

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 4, 2022

NVR, Inc.

(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction
of incorporation)

1-12378
(Commission
File Number)

54-1394360
(IRS Employer
Identification No.)

**11700 Plaza America Drive, Suite 500
Reston, Virginia 20190**
(Address of principal executive offices) (Zip Code)

(703) 956-4000
(Registrant's telephone number, including area code)

Not applicable
(Former name or former address, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.01 per share	NVR	New York Stock Exchange

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers.

Executive Officer Changes

As NVR, Inc. ("NVR") reported in its Form 8-K filed on March 24, 2022 with the Securities and Exchange Commission ("SEC"), the following executive officer changes occurred effective May 4, 2022: Paul C. Saville was elected to the Board of Directors of NVR (the "Board") at NVR's Annual Meeting of Shareholders, and was appointed by the Board to serve as the Executive Chairman of the Board; and the Board appointed Eugene J. Bredow, who previously served as President of NVR Mortgage Finance, Inc. ("NVR Mortgage"), to succeed Mr. Saville as NVR's President and Chief Executive Officer.

In connection with Mr. Saville's appointment as the Executive Chairman of the Board, NVR entered into an amendment to the employment agreement with Mr. Saville. All material terms and conditions remain unchanged from Mr. Saville's existing employment agreement, copies of which are attached as Exhibits 10.1 and 10.7 to NVR's Form 10-K filed on February 16, 2022 with the SEC and incorporated herein by reference.

Mr. Bredow, age 52, has been employed by NVR since 2004. He served most recently as President of NVR Mortgage, a position he had held since April 1, 2019. Mr. Bredow served as Senior Vice President and Chief Administrative Officer of NVR from March 1, 2018 through March 31, 2019, served as Vice President and Controller from June 1, 2012, and served as Chief Accounting Officer from February 2016 until March 1, 2018. As approved on May 4, 2022 by the Compensation Committee of the Board (the "Compensation Committee"), Mr. Bredow in his new role as President and Chief Executive Officer will earn a base salary of \$800,000 and will continue to participate in the 2022 Executive Officer Annual Incentive Compensation Plan as described in Exhibit 10.49 of NVR's Annual Report on Form 10-K filed February 16, 2022 with the SEC. Mr. Bredow's maximum potential payout under the Annual Incentive Compensation Plan is equal to 100% of his base salary. The amendment also included changes to Mr. Bredow's stock holding requirement and termination provisions. All other material terms and conditions remain unchanged from Mr. Bredow's existing employment agreement, copies of which are filed as Exhibits 10.3, 10.4 and 10.5 to NVR's Form 10-K filed on February 16, 2022 with the SEC and incorporated herein by reference.

Additionally, NVR entered into an amendment to the employment agreement with Daniel D. Malzahn, Senior Vice President, Chief Financial Officer and Treasurer, on May 4, 2022 to correct a drafting error in a section reference. All material terms and conditions remain unchanged from Mr. Malzahn's existing employment agreement, a copy of which was filed as Exhibit 10.2 to NVR's Form 10-Q filed with the SEC on November 6, 2015 and incorporated herein by reference.

The foregoing descriptions of the amendments to the employment agreements of Messrs. Saville, Bredow and Malzahn do not purport to be complete and are subject to, and qualified in their entirety by, the full text of the amended employment agreements, copies of which are attached hereto as Exhibits 10.1, 10.2 and 10.3, respectively, and are incorporated in this Item 5.02 by reference.

Option Grants

On May 4, 2022 (the "Grant Date"), the Compensation Committee approved the grant of non-qualified stock options to purchase NVR, Inc. common stock (the "Options") to the following executive officers of NVR:

<u>Name and Principal Position</u>	<u>Options Granted</u>
Paul C. Saville, Executive Chairman of the Board	27,500
Eugene J. Bredow, President and Chief Executive Officer	12,700
Daniel D. Malzahn, Senior Vice President, Chief Financial Officer and Treasurer	9,050
Matthew B. Kelpy, Vice President, Chief Accounting Officer and Controller	2,000

Each executive officer's awards consisted of two awards, each covering half of the number of Options listed above. One of the Options is a time-based option which will vest in 25% increments on each of December 31, 2024, 2025, 2026 and 2027, provided the executive officer remains employed by NVR on the relevant vesting date. The other award is performance-based and will vest on the same terms as the time-based options, subject to an additional requirement that vesting will occur based on NVR's return on capital performance during the three year period from 2022 through 2024.

The exercise price of each of the options is \$4,475.53 per share, which was the closing price of NVR's common stock on the day preceding the Grant Date.

All of the Options were granted under the NVR, Inc. 2014 Equity Incentive Plan, a copy of which was filed as Exhibit 10.1 to NVR, Inc.'s Registration Statement on Form S-8 filed with the SEC on May 7, 2014.

Additional terms of the time-based options granted to our executive officers are set forth in the form of Non-Qualified Stock Option Agreement, filed herewith as Exhibit 10.4. Additional terms of the performance-based options granted to our executive officers are set forth in the form of Non-Qualified Stock Option Agreement, filed herewith as Exhibit 10.5.

Item 5.07 Submission of Matters to a Vote of Security Holders.

On May 4, 2022, NVR, Inc. held its Annual Meeting of Shareholders. There were 3,360,105 shares of NVR's common stock eligible to vote at the Annual Meeting. The following are the matters voted upon at the Annual Meeting and the final results of the votes on such matters:

1. Election of all directors for one-year terms:

	<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>	<u>Broker Non-votes</u>
Paul C. Saville	2,892,279	44,538	774	269,804
C.E. Andrews	2,845,145	91,232	1,214	269,804
Sallie B. Bailey	2,921,727	14,899	965	269,804
Thomas D. Eckert	2,772,169	164,452	970	269,804
Alfred E. Festa	2,827,511	107,297	2,783	269,804
Alexandra A. Jung	2,909,324	27,053	1,214	269,804
Mel Martinez	2,910,258	26,340	993	269,804
David A. Preiser	2,380,010	556,605	976	269,804
W. Grady Rosier	2,867,063	69,533	995	269,804
Susan Williamson Ross	2,904,996	31,623	972	269,804

2. Ratification of the appointment of KPMG LLP as Independent Auditor for the year ending December 31, 2022:

<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>
2,999,330	207,273	792

3. Approval, in a non-binding advisory vote, of the compensation of NVR's named executive officers:

<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>	<u>Broker Non-votes</u>
2,816,481	100,870	20,240	269,804

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Exhibit Description</u>
10.1	Amendment No. 1 to the Employment Agreement between NVR, Inc. and Paul C. Saville dated May 4, 2022. Filed herewith.
10.2	Amendment No. 3 to the Employment Agreement between NVR, Inc. and Eugene J. Bredow dated May 4, 2022. Filed herewith.
10.3	Amendment No. 1 to the Employment Agreement between NVR, Inc. and Daniel D. Malzahn dated May 4, 2022. Filed herewith.
10.4	The Form of Non-Qualified Stock Option Agreement (Management time-based grants) under the NVR, Inc. 2014 Equity Incentive Plan. Filed herewith.
10.5	The Form of Non-Qualified Stock Option Agreement (Management performance-based grants) under the NVR, Inc. 2014 Equity Incentive Plan. Filed herewith.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NVR, Inc.

Date: May 6, 2022

By: /s/ Daniel D. Malzahn

Daniel D. Malzahn

*Senior Vice President, Chief Financial Officer and
Treasurer*

**AMENDMENT NO. 1 TO
EMPLOYMENT AGREEMENT**

This Amendment to the Employment Agreement for PAUL C. SAVILLE (“Amendment”) is made, effective as of May 4, 2022 by and between NVR, Inc., a Virginia corporation (the “Company”) and PAUL C. SAVILLE (“Executive”).

Recitals:

WHEREAS, Executive and the Company previously entered into an Amended and Restated Employment Agreement, effective as of January 1, 2016, which was subsequently extended by letter agreement dated November 4, 2020 (collectively, the “Employment Agreement”); and

WHEREAS, Executive and the Company desire to amend the Employment Agreement to account for the Executive’s change in position and to correct the drafting error of a section reference in Section 6.5.

Agreement:

NOW, THEREFORE, in consideration of the agreements contained herein and of such other good and valuable consideration, the sufficiency of which Executive acknowledges, the Company and Executive, intending to be legally bound, agree as follows:

- A. The term “President and Chief Executive Officer” in the second recital of the Agreement and in Section 1.1 of the Agreement shall be replaced with “Executive Chairman of the Board.”
- B. Section 6.5 of the Agreement is hereby stricken and replaced in its entirety with the following:

6.5 Termination Without Cause. The Company may on sixty (60) days’ notice terminate the Executive’s employment without Cause (as such term is defined in Section 6.4) during the term of this Agreement. In the event of a termination without Cause, as full satisfaction of the Company’s obligations to the Executive, the Executive shall be entitled to receive (i) the Executive’s Base Salary and accrued Annual Bonus for the period ending on the date of termination and (ii) an amount equal to TWO HUNDRED PERCENT (200%) of his then annual Base Salary, paid in a lump sum within 10 days following six months and one day after the date of termination. For purposes of this Section 6.5, the accrued Annual Bonus shall be calculated as one hundred percent (100%) of Base Salary multiplied by the fraction of (x) the number of days in the calendar year through the last day worked by the Executive divided by (y) 365 days (regardless of whether the performance goals established pursuant to Section 3.2 are actually met for such year). The Executive shall also be provided with outplacement services with a firm jointly selected by the Executive and the Company at a cost not to exceed ONE HUNDRED THOUSAND DOLLARS (\$100,000.00).

- C. Except as set forth in this Amendment, the Agreement shall otherwise remain in full force and effect, with no other changes effected by this Amendment.
- D. The parties further agree that the change in Executive's title and role effected by this Amendment, and any change in Executive's responsibilities associated with such changes, do not constitute Good Reason for purposes of Section 6.7 of the Agreement or provide Executive with grounds to invoke the provisions of Section 6.9 of the Agreement pertaining to a change in senior leadership.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment on the date first written above.

NVR, INC.

By: /s/ Gary Brown
Name: Gary Brown
Title: Senior Vice President, Human Resources

EXECUTIVE

/s/ Paul C. Saville
Name: Paul C. Saville

**AMENDMENT NO. 3 TO
EMPLOYMENT AGREEMENT**

This Amendment No. 3 to the Employment Agreement for EUGENE J. BREDOW, as previously amended and extended (“Amendment”) is made, effective as of May 4, 2022, by and between NVR, Inc., a Virginia corporation (the “Company”) and EUGENE J. BREDOW (“Executive”).

Recitals:

WHEREAS, Executive and the Company previously entered into an Amended and Restated Employment Agreement, effective as of January 1, 2016, which was subsequently amended on March 1, 2018 and on April 1, 2019, and extended by letter agreement dated November 4, 2020 (collectively, the “Employment Agreement”); and

WHEREAS, Executive and the Company desire to further amend the Employment Agreement to account for the Executive’s change in position.

Agreement:

NOW, THEREFORE, in consideration of the agreements contained herein and of such other good and valuable consideration, the sufficiency of which Executive acknowledges, the Company and Executive, intending to be legally bound, agree as follows:

- A. The term “Vice President and Controller” in the second recital of the Agreement shall be replaced with “President and Chief Executive Officer.”
- B. Section 1.1 of the Agreement is hereby stricken and replaced in its entirety with the following:
 - 1.1 Employment by the Company. The Company hereby employs the Executive, for itself and its affiliates, to render exclusive and full-time services to the Company. The Executive will serve in the capacity of President and Chief Executive Officer. The Executive will perform such duties as are imposed on the holder of that office by the By-laws of the Company and such other duties as are customarily performed by one holding such position in the same or similar businesses or enterprises as those of the Company. The Executive will perform such other related duties as may be assigned to him from time to time by the Company’s Board of Directors. The Executive will devote his entire full working time and attention to the performance of such duties and to the promotion of the business and interests of the Company. This provision, however, will not prevent the Executive from investing his funds or assets in any form or manner, or from acting as a member of the board of directors of any companies, businesses, or charitable organizations, so long as such investments or companies do not compete with the Company, subject to the limitations set forth in Section 7.
- C. Section 3.1 of the Agreement is hereby stricken and replaced in its entirety with the following:

3.1 Base Salary. As compensation for all services rendered pursuant to this Agreement, the Company will pay to the Executive an annual Base Salary of EIGHT HUNDRED THOUSAND DOLLARS (\$800,000) payable in equal monthly installments of SIXTY THOUSAND SIX HUNDRED SIXTY-SIX DOLLARS AND SIXTY-SIX CENTS (\$66,666.66). The Company's Compensation Committee of the Board of Directors (the "Compensation Committee") in its sole discretion may increase, but may not reduce, the Executive's annual base salary.

D. Section 3.5 of the Agreement is hereby stricken and replaced in its entirety with the following:

3.5 Stock Holding Requirement. The Executive is required to continuously hold at all times NVR, Inc. common stock with a value equal to eight (8) times the Executive's base salary as then in effect, subject to the Company's policy titled the NVR, Inc. Stock Holding Requirement for NVR's Board of Directors ("Directors") and Certain Members of Senior Management ("Senior Management"), which is incorporated herein by reference. The stock holding requirement described in this Section 3.5 may be adjusted at any time by the Company's Board of Directors upon thirty days' written notice, but not more than once in any twelve (12) month period.

E. Section 6.5 of the Agreement is hereby stricken and replaced in its entirety with the following:

6.5 Termination Without Cause. The Company may on sixty (60) days' notice terminate the Executive's employment without Cause (as such term is defined in Section 6.4) during the term of this Agreement. In the event of a termination without Cause, as full satisfaction of the Company's obligations to the Executive, the Executive shall be entitled to receive (i) the Executive's Base Salary and accrued Annual Bonus for the period ending on the date of termination and (ii) an amount equal to TWO HUNDRED PERCENT (200%) of his then annual Base Salary, paid in a lump sum within 10 days following six months and one day after the date of termination. For purposes of this Section 6.5, the accrued Annual Bonus shall be calculated as one hundred percent (100%) of Base Salary multiplied by the fraction of (x) the number of days in the calendar year through the last day worked by the Executive divided by (y) 365 days (regardless of whether the performance goals established pursuant to Section 3.2 are actually met for such year). The Executive shall also be provided with outplacement services with a firm jointly selected by the Executive and the Company at a cost not to exceed ONE HUNDRED THOUSAND DOLLARS (\$100,000.00).

F. Section 6.7 of the Agreement is hereby stricken and replaced in its entirety with the following:

6.7 Voluntary Termination With Good Reason. In the event of a voluntary termination by the Executive with Good Reason, the Executive shall be entitled to receive the same severance pay and benefits due upon a termination without Cause pursuant to Section 6.5 above. "Good Reason" means (i) a material diminution in the Executive's authority, duties or responsibilities as described

herein; (ii) a requirement that the Executive report to a corporate officer, other than the Company's Executive Chairman of the Board, or the Company's Board of Directors; (iii) a material change in the Executive's principal place of employment to a location that is more than 50 miles from Reston, Virginia; (iv) the failure of any successor of the Company to expressly in writing assume the Company's obligations under this Agreement; or (v) any other action or inaction that constitutes a material breach by the Company of any agreement between the Executive and the Company or its successor. Notwithstanding the foregoing, the Executive shall not be treated as having terminated with Good Reason unless (a) the Executive notifies the Company in writing of the event or condition constituting Good Reason within sixty (60) days after he knows, or with the exercise of reasonable diligence would have known, of the occurrence of such event or condition; (b) the Company fails within thirty (30) days after receipt of such notice to cure such event and return the Executive to the position he would have been in had the event or condition not occurred; and (c) within thirty (30) days after the end of the cure period described in clause (b), the Executive notifies the Company in writing of his intent to terminate employment; provided, however, that in no event shall the Executive's failure to notify the Company of the occurrence of any event constituting Good Reason, or to voluntarily terminate as a result of such event, be construed as a consent to the occurrence of future events, whether or not similar to the initial occurrence, or a waiver of his right to resign for Good Reason as a result thereof.

G. Section 6.8 of the Agreement is hereby stricken and replaced in its entirety with the following:

6.8 Voluntary Termination-Change of Control. In the event the Executive voluntarily terminates his employment hereunder in connection with or within one (1) year after a Change of Control of the Company (as defined below), the Executive shall receive a single lump sum payment in an amount equal to TWO HUNDRED PERCENT (200%) of his then annual Base Salary, as well as his accrued pro-rata Annual Bonus through the date of termination (regardless of whether the performance goals established pursuant to Section 3.2 are actually met for such year). Payment of such amount shall be made in a lump sum within 10 days following six months and one day after the date of termination. For purposes of this Agreement, "Change of Control" means (i) the dissolution or liquidation of the Company or a merger, consolidation, or reorganization of the Company with one or more other entities in which the Company is not the surviving entity, (ii) a sale of substantially all of the assets of the Company to another person or entity, or (iii) any transaction or series of transactions (including without limitation a merger or reorganization in which the Company is the surviving entity) which results in any person or entity (other than persons who are stockholders or affiliates immediately prior to the transaction) owning 50% or more of the combined voting power of all classes of stock of the Company, and where there has been a material diminution in the Executive's authority, duties or responsibilities as described herein.

H. For the avoidance of doubt, upon Executive's assumption of the role of President and Chief Executive Officer of NVR, Inc., Executive's appointment as President of NVR

Mortgage Finance, Inc., as described in the parties' April 1, 2019 Amendment No. 2 to Employment Agreement, shall automatically terminate.

- I. Except as set forth in this Amendment, the Agreement shall otherwise remain in full force and effect, with no other changes effected by this Amendment. The parties further acknowledge that the change in the Executive's title and role noted above coincide with the appointment of Paul Saville as the Executive Chairman of NVR, Inc., and that any change in Executive's responsibilities and reporting relationships associated with such events, do not constitute Good Reason for purposes of Section 6.7 of the Agreement or provide Executive with grounds to invoke the provisions of Section 6.9 of the Agreement pertaining to a change in senior leadership.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment on the date first written above.

NVR, INC.

By: /s/ Gary Brown

Name: Gary Brown
Title: Senior Vice President, Human
Resources

EXECUTIVE

/s/ Eugene J. Bredow

Name: Eugene J. Bredow

**AMENDMENT NO. 1 TO
EMPLOYMENT AGREEMENT**

This Amendment to the Employment Agreement for DANIEL D. MALZAHN (“Amendment”) is made, effective as of May 4, 2022 by and between NVR, Inc., a Virginia corporation (the “Company”) and DANIEL D. MALZAHN (“Executive”).

Recitals:

WHEREAS, Executive and the Company previously entered into an Amended and Restated Employment Agreement, effective as of January 1, 2016, which was subsequently extended by letter agreement dated November 4, 2020 (collectively, the “Employment Agreement”); and

WHEREAS, Executive and the Company desire to amend the Employment Agreement to correct the drafting error of a section reference in Section 6.5.

Agreement:

NOW, THEREFORE, in consideration of the agreements contained herein and of such other good and valuable consideration, the sufficiency of which Executive acknowledges, the Company and Executive, intending to be legally bound, agree as follows:

A. Section 6.5 of the Agreement is hereby stricken and replaced in its entirety with the following:

6.5 Termination Without Cause. The Company may on sixty (60) days’ notice terminate the Executive’s employment without Cause (as such term is defined in Section 6.4) during the term of this Agreement. In the event of a termination without Cause, as full satisfaction of the Company’s obligations to the Executive, the Executive shall be entitled to receive (i) the Executive’s Base Salary and accrued Annual Bonus for the period ending on the date of termination and (ii) an amount equal to ONE HUNDRED PERCENT (100%) of his then annual Base Salary, paid in a lump sum within 10 days following six months and one day after the date of termination. For purposes of this Section 6.5, the accrued Annual Bonus shall be calculated as one hundred percent (100%) of Base Salary multiplied by the fraction of (x) the number of days in the calendar year through the last day worked by the Executive divided by (y) 365 days (regardless of whether the performance goals established pursuant to Section 3.2 are actually met for such year). The Executive shall also be provided with outplacement services with a firm jointly selected by the Executive and the Company at a cost not to exceed ONE HUNDRED THOUSAND DOLLARS (\$100,000.00).

B. Except as set forth in this Amendment, the Agreement shall otherwise remain in full force and effect, with no other changes effected by this Amendment.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment on the date first written above.

NVR, INC.

By: /s/ Gary Brown
Name: Gary Brown
Title: Senior Vice President Human
Resources

EXECUTIVE

/s/ Daniel D. Malzahn
Name: Daniel D. Malzahn

NVR, INC.
2014 EQUITY INCENTIVE PLAN

NON-QUALIFIED STOCK OPTION AGREEMENT

NVR, Inc., a Virginia corporation (the "Company"), hereby grants an option to purchase shares of its common stock, par value \$0.01 per share (the "Option") to the Grantee named below, subject to the vesting and other conditions set forth below. Additional terms and conditions of the grant are set forth in this cover sheet and in the attachment (collectively, the "Agreement") and in the Company's 2014 Equity Incentive Plan (as amended from time to time, the "Plan").

Name of Grantee:

Number of Shares Covered by Option:

Option Price per Share:

Grant Date:

Vesting Schedule: The Option shall vest in accordance with the following schedule provided the terms and conditions of the Agreement are satisfied:

By your signature below, you agree to all of the terms and conditions described herein, in the attached Agreement and in the Plan, a copy of which is also attached. You further agree and acknowledge that adequate consideration has been exchanged between the Company and you and that you have considered and agreed to execute this Agreement, which binds you to confidentiality, non-competition and non-solicitation restrictive covenants. You acknowledge that you have carefully reviewed the Plan, and agree that the Plan will control in the event any provision of this cover sheet or Agreement should appear to be inconsistent.

Grantee: _____ Date: _____
(Signature)

Company: _____ Date: _____
(Signature)

Title:

Attachment

This is not a stock certificate or a negotiable instrument.

NVR, INC.
2014 EQUITY INCENTIVE PLAN

NON-QUALIFIED STOCK OPTION AGREEMENT

- Option** This Agreement evidences an award of an Option exercisable for that number of shares of Stock set forth on the cover sheet and subject to the vesting and other conditions set forth herein, in the Plan and on the cover sheet. This option is not intended to be an incentive option under Section 422 of the Internal Revenue Code and will be interpreted accordingly.
- Transfer of Unvested Options** During your lifetime, only you (or, in the event of your legal incapacity or incompetency, your guardian or legal representative) may exercise the Option. The Option may not be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered, whether by operation of law or otherwise, nor may the Option be made subject to execution, attachment or similar process. If you attempt to do any of these things, this Option will immediately become forfeited.
- Issuance and Vesting** Your rights under this Option grant and this Agreement shall vest in accordance with the vesting schedule set forth on the cover sheet so long as you continue in Service on the vesting dates set forth on the cover sheet. In the event of a termination of your employment resulting from your death or Disability or from your retirement at normal retirement age (age 65) on or after January 1, 2024, the Option shall become exercisable at the date of termination for a pro rata portion based on the number of full months of the current year that has expired prior to the termination of the previously nonexercisable portion of the Option which would have been eligible to be exercised at the end of the year in which such termination occurs. You shall not be entitled to pro rata vesting if your employment is terminated for any other reason. Your Option is exercisable only as to its vested portion. For the avoidance of doubt and by way of example, if the Option becomes exercisable as to a portion of the Stock subject to the Option on December 31, 2024, no exercise of the Option for such portion will be effective until, at the earliest, the first business day of 2025, at which time you would not necessarily have to be an employee of the Company or an Affiliate to exercise the Option, subject to the earlier termination of the Option pursuant to this Agreement. No additional shares of Stock underlying your Option will vest after your Service has terminated for any other reason.
- Corporate Transaction** Notwithstanding the vesting schedule set forth above, but in addition to the acceleration of vesting events set forth above, upon the consummation of a Corporate Transaction, the Option will become 100% vested (i) if the Option is not assumed or if new common stock options relating to the stock of a successor entity are not granted with appropriate adjustments as to the number of shares subject to the Option and the exercise price, or (ii) if assumed and substituted for, upon your termination by the Company without Cause within the 12 month period following the consummation of the Corporate Transaction.

Evidence of Issuance

The issuance of the shares upon exercise of this Option shall be evidenced in such a manner as the Company, in its discretion, will deem appropriate, including, without limitation, book-entry, registration or issuance of one or more share certificates.

Forfeiture of Unvested Options

Unless the termination of your Service triggers accelerated vesting of your Option, or other treatment pursuant to the terms of this Agreement, the Plan, or any other written agreement between the Company or any Affiliate, as applicable, and you, you will automatically forfeit to the Company the unvested portion of the Option in the event you are no longer providing Service for any reason.

Your Option will expire in any event at the close of business at Company headquarters on the day before the 10th anniversary of the Grant Date, as shown on the cover sheet. Your Option will expire earlier if your Service terminates, as described below.

Expiration of Vested Options After Service Terminates

If your Service terminates for any reason, other than death, Disability or Cause, then the vested portion of your Option will expire at the close of business at Company headquarters on the 90th day after your termination date.

If your Service terminates because of your death or Disability, or if you die during the 90-day period after your termination for any reason (other than Cause), then the vested portion of your Option will expire at the close of business at Company headquarters on the date twelve (12) months after the date of your death or termination for Disability. During that twelve (12) month period, your estate or heirs may exercise the vested portion of your Option.

If your Service is terminated for Cause, then you shall immediately forfeit all rights to your entire Option and the Option shall immediately expire.

Forfeiture of Rights

If you should take actions in violation or breach of or in conflict with any non-competition agreement, any agreement prohibiting solicitation of employees, customers, or other business partners of the Company or any Affiliate or any confidentiality, non-disclosure, or non-disparagement obligation with respect to the Company or any Affiliate or otherwise in competition with the Company or any Affiliate, the Company has the right to cause an immediate forfeiture of your rights to the Option awarded under this Agreement and the Option shall immediately expire. Specifically, in consideration of this Award, you acknowledge and agree to the following:

(i) **Confidential Information.** In connection with your employment with the Company, you have had or may have access to confidential, proprietary, and non-public information concerning the business or affairs of the Company or its Affiliates, including but not limited to trade secrets (as defined in the Defend Trade Secrets Act, 18 U.S.C. § 1839(3), or Virginia Code § 59.1-336) and other information concerning the Company's customers, developers, lot positions, subcontractors, employees, pricing, procedures, marketing plans, business plans, operations, business strategies, and methods (collectively, "Confidential Information"). Accordingly, both during and after termination of your Service (regardless of whether you, or the Company or an Affiliate terminates your Service), you shall not retain, misappropriate, use, or disclose to any third party any Confidential Information for any reason other than as intended within the scope of your Service. In the event that you are required by law to disclose any Confidential Information, you agree to give the Company prompt advance written notice thereof and to provide the Company, if requested, with reasonable assistance in obtaining an order to protect the Confidential Information from disclosure. Upon termination of your Service for any reason, or at any other time upon request of the Company, you shall immediately deliver to the Company all documents, forms, blueprints, designs, policies, memoranda, or other data (and copies hereof), in tangible, electronic, or intangible form, relating to the business of the Company or any Affiliate. Notwithstanding the foregoing, Confidential Information shall not include information that (1) you lawfully had in your possession as of the commencement of your Service to the Company or an Affiliate, provided that such information is not subject to a confidentiality agreement with, or other obligation of secrecy to, the Company or an Affiliate, or (2) becomes publicly available otherwise than through disclosure in violation of this or any other applicable Agreement or any statutory prohibition against the misappropriation or distribution of confidential information.

(ii) **Non-Competition.** During your Service and for a period of twelve (12) months after your Service ends (regardless of whether you, or the Company or an Affiliate terminates your Service) (“the Restricted Period”), you shall not anywhere in the Restricted Area (as defined below): (a) own more than 5% of outstanding shares or control any residential homebuilding, mortgage financing, or settlement services business that competes with the Company or an Affiliate in a type of business activity (i.e., residential homebuilding, mortgage financing, or settlement services) over which you had any management responsibility at any time during the twenty-four (24) months prior to termination of your Service; or (b) render services to (whether as an employee, consultant, independent contractor, partner, officer, director, or board member) any person or entity that competes with the Company or an Affiliate in the residential homebuilding business, mortgage financing business, or settlement services business, where such services are competitive with any of the services you provided to the Company or to an Affiliate during the twenty-four (24) months prior to termination of your Service. “Restricted Area” means only those counties and other units of local government in which the Company engaged in residential homebuilding business activities, mortgage financing business activities, or settlement services business activities, as applicable, over which you have had any managerial responsibility at any time during the 24-month period prior to the termination of your Service.

(iii) **Land Development.** If you were employed as a Land Manager, VP of Land, otherwise had any managerial responsibility over the Company’s operations contracting for finished lots, or received, as part of your work duties, Confidential Information relating to land development, at any time during the twenty-four (24) months prior to termination of your Service, you agree that you will not engage in any competitive residential land development activities during the Restricted Period within the Restricted Area.

(iv) **Non-Solicitation of Employees.** During the Restricted Period, you will not, directly or indirectly, hire or attempt to hire any person, who, at any time during the twelve (12)-month period prior to the termination of your Service, was an employee or contractor of the Company.

(v) **Non-Solicitation of Developers.** During the Restricted Period, you will not, directly or indirectly, for the purpose of competing with the Company or an Affiliate, solicit the services of, or acquire or attempt to acquire real property, goods, or services from, any developer or subcontractor with which the Company or any Affiliate contracted or negotiated for a contract at any time during the twelve (12)-month period prior to the termination of your Service, if, during such twelve (12)-month period, you had knowledge of such contract or you had contact with such developer or subcontractor. You further agree not to encourage, directly or indirectly, any such developer or subcontractor to limit, reduce or terminate such entity’s relationship or business dealings with the Company or any Affiliate.

(vi) **Non-Solicitation of Customers.** During the Restricted Period, you will not, directly or indirectly, on your behalf or on behalf of another person or entity, solicit any person or entity that was a customer or client, or prospective customer or client, of the Company or any of its Affiliates in the twelve (12)-month period prior to the termination of your Service. For the avoidance of doubt, the customers and prospective customers covered by this Clause (vi) include only those persons and entities either (x) with whom you had communications in your capacity as an employee or contractor of the Company or of an Affiliate at any time in the twelve (12)-month period prior to the termination of your Service, or (y) about whom you possessed Confidential Information at any time during the twelve (12)-month period prior to your termination of Service.

You agree to provide notice to any person or entity with which you may seek or enter into an employment, consulting or other business relationship during the Restricted Period of your obligations under this Agreement prior to entering into such relationship or performing services in conjunction with such relationship. You further agree that the Company may provide notice of your obligations under this Agreement to any person or entity with which you may enter into an employment, consulting or other business relationship during the Restricted Period.

You acknowledge that the restrictions set forth herein are reasonable and necessary to protect the business and interests of the Company and its Affiliates, and that it would be impossible to measure in money the damages that could or would accrue to the Company and its Affiliates in the event that you fail to honor your obligations under this Agreement. Therefore, in addition to any other remedies they may have, the Company and its Affiliates may apply to any court of competent jurisdiction for specific performance, temporary, preliminary, and/or permanent injunctive relief, or other relief in order to enforce the obligations under this Agreement or prevent a violation of these obligations. You expressly acknowledge and agree that the Company and its Affiliates may pursue all relief to which they are entitled, including without limitation damages, specific performance and injunctive relief. You further acknowledge that each of the restrictive covenants above is independent from the others, and, accordingly, if any is held to be illegal or unenforceable in a judicial proceeding, such provision shall be severed and shall be inoperative, and the others shall remain operative and binding. Moreover, in the event of a breach or violation by you of the obligations in this Agreement, the Restricted Period shall be extended until such breach or violation has been cured.

In addition, if you have exercised any options during the one-year period prior to any action that violates your obligations of confidentiality, non-competition or non-solicitation to the Company, you will owe the Company a cash payment (or forfeiture of shares of Stock) in an amount determined as follows: (1) for any shares of Stock that you have sold prior to receiving notice from the Company, the amount will be the proceeds received from the sale(s), less the option price, and (2) for any shares of Stock that you still own, the amount will be the number of shares of Stock owned times the Fair Market Value of the shares of Stock on the date you receive notice from the Company, less the option price (provided, that the Company may require you to satisfy your payment obligations hereunder either by forfeiting and returning to the Company any other shares of Stock or making a cash payment or a combination of these methods as determined by the Company in its sole discretion).

Leaves of Absence

For purposes of this Agreement, your Service does not terminate when you go on a *bona fide* leave of absence that was approved by your employer in writing if the terms of the leave provide for continued Service crediting, or when continued Service crediting is required by Applicable Laws. Your Service terminates in any event when the approved leave ends unless you immediately return to active Service as an employee.

The Company may determine, in its discretion, which leaves count for this purpose, and when your Service terminates for all purposes under the Plan in accordance with the provisions of the Plan.

Notice of Exercise

The Option may be exercised, in whole or in part, to purchase a whole number of vested shares of Stock by following the procedures set forth in the Plan and in this Agreement.

When you wish to exercise this Option, you must exercise in a manner required or permitted by the Company.

If someone else wants to exercise this Option after your death, that person must prove to the Company's satisfaction that he or she is entitled to do so.

Form of Payment

When you exercise your Option, you must include payment of the Option Price indicated on the cover sheet for the shares you are purchasing. Payment may be made in one (or a combination) of the following forms:

- Immediately available funds.
- Shares of Stock owned by you and which are surrendered to the Company. The Fair Market Value of the shares as of the effective date of the option exercise will be applied to the option price
- By delivery (on a form prescribed by the Company) of an irrevocable direction to a licensed securities broker acceptable to the Company to sell Stock and to deliver all or part of the sale proceeds to the Company in payment of the aggregate option price and any withholding taxes.

Withholding Taxes

You agree as a condition of this grant that you will make acceptable arrangements to pay any withholding or other taxes that may be due as a result of the Option exercise, or you shall forfeit the shares of Stock. In the event that the Company or an Affiliate, as applicable, determines that any federal, state, local or foreign tax or withholding payment is required relating to the exercise of this Option or sale of Stock arising from this Option, the Company or an Affiliate, as applicable, shall have the right to require such payments from you, or withhold such amounts from other payments due to you from the Company or an Affiliate, as applicable, consistent with Section 13.3 of the Plan (including in connection with a same day sale). Payment must be made in immediately available funds.

Retention Rights

This Agreement and the grant evidenced hereby do not give you the right to be retained by the Company or an Affiliate in any capacity. Unless otherwise specified in an employment or other written agreement between the Company or an Affiliate, as applicable, and you, the Company or an Affiliate, as applicable, reserves the right to terminate your Service at any time and for any reason.

Stockholder Rights

You, or your estate or heirs, have no rights as a shareholder of the Company until Stock has been issued upon exercise of your Option and either a certificate evidencing your Stock has been issued or an appropriate entry has been made on the Company's books. No adjustments are made for dividends, distributions or other rights if the applicable record date occurs before your certificate is issued (or an appropriate book entry is made), except as described in the Plan.

Your grant shall be subject to the terms of any applicable agreement of merger, liquidation or reorganization in the event the Company is subject to such corporate activity, as provided in Section 12 of the Plan.

Clawback

If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, and you are either (i) subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002, or (ii) you knowingly engaged in the misconduct, were grossly negligent in engaging in the misconduct, knowingly failed to prevent the misconduct or were grossly negligent in failing to prevent the misconduct, you shall reimburse the Company the amount of any payment in settlement of this Award earned or accrued during the 12-month period following the first public issuance or filing with the United States Securities and Exchange Commission (whichever first occurred) of the financial document that contained such material noncompliance. Without limiting the foregoing, you will also be subject to the terms of Section 3.3 of the Plan.

Attorney's Fees and Costs

I agree that if I violate this Agreement, I will be responsible for all attorney's fees, costs, and expenses incurred by the Company by reason of any action relating to this Agreement, including in securing my compliance with the provisions of this Agreement or obtaining damages for any breach.

Applicable Law

This Agreement will be interpreted and enforced under the laws of the state in which you primarily performed services for the Company at the time that this Agreement is executed, not including any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

Venue

The Company and I irrevocably and unconditionally agree that the state and federal courts in the Commonwealth of Virginia are an appropriate and convenient forum for any dispute between the parties, and both the Company and I agree that either party may commence any action, litigation, or proceeding of any kind whatsoever against the other in any way arising from or relating to this Agreement or our relationship, including but not limited to contract, equity, tort, fraud, and statutory claims, in any state or federal court in the Commonwealth of Virginia. The Company and I irrevocably and unconditionally submit to the jurisdiction of the Commonwealth of Virginia's state and federal courts for all actions, litigations, or proceedings whether brought by me or the Company, and waive any defenses based on personal jurisdiction or convenience of such forum.

The Plan

The text of the Plan is incorporated in this Agreement by reference.

Certain capitalized terms used in this Agreement are defined in the Plan, and have the meaning set forth in the Plan.

This Agreement and the Plan constitute the entire understanding between you and the Company regarding this grant. Any prior agreements, commitments or negotiations concerning this grant are superseded; except that any written employment or consulting, and/or severance agreement between you and the Company or an Affiliate, as applicable, shall supersede this Agreement with respect to its subject matter.

Data Privacy

In order to administer the Plan, the Company may process personal data about you. Such data includes, but is not limited to, information provided in this Agreement and any changes thereto, other appropriate personal and financial data about you such as your contact information, payroll information and any other information that might be deemed appropriate by the Company to facilitate the administration of the Plan.

By accepting this grant, you give explicit consent to the Company to process any such personal data.

Code Section 409A

It is intended that this Award comply with Section 409A of the Code ("Section 409A") or an exemption from Section 409A. To the extent that the Company determines that you would be subject to the additional 20% tax imposed on certain non-qualified deferred compensation plans pursuant to Section 409A as a result of any provision of this Agreement, such provision shall be deemed amended to the minimum extent necessary to avoid application of such additional tax. The nature of any such amendment shall be determined by the Company.

By signing this Agreement, you agree to all of the terms and conditions described above and in the Plan.

NVR, INC.
2014 EQUITY INCENTIVE PLAN

NON-QUALIFIED STOCK OPTION AGREEMENT

NVR, Inc., a Virginia corporation (the “Company”), hereby grants an option to purchase shares of its common stock, par value \$0.01 per share (the “Option”) to the Grantee named below, subject to the vesting and other conditions set forth below. Additional terms and conditions of the grant are set forth in this cover sheet and in the attachment (collectively, the “Agreement”) and in the Company’s 2014 Equity Incentive Plan (as amended from time to time, the “Plan”).

Name of Grantee:

Number of Shares Covered by Option:

Option Price per Share:

Grant Date:

By your signature below, you agree to all of the terms and conditions described herein, in the attached Agreement and in the Plan, a copy of which is also attached. You further agree and acknowledge that adequate consideration has been exchanged between the Company and you and that you have considered and agreed to execute this Agreement, which binds you to confidentiality, non-competition and non-solicitation restrictive covenants. You acknowledge that you have carefully reviewed the Plan, and agree that the Plan will control in the event any provision of this cover sheet or Agreement should appear to be inconsistent.

Grantee: _____ Date: _____
(Signature)

Company: _____ Date: _____
(Signature)

Title:

Attachment

This is not a stock certificate or a negotiable instrument.

- Option** This Agreement evidences an award of an Option exercisable for that number of shares of Stock set forth on the cover sheet and subject to the vesting and other conditions set forth herein, in the Plan and on the cover sheet. This option is not intended to be an incentive option under Section 422 of the Internal Revenue Code and will be interpreted accordingly.
- Transfer of Unvested Options** During your lifetime, only you (or, in the event of your legal incapacity or incompetency, your guardian or legal representative) may exercise the Option. The Option may not be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered, whether by operation of law or otherwise, nor may the Option be made subject to execution, attachment or similar process. If you attempt to do any of these things, this Option will immediately become forfeited.
- Issuance and Vesting** Your rights under this Option grant and this Agreement shall vest, if at all, in accordance with the vesting schedule set forth on Exhibit A provided you continue in Service through the vesting dates set forth on Exhibit A and provided the Compensation Committee of the Board (the "Compensation Committee") determines that the applicable performance criteria have been satisfied.

In the event of a termination of your employment resulting from your death or Disability or from your retirement at normal retirement age (age 65) on or after January 1, 2024:

1. The Option shall remain outstanding until such time as the Compensation Committee shall determine whether the applicable performance criteria have been satisfied; and
2. If the Compensation Committee determines that the performance criteria have been satisfied, the Option shall become exercisable for a pro rata portion based on the achievement of the performance criteria and the number of full months of the then-current year that have expired prior to the termination of the previously nonexercisable portion of the Option which would have been eligible to be exercised at the end of the year in which such termination occurs. Such prorated portion shall remain exercisable until the later of ninety days following the date of termination of your employment and such Compensation Committee determination.

You shall not be entitled to pro rata vesting if your employment is terminated for any other reason.

In the event of a termination of your employment due to your death or Disability or by the Company for any reason other than Cause, in all cases, on or after December 31, 2024 but prior to completion of the Compensation Committee's determination as to whether the performance criteria have been satisfied, the Option shall remain outstanding until such time as the Compensation Committee shall determine whether the applicable performance criteria have been satisfied. If the Compensation Committee determines that the performance criteria have been satisfied at at least the threshold level, the vested Option shall become exercisable based on the achievement of the performance criteria and shall remain exercisable for ninety days following such Compensation Committee determination.

Your Option is exercisable only as to its vested portion. For the avoidance of doubt and by way of example, if the Option becomes exercisable as to a portion of the Stock subject to the Option after the Compensation Committee determines that the applicable performance criteria have been satisfied on February 15, 2025, no exercise of the Option for such portion will be effective until, at the earliest, February 16, 2025, at which time you would not necessarily have to be an employee of the Company or an Affiliate to exercise the Option, subject to the earlier termination of the Option pursuant to this Agreement.

Corporate Transaction

Notwithstanding the performance metrics and vesting schedule set forth on Exhibit A, but in addition to the acceleration of vesting events set forth above, upon the consummation of a Corporate Transaction, the Option will become 100% vested (i) if the Option is not assumed or if new common stock options relating to the stock of a successor entity are not granted with appropriate adjustments as to the number of shares subject to the Option and the exercise price, or (ii) if assumed and substituted for, upon your termination by the Company without Cause within the 12 month period following the consummation of the Corporate Transaction.

If the Option is assumed or if new common stock options relating to the stock of a successor entity are granted, the performance metrics set forth on Exhibit A shall be deemed to be satisfied at the Target level and the Option shall continue to be subject to the time-based vesting criteria set forth on Exhibit A.

Evidence of Issuance

The issuance of the shares upon exercise of this Option shall be evidenced in such a manner as the Company, in its discretion, will deem appropriate, including, without limitation, book-entry, registration or issuance of one or more share certificates.

Forfeiture of Unvested Options Unless the termination of your Service triggers accelerated vesting of your Option, or other treatment pursuant to the terms of this Agreement, the Plan, or any other written agreement between the Company or any Affiliate, as applicable, and you, you will automatically forfeit to the Company the unvested portion of the Option in the event you are no longer providing Service for any reason.

Your Option will expire in any event at the close of business at Company headquarters on the day before the 10th anniversary of the Grant Date, as shown on the cover sheet. Your Option will expire earlier if your Service terminates, as described below.

Expiration of Vested Options After Service Terminates If your Service terminates for any reason, other than death, Disability or Cause, then the vested portion of your Option will expire at the close of business at Company headquarters on the 90th day after your termination date.

If your Service terminates because of your death or Disability, or if you die during the 90-day period after your termination for any reason (other than Cause), then the vested portion of your Option will expire at the close of business at Company headquarters on the date twelve (12) months after the date of your death or termination for Disability. During that twelve (12) month period, your estate or heirs may exercise the vested portion of your Option.

If your Service is terminated for Cause, then you shall immediately forfeit all rights to your entire Option and the Option shall immediately expire.

Forfeiture of Rights If you should take actions in violation or breach of or in conflict with any non-competition agreement, any agreement prohibiting solicitation of employees, customers, or other business partners of the Company or any Affiliate or any confidentiality, non-disclosure, or non-disparagement obligation with respect to the Company or any Affiliate or otherwise in competition with the Company or any Affiliate, the Company has the right to cause an immediate forfeiture of your rights to the Option awarded under this Agreement and the Option shall immediately expire. Specifically, in consideration of this Award, you acknowledge and agree to the following:

(i) **Confidential Information.** In connection with your employment with the Company, you have had or may have access to confidential, proprietary, and non-public information concerning the business or affairs of the Company or its Affiliates, including but not limited to trade secrets (as defined in the Defend Trade Secrets Act, 18 U.S.C. § 1839(3), or Virginia Code § 59.1-336) and other information concerning the Company's customers, developers, lot positions, subcontractors, employees, pricing, procedures, marketing plans, business plans, operations, business strategies, and methods (collectively, "Confidential Information"). Accordingly, both during and after termination of your Service (regardless of whether you, or the Company or an Affiliate terminates your Service), you shall not retain, misappropriate, use, or disclose to any third party any Confidential Information for any reason other than as intended within the scope of your Service. In the event that you are required by law to disclose any Confidential Information, you agree to give the Company prompt advance written notice thereof and to provide the Company, if requested, with reasonable assistance in obtaining an order to protect the Confidential Information from disclosure. Upon termination of your Service for any reason, or at any other time upon request of the Company, you shall immediately deliver to the Company all documents, forms, blueprints, designs, policies, memoranda, or other data (and copies hereof), in tangible, electronic, or intangible form, relating to the business of the Company or any Affiliate. Notwithstanding the foregoing, Confidential Information shall not include information that (1) you lawfully had in your possession as of the commencement of your Service to the Company or an Affiliate, provided that such information is not subject to a confidentiality agreement with, or other obligation of secrecy to, the Company or an Affiliate, or (2) becomes publicly available otherwise than through disclosure in violation of this or any other applicable Agreement or any statutory prohibition against the misappropriation or distribution of confidential information.

(ii) **Non-Competition.** During your Service and for a period of twelve (12) months after your Service ends (regardless of whether you, or the Company or an Affiliate terminates your Service) (“the Restricted Period”), you shall not anywhere in the Restricted Area (as defined below): (a) own more than 5% of outstanding shares or control any residential homebuilding, mortgage financing, or settlement services business that competes with the Company or an Affiliate in a type of business activity (i.e., residential homebuilding, mortgage financing, or settlement services) over which you had any management responsibility at any time during the twenty-four (24) months prior to termination of your Service; or (b) render services to (whether as an employee, consultant, independent contractor, partner, officer, director, or board member) any person or entity that competes with the Company or an Affiliate in the residential homebuilding business, mortgage financing business, or settlement services business, where such services are competitive with any of the services you provided to the Company or to an Affiliate during the twenty-four (24) months prior to termination of your Service. “Restricted Area” means only those counties and other units of local government in which the Company engaged in residential homebuilding business activities, mortgage financing business activities, or settlement services business activities, as applicable, over which you have had any managerial responsibility at any time during the 24-month period prior to the termination of your Service.

(iii) **Land Development.** If you were employed as a Land Manager, VP of Land, otherwise had any managerial responsibility over the Company’s operations contracting for finished lots, or received, as part of your work duties, Confidential Information relating to land development, at any time during the twenty-four (24) months prior to termination of your Service, you agree that you will not engage in any competitive residential land development activities during the Restricted Period within the Restricted Area.

(iv) **Non-Solicitation of Employees.** During the Restricted Period, you will not, directly or indirectly, hire or attempt to hire any person, who, at any time during the twelve (12)-month period prior to the termination of your Service, was an employee or contractor of the Company.

(v) **Non-Solicitation of Developers.** During the Restricted Period, you will not, directly or indirectly, for the purpose of competing with the Company or an Affiliate, solicit the services of; or acquire or attempt to acquire real property, goods, or services from, any developer or subcontractor with which the Company or any Affiliate contracted or negotiated for a contract at any time during the twelve (12)-month period prior to the termination of your Service, if, during such twelve (12)-month period, you had knowledge of such contract or you had contact with such developer or subcontractor. You further agree not to encourage, directly or indirectly, any such developer or subcontractor to limit, reduce or terminate such entity's relationship or business dealings with the Company or any Affiliate.

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You agree to provide notice to any person or entity with which you may seek or enter into an employment, consulting or other business relationship during the Restricted Period of your obligations under this Agreement prior to entering into such relationship or performing services in conjunction with such relationship. You further agree that the Company may provide notice of your obligations under this Agreement to any person or entity with which you may enter into an employment, consulting or other business relationship during the Restricted Period.

You acknowledge that the restrictions set forth herein are reasonable and necessary to protect the business and interests of the Company and its Affiliates, and that it would be impossible to measure in money the damages that could or would accrue to the Company and its Affiliates in the event that you fail to honor your obligations under this Agreement. Therefore, in addition to any other remedies they may have, the Company and its Affiliates may apply to any court of competent jurisdiction for specific performance, temporary, preliminary, and/or permanent injunctive relief, or other relief in order to enforce the obligations under this Agreement or prevent a violation of these obligations. You expressly acknowledge and agree that the Company and its Affiliates may pursue all relief to which they are entitled, including without limitation damages, specific performance and injunctive relief. You further acknowledge that each of the restrictive covenants above is independent from the others, and, accordingly, if any is held to be illegal or unenforceable in a judicial proceeding, such provision shall be severed and shall be inoperative, and the others shall remain operative and binding. Moreover, in the event of a breach or violation by you of the obligations in this Agreement, the Restricted Period shall be extended until such breach or violation has been cured.

In addition, if you have exercised any options during the one-year period prior to any action that violates your obligations of confidentiality, non-competition or non-solicitation to the Company, you will owe the Company a cash payment (or forfeiture of shares of Stock) in an amount determined as follows: (1) for any shares of Stock that you have sold prior to receiving notice from the Company, the amount will be the proceeds received from the sale(s), less the option price, and (2) for any shares of Stock that you still own, the amount will be the number of shares of Stock owned times the Fair Market Value of the shares of Stock on the date you receive notice from the Company, less the option price (provided, that the Company may require you to satisfy your payment obligations hereunder either by forfeiting and returning to the Company any other shares of Stock or making a cash payment or a combination of these methods as determined by the Company in its sole discretion).

Leaves of Absence

For purposes of this Agreement, your Service does not terminate when you go on a *bona fide* leave of absence that was approved by your employer in writing if the terms of the leave provide for continued Service crediting, or when continued Service crediting is required by Applicable Laws. Your Service terminates in any event when the approved leave ends unless you immediately return to active Service as an employee.

The Company may determine, in its discretion, which leaves count for this purpose, and when your Service terminates for all purposes under the Plan in accordance with the provisions of the Plan.

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- By delivery (on a form prescribed by the Company) of an irrevocable direction to a licensed securities broker acceptable to the Company to sell Stock and to deliver all or part of the sale proceeds to the Company in payment of the aggregate option price and any withholding taxes.

Withholding Taxes

You agree as a condition of this grant that you will make acceptable arrangements to pay any withholding or other taxes that may be due as a result of the Option exercise, or you shall forfeit the shares of Stock. In the event that the Company or an Affiliate, as applicable, determines that any federal, state, local or foreign tax or withholding payment is required relating to the exercise of this Option or sale of Stock arising from this Option, the Company or an Affiliate, as applicable, shall have the right to require such payments from you, or withhold such amounts from other payments due to you from the Company or an Affiliate, as applicable, consistent with Section 13.3 of the Plan (including in connection with a same day sale). Payment must be made in immediately available funds.

Retention Rights

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Stockholder Rights

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Your grant shall be subject to the terms of any applicable agreement of merger, liquidation or reorganization in the event the Company is subject to such corporate activity, as provided in Section 12 of the Plan.

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If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, and you are either (i) subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002, or (ii) you knowingly engaged in the misconduct, were grossly negligent in engaging in the misconduct, knowingly failed to prevent the misconduct or were grossly negligent in failing to prevent the misconduct, you shall reimburse the Company the amount of any payment in settlement of this Award earned or accrued during the 12-month period following the first public issuance or filing with the United States Securities and Exchange Commission (whichever first occurred) of the financial document that contained such material noncompliance. Without limiting the foregoing, you will also be subject to the terms of Section 3.3 of the Plan.

Attorney's Fees and Costs

I agree that if I violate this Agreement, I will be responsible for all attorney's fees, costs, and expenses incurred by the Company by reason of any action relating to this Agreement, including in securing my compliance with the provisions of this Agreement or obtaining damages for any breach.

Applicable Law

This Agreement will be interpreted and enforced under the laws of the state in which you primarily performed services for the Company at the time that this Agreement is executed, not including any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

- Venue** The Company and I irrevocably and unconditionally agree that the state and federal courts in the Commonwealth of Virginia are an appropriate and convenient forum for any dispute between the parties, and both the Company and I agree that either party may commence any action, litigation, or proceeding of any kind whatsoever against the other in any way arising from or relating to this Agreement or our relationship, including but not limited to contract, equity, tort, fraud, and statutory claims, in any state or federal court in the Commonwealth of Virginia. The Company and I irrevocably and unconditionally submit to the jurisdiction of the Commonwealth of Virginia's state and federal courts for all actions, litigations, or proceedings whether brought by me or the Company, and waive any defenses based on personal jurisdiction or convenience of such forum.
- The Plan** The text of the Plan is incorporated in this Agreement by reference.
Certain capitalized terms used in this Agreement are defined in the Plan, and have the meaning set forth in the Plan.
This Agreement and the Plan constitute the entire understanding between you and the Company regarding this grant. Any prior agreements, commitments or negotiations concerning this grant are superseded; except that any written employment or consulting, and/or severance agreement between you and the Company or an Affiliate, as applicable, shall supersede this Agreement with respect to its subject matter.
- Data Privacy** In order to administer the Plan, the Company may process personal data about you. Such data includes, but is not limited to, information provided in this Agreement and any changes thereto, other appropriate personal and financial data about you such as your contact information, payroll information and any other information that might be deemed appropriate by the Company to facilitate the administration of the Plan.
By accepting this grant, you give explicit consent to the Company to process any such personal data.
- Code Section 409A** It is intended that this Award comply with Section 409A of the Code (“Section 409A”) or an exemption from Section 409A. To the extent that the Company determines that you would be subject to the additional 20% tax imposed on certain non-qualified deferred compensation plans pursuant to Section 409A as a result of any provision of this Agreement, such provision shall be deemed amended to the minimum extent necessary to avoid application of such additional tax. The nature of any such amendment shall be determined by the Company.

By signing this Agreement, you agree to all of the terms and conditions described above and in the Plan.

Exhibit A