

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("Memorandum") is entered into as of the _____ day of _____, 2006, by and between (i) **BEAZER HOMES INVESTMENTS, LLC**, a Delaware limited liability company ("Developer"), (ii) **MAREHAVEN HOMEOWNERS ASSOCIATION, INC.**, a Kentucky nonprofit, nonstock corporation (the "Association"), and (iii) **DELLAVALLE MANAGEMENT GROUP, INC.**, a Kentucky corporation, acting on behalf of the Class A members of the Association, more particularly described hereinbelow.

WITNESSETH:

THAT WHEREAS, the Articles of Incorporation of the Association (the "Articles"), filed November 18, 2004, with the Kentucky Secretary of State and recorded November 19, 2004 in Articles of Incorporation Book 304, Page 162, in the Office of the Fayette County Clerk, Lexington, Kentucky, defined two classes of membership, with Class B including the Developer only, and Class A consisting of all members other than the Developer owning a lot or lots in the Marehaven Subdivision, Lexington, Fayette County, Kentucky;

WHEREAS, Developer has previously assigned to the Association the rights, obligations and privileges of Developer in the Declarations of Restrictions for the Marehaven Subdivision, including, without limitation, the approval of construction plans and building materials, enforcement of the Declarations of Restrictions and assessment and collection of maintenance fees as provided therein;

WHEREAS, the Articles restrict the voting rights of Class A members until such time as the Developer, in its sole discretion, determines that it owns less than ten percent (10%) of all single family residential lots, whether presently existing or for future development, contained in the Marehaven Subdivision;

WHEREAS, the Developer has now made such determination, and wishes to turn

over the operation of the Association to the Class A members, who shall hereinafter be referred to as "Owners"; and,

WHEREAS, the Developer, the Association and the Owners wish to reduce to writing their understanding of the manner in which the above described transition shall take place, and to further set forth their understanding of the rights, duties and obligations concerning the operation of the Association to be transferred from the Developer to the Owners;

NOW, THEREFORE, in consideration of the mutual promises herein contained, and in accordance with the Articles and the By-Laws of the Association attached hereto as Exhibit "A", the parties hereto agree as follows:

1. That the transition contemplated herein has been accomplished in the following manner:

(a) That the Bylaws of the Association ("Bylaws") have been amended as is necessary and appropriate to permit the election of Directors of the Association by written ballot;

(b) That the present Board of Directors of the Association has provided the Owners or their designated representative with access to all of its operational and financial records from November 18, 2004 through December 7, 2005, the date on which the present Board of Directors transferred the common areas of the subdivision (as defined in the Declaration of Restrictions file of record for Marehaven Subdivision,;

(c) That the current Board of Directors has submitted their resignations effective _____, and the new Board of Directors as elected by ballot of the Owners have taken office effective _____; and,

(d) That the Board of Directors newly elected has held a meeting of the Board of Directors for the purpose of setting assessments in accordance with the powers given them by the Articles, Bylaws and any Declaration of Restrictions of record for the Marehaven Subdivision, and further to act on any matters necessary to the continuing

operation of the Association, all in accordance with and in the manner specified by the provisions of the Articles and the Bylaws, as same have been amended.

(e) All of the Association's operational, tax, legal and financial records have been delivered to the new Board of Directors.

(f) Signatory authority of all Association accounts has been changed accordingly.

2. That the Developer shall continue to be the only Class B member so long as it owns any lots in Marehaven Subdivision, and shall have the right to cast one vote for every such lot owned.

3. That the Developer shall continue to be exempt from the payment of the annual and special assessment maintenance fees for all lots then owned by the Developer as provided in the Declarations of Restrictions, but shall be liable to the Association for the payment of any fees levied by the Association for maintenance of such lots if such work is performed by employees or agents of the Association. The newly elected members of the Board of Directors of the Association shall pass a resolution that Developer will be exempt from the payment of general and special assessments for all lots then owned by the Developer in Marehaven Subdivision.

4. The Owners, as Class A members of the Association, shall agree to indemnify the outgoing members of the Board of Directors and hold them harmless from and against all damage, deficiency, loss, action, judgment, cost and expense, including reasonable attorneys' fees, resulting from any breach or non-fulfillment of any covenant or agreement resulting from the operation of the Association from and after the transition set forth in Paragraph 1(c) above, except for Developer's obligations for (a) final blacktop surfaces on all residential roads and pathways; (b) completion of all city walkways and sidewalks; and (c) completion of sod in all common areas of the subdivision.

5. The Developer shall indemnify the Association and the newly elected Board of directors thereof and hold them harmless from and against all damage, deficiency,

loss, action, judgment, cost and expense, including reasonable attorneys' fees resulting from any breach or non-fulfillment of any covenant or agreement or the operation of the Association prior to the transition set forth in Paragraph 1(c) above.

6. The parties hereto acknowledge and agree that the Articles and Bylaws of the Association, as the same may be amended in accordance with this Memorandum or hereafter, and any and all Declarations of Restrictions filed of record (as may hereafter be amended) which bind the Marehaven Subdivision shall continue to govern the operation of the Association and shall bind and inure to the benefit of the parties hereto.

7. The parties hereto agree to enter into any such future written agreements as are deemed necessary by the parties to effect the actions contemplated herein.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding by and through their duly authorized officers or representatives on the dates indicated below, in triplicate original, and further agree that upon the full execution of this Memorandum, the same shall be effective as of the date and year first above written.

Developer:

BEAZER HOMES INVESTMENTS, LLC

By: _____

Title: _____

Date: _____

Association:

MAREHAVEN HOMEOWNERS ASSOCIATION, INC.

By: _____

Title: _____

Date: _____

Owners:

DELLAVALLE MANAGEMENT GROUP, INC.,
For and on behalf of the Class A Members

By: _____

Title: _____

Date: _____

WALNUT CREEK
HOMEOWNERS ASSOCIATION, INC.

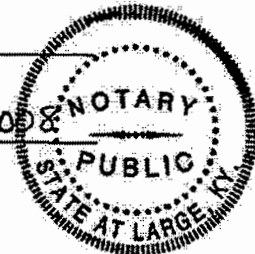
By: *Peter J. O'Hara*
Title: *President*

COMMONWEALTH OF KENTUCKY
COUNTY OF FAYETTE

The foregoing Deed and Consideration Certificate was subscribed, sworn to and acknowledged before me this 7 day of December, 2005, by *Peter J. O'Hara* in his/her capacity as *President* for Beazer Homes Investments, LLC, a Delaware limited liability company, for and on behalf of said limited liability company.

Shelia A. Jenkins
NOTARY PUBLIC, STATE AT LARGE, KY

My commission expires: *Jan. 14, 2008*

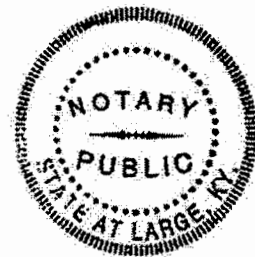


COMMONWEALTH OF KENTUCKY
COUNTY OF FAYETTE

The foregoing Deed and Consideration Certificate was subscribed, sworn to and acknowledged before me this 7 day of December, 1999, by *Peter J. O'Hara* in his/her capacity as *President* of the Walnut Creek Homeowners Association, Inc., a Kentucky nonprofit corporation, for and on behalf of said corporation.

Shelia A. Jenkins
NOTARY PUBLIC, STATE AT LARGE, KY

My commission expires: *Jan. 14, 2008*



THIS INSTRUMENT PREPARED BY:
McBRAYER, MCGINNIS, LESLIE & KIRKLAND, PLLC

BY: *[Signature]*
JAMES H. KRAZIER, III
201 E. Main Street, Suite 300
Lexington, KY 40507

**LEGAL DESCRIPTION
OF
THREE (3) HOMEOWNERS ASSOCIATION TRACTS
ON A PORTION OF THE
CROSSMAN COMMUNITIES PARTNERSHIP PROPERTY
4215 ATHENS-BOONESBORO ROAD
LEXINGTON, FAYETTE COUNTY, KENTUCKY**

All those tracts or parcels of land situated north of Athens-Boonesboro Road and west of Walnut Hill-Chilesburg Road in Lexington, Fayette County, Kentucky, being more fully described and bounded as follows, to wit:

TRACT 1

BEGINNING at a set #4 rebar with cap at the southeast corner of the Crossman Communities Partnership property (DB 2078, Pg 593), said point being in the north right of way of Athens-Boonesboro Road and in the line of Commonwealth Development Company, LLC (DB 2286, Pg 148) and having NAD 83 Kentucky State Plane North Zone Coordinates of North 175,755.002 and East 1,590,546.413; thence with the line of said Commonwealth Development Company, LLC, North 48°41'44" East, 563.37 feet to a set #4 rebar with cap; thence leaving said Commonwealth Development Company, LLC for eight (8) new lines through the lands of said Crossman Communities Partnership Property:

- 1) South 41°18'16" East, 55.00 feet to a set #4 rebar with cap,
- 2) South 34°15'35" East, 85.09 feet to a set #4 rebar with cap,
- 3) South 10°11'02" East, 100.22 feet to a set #4 rebar with cap,

- 4) North 83°20'43" East, 95.00 feet to a point in the Walnut Creek Drive south right of way, being witnessed by a set Mag Nail with shiner at North 83°20'43" East, 10.50 feet,
- 5) South 06°39'17" East, 12.50 feet to a point of curvature,
- 6) Along a curve to the right with a radius of 27.50 feet, an arc of 43.20 feet and a chord South 38°20'43" West, 38.89 feet to a point in the Hays Boulevard west right of way,
- 7) South 83°20'43" West, 176.94 feet to a point of curvature,
- 8) Along a curve to the left with a radius of 570.00 feet, an arc of 388.67 feet and a chord South 63°48'39" West, 381.18 feet to a set #4 rebar with cap in said Athens-Boonesboro Road north right of way;

Thence with said Athens-Boonesboro Road right of way, North 53°13'15" West, 98.65 feet to the **POINT OF BEGINNING**, containing 1.98 acres.

TRACT 2

BEGINNING at a set #4 rebar with cap at the southeast corner of the Crossman Communities Partnership property (DB 2078, Pg 593), said point being in the north right of way of Athens-Boonesboro Road and in the line of Commonwealth Development Company, LLC (DB 2286, Pg 148) and having NAD 83 Kentucky State Plane North Zone Coordinates of North 175,755.002 and East 1,590,546.413; thence with said Athens-Boonesboro Road right of way, South 53°13'15" East, 98.65 feet to a set #4 rebar with cap in the Hays Boulevard west right of way; thence for three (3) new lines through the lands of said Crossman Communities Partnership: