

BEAZER HOMES USA INC

Form 11-K

June 24, 2011

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

**FORM 11-K**

þ **ANNUAL REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

**For the fiscal year ended December 31, 2010**

**OR**

o **TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission File No: 001-12822**

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**BEAZER HOMES USA, INC. 401(k) PLAN**

1000 Abernathy Road

Suite 1200

Atlanta, Georgia 30328

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

**Beazer Homes USA, Inc.**

1000 Abernathy Rd

Suite 1200

Atlanta, Georgia 30328

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**REQUIRED INFORMATION**

The Beazer Homes USA, Inc. 401(k) Plan ( Plan ) is subject to the Employee Retirement Income Security Act of 1974 ( ERISA ), as amended. Therefore, in lieu of the requirements of Items 1-3 of Form 11-K, the financial statements of the Plan as of and for the years ended December 31, 2010 and 2009, and the supplemental schedule as of December 31, 2010, which have been prepared in accordance with the financial reporting requirements of ERISA, are attached hereto as Appendix 1 and incorporated herein by this reference. Written consent to the incorporation of the Plan s financial statements in registration statements on Form S-8 and Form S-3 under the Securities Act of 1933 is attached hereto as Appendix 2.

**SIGNATURES**

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

BEAZER HOMES USA, INC. 401(k)  
PLAN

By:

/s/ Jennifer P. Jones  
Jennifer P. Jones  
Plan Administrator Beazer Homes USA,  
Inc.

June 24, 2011

/s/ Kenneth F. Khoury  
Kenneth F. Khoury  
Executive Vice-President and General  
Counsel Beazer Homes USA, Inc.

June 24, 2011

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APPENDIX 1

**Beazer Homes USA, Inc.  
401(k) Plan  
Financial Statements as of and for the Years Ended December 31,  
2010 and 2009, Supplemental Schedule as of December 31, 2010  
and Report of Independent Registered Public Accounting Firm**

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**Beazer Homes USA, Inc.**  
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All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended, have been omitted because they are not applicable.

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Participants in and Plan Administrator of

Beazer Homes USA, Inc. 401(k) Plan

Atlanta, Georgia

We have audited the accompanying statements of net assets available for benefits of Beazer Homes USA, Inc. 401(k) Plan (the Plan ) as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting.

Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2010 and 2009, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2010 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These schedules are the responsibility of the Plan s management. Such schedules have been subjected to the auditing procedures applied in our audit of the basic 2010 financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ DELOITTE & TOUCHE LLP

Atlanta, Georgia

June 24, 2011

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**Beazer Homes USA, Inc. 401(k) Plan  
Statements of Net Assets Available for Benefits**

|                                                                                             | <b>December 31,</b> |               |
|---------------------------------------------------------------------------------------------|---------------------|---------------|
|                                                                                             | <b>2010</b>         | <b>2009</b>   |
| Participant directed investments, at fair value                                             | \$ 69,972,410       | \$ 66,956,614 |
| Receivables:                                                                                |                     |               |
| Participant loans                                                                           | 1,017,860           | 1,105,234     |
| Other                                                                                       | 144                 | 155,794       |
| Net assets available for benefits, at fair value                                            | 70,990,414          | 68,217,642    |
| Adjustment from fair value to contract value for fully-benefit-responsive Stable Value Fund | (81,535)            | 223,287       |
| Net assets available for benefits                                                           | \$ 70,908,879       | \$ 68,440,929 |

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**Beazer Homes USA, Inc. 401(k) Plan**  
**Statements of Changes in Net Assets Available for Benefits**

|                                                   | <b>Year Ended December 31,</b> |               |
|---------------------------------------------------|--------------------------------|---------------|
|                                                   | <b>2010</b>                    | <b>2009</b>   |
| Contributions:                                    |                                |               |
| Participants                                      | \$ 4,131,286                   | \$ 3,892,303  |
| Employer                                          | 1,424,350                      | 1,193,433     |
| Rollovers                                         | 266,731                        | 111,311       |
| Total contributions                               | 5,822,367                      | 5,197,047     |
| Investment income:                                |                                |               |
| Interest and dividends                            | 1,429,113                      | 1,375,136     |
| Net appreciation in fair value of investments     | 6,739,834                      | 12,224,796    |
| Net investment income                             | 8,168,947                      | 13,599,932    |
| Distributions to participants                     | (11,497,048)                   | (14,789,979)  |
| Administrative expenses                           | (26,316)                       | (12,856)      |
| Net increase in net assets available for benefits | 2,467,950                      | 3,994,144     |
| Net assets available for benefits:                |                                |               |
| Beginning of year                                 | 68,440,929                     | 64,446,785    |
| End of year                                       | \$ 70,908,879                  | \$ 68,440,929 |

*See accompanying notes to financial statements.*



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**Beazer Homes USA, Inc. 401(k) Plan  
Notes to Financial Statements**

**1. Description of Plan**

The following description of the Beazer Homes USA, Inc. 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

*General* The Plan is a defined contribution plan established to encourage and assist employees in saving and investing payroll withholdings for the purpose of receiving retirement benefits. The Plan is a savings and investment plan covering eligible employees of Beazer Homes USA, Inc. and subsidiaries (the "Company"). The Plan is administered by a committee appointed by the Company's Board of Directors and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

*Eligibility* All employees who have attained 21 years of age are automatically enrolled in the Plan at a contribution rate of 4% of his/her pretax eligible earnings on the first day of the month following the completion of 30 days of service. If an employee does not make an election, these contributions are initially invested in an age-based target retirement date investment fund. An employee has the option to change his/her contribution rate at any time which changes are effective on the first day of the following month and investment election(s) at any time which changes are effective as soon as administratively feasible.

*Contributions* Contributions to the Plan are comprised of salary deferral contributions by Plan participants, Company matching contributions, Company discretionary contributions, and rollovers from other plans. Non-highly compensated employees may elect to make a salary deferral contribution of 1% to 80% of annual compensation on a pre-tax basis, up to the annual dollar Internal Revenue Service ("IRS") limits. There is an administrative limit on the salary deferral contributions of highly compensated employees equal to 8% of annual compensation on a pre-tax basis, up to the annual dollar IRS limits. In addition, the Company's matching contributions are discretionary, but the Company has historically made Company matching contributions equal to 50% of the first 6% of annual earnings contributed by the employees. The Company did make such matching contributions for the years ended December 31, 2010 and 2009.

The Company may elect, at the discretion of the Board of Directors, to make an additional discretionary contribution. The Company did not make any additional discretionary contributions for the years ended December 31, 2010 or 2009.

*Participant Accounts* Individual accounts are maintained for each Plan participant. Participant accounts are credited with participant and Company contributions and an allocation of the Plan's earnings and charged with withdrawals and an allocation of the Plan's losses and administrative expenses, as applicable. The benefit to which a participant is entitled is the vested balance in his or her account.

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Gains and losses on plan investments are allocated between all participants' accounts in the same proportion that each participant's account bears to the total of all participants' accounts within specified investment funds.

Each participant may direct the investment of his or her account to the various investment options offered by the Plan, which includes a Company stock fund (see Note 6).

*Vesting of Benefits* Participants become vested in the Company discretionary contributions and the Company matching contributions in accordance with the following schedule:

| <b>Completed Years of Service</b> | <b>Percentage Vested</b> |
|-----------------------------------|--------------------------|
| Less than two years               | 0%                       |
| Two, but less than three years    | 25%                      |
| Three, but less than four years   | 50%                      |
| Four, but less than five years    | 75%                      |
| Five years or more                | 100%                     |

Amounts forfeited upon termination are used to reduce future Company contributions. At December 31, 2010 and 2009, forfeited non-vested accounts available to reduce future Company contributions totaled approximately \$5,000 and \$55,000, respectively. During the years ended December 31, 2010 and 2009 the Company's contributions were reduced by approximately \$271,000 and \$393,000, respectively, for forfeitures.

The participant salary deferral contributions are fully vested and non-forfeitable at all times.

*Distributions* Upon normal retirement, permanent disability, death or termination of employment the participant or his or her designated beneficiary may receive his or her vested interest in the Plan in the form of a lump-sum payment.

*Participant Loans* A participant may request a loan equal to part or all of the value of his or her salary deferral contributions and the vested portion of the Company matching contributions subject to a minimum of \$1,000, but not to exceed the lesser of (1) one-half of the participant's vested percentage of his account or (2) \$50,000 reduced by the highest outstanding loan amount in the past 12 months. Such loans bear interest at a fixed rate for the term of the loan, equal to the prime rate at the beginning of the month in which the loan is made plus 1% (4.25% at December 31, 2010 and 2009, respectively). The loan balance is collateralized by the participant's account. Upon retirement or termination of the participant's employment, distributions from a participant's account are made net of the outstanding loan balance. The loans are repaid through salary withholdings over periods generally ranging from one to five years except that the repayment period for loans made for the purchase of a home may range from one to ten years. These periods may be extended for leaves of absences due to military duty or disability.

*Payment of Benefits* On termination of service, a participant with a vested balance greater than \$1,000 in the plan may 1) elect to receive a lump-sum amount equal to the

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participant's vested interest in his or her account or 2) elect to leave his or her investments in the Plan until such time as the participant elects to receive such funds or the participant's death.

*Administrative Expenses* Administrative costs and expenses are generally paid by the Company, with the exception of miscellaneous charges for loans and distributions.

**2. Summary of Significant Accounting Policies**

*Basis of Accounting* The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

*Investment Valuation and Income Recognition* The Fidelity Managed Income Portfolio Fund is a stable value fund established under the Declaration of Trust for the Fidelity Group Trust for Employee Benefit Plans (the Stable Value Fund or Fund ). The beneficial interest of each participant is represented by units. Units are issued and redeemed daily at the Fund's constant net asset value ( NAV ) of \$1 per unit. Distribution to the Fund's unit holders are declared daily from the net investment income and automatically reinvested in the Fund on a monthly basis, when paid. It is the policy of the Stable Value Fund to use its best efforts to maintain a stable net asset value of \$1 per unit, although there is no guarantee that the Stable Value Fund will be able to maintain this value.

The Stable Value Fund may invest in fixed interest insurance investment contracts, money market funds, corporate and government bonds, mortgage-backed securities, bond funds, and other fixed income securities and enters into wrapper contracts issued by third parties. Wrap contracts are designed to allow a stable value portfolio to maintain a constant NAV and protect a portfolio in extreme circumstances. The Stable Value Fund is unlikely to maintain a stable NAV if, for any reason, it cannot obtain or maintain wrap contracts covering all of its underlying assets. Wrap contracts are not transferable, have no trading market and there are a limited number of wrap issuers. In a typical wrap contract, the wrap issuer agrees to pay a portfolio the difference between the contract value and the market value of the underlying assets once the market value has been totally exhausted. In the event that wrap contracts fail to perform as intended, the Stable Value Fund's NAV may decline if the market value of its assets declines. The Stable Value Fund's ability to receive amounts due pursuant to these wrap contracts is dependent on the third-party issuer's ability to meet their financial obligations which may be affected by future economic and regulatory developments.

Investments, other than investments in the Stable Value Fund, are stated at fair value based on quoted market prices in an active market. The Stable Value Fund is stated at fair value as determined by the issuer of the Stable Value Fund based on the fair value of the underlying investments and then adjusted to contract value as described above. Net appreciation or depreciation in the fair value of investments represents the change in fair value during the year, including realized gains and losses on investments sold during the period.

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In accordance with Accounting Standards Codification ( ASC ) No. 946-210-45-9-19 *Fully Benefit Responsive Investment Contracts*, the Stable Value Fund is included at fair value in participant-directed investments in the Statements of Net Assets Available for Benefits, and an additional line item is presented representing the adjustment from fair value to contract value. The Statements of Changes in Net Assets Available for Benefits are presented on a contract value basis.

Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. Contract value represents contributions made to the fund, plus earnings, less participant withdrawals.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Management fees charged to the Plan for investments in mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees are reflected as a reduction of investment return for such investments.

As of December 31, 2009, the Plan adopted, on a prospective basis, Accounting Standards Update ( ASU ) No. 2009-12, *Fair Value Measurements and Disclosures: Investments in Certain Entities That Calculate Net Asset per Share (or Its Equivalent)* ( ASU 2009-12 ), which amended ASC Subtopic 820-10, *Fair Value Measurements and Disclosures Overall*. ASU No. 2009-12 expands the required disclosures for certain investments with a reported NAV. ASU No. 2009-12 permits, as a practical expedient, an entity holding investments in certain entities that calculate net asset value per share or its equivalent for which the fair value is not readily determinable, to measure the fair value of such investments on the basis of that net asset value per share or its equivalent without adjustment. The ASU requires enhanced disclosures about the nature and risks of investments within its scope. Such disclosures include the nature of any restrictions on an investor's ability to redeem its investments at the measurement date, any unfunded commitments, and the investment strategies of the investee. The adoption of ASU No. 2009-12 did not have a material impact on the fair value determination and disclosure of applicable investments and had no impact on the statements of net assets available for benefits and statement of changes in net assets available for benefits.

*Notes Receivable from Participants* Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are recorded as distributions based on the terms of the Plan document.

*Use of Estimates and Risks and Uncertainties* The preparation of financial statements 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 of net assets available for benefits and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates. The Plan utilizes various investment instruments, including mutual funds, common stock and a stable value fund. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment

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securities, it is reasonably possible that changes in values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

*Payment of Benefits* Benefit payments are recorded upon distribution.

*New Accounting Standards* In January 2010, the Financial Accounting Standards Board ( FASB ) issued ASU No. 2010-06, *Fair Value Measurements and Disclosures*, which amends ASC 820, *Fair Value Measurements and Disclosures*, adding new disclosure requirements for Levels 1 and 2, separate disclosures of purchases, sales, issuances, and settlements relating to Level 3 measurements and clarification of existing fair value disclosures. ASU No. 2010-06 is effective for periods beginning after December 15, 2009, except for the requirement to provide Level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which will be effective for fiscal years beginning after December 15, 2010. The Plan prospectively adopted the new guidance in 2010, except for the Level 3 reconciliation disclosures, which are required in 2011. The adoption in 2010 did not materially affect, and the future adoption is not expected to materially affect, the Plan s financial statements.

In September 2010, the FASB issued ASU No. 2010-25, *Reporting Loans to Participants by Defined Contribution Pension Plans*. The ASU requires that participant loans be classified as notes receivable rather than a plan investment and measured at unpaid principal balance plus accrued but unpaid interest rather than fair value. The Plan retrospectively adopted the new accounting in 2010. The adoption did not have a material effect on the Plan s financial statements.

**3. Investments**

The following table presents the investments that represent 5% or more of the Plan s net assets available for benefits as of December 31, 2010 and 2009:

|                                       | 2010      |               | 2009       |               |
|---------------------------------------|-----------|---------------|------------|---------------|
|                                       | Shares    | Amount        | Shares     | Amount        |
| Fidelity Managed Income Portfolio     | 9,946,648 | \$ 10,028,184 | 12,231,485 | \$ 12,007,759 |
| Fidelity Contrafund                   | 126,929   | \$ 8,596,910  | 147,292    | \$ 8,584,202  |
| Fidelity International Discovery Fund | 189,785   | \$ 6,270,498  | 219,563    | \$ 6,663,735  |
| PIMCO Total Return Fund               | 508,837   | \$ 5,520,876  | 452,209    | \$ 4,883,856  |
| Spartan U.S. Equity Index Fund        | 94,889    | \$ 4,220,650  | 99,827     | \$ 3,936,190  |
| American Beacon Large Cap Value Fund  | 227,259   | \$ 4,211,111  | 230,305    | \$ 3,781,607  |
| Morgan Stanley Mid Cap Growth Fund    | 115,577   | \$ 4,183,904  | **         | **            |
| Fidelity Balanced Fund                | 216,878   | \$ 3,953,694  | 222,688    | \$ 3,643,174  |

\*\* Investment represented less than 5% of the Plan s net assets available for benefits at December 31, 2009.

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Net appreciation (depreciation) in fair value of investments, including realized and unrealized gains and losses on investments, for the years ended December 31, 2010 and 2009 is comprised of the following:

|                                           | <b>2010</b>         | <b>2009</b>          |
|-------------------------------------------|---------------------|----------------------|
| Beazer Homes USA, Inc. Company Stock Fund | \$ 169,927          | \$ 1,367,978         |
| Stock Purchase Money Market Account       | 25                  | 34                   |
| Fidelity Managed Income Portfolio         | 9,189               | 7,247                |
| PIMCO Total Return Fund                   | (23,261)            | 296,514              |
| PIMCO Real Return Bond Advantage Fund     | 5,657               | (1,775)              |
| Morgan Stanley Mid Cap Growth             | 1,016,273           | 1,263,447            |
| American Beacon Large Cap Value Fund      | 465,758             | 785,351              |
| Goldman Sachs Mid Cap Value Fund          | 499,147             | 526,970              |
| Allianz NFJ Small Cap Value Fund          | 313,538             | 248,414              |
| Columbia Acorn Fund                       | 405,979             | 676,594              |
| Spartan U.S. Equity Index Fund            | 480,265             | 732,725              |
| Fidelity Contrafund                       | 1,217,006           | 1,872,582            |
| Fidelity Balanced Fund                    | 405,890             | 806,911              |
| Fidelity International Discovery Fund     | 486,583             | 1,428,683            |
| Fidelity Freedom Income Fund              | 17,263              | 38,634               |
| Fidelity Freedom 2000 Fund                |                     | 54                   |
| Fidelity Freedom 2005 Fund                | 4,509               | 7,346                |
| Fidelity Freedom 2010 Fund                | 17,877              | 20,269               |
| Fidelity Freedom 2015 Fund                | 101,464             | 191,609              |
| Fidelity Freedom 2020 Fund                | 155,265             | 200,047              |
| Fidelity Freedom 2025 Fund                | 318,188             | 509,034              |
| Fidelity Freedom 2030 Fund                | 136,724             | 267,177              |
| Fidelity Freedom 2035 Fund                | 139,479             | 226,517              |
| Fidelity Freedom 2040 Fund                | 295,830             | 485,125              |
| Fidelity Freedom 2045 Fund                | 80,938              | 99,030               |
| Fidelity Freedom 2050 Fund                | 19,145              | 19,904               |
| Self Managed Accounts                     | 1,176               | 148,375              |
| <b>Total</b>                              | <b>\$ 6,739,834</b> | <b>\$ 12,224,796</b> |

**4. Fair Value Measurements**

On January 1, 2008, the Plan adopted ASC 820 Fair Value Measurements and Disclosures, which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

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Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

As required by ASC 820, the Plan's assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Plan held no Level 3 assets as of December 31, 2010 or 2009. The following table sets forth by level within the fair value hierarchy the Plan's investment assets at fair value, as of December 31, 2010 and 2009:

|                                              | <b>Investment Assets at Fair Value as of December 31, 2010</b> |                      |                |                      |
|----------------------------------------------|----------------------------------------------------------------|----------------------|----------------|----------------------|
|                                              | <b>Level 1</b>                                                 | <b>Level 2</b>       | <b>Level 3</b> | <b>Total</b>         |
| Mutual Funds                                 | \$ 57,739,502                                                  | \$                   | \$             | \$ 57,739,502        |
| Employer Securities                          | 1,668,808                                                      |                      |                | 1,668,808            |
| Self-Managed Accounts                        | 535,916                                                        |                      |                | 535,916              |
| Stable Value Fund                            |                                                                | 10,028,184           |                | 10,028,184           |
| <b>Total investment assets at fair value</b> | <b>\$ 59,944,226</b>                                           | <b>\$ 10,028,184</b> | <b>\$</b>      | <b>\$ 69,972,410</b> |

|                                              | <b>Investment Assets at Fair Value as of December 31, 2009</b> |                      |                |                      |
|----------------------------------------------|----------------------------------------------------------------|----------------------|----------------|----------------------|
|                                              | <b>Level 1</b>                                                 | <b>Level 2</b>       | <b>Level 3</b> | <b>Total</b>         |
| Mutual Funds                                 | \$ 52,433,897                                                  | \$                   | \$             | \$ 52,433,897        |
| Employer Securities                          | 1,908,095                                                      |                      |                | 1,908,095            |
| Self-Managed Accounts                        | 606,425                                                        |                      |                | 606,425              |
| Stable Value Fund                            |                                                                | 12,008,197           |                | 12,008,197           |
| <b>Total investment assets at fair value</b> | <b>\$ 54,948,417</b>                                           | <b>\$ 12,008,197</b> | <b>\$</b>      | <b>\$ 66,956,614</b> |

The fair value measurement at December 31, 2009 previously included loans to participants as level 2 investments. The above presentation of the 2009 information excludes loans to participants as prescribed by ASU 2010-25 that became effective for the plan in 2010 and is required to be applied retrospectively.

**5. Federal Income Tax Status**

Through February 24, 2010, the Plan used a prototype plan. Fidelity received an opinion letter from the IRS dated January 30, 2006, which stated that the prototype document satisfied the applicable provisions of the Internal Revenue Code ( IRC ). Effective February 25, 2010, the Plan adopted a Volume Submitter Defined Contribution Plan ( Volume Submitter Plan ) which received a favorable opinion letter from the IRS dated March 31, 2008. This opinion letter stated that the Plan and the related trust are designed in accordance with the applicable sections of the Internal Revenue Code of 1986, as amended (the IRC ). The Plan Administrator believes that the Plan is currently designed and is being operated in compliance with the applicable requirements of the IRC and therefore, the Plan continues to qualify under Section 401(a) and the related trust continues to be tax exempt as of December 31, 2010. Therefore, no provision for income tax has been included in the Plan's financial statements.

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**6. Exempt Party-In-Interest Transactions**

Party-in-interest investments held by the Plan included 309,505 shares and 394,120 shares of Beazer Homes USA, Inc. common stock at December 31, 2010 and 2009, with a fair value of approximately \$1,669,000 and \$1,908,000, respectively. There were no dividends earned on Beazer Homes USA, Inc. common stock for the years ended December 31, 2010 and 2009.

Investments in the Plan's Beazer Homes USA, Inc. common stock fund were suspended effective December 7, 2007. Accordingly, a blackout period went into effect under the Plan during which Plan participants are unable to direct investments into the Beazer Homes USA, Inc. common stock fund. This blackout period began on December 7, 2007 at 4:00 p.m., Eastern Standard Time, and was made permanent by the Company's Compensation Committee on August 6, 2009.

Certain Plan investments are shares of investment funds managed by Fidelity. Fidelity is the trustee as defined by the Plan and, therefore, these transactions qualify as exempt party-in-interest transactions. Fees paid by the Plan for the investment management services were included as a reduction of the return earned on each fund.

**7. Plan Termination**

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

**8. Litigation**

On April 30, 2007, a putative class action complaint was filed on behalf of a purported class consisting of present and former participants and beneficiaries of the Beazer Homes USA, Inc. 401(k) Plan against Beazer Homes USA, Inc. and certain employees and directors of the Company. The complaint alleges breach of fiduciary duties, including those set forth in the Employee Retirement Income Security Act (ERISA), as a result of the investment of retirement monies held by the 401(k) Plan in common stock of Beazer Homes at a time when participants were allegedly not provided timely, accurate and complete information concerning Beazer Homes. Four additional lawsuits were filed subsequently making similar allegations and the court consolidated these five lawsuits. The parties reached a settlement which was largely funded by insurance proceeds. Under the terms of the settlement, the lawsuit was dismissed with prejudice and there was a release of all claims. The court approved the settlement and entered a final order of dismissal on November 15, 2010. The Plan was not a party to these matters.



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The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2010 and 2009:

|                                                                                                 | <b>2010</b>   | <b>2009</b>   |
|-------------------------------------------------------------------------------------------------|---------------|---------------|
| Statement of Net Assets Available for Benefits:                                                 |               |               |
| Net assets available for benefits per the financial statements, at contract value               | \$ 70,908,879 | \$ 68,440,929 |
| Adjustment from contract value to fair value for the fully benefit-responsive Stable Value Fund | 81,535        | (223,287)     |
| Net assets available for benefits per the financial statements, at fair value                   | 70,990,414    | 68,217,642    |
| Deemed distributions                                                                            | (14,500)      | (14,528)      |
| Net assets available for benefits per Form 5500, at fair value                                  | \$ 70,975,914 | \$ 68,203,114 |

The following is a reconciliation of net increase (decrease) in net assets available for benefits per the financial statements for the years ended December 31, 2010 and 2009, to the Form 5500:

|                                                                                                           | <b>2010</b>  | <b>2009</b>  |
|-----------------------------------------------------------------------------------------------------------|--------------|--------------|
| Statement of Changes in Net Assets Available for Benefits:                                                |              |              |
| Net increase in net assets available for benefits per the financial statements                            | \$ 2,467,950 | \$ 3,994,144 |
| Change in adjustment from contract value to fair value for the fully benefit-responsive Stable Value Fund | 304,822      | 529,333      |
| Change in deemed distributions                                                                            | 28           | 7,219        |
| Net income per Form 5500                                                                                  | \$ 2,772,800 | \$ 4,530,696 |

**10. Department of Labor Audit**

In July 2010, the U.S. Department of Labor ( DOL ) completed a limited review of the Plan's records for the years ended December 31, 2007, 2006 and 2005. There were no actions taken by the DOL as a result of this review.

**11. Subsequent Events**

In accordance with ASC 855, the Company evaluated subsequent events through the date these financial statements were issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

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**SUPPLEMENTAL SCHEDULE**  
**(See Report of Independent Registered Public**  
**Accounting Firm)**

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**Table of Contents****Beazer Homes USA, Inc. 401(k) Plan****FORM 5500, SCHEDULE H, PART IV, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
DECEMBER 31, 2010**

| (a) | Identity of Issue, Borrower,<br>Lessor, or Similary Party | Description of Investment,<br>Including Maturity Date, Rate of Interest,<br>Collateral, Par, or Maturity Value | Cost | Current<br>Value |
|-----|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|------|------------------|
|     |                                                           | <b>EMPLOYER SECURITIES:</b>                                                                                    |      |                  |
| *   | Beazer Homes USA, Inc.                                    | Beazer Homes USA, Inc. Company Stock, 309,505 shares                                                           | **   | \$ 1,668,230     |
| *   | Fidelity                                                  | Stock Purchase Money Market Account                                                                            | **   | 578              |
|     |                                                           | Beazer Homes USA, Inc. Stock Fund                                                                              |      | 1,668,808        |
|     |                                                           | <b>STABLE VALUE FUND:</b>                                                                                      |      |                  |
| *   | Fidelity                                                  | Fidelity Managed Income Portfolio, 9,946,209 shares                                                            | **   | 10,027,745       |
| *   | Fidelity                                                  | Fidelity Retirement Money Market, 439 shares                                                                   | **   | 439              |
|     |                                                           | <b>REGISTERED INVESTMENT COMPANIES:</b>                                                                        |      |                  |
|     | PIMCO Advisors                                            | PIMCO Total Return Fund, 508,837 shares                                                                        | **   | 5,520,876        |
|     | PIMCO Advisors                                            | PIMCO Real Return Bond Advantage Fund, 36,951 shares                                                           | **   | 419,762          |
|     | Morgan Stanley                                            | Morgan Stanley Mid Cap Growth, 115,577 shares                                                                  | **   | 4,183,904        |
|     | American Beacon                                           | American Beacon Large Cap Value Fund, 227,259 shares                                                           | **   | 4,211,111        |
|     | Goldman Sachs                                             | Goldman Sachs Mid Cap Value Fund, 70,499 shares                                                                | **   | 2,548,541        |
|     | Allianz                                                   | Allianz NFJ Small Cap Value Fund, 58,827 shares                                                                | **   | 1,675,967        |
|     | Columbia Funds                                            | Columbia Acorn Fund, 86,110 shares                                                                             | **   | 2,517,860        |
| *   | Fidelity                                                  | Spartan U.S. Equity Index Fund, 94,889 shares                                                                  | **   | 4,220,650        |
| *   | Fidelity                                                  | Fidelity Contrafund, 126,929 shares                                                                            | **   | 8,596,910        |
| *   | Fidelity                                                  | Fidelity Balanced Fund, 216,878 shares                                                                         | **   | 3,953,694        |
| *   | Fidelity                                                  | Fidelity International Discovery Fund, 189,785 shares                                                          | **   | 6,270,498        |
| *   | Fidelity                                                  | Fidelity Freedom Income Fund, 36,203 shares                                                                    | **   | 408,370          |
| *   | Fidelity                                                  | Fidelity Freedom 2005 Fund, 5,165 shares                                                                       | **   | 55,838           |
| *   | Fidelity                                                  | Fidelity Freedom 2010 Fund, 17,265 shares                                                                      | **   | 234,634          |
| *   | Fidelity                                                  | Fidelity Freedom 2015 Fund, 109,315 shares                                                                     | **   | 1,239,631        |
| *   | Fidelity                                                  | Fidelity Freedom 2020 Fund, 134,403 shares                                                                     | **   | 1,853,412        |
| *   | Fidelity                                                  | Fidelity Freedom 2025 Fund, 293,355 shares                                                                     | **   | 3,379,450        |
| *   | Fidelity                                                  | Fidelity Freedom 2030 Fund, 104,329 shares                                                                     | **   | 1,436,606        |
| *   | Fidelity                                                  | Fidelity Freedom 2035 Fund, 127,219 shares                                                                     | **   | 1,459,205        |
| *   | Fidelity                                                  | Fidelity Freedom 2040 Fund, 323,212 shares                                                                     | **   | 2,588,926        |
| *   | Fidelity                                                  | Fidelity Freedom 2045 Fund, 82,512 shares                                                                      | **   | 783,042          |
| *   | Fidelity                                                  | Fidelity Freedom 2050 Fund, 19,255 shares                                                                      | **   | 180,615          |
|     |                                                           | <b>OTHER:</b>                                                                                                  |      |                  |
| *   | Various                                                   | Self Managed Accounts                                                                                          | **   | 535,916          |

TOTAL INVESTMENTS \$ 69,972,410

PARTICIPANT LOANS:

\* Various participants Participants loans made to participants, with interest accruing at rates from 4.25% to 10.5%, and various maturity dates through October 2020 \*\* \$ 1,017,860

\* Party In Interest

\*\* Cost information is not required for participant-directed investments and, therefore, is not included.

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APPENDIX 2

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement No. 333-168794 on Form S-8 and Registration Statement No. 333-172483 on Form S-3 of our report dated June 24, 2011, relating to the financial statements and financial statement schedules of Beazer Homes USA, Inc. 401(k) Plan appearing in this Annual Report on Form 11-K of Beazer Homes USA, Inc. 401(k) Plan for the year ended December 31, 2010.

/s/ DELOITTE & TOUCHE LLP

Atlanta, Georgia

June 24, 2011