no consideration in the event of the forfeiture of the Unreleased Shares with respect to which they were paid pursuant to the Forfeiture Restriction. Any Retained Distributions held by the Company that were paid on those Unreleased Shares as to which the Forfeiture Restriction and transfer restrictions lapse or are removed shall also be released to Participant at the time of such lapse or removal. In no event shall a Retained Distribution be paid with respect to Unreleased Shares later than the end of the calendar year in which the corresponding dividends or distributions are paid to holders of Common Stock or, if later, the 15th day of the third month following the later of (a) the date the dividends or distributions are paid to holders of Common Stock and (b) the date the Unreleased Shares with respect to which the Retained Distributions are paid vest. When Unreleased Shares are released from the Forfeiture Restrictions, Participant shall enjoy rights as a stockholder with respect to such Shares until such time as Participant disposes of such Shares.

2. ***Restrictions on Shares***.

(a) *Forfeiture Restriction.* Subject to the provisions of Section 2(b) below, in the event of Participant's Termination of Service for any reason, all of the Shares which, from time to time, have not yet vested and been released from the Forfeiture Restriction (together with and any Retained Distributions paid thereon pursuant to Section 1(c) and held by the Company, the "***Unreleased Shares***") shall thereupon be forfeited immediately and without any further action by the Company (the "***Forfeiture Restriction***"). Upon the occurrence of such forfeiture, the Company shall become the legal and beneficial owner of the Unreleased Shares, and all rights and interests therein or relating thereto, and the Company shall have the right to retain and transfer to its own name the number of Unreleased Shares being forfeited by Participant. The Unreleased Shares shall be held by the Company in accordance with Section 3 until the Shares are forfeited as provided in this Section 2(a), until such Unreleased Shares are fully released from the Forfeiture Restriction, or until such time as this Agreement no longer is in effect. Participant hereby authorizes and directs the Secretary of the Company, or such other person designated by the Administrator, to transfer the Unreleased Shares which have been forfeited pursuant to this Section 2(a) from Participant to the Company.

(b) *Release of Shares from Forfeiture Restriction.* The Shares shall be released from the Forfeiture Restriction in accordance with the vesting schedule set forth in the Grant Notice. As soon as administratively practicable following the release of any Shares from the Forfeiture Restriction, the Company shall, as applicable, either deliver to Participant the certificate or certificates representing such Shares in the Company's possession belonging to Participant, or, if the Shares are held in book entry form, then the Company shall remove the notations on the book form. Participant (or the beneficiary or personal representative of Participant in the event of Participant's death or incapacity, as the case may be) shall deliver to the Company any representations or other documents or assurances as the Company or its representatives deem necessary or advisable in connection with any such delivery.

(c) *Transferability*. Except as otherwise permitted by the Administrator, the Unreleased Shares shall not be sold, assigned, transferred, pledged or otherwise encumbered by Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution.

(d) *Forfeiture upon Termination for Cause or Restrictive Covenant Breach.* If Participant's Termination of Service is for Cause, or Participant breaches any restrictive covenants contained in an agreement between the Company or any Subsidiary, as determined in good faith by the Board, then all Shares (whether vested or unvested) granted pursuant to this Agreement shall thereupon be forfeited immediately and without any further action by the Company (the "***Clawback Shares***"). Upon the occurrence of such forfeiture, the Company shall become the legal and beneficial owner of the Clawback Shares, and all rights and interests therein or relating thereto, and the Company shall have the right to retain and transfer to its own name the number of Clawback Shares being forfeited by Participant. To the extent that Participant has sold or otherwise disposed of any Clawback Shares prior to the date of such determination, then Participant shall be required to pay to the Company any and all proceeds received by Participant as a result of such sale or other disposition.

3. ***Escrow***. To insure the availability for delivery of the Unreleased Shares in the event of the application of the Forfeiture Restriction, Participant appoints the Secretary of the Company, or such other person designated by the Administrator from time to time as escrow agent, as its attorney-in-fact to sell, assign and transfer unto the Company, such Unreleased Shares, if any, forfeited pursuant to the Forfeiture Restriction, together with any Retained Distributions paid thereon pursuant to Section 1(c) and held by the Company, and shall deliver and deposit with the Secretary of the Company, or such other person designated by the Administrator from time to time, the share certificate(s) representing the Shares, together with the Stock Assignment. The Unreleased Shares and Stock Assignment (and any Retained Distributions) shall be held by the Secretary of the Company, or such other person designated by the Administrator from time to time, in escrow, until the Shares are forfeited as provided in Section 2(a), until such Shares are fully released from the Forfeiture Restriction or until such time as this Agreement no longer is in effect. Upon release of the Unreleased Shares from the Forfeiture Restriction, the escrow agent shall as soon as reasonably practicable deliver to Participant the certificate or certificates representing such Shares in the escrow agent's possession belonging to Participant, and the escrow agent shall be discharged of all further obligations hereunder. The Company, or its designee, shall not be liable for any act it may do or omit to do with respect to holding the Shares (or any Retained Distributions) in escrow and while acting in good faith and in the exercise of its judgment.

4. ***Restrictive Legends and Stop-Transfer Orders.***

(a) *Legends*. Participant understands and agrees that the Company shall cause any certificates issued evidencing the Shares to have the legends set forth below or legends substantially equivalent thereto, together with any other legends that may be required by Applicable Laws:

THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("ACT"), NOR HAVE THEY BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. NO TRANSFER OF SUCH SECURITIES WILL BE PERMITTED UNLESS A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT AS TO SUCH TRANSFER, THE TRANSFER IS MADE IN ACCORDANCE WITH RULE 144 UNDER THE ACT, OR IN THE OPINION OF COUNSEL (WHICH MAY BE COUNSEL FOR THE COMPANY) REGISTRATION UNDER THE ACT IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT AND WITH APPLICABLE STATE SECURITIES LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE SUBJECT TO FORFEITURE PURSUANT TO, AND MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH, THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY. SUCH FORFEITURE AND/OR TRANSFER RESTRICTIONS ARE BINDING ON TRANSFEREES OF THESE SHARES.

(b) *Stop Transfer Orders*. Participant agrees that, in order to ensure compliance with the restrictions referred to in the Plan and this Agreement, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) *Impermissible Transfers Void*. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred. Any transfer or attempted transfer of the Shares not in accordance with the terms of this Agreement shall be void.

5. ***Taxes***.

(a) *Tax Consequences of Award*. Participant understands that Participant may suffer adverse tax consequences as a result of Participant's receipt of, vesting in or disposition of the Shares. Participant represents that Participant has consulted with any tax consultants Participant deems advisable in connection with the receipt of the Shares and that Participant is not relying on the Company for any tax advice. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Participant understands that Participant (and not the Company) shall be responsible for Participant's tax liability that may arise as a result of the transactions contemplated by this Agreement.

(b) *Section 83(b) Election for Unreleased Shares*. Participant acknowledges that, unless an election is filed by Participant with the Internal Revenue Service and, if necessary, the proper state taxing authorities, within thirty days of the receipt of the Unreleased Shares, electing pursuant to Section 83(b) of the Code (and similar state tax provisions if applicable) to be taxed currently on their Fair Market Value on the date of issuance, there will be a recognition of taxable income to the Participant equal to the Fair Market Value of the Unreleased Shares at the time the Forfeiture Restriction lapses. Participant represents that Participant has consulted any tax consultant(s) Participant deems advisable in connection with the purchase of the Shares or the filing of the election under Section 83(b) of the Code and similar tax provisions.

PARTICIPANT ACKNOWLEDGES THAT IT IS PARTICIPANT'S SOLE RESPONSIBILITY AND NOT THE COMPANY'S TO TIMELY FILE THE ELECTION UNDER SECTION 83(B) OF THE CODE, AND THE COMPANY AND ITS REPRESENTATIVES SHALL HAVE NO OBLIGATION OR AUTHORITY TO MAKE THIS FILING ON PARTICIPANT'S BEHALF.

(c) *Tax Withholding*. The Company shall have the authority and the right to deduct or withhold, or require Participant to remit to the Company, an amount sufficient to satisfy federal, state, local and foreign taxes (including Participant's employment tax obligation) required by Applicable Law to be withheld with respect to any taxable event concerning Participant arising as a result of the grant or vesting of the Shares or otherwise under this Agreement, including, without limitation, the authority to deduct such amounts from other compensation payable to Participant by the Company.

6. ***Miscellaneous***.

(a) *No Right To Employment or Other Status.* No person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with Participant free from any liability or claim under the Plan or this Agreement.

(b) *Notices*. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal executive offices, and any notice to be given to Participant shall be addressed to Participant at the most-recent physical or email address for Participant listed in the Company's personnel records. By a notice given pursuant to this Section 6(b), either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

(c) *Successors and Assigns*. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns.

(d) *Severability*. In the event any portion of the Plan or this Agreement or any action taken pursuant hereto shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan and this Agreement, and the Plan and this Agreement shall be construed and enforced as if the illegal or invalid provisions had not been included, and the illegal or invalid action shall be null and void.

(e) *Entire Agreement; Governing Documents.* The Plan, the Grant Notice and this Agreement (including all Exhibits thereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof. In the event of any contradiction between the Plan and this Agreement or any other written agreement between a Participant and the Company that has been approved by the Administrator, the terms of the Plan shall govern. Participant hereby agrees to execute such further instruments and to take such further action as the Company requests to carry out the purposes and intent of this Agreement and the Plan, including, without limitation, restrictions on the transferability of shares of Common Stock.

(f) *Governing Law*. The provisions of the Plan and all Awards made thereunder, including the Shares, shall be governed by and interpreted in accordance with the laws of the State of Delaware, disregarding choice-of-law principles of the law of any state that would require the application of the laws of a jurisdiction other than such state.

(g) *Titles and Headings*. The titles and headings of the Sections in this Agreement are for convenience of reference only and, in the event of any conflict, the text of this Agreement, rather than such titles or headings, shall control.

(h) *Clawback*. Compensation paid to the Participant under this Agreement is subject to recoupment in accordance with any compensation recovery or clawback policy of the Company in effect from time to time, including any such policy adopted after the date of this Agreement, as well as any similar requirement of applicable law, including without limitation the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Sarbanes-Oxley Act of 2002, and rules adopted by a governmental agency or applicable securities exchange under any such law. Participant agrees to promptly repay or return any such compensation as directed by the Company under any such policy or requirement, including the value received from a disposition of Shares acquired pursuant to this Agreement.

EXHIBIT B

TO RESTRICTED STOCK GRANT NOTICE

STOCK ASSIGNMENT

[*See instructions below*]

FOR VALUE RECEIVED I, _____, hereby sell, assign and transfer unto_____the shares of the Common Stock of Dream Finders Homes, Inc. registered in my name on the books of said corporation represented by Certificate No. _____and do hereby irrevocably constitute and appoint _____to transfer the said stock on the books of the within named corporation with full power of substitution in the premises.

This Assignment Separate from Certificate may be used only in accordance with the Restricted Stock Grant Notice and Restricted Stock Agreement between Dream Finders Homes, Inc. and the undersigned dated _____.

Dated: _____, _____

Signature: _____

[Name]

INSTRUCTIONS: Please do not fill in any blanks other than the signature line. The purpose of this assignment is to enable the Company to enforce the Forfeiture Restriction, as set forth in the Restricted Stock Grant Notice and Restricted Stock Agreement, without requiring additional signatures on the part of Participant.

EXHIBIT C

TO RESTRICTED STOCK GRANT NOTICE

CONSENT OF SPOUSE

I, _____, spouse of _____, have read and approve the foregoing Restricted Stock Grant Notice and Restricted Stock Agreement dated _____, _____, between my spouse and Dream Finders Homes, Inc. In consideration of issuing to my spouse the shares of the Common Stock of Dream Finders Homes, Inc. set forth in the Restricted Stock Grant Notice and Restricted Stock Agreement, I hereby appoint my spouse as my attorney-in-fact in respect to the exercise of any rights under the Restricted Stock Grant Notice and Restricted Stock Agreement and agree to be bound by the provisions of the Restricted Stock Grant Notice and Restricted Stock Agreement insofar as I may have any rights in said Agreement or any shares issued pursuant thereto under the community property laws or similar laws relating to marital property in effect in the state of our residence as of the date of the signing of the Restricted Stock Grant Notice and Restricted Stock Agreement.

Dated: _____, _____

Signature of Spouse:_____

DREAM FINDERS HOMES, INC.

FORM OF INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "Agreement"), made and entered into as of the ___ day of _____, 202__ by and between Dream Finders Homes, Inc., a Delaware corporation (the "Corporation"), and _____ ("Indemnitee").

W I T N E S S E T H:

WHEREAS, Indemnitee is currently serving or is about to begin serving as a director and/or officer of the Corporation and/or in another Corporate Status, and Indemnitee is willing, subject to, among other things, the Corporation's execution and performance of this Agreement, to continue in or assume such capacity or capacities; and

WHEREAS, the Amended and Restated Bylaws of the Corporation provide that the Corporation shall indemnify and advance expenses to all directors and officers of the Corporation in the manner set forth therein and to the fullest extent permitted by applicable law, and to such greater extent as applicable law may thereafter permit, and the Corporation's Amended and Restated Certificate of Incorporation provides for limitation of liability for directors; and

WHEREAS, in order to induce Indemnitee to provide services as contemplated hereby, the Corporation has deemed it to be in its best interest to enter into this Agreement with Indemnitee;

NOW, THEREFORE, in consideration of Indemnitee's agreement to provide services to the Corporation and/or certain of its affiliates as contemplated hereby, the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto stipulate and agree as follows:

ARTICLE I

Certain Definitions

As used herein, the following words and terms shall have the following respective meanings (whether singular or plural):

"Change of Control" means a change in control of the Corporation, which shall be deemed to have occurred in any one of the following circumstances: (i) there shall have occurred an event required to be reported with respect to the Corporation in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), whether or not the Corporation is then subject to such reporting requirement; (ii) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) shall have become the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Corporation representing 30% or more of the combined voting power of the Corporation's then outstanding voting securities; (iii) the Corporation is a party to a merger, consolidation, sale of assets or other reorganization, or a proxy contest, as a consequence of which members of the Board of Directors in office immediately prior to such transaction or event constitute less than a majority of the Board of Directors thereafter; or (iv) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors (including, for this purpose, any new director whose election or nomination for election by the Corporation's stockholders was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such period) cease for any reason to constitute at least a majority of the Board of Directors.

"Corporate Status" describes the status of Indemnitee as a director, officer, employee, agent or fiduciary of the Corporation or of any other corporation, partnership, limited liability company, association, joint venture, trust, employee benefit plan or other enterprise that Indemnitee is or was serving at the request of the Corporation.

"Court" means the Court of Chancery of the State of Delaware or any other court of competent jurisdiction.

"DGCL" means the Delaware General Corporation Law.

"Expenses" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, or being or preparing to be a witness in a Proceeding.

"Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the five years previous to his selection or appointment has been, retained to represent: (i) the Corporation or Indemnitee in any matter material to either such party or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder.

"Matter" is a claim, a material issue or a substantial request for relief.

"Proceeding" includes any action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing or any other proceeding, whether civil, criminal, administrative or investigative, except one initiated by Indemnitee pursuant to Section 6.1 of this Agreement to enforce his rights under this Agreement.

ARTICLE II

Services by Indemnitee

Section 2.1. *Services by Indemnitee.* Indemnitee agrees to serve or continue to serve in his current capacity or capacities as a director, officer, employee, agent or fiduciary of the Corporation. Indemnitee also agrees to serve, as the Corporation may request from time to time, as a director, officer, employee, agent or fiduciary of any other corporation, partnership, limited liability company, association, joint venture, trust or other enterprise in which the Corporation has an interest. Indemnitee and the Corporation each acknowledge that they have entered into this Agreement as a means of inducing Indemnitee to serve the Corporation in such capacities. Indemnitee may at any time and for any reason resign from such position or positions (subject to any other contractual obligation or any obligation imposed by operation of law). The Corporation shall have no obligation under this Agreement to continue Indemnitee in any such position for any period of time and shall not be precluded by the provisions of this Agreement from removing Indemnitee from any such position at any time.

ARTICLE III

Indemnification

Section 3.1. General. The Corporation shall, to the fullest extent permitted by applicable law in effect on the date hereof, and to such greater extent as applicable law may thereafter permit, within 30 days after written demand is presented to the Corporation, indemnify and hold Indemnitee harmless from and against any and all losses, liabilities, claims, damages and, subject to Section 3.2, Expenses, whatsoever arising out of any event or occurrence related to the fact that Indemnitee is or was a director or officer of the Corporation or is or was serving in another Corporate Status.

Section 3.2. Expenses. If Indemnitee is, by reason of his Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to any Matter in such Proceeding, the Corporation shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf relating to such Matter. The termination of any Matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such Matter. To the extent that the Indemnitee is, by reason of his Corporate Status, a witness in any Proceeding, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

ARTICLE IV

Advancement of Expenses

Section 4.1. Advances. In the event of any threatened or pending Proceeding in which Indemnitee is a party or is involved and that may give rise to a right of indemnification under this Agreement, following written request to the Corporation by Indemnitee, the Corporation shall promptly pay to Indemnitee amounts to cover expenses reasonably incurred by Indemnitee in such proceeding in advance of its final disposition upon the receipt by the Corporation of (i) a written undertaking executed by or on behalf of Indemnitee providing that Indemnitee will repay the advance if it shall ultimately be determined that Indemnitee is not entitled to be indemnified by the Corporation as provided in this Agreement and (ii) satisfactory evidence as to the amount of such expenses.

Section 4.2. Repayment of Advances or Other Expenses. Indemnitee agrees that Indemnitee shall reimburse the Corporation for all expenses paid by the Corporation in defending any Proceeding against Indemnitee in the event and only to the extent that it shall be determined pursuant to the provisions of this Agreement or by final judgment or other final adjudication under the provisions of any applicable law that Indemnitee is not entitled to be indemnified by the Corporation for such expenses.

ARTICLE V

Procedure for Determination of Entitlement
to Indemnification

Section 5.1. Request for Indemnification. To obtain indemnification, Indemnitee shall submit to the Secretary of the Corporation a written claim or request. Such written claim or request shall contain sufficient information to reasonably inform the Corporation about the nature and extent of the indemnification or advance sought by Indemnitee. The Secretary of the Corporation shall promptly advise the Board of Directors of such request.

Section 5.2. Determination of Entitlement; No Change of Control. If there has been no Change of Control at the time the request for indemnification is submitted, Indemnitee's entitlement to indemnification shall be determined in accordance with Section 145(d) of the DGCL. If entitlement to indemnification is to be determined by Independent Counsel, the Corporation shall furnish written notice to Indemnitee within 10 days after receipt of the request for indemnification, specifying the identity and address of Independent Counsel. The Indemnitee may, within ten days after such written notice of selection shall have been given, deliver to the Corporation a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Article I hereof, and the objection shall set forth with particularity the factual basis of such assertion. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If (i) the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to this Section and (ii) within 20 days after submission by Indemnitee of a written request for indemnification pursuant to Section 5.1, no Independent Counsel shall have been selected and not objected to, the Corporation or the Indemnitee may petition the Court of Chancery or other court of competent jurisdiction for resolution of any objection which shall have been made by the Indemnitee to the Corporation's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the petitioned court or by such other person as the petitioned court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under this Section. If (i) Independent Counsel does not make any determination respecting Indemnitee's entitlement to indemnification hereunder within 90 days after receipt by the Corporation of a written request therefor and (ii) any Proceeding pursuant to Section 6.1 is then commenced, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

Section 5.3. Determination of Entitlement; Change of Control. If there has been a Change of Control at the time the request for indemnification is submitted, Indemnitee's entitlement to indemnification shall be determined in a written opinion by Independent Counsel selected by Indemnitee. Indemnitee shall give the Corporation written notice advising of the identity and address of the Independent Counsel so selected. The Corporation may, within ten days after such written notice of selection shall have been given, deliver to the Indemnitee a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Article I hereof, and the objection shall set forth with particularity the factual basis of such assertion. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If (i) the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to this Section and (ii) within 20 days after submission by Indemnitee of a written request for indemnification pursuant to Section 5.1, no Independent Counsel shall have been selected and not objected to, the Corporation or the Indemnitee may petition the Court of Chancery or other court of competent jurisdiction for resolution of any objection which shall have been made by the Corporation to the Indemnitee's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the petitioned court or by such other person as the petitioned court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under this Section. If (i) Independent Counsel does not make any determination respecting Indemnitee's entitlement to indemnification hereunder within 90 days after receipt by the Corporation of a written request therefor and (ii) any judicial proceeding pursuant to Section 6.1 is then commenced, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

Section 5.4. Presumptions and Burden of Proof; Procedures of Independent Counsel. In making a determination with respect to entitlement to indemnification hereunder, the person, persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 5.1, and the Corporation shall have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption.

Except in the event that the determination of entitlement to indemnification is to be made by Independent Counsel, if the person or persons empowered under Section 5.2 or 5.3 of this Agreement to determine entitlement to indemnification shall not have made and furnished to Indemnitee in writing a determination within 60 days after receipt by the Corporation of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification unless Indemnitee knowingly misrepresented a material fact in connection with the request for indemnification or such indemnification is prohibited by applicable law. The termination of any Proceeding or of any Matter therein, by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner that he reasonably believed to be in or not opposed to the best interests of the Corporation, or with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful. A person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan of the Corporation shall be deemed to have acted in a manner not opposed to the best interests of the Corporation.

For purposes of any determination hereunder, a person shall be deemed to have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or Proceeding, to have had no reasonable cause to believe his conduct was unlawful, if his action is based on the records or books of account of the Corporation or another enterprise or on information supplied to him by the officers of the Corporation or another enterprise in the course of their duties or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or another enterprise. The term "another enterprise" as used in this Section shall mean any other corporation or any partnership, limited liability company, association, joint venture, trust, employee benefit plan or other enterprise of which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. The provisions of this paragraph shall not be deemed to be exclusive or to limit in any way the circumstances in which an Indemnitee may be deemed to have met the applicable standards of conduct for determining entitlement to rights under this Agreement.

Section 5.5. Independent Counsel Expenses. The Corporation shall pay any and all reasonable fees and expenses of Independent Counsel incurred acting pursuant to this Article and in any proceeding to which it is a party or witness in respect of its investigation and written report and shall pay all reasonable fees and expenses incident to the procedures in which such Independent Counsel was selected or appointed. No Independent Counsel may serve if a timely objection has been made to his selection until a court has determined that such objection is without a reasonable basis.

ARTICLE VI

Certain Remedies of Indemnitee

Section 6.1. Adjudication. In the event that (i) a determination is made pursuant to Section 5.2 or 5.3 hereof that Indemnitee is not entitled to indemnification under this Agreement; (ii) advancement of Expenses is not timely made pursuant to Section 4.1 of this Agreement; (iii) Independent Counsel is to determine Indemnitee's entitlement to indemnification hereunder, but does not make that determination within 90 days after receipt by the Corporation of the request for that indemnification; or (iv) payment of indemnification is not made within five days after a determination of entitlement to indemnification has been made or deemed to have been made pursuant to Section 5.2, 5.3 or 5.4 of this Agreement, Indemnitee shall be entitled to an adjudication in an appropriate court of the State of Delaware, or in any other court of competent jurisdiction, of his entitlement to such indemnification or advancement of Expenses. In the event that a determination shall have been made that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 6.1 shall be conducted in all respects as a *de novo* trial on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding commenced pursuant to this Section 6.1, the Corporation shall have the burden of proving that Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be. If a determination shall have been made or deemed to have been made that Indemnitee is entitled to indemnification, the Corporation shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 6.1, or otherwise, unless Indemnitee knowingly misrepresented a material fact in connection with the request for indemnification, or such indemnification is prohibited by law.

The Corporation shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 6.1 that the procedures and presumptions of this Agreement are not valid, binding and enforceable, and shall stipulate in any such proceeding that the Corporation is bound by all provisions of this Agreement. In the event that Indemnitee, pursuant to this Section 6.1, seeks a judicial adjudication to enforce his rights under, or to recover damages for breach of, this Agreement, Indemnitee shall be entitled to recover from the Corporation, and shall be indemnified by the Corporation against, any and all Expenses actually and reasonably incurred by him in such judicial adjudication, but only if he prevails therein. If it shall be determined in such judicial adjudication that Indemnitee is entitled to receive part but not all of the indemnification or advancement of Expenses sought, the Expenses incurred by Indemnitee in connection with such judicial adjudication shall be appropriately prorated.

ARTICLE VII

Participation by the Corporation

Section 7.1. Participation by the Corporation. With respect to any such Proceeding as to which Indemnitee notifies the Corporation of the commencement thereof: (a) the Corporation will be entitled to participate therein at its own expense; (b) except as otherwise provided below, to the extent that it may wish, the Corporation (jointly with any other indemnifying party similarly notified) will be entitled to assume the defense thereof, with counsel reasonably satisfactory to Indemnitee. After receipt of notice from the Corporation to Indemnitee of the Corporation's election so to assume the defense thereof, the Corporation will not be liable to Indemnitee under this Agreement for any legal or other expenses subsequently incurred by Indemnitee in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Indemnitee shall have the right to employ his own counsel in such Proceeding but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of Indemnitee unless (i) the employment of counsel by Indemnitee has been authorized by the Corporation, (ii) Indemnitee shall have reasonably concluded that there is a conflict of interest between the Corporation and Indemnitee in the conduct of the defense of such action or (iii) the Corporation shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and expenses of counsel employed by Indemnitee shall be subject to indemnification pursuant to the terms of this Agreement. The Corporation shall not be entitled to assume the defense of any Proceeding brought in the name of or on behalf of the Corporation or as to which Indemnitee shall have made the conclusion provided for in (ii) above; and (c) the Corporation shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any action or claim effected without its written consent, which consent shall not be unreasonably withheld. The Corporation shall not settle any action or claim in any manner that would impose any limitation or unindemnified penalty on Indemnitee without Indemnitee's written consent, which consent shall not be unreasonably withheld.

ARTICLE VIII

Miscellaneous

Section 8.1. Nonexclusivity of Rights. The rights of indemnification and advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled to under applicable law, the Corporation's Amended and Restated Certificate of Incorporation, the Corporation's Amended and Restated Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or any provision hereof shall be effective as to any Indemnitee for acts, events and circumstances that occurred, in whole or in part, before such amendment, alteration or repeal. The provisions of this Agreement shall continue as to an Indemnitee whose Corporate Status has ceased for any reason and shall inure to the benefit of his heirs, executors and administrators.

Section 8.2. Insurance and Subrogation. The Corporation shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if, but only to the extent that, Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

In the event of any payment hereunder, the Corporation shall be subrogated to the extent of such payment to all the rights of recovery of Indemnitee, who shall execute all papers required and take all action reasonably requested by the Corporation to secure such rights, including execution of such documents as are necessary to enable the Corporation to bring suit to enforce such rights.

Section 8.3. Acknowledgment of Certain Matters. Both the Corporation and Indemnitee acknowledge that in certain instances, applicable law or public policy may prohibit indemnification of Indemnitee by the Corporation under this Agreement or otherwise. Indemnitee understands and acknowledges that the Corporation has undertaken or may be required in the future to undertake, by the Securities and Exchange Commission, to submit the question of indemnification to a court in certain circumstances for a determination of the Corporation's right under public policy to indemnify Indemnitee.

Section 8.4. Amendment. This Agreement may not be modified or amended except by a written instrument executed by or on behalf of each of the parties hereto.

Section 8.5. Waivers. The observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) by the party entitled to enforce such term only by a writing signed by the party against which such waiver is to be asserted. Unless otherwise expressly provided herein, no delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

Section 8.6. Entire Agreement. This Agreement and the documents referred to herein constitute the entire agreement between the parties hereto with respect to the matters covered hereby, and any other prior or contemporaneous oral or written understandings or agreements with respect to the matters covered hereby are superseded by this Agreement.

Section 8.7. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby; and, to the fullest extent possible, the provisions of this Agreement shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

Section 8.8. Certain Actions For Which Indemnification Is Not Provided. Notwithstanding any other provision of this Agreement, Indemnitee shall not be entitled to indemnification or advancement of Expenses under this Agreement with respect to any Proceeding, or any Matter therein, brought or made by Indemnitee against the Corporation.

Section 8.9. Notices. Promptly after receipt by Indemnitee of notice of the commencement of any Proceeding, Indemnitee shall, if he anticipates or contemplates making a claim for Expenses or an advance pursuant to the terms of this Agreement, notify the Corporation of the commencement of such Proceeding; provided, however, that any delay in so notifying the Corporation shall not constitute a waiver or release by Indemnitee of rights hereunder and that any omission by Indemnitee to so notify the Corporation shall not relieve the Corporation from any liability that it may have to Indemnitee otherwise than under this Agreement. Any communication required or permitted to the Corporation shall be addressed to the Secretary of the Corporation and any such communication to Indemnitee shall be addressed to the Indemnitee's address as shown on the Corporation's records unless the Indemnitee specifies otherwise and shall be personally delivered or delivered by overnight mail delivery. Any such notice shall be effective upon receipt.

Section 8.10. Binding Effect. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

Section 8.11. Governing Law. **This Agreement shall be construed in accordance with and governed by the laws of the State of Delaware without regard to any principles of conflict of laws that, if applied, might permit or require the application of the laws of a different jurisdiction.**

Section 8.12. Headings. The Article and Section headings in this Agreement are for convenience of reference only, and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

Section 8.13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

Section 8.14. Use of Certain Terms. As used in this Agreement, the words "herein," "hereof," and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular paragraph, subparagraph, section, subsection, or other subdivision. Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered to be effective as of the date first above written.

DREAM FINDERS HOMES, INC.

By: _____

Name: Patrick O. Zalupski
Title: President, Chief Executive Officer and
Chairman of the Board of Directors

INDEMNITEE

_____

Name:

Exhibit 21.1

LIST OF SUBSIDIARIES OF DREAM FINDERS HOMES, INC.

ANT JV OWNER, LLC, a Florida limited liability company
DCE DFH JV, LLC, a Florida limited liability company
DF TITLE, LLC, a Florida limited liability company
DFC AMELIA CONCOURSE PHASE III, LLC, a Florida limited liability company
DFC EAST VILLAGE, LLC, a Florida limited liability company
DFC GRAND LANDINGS, LLC, a Florida limited liability company
DFC MANDARIN ESTATES, LLC, a Florida limited liability company
DFC SEMINOLE CROSSINGS, LLC, a Florida limited liability company
DFC WILFORD, LLC, a Florida limited liability company
DFH AMELIA, LLC, a Florida limited liability company
DFH BLUE RIDGE, LLC, a Florida limited liability company
DFH CAPITOL DIVISION, LLC, a Florida limited liability company
DFH CLOVER, LLC, a Florida limited liability company
DFH COLORADO REALTY, LLC, a Colorado limited liability company
DFH CORONA, LLC, a Florida limited liability company
DFH GREYHAWK LLC, a Florida limited liability company
DFH JOHNS LANDING, LLC, a Florida limited liability company
DFH LAND, LLC, a Florida limited liability company
DFH LEYDEN 2, LLC, a Florida limited liability company
DFH MAGNOLIA, LLC, a Florida limited liability company
DFH MANDARIN, LLC, a Florida limited liability company
DFH MOF EAGLE LANDING, LLC, a Florida limited liability company
DFH REALTY GEORGIA, LLC, a Georgia limited liability company
DFH REALTY TEXAS, LLC, a Florida limited liability company
DFH SAVANNAH, LLC, a Florida limited liability company
DFH WILDWOOD, LLC, a Florida limited liability company
DFH-ANT, LLC, a Florida limited liability company
DFRC, LLC, a Florida limited liability company
DFRC - HAMLIN, LLC, a Florida limited liability company
DREAM FINDERS HOLDINGS LLC, a Florida limited liability company
DREAM FINDERS HOMES LLC, a Florida limited liability company
DREAM FINDERS REALTY, LLC, a Florida limited liability company
HM7 JV OWNER, LLC, a Florida limited liability company
H&H CONSTRUCTORS OF FAYETTEVILLE, LLC, a North Carolina limited liability company
JET HOMELOANS VENTURES, LLC, a Florida limited liability company
PSJ JV OWNER, LLC, a Florida limited liability company
VILLAGE PARK HOMES, LLC, a South Carolina limited liability company

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of Dream Finders Homes, Inc. of our report dated October 13, 2020 relating to the financial statement of Dream Finders Homes, Inc. which appears in this Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP
Jacksonville, Florida
January 11, 2021

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of Dream Finders Homes, Inc. of our report dated October 13, 2020 relating to the financial statements of Dream Finders Holdings LLC which appears in this Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP
Jacksonville, Florida
January 11, 2021

Exhibit 23.3

Consent of Independent Auditor

We consent to the use in this Registration Statement on Form S-1 of Dream Finders Homes, Inc. of our report dated August 14, 2020, relating to the balance sheet of H&H Constructors of Fayetteville, LLC as of December 31, 2019, and the related statements of comprehensive income, changes in member's equity, and cash flows for the year ended December 31, 2019. We also consent to the reference of our firm under the heading "Experts" in such Registration Statement.

/s/ Yount, Hyde & Barbour, P.C.

Winchester, Virginia
January 11, 2021

Exhibit 23.5

CONSENT OF JOHN BURNS REAL ESTATE CONSULTING, LLC

We hereby consent to the use of our name in the Registration Statement on Form S-1 (together with any amendments or supplements thereto, the "Registration Statement"), to be filed by Dream Finders Homes, Inc., a Delaware corporation (the "Company"), to the references to the John Burns Real Estate Consulting, LLC market study prepared for the Company wherever appearing in the Registration Statement, including, but not limited to the references to our company under the headings "Summary," "Risk Factors," "Market Opportunity," and "Experts" in the Registration Statement, and, if applicable, the attachment of such market study as an exhibit to the Registration Statement.

Dated: January 5, 2021

JOHN BURNS REAL ESTATE CONSULTING, LLC

By: /s/ Don Walker

Name: Don Walker, its Managing Principal and CFO