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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 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) **August 24, 2004**

Eagle Materials Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

1-12984	**75-2520779**
(Commission File Number)	(IRS Employer Identification No.)

3811 Turtle Creek Blvd., Suite 1100, Dallas, Texas 75219

(Address of Principal Executive Offices) (Zip Code)

(214) 432-2000

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

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 (*see* General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 1.01 Entry into a Material Definitive Agreement

Grant Agreements with Named Executive Officers

On August 24, 2004, Eagle Materials Inc. (the "Company") entered into certain stock option and restricted stock agreements with the named executive officers of the Company identified below to evidence the grant to such individuals of stock options to purchase shares of the Company's common stock, par value $0.01 per share ("Common Stock"), and restricted stock units payable in shares of Common Stock under the Eagle Materials Inc. Incentive Plan as of the dates set forth below.

Named Executive Officer	Shares of Common Stock Underlying EBIT Stock Option Grants		Shares of Common Stock Underlying ROE Stock Option Grants		Shares of Common Stock Underlying Restricted Stock Unit Grants
	Granted on 6/26/2004	Granted on 8/4/2004	Granted on 6/26/2004	Granted on 8/4/2004	Granted on 6/26/2004
Steve Rowley, President and Chief Executive Officer	8,445	3,441	8,445	3,441	7,630
Gerald Essl, Executive Vice President – Cement/Concrete and Aggregates	2,815	1,147	2,815	1,147	2,543
Arthur Zunker, Senior Vice President – Finance and Treasurer	2,815	1,147	2,815	1,147	2,543

Each stock option granted on June 26, 2004 has an exercise price of $70.26 per share and each stock option granted on August 4, 2004 has an exercise price of $69.90 per share.

The EBIT stock options may become partially or fully vested on each of March 31, 2005, 2006 or 2007, subject to the satisfaction of performance criteria based on the average of the Company's earnings before income and taxes for the Company's three fiscal years ending on such dates. One-third of any vested option shares shall be immediately exercisable upon vesting and the remaining two-thirds shall become exercisable in two equal installments on the next two anniversaries of the vesting date; *provided*, that the executive is employed by the Company on such dates.

The ROE stock options may become partially or fully vested on each of March 31, 2005, 2006 or 2007, subject to the satisfaction of performance criteria based on the average of the Company's return on equity for the Company's three fiscal years ending on such dates. One-third of any vested option shares shall be immediately exercisable upon vesting and the remaining two-thirds shall become exercisable in two equal installments on the next two anniversaries of the vesting date; *provided*, that the executive is employed by the Company on such dates.

The restricted stock units may become partially or fully vested on March 31, 2005, subject to the satisfaction of performance criteria based on the achievement by the Company of certain operational excellence goals. These operational excellence goals vary depending on the line of business to which they relate, with the most significant goals being based upon (i) in the case of the Company's gypsum wallboard business, line speed and plant efficiencies, (ii) in the case of the Company's cement business, clinker production rates and average kiln utilization, and (iii) in the case of the Company's paperboard business, wallboard facing paper production rates and annual mill utilization. One-third of any vested restricted stock units shall be immediately issuable to the executive upon vesting and the remaining two-thirds shall be issuable in two equal installments on the next two anniversaries of the vesting date; *provided*, that the executive is employed by the Company on such dates. After an executive's restricted stock units have vested and until the restricted stock units are paid, upon the payment of any dividends on the Company's common stock, a

number of additional restricted stock units shall be credited to such executive's account in an amount equal to (x) the fair market value of the per share dividend payment multiplied by the number of such executive's restricted stock units divided by (y) the per share fair market value of the Company's common stock.

The stock options and restricted stock units may become vested and exercisable or payable, as appropriate, as of an earlier date upon the occurrence of a change in control of the Company and may be forfeited upon termination of employment with the Company. Copies of the Forms of Non-Qualified Stock Option Agreement (for both EBIT stock options and ROE stock options) and the Form of Restricted Stock Unit Agreement providing additional information regarding the terms of each grant are filed herewith as Exhibits 10.1 through 10.3.

Grant Agreements with Directors

On August 30, 2004, the Company entered into certain stock option and restricted stock agreements with the directors of the Company identified below to evidence the grant to such individuals of stock options to purchase shares of Common Stock and restricted stock units payable shares of Common Stock under the Eagle Materials Inc. Incentive Plan as of July 27, 2004. The number of shares subject to awards made to each director varies due to the fact that certain directors have elected to receive their director compensation entirely in equity and others have elected to receive their director compensation only partially in equity.

Directors	Shares of Common Stock Underlying Stock Option Grants	Shares of Common Stock Underlying Restricted Stock Unit Grants
F. William Barnett	3,000	948
Robert L. Clarke	3,000	948
Laurence E. Hirsch	4,200	1,327
David W. Quinn	1,500	474
O. G. Dagnan	1,500	474
Michael R. Nicolais	1,500	474
Frank W. Maresh	1,500	474

Each stock option granted on July 27, 2004 has an exercise price of $66.08 per share.

The stock options are fully vested when issued and are immediately exercisable. The restricted stock units shall be issuable to the director upon the earlier of the director's retirement or death. Until the restricted stock units are paid, upon the payment of any dividends on the Company's common stock, a number of additional restricted stock units shall be credited to such director's account in an amount equal to (x) the fair market value of the per share dividend payment multiplied by the number of such director's restricted stock units divided by (y) the per share fair market value of the Company's common stock.

The stock options and the director's ability to exercise such options may terminate within specified periods after termination of such director's service with the Company. The restricted stock units may be forfeited upon termination of such director's service with the Company other than by reason of retirement, death or a change in control of the Company. Copies of the Form of Non-Qualified Director Stock Option Agreement and the Form of Director Restricted Stock Unit Agreement providing additional information regarding the terms of each grant are filed herewith as Exhibits 10.4 and 10.5.

Item 9.01 Financial Statements and Exhibits

Exhibit Number	Description
10.1	Form of Restricted Stock Unit Agreement
10.2	Form of Non-Qualified Stock Option Agreement (EBIT)
10.3	Form of Non-Qualified Stock Option Agreement (ROE)
10.4	Form of Non-Qualified Director Stock Option Agreement
10.5	Form of Director Restricted Stock Unit Agreement

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SIGNATURES

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.

EAGLE MATERIALS INC.

By: /s/ JAMES H. GRAASS

Name: James H. Graass

Title: Executive Vice President and General Counsel

Date: August 30, 2004

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EXHIBIT INDEX

Exhibit Number	Description
10.1	Form of Restricted Stock Unit Agreement
10.2	Form of Non-Qualified Stock Option Agreement (EBIT)
10.3	Form of Non-Qualified Stock Option Agreement (ROE)
10.4	Form of Non-Qualified Director Stock Option Agreement
10.5	Form of Director Restricted Stock Unit Agreement

Exhibit 10.1

EAGLE MATERIALS INC.
INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT

This restricted stock unit agreement (the "Restricted Stock Unit Agreement" or "Agreement") entered into between Eagle Materials Inc., a Delaware corporation (the "Company"), and ____ (the "Grantee"), an employee of the Company or its Affiliates, with respect to a right (the "Award") of ___ units ("Restricted Stock Units") representing shares of Common Stock (as defined in the Eagle Materials Inc. Incentive Plan (the "Plan")) granted to the Grantee under the Plan on ____ (the "Award Date"), such number of units subject to adjustment as provided in the Plan, and further subject to the following terms and conditions:

1. *Relationship to Plan.*

This Award is subject to all of the terms, conditions and provisions of the Plan and administrative interpretations thereunder, if any, which have been adopted by the Company's Compensation Committee ("Committee") and are in effect on the date hereof. Except as defined herein, capitalized terms shall have the same meanings ascribed to them under the Plan. For the purposes of this Restricted Stock Unit Agreement:

(a) "Restricted Period" means the period commencing on the Award Date and ending on the date that the Restricted Stock Units become fully payable in accordance with Section 2.

(b) "Vesting Date" means March 31, 2005.

(c) "Vesting Period" means the period commencing on the Award Date and ending on the date that the Award may fully vest in accordance with the schedule provided in Section 2(a).

2. *Vesting and Payment.*

(a) *Vesting Schedule*. The Award shall vest on the Vesting Date based on the number of points achieved at the end of the 2005 fiscal year based on the Fiscal Year 2005 Operational Excellence Goals (as described in Exhibit B to this Agreement) in accordance with the following schedule:

Points Achieved	Percentage of Additional Restricted Stock Units Vested
100	100%
94	90%
88	80%
82	70%
76	60%
70	50%
64	40%
58	30%
52	20%
46	10%
40	0%

The determination of the number of points achieved shall be made and approved by the Committee. The Committee shall have the sole authority to determine the number of points achieved for purposes of this schedule, and its determination shall be final, conclusive and binding on all parties. The exact vesting percentage attained from the schedule shall be calculated based on straight-line interpolation between the percentages shown in the schedule with fractional percentages rounded to the nearest tenth of one percent.

The Grantee must be in continuous employment with the Company or any of its Affiliates or serve as a Director from the Award Date through the Vesting Date in order for the Restricted Stock Units to vest as provided above. At the end of the Vesting Period, if any Restricted Stock Units remain unvested, such Restricted Stock Unit shall be forfeited.

(b) *Payment*. One-third of the Restricted Stock Units that vest in accordance with the schedule provided above in Section 2(a) shall become payable as soon as administratively possible following the Vesting Date. The remaining two-thirds shall become payable with one-third on the first anniversary of the Vesting Date and one-third on the second anniversary of the Vesting Date.

The Grantee must be in continuous employment with the Company or any of its Affiliates or serve as a Director from the Award Date through the date the portion of the Award would otherwise become payable in order for the Award to become payable with respect to additional Restricted Stock Units.

(c) *Change in Control*. This Award shall become fully vested and payable without regard to the limitations set forth in subparagraph (a) or (b) above, provided that the Grantee has been in continuous employment with the Company or any of its Affiliates or served as a Director since the Award Date, upon the occurrence of a Change in Control (as defined in Exhibit A to this Agreement) within the Vesting Period, and fully payable (without regard to the limitations set forth in subparagraph (b) above) upon a Change in Control within the Restricted Period with respect to any Restricted Stock Units which are vested as of the end of the Vesting Period, unless either (i) the Committee determines that the terms of the transaction giving rise to the Change in Control provide that the Award is to be replaced within a reasonable time after the

Change in Control with an award of equivalent value of shares of the surviving parent corporation or (ii) the Award is to be settled in cash in accordance with the last sentence of this subparagraph (b). Upon a Change in Control, pursuant to Section 16 of the Plan, the Company may, in its discretion, settle the Award by a cash payment that the Committee shall determine in its sole discretion is equal to the fair market value of the Award on the date of such event.

3. *Forfeiture of Award.*

Except as provided in any other agreement between the Grantee and the Company, if the Grantee's employment terminates, all unvested and vested (but not yet payable) Restricted Stock Units, and all Dividend Equivalent Amounts (as defined in Section 4) attributable thereto, as of the termination date shall be forfeited.

4. *Dividend Equivalent Payments.*

During the period of time between the Award Date and the earlier of the date the Restricted Stock Units paid or are settled, the Restricted Stock Units will be evidenced by book entry registration. As of each date that dividends are paid with respect to Common Stock after the end of the Vesting Period, the Grantee shall have a number of additional Restricted Stock Units credited to his or her account with respect to such dividends. The additional Restricted Stock Units credited with respect to such dividends shall be determined by having a Fair Market Value equal to the amount of the dividend paid per share of Common Stock as of such dividend payment date multiplied by the number of Restricted Stock Units credited to the Grantee's account immediately prior to such dividend payment date and divided by the Fair Market Value of the Common Stock on such dividend payment date.

5. *Timing and Form of Payment.*

The Grantee may timely elect on or before December 31, 2004 to receive the Award pursuant to an election form, and subject to such terms and conditions set forth in such form, as prescribed by the Committee ("Election Form"). The Grantee may timely elect to further defer receipt of the Award in such time and manner, if any, as prescribed by the Committee in its sole and absolute discretion.

Notwithstanding anything herein to the contrary including the Grantee's election pursuant to the Election Form, the Company reserves the right to pay the value of the vested Restricted Stock Units, to the extent not yet paid, to the Grantee in the form of shares of Common Stock or an equivalent cash payment at any time following vesting of the Award.

6. *Delivery of Shares.*

The Company shall not be obligated to deliver any shares of Common Stock if counsel to the Company determines that such sale or delivery would violate any applicable law or any rule or regulations of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which the Common Stock is listed or quoted. The Company shall in no event be obligated to take any

affirmative action in order to cause the delivery of shares of Common Stock to comply with any such law, rule, regulations or agreement.

7. *Notices.*

Notice or other communication to the Company with respect to this Award must be made in the following manner, using such forms as the Company may from time to time provide:

(a) by electronic means as designated by the Committee;

(b) by registered or certified United States mail, postage prepaid, to Eagle Materials Inc., Attention: Secretary, 3811 Turtle Creek Blvd, Suite 1100, Dallas, Texas 75219; or

(c) by hand delivery or otherwise to Eagle Materials Inc., Attention: Secretary, 3811 Turtle Creek Blvd, Suite 1100, Dallas, Texas 75219.

Notwithstanding the foregoing, in the event that the address of the Company is changed, any such notice shall instead be made pursuant to the foregoing provisions at the Company's current address.

Any notices provided for in this Restricted Stock Unit Agreement or in the Plan shall be given in writing or by such electronic means, as permitted by the Committee, and shall be deemed effectively delivered or given upon receipt or, in the case of notices delivered by the Company to the Grantee, five days after deposit in the United States mail, postage prepaid, addressed to the Grantee at the address specified at the end of this Agreement or at such other address as the Grantee hereafter designates by written notice to the Company.

8. *Assignment of Award.*

Except as otherwise permitted by the Committee, the Grantee's rights under the Plan and this Restricted Stock Unit Agreement are personal; no assignment or transfer of the Grantee's rights under and interest in this Award may be made by the Grantee other than by will, by beneficiary designation, by the laws of descent and distribution or by a qualified domestic relations order; and this Award is payable only to the Grantee during his lifetime.

After the death of the Grantee, payment of the Award shall be permitted only to the Grantee's executor or the personal representative of the Grantee's estate (or by his assignee, in the event of a permitted assignment) and only to the extent that the Award was payable on the date of the Grantee's death.

9. *Stock Certificates.*

Certificates representing the Common Stock issued pursuant to the Award will bear all legends required by law and necessary or advisable to effectuate the provisions of the Plan and this Award. The Company may place a "stop transfer" order against shares of the

Common Stock issued pursuant to this Award until all restrictions and conditions set forth in the Plan or this Agreement and in the legends referred to in this Section 9 have been complied with.

10. *Withholding.*

No certificates representing shares of Common Stock awarded hereunder shall be delivered to or in respect of an Grantee unless the amount of all federal, state and other governmental withholding tax requirements imposed upon the Company with respect to the issuance of such shares of Common Stock has been remitted to the Company or unless provisions to pay such withholding requirements have been made to the satisfaction of the Committee. The Committee may make such provisions as it may deem appropriate for the withholding of any taxes which it determines is required in connection with this Award. The Grantee may pay all or any portion of the taxes required to be withheld by the Company or paid by the Grantee in connection with this Award by delivering cash, or, with the Committee's approval, by electing to have the Company withhold shares of Common Stock, or by delivering previously owned shares of Common Stock, having a Fair Market Value equal to the amount required to be withheld or paid. The Grantee must make the foregoing election on or before the date that the amount of tax to be withheld is determined.

11. *Shareholder Rights.*

The Grantee shall have no rights of a shareholder with respect to shares of Common Stock subject to the Award unless and until such time as the Award has been paid pursuant to Section 5 and shares of Common Stock have been transferred to the Grantee.

12. *Successors and Assigns.*

This Agreement shall bind and inure to the benefit of and be enforceable by the Grantee, the Company and their respective permitted successors and assigns (including personal representatives, heirs and legatees), except that the Grantee may not assign any rights or obligations under this Agreement except to the extent and in the manner expressly permitted herein.

13. *No Employment Guaranteed.*

No provision of this Restricted Stock Unit Agreement shall confer any right upon the Grantee to continued employment with the Company or any Affiliate.

14. *Governing Law.*

This Restricted Stock Unit Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Texas.

15. *Amendment*.

This Agreement cannot be modified, altered or amended except by an agreement, in writing, signed by both the Company and the Grantee.

EAGLE MATERIALS INC.

Date: _____ By: _____

Name: _____

Title: _____

The Grantee hereby accepts the foregoing Restricted Stock Unit Agreement, subject to the terms and provisions of the Plan and administrative interpretations thereof referred to above.

GRANTEE:

Date: _____ _____

[name]

Grantee's Address:

_____

_____

_____

Exhibit A

Change in Control

For the purpose of this Agreement, a "Change of Control" shall mean the occurrence of any of the following events:

(a) The acquisition by any Person of beneficial ownership of securities of the Company (including any such acquisition of beneficial ownership deemed to have occurred pursuant to Rule 13d-5 under the Exchange Act) if, immediately thereafter, such Person is the beneficial owner of (i) 50% or more of the total number of outstanding shares of any single class of Company Common Stock or (ii) 40% or more of the total number of outstanding shares of all classes of Company Common Stock, unless such acquisition is made (a) directly from the Company in a transaction approved by a majority of the members of the Incumbent Board or (b) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company;

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (or who is otherwise designated as a member of the Incumbent Board by such a vote) shall be considered as though such individual were a member of the Incumbent Board, except that any such individual shall not be considered a member of the Incumbent Board if his or her initial assumption of office occurs as a result of either an actual or threatened election contest (as such term is used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) The consummation of a Business Combination, unless, immediately following such Business Combination, (i) more than 50% of both the total number of then outstanding shares of common stock of the parent corporation resulting from such Business Combination and the combined voting power of the then outstanding voting securities of such parent corporation entitled to vote generally in the election of directors will be (or is) then beneficially owned, directly or indirectly, by all or substantially all of the Persons who were the beneficial owners, respectively, of the outstanding shares of Company Common Stock immediately prior to such Business Combination in substantially the same proportions as their ownership immediately prior to such Business Combination of the outstanding shares of Company Common Stock, (ii) no Person (other than any employee benefit plan (or related trust) of the Company or any corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 40% or more of the total number of then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors and (iii) at least a majority of the members of the board of directors of the parent corporation resulting from such Business Combination were members of the Incumbent Board immediately prior to the consummation of such Business Combination; or

(d) Approval by the Board and the shareholders of the Company of (i) a complete liquidation or dissolution of the Company or (ii) a Major Asset Disposition (or, if there is no such approval by shareholders, consummation of such Major Asset Disposition) unless, immediately following such Major Asset Disposition, (A) Persons that were beneficial owners of the outstanding shares of Company Common Stock immediately prior to such Major Asset Disposition beneficially own, directly or indirectly, more than 50% of the total number of then outstanding shares of common stock and the combined voting power of the then outstanding shares of voting stock of the Company (if it continues to exist) and of the Acquiring Entity in substantially the same proportions as their ownership immediately prior to such Major Asset Disposition of the outstanding shares of Company Common Stock; (B) no Person (other than any employee benefit plan (or related trust) of the Company or such entity) beneficially owns, directly or indirectly, 40% or more of the then outstanding shares of common stock or the combined voting power of the then outstanding voting securities of the Company (if it continues to exist) and of the Acquiring Entity entitled to vote generally in the election of directors and (C) at least a majority of the members of the Board of the Company (if it continues to exist) and of the Acquiring Entity were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such Major Asset Disposition.

For purposes of the foregoing,

(i) the term “Person” means an individual, entity or group;

(ii) the term “group” is used as it is defined for purposes of Section 13(d)(3) of the Exchange Act;

(iii) the terms “beneficial owner”, “beneficially ownership” and “beneficially own” are used as defined for purposes of Rule 13d-3 under the Exchange Act;

(iv) the term “Business Combination” means (x) a merger, consolidation or share exchange involving the Company or its stock or (y) an acquisition by the Company, directly or through one or more subsidiaries, of another entity or its stock or assets;

(v) the term “Company Common Stock” shall mean the Common Stock, par value $.01 per share, of the Company and the Class B Common Stock, par value $.01 per share, of the Company (or, if the context requires, shall mean either such class);

(vi) the term “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(vii) the phrase “parent corporation resulting from a Business Combination” means the Company if its stock is not acquired or converted in the Business Combination and otherwise means the entity which as a result of such Business Combination owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries;

(viii) the term “Major Asset Disposition” means the sale or other disposition in one transaction or a series of related transactions of 50% or more of the assets of the Company and its subsidiaries on a consolidated basis; and any specified percentage or portion of the assets of the Company shall be based on fair market value, as determined by a majority of the members of the Incumbent Board;

(ix) the term “Acquiring Entity” means the entity that acquires the largest portion of the assets sold or otherwise disposed of in a Major Asset Disposition (or the entity, if any, that owns a majority of the outstanding voting stock of such acquiring entity entitled to vote generally in the election of directors or members of a comparable governing body); and

(x) the phrase “substantially the same proportions,” when used with reference to ownership interests in the parent corporation resulting from a Business Combination or in an Acquiring Entity, means substantially in proportion to the number of shares of Company Common Stock beneficially owned by the applicable Persons immediately prior to the Business Combination or Major Asset Disposition, but is not to be construed in such a manner as to require that the same ratio or number of shares of such parent corporation or Acquiring Entity be issued, paid or delivered in exchange for or in respect of the shares of each class of Company Common Stock.

EXHIBIT 10.2

EAGLE MATERIALS INC.
INCENTIVE PLAN

NON-QUALIFIED STOCK OPTION AGREEMENT

This option agreement (the "Option Agreement" or "Agreement") entered into between Eagle Materials Inc., a Delaware corporation (the "Company"), and _____ (the "Optionee"), an employee of the Company or its Affiliates, with respect to a right (the "Option") awarded to the Optionee under the Eagle Materials Inc. Incentive Plan (the "Plan") on _____ (the "Award Date") to purchase from the Company up to but not exceeding in the aggregate _____ shares of Common Stock (as defined in the Plan) at a price of $_____ per share (the "Exercise Price"), such number of shares and such price per share being subject to adjustment as provided in the Plan, and further subject to the following terms and conditions:

1. *Relationship to Plan.*

This Option is subject to all of the terms, conditions and provisions of the Plan and administrative interpretations thereunder, if any, which have been adopted by the Company's Compensation Committee ("Committee") and are in effect on the date hereof. Except as defined herein, capitalized terms shall have the same meanings ascribed to them under the Plan. For purposes of this Option Agreement:

(a) "EBIT" for any fiscal year means the Company's earnings before interest and taxes as reported by the Company in its annual report to stockholders for such fiscal year, as adjusted by the Committee in its reasonable discretion to take into account events and circumstances not contemplated at the time of this award.

(b) "Vesting Date" means March 31 of any given fiscal year on which Option Shares vest, if any, in accordance with the Vesting Schedule.

(c) "Vesting Period" means the period commencing on the Award Date and ending on the last day of the fiscal year in which the Award may fully vest in accordance with the Vesting Schedule.

(d) "Vesting Schedule" means the schedule provided in Section 2(a).

2. *Vesting and Exercise Schedule.*

(a) *Vesting Schedule.* The shares of Common Stock covered by this Option (the "Options Shares") shall vest based on the trailing three year average EBIT for the three consecutive fiscal years ending with the applicable fiscal year in accordance with the following schedule:

	3 Year Average EBIT Targets at FYE (in Millions)		
Vesting Percentage	**March 31, 2005**	**March 31, 2006**	**March 31, 2007**
50%	$110.0	$125.0	$145.0
60%	$113.0	$129.0	$150.0
70%	$116.0	$133.0	$155.0
75%	$117.5	$135.0	$157.5
80%	$119.0	$137.0	$160.0
85%	$120.5	$139.0	$162.5
90%	$122.0	$141.0	$165.0
95%	$123.5	$143.0	$167.5
100%	$125.0	$145.0	$170.0

The exact vesting percentage attained from the Vesting Schedule shall be calculated based on straight-line interpolation between the percentages shown in the Vesting Schedule with fractional percentages rounded to the nearest tenth of one percent; provided, however, in no event shall the Option Shares vest below fifty percent.

If the three year average EBIT for any fiscal year subsequent to the initial fiscal year within the Vesting Period results in a vesting percentage, the applicable percentage of Option Shares which shall vest on the applicable Vesting Date shall equal (i) the vesting percentage derived from the Vesting Schedule for the given fiscal year end less (ii) the vesting percentage previously attained in prior fiscal year(s), if any. At the end of the Vesting Period, if any Option Shares remain unvested, such Option Shares shall be cancelled.

The Optionee must be in continuous employment with the Company or any of its Affiliates or serve as a Director from the Award Date through the date of vesting in order for the Option to vest with respect to additional shares of Common Stock on such date.

(b) *Exercisability.* One-third of the Option Shares that vest in accordance with the Vesting Schedule on any Vesting Date shall become exercisable as soon as administratively practicable following such date. The remaining two-thirds

shall become exercisable with one-third on the first anniversary of such Vesting Date and one-third on the second anniversary of such Vesting Date.

The Optionee must be in continuous employment with the Company or any of its Affiliates or serve as a Director from the Award Date through the date the portion of the Option would otherwise become exercisable in order for the Option to become exercisable with respect to additional shares of Common Stock on such date.

To the extent the Option becomes exercisable, such Option may be exercised in whole or in part (at any time or from time to time, except as otherwise provided herein) until expiration of the Option pursuant to the terms of this Agreement or the Plan.

(c) *Calculations*. Calculations of EBIT shall be made and approved by the Committee. The Committee shall have the sole authority to approve the calculations for purposes of the Vesting Schedule, and its approval of such calculations shall be final, conclusive, and binding on all parties.

(d) *Change in Control*. This Option shall become fully vested and exercisable, without regard to the limitations set forth in subparagraph (a) or (b) above, provided that the Optionee has been in continuous employment with the Company or any of its Affiliates or served as a Director since the Award Date, upon the occurrence of a Change in Control (as defined in Exhibit A to this Agreement) within the Vesting Period, and fully exercisable (without regard to the limitations set forth in subparagraph (b) above) upon a Change in Control any time after the Vesting Period with respect to any Option Shares which are vested as of the end of the Vesting Period, unless either (i) the Committee determines that the terms of the transaction giving rise to the Change in Control provide that the Option is to be replaced within a reasonable time after the Change in Control with an option of equivalent value to purchase shares of the surviving parent corporation or (ii) the Option is to be settled in cash in accordance with the last sentence of this subparagraph (d). Upon a Change in Control, pursuant to Section 16 of the Plan, the Company may, in its discretion, settle the Option by a cash payment equal to the difference between the Fair Market Value per share of Common Stock on the settlement date and the Exercise Price for the Option, multiplied by the number of shares then subject to the Option.

(e) *Revisions*. The Committee shall have the authority to make adjustments to terms and conditions of this Section 2 as it deems appropriate.

3. *Termination of Option.*

The Option hereby granted shall terminate and be of no force and effect with respect to any shares of Common Stock not previously purchased by the Optionee at the earliest time specified below:

(a) the seventh anniversary of the Award Date;

(b) if Optionee's employment with the Company and its Affiliates (and service as a Director) is terminated by the Company or a Subsidiary for "cause" (as determined by the Committee) at any time after the Award Date, then the Option shall terminate immediately upon such termination of Optionee's employment;

(c) if Optionee's employment with the Company and its Affiliates (and service as a Director) is terminated for any reason other than death or termination for "cause," then the Option shall terminate on the first business day following the expiration of the 90-day period beginning on the date of termination of Optionee's employment; or

(d) if Optionee's employment with the Company and its Affiliates (and service as a Director) is terminated due to the death of the Optionee at any time after the Award Date and while in the employ of the Company or its Affiliates or within 90 days after termination of such employment then the Option shall terminate on the first business day following the expiration of the one-year period which began on the date of Optionee's death.

In the event the Option remains exercisable for a period of time following the date of termination of Optionee's employment, the Option may be exercised during such period of time only to the extent it was exercisable as provided in Section 2 on such date of termination of Optionee's employment. The portion of the Option not exercisable upon termination shall terminate and be of no force and effect upon the date of the Optionee's termination of employment.

4. *Exercise of Option.*

Subject to the limitations set forth herein and in the Plan, this Option may be exercised by notice provided to the Company as set forth in Section 5. The payment of the Exercise Price for the Common Stock being purchased pursuant to the Option shall be made (a) in cash, by check or cash equivalent, (b) by tender to the Company, or attestation to the ownership, of Common Stock owned by the Optionee having a Fair Market Value (as determined by the Company without regard to any restrictions on transferability applicable to such Common Stock by reason of federal or state securities laws or agreements with an underwriter for the Company) not less than the Exercise Price, (c) by delivery of a properly executed notice together with irrevocable instructions to a broker providing for the assignment to the Company of the proceeds of a sale or loan with respect to some or all of the shares being acquired upon the exercise of the Option (including, without limitation, through an exercise complying with the provisions of Regulation T as promulgated from time to time by the Board of Governors of the Federal Reserve System), (d) by such other consideration as may be approved by the Board from time to time to the extent permitted by applicable law, or (e) by any combination thereof. Such notice shall be accompanied by cash or Common

Stock in the full amount of all federal and state withholding or other employment taxes applicable to the taxable income of such Participant resulting from such exercise (or instructions to satisfy such withholding obligation by withholding Option Shares in accordance with Section 8). For the purpose of determining the amount, if any, of the purchase price satisfied by payment in Common Stock, such Common Stock shall be valued at its Fair Market Value on the date of exercise.

If the Optionee desires to pay the purchase price for the Option Shares by tendering Common Stock using the method of attestation, the Optionee may, subject to any such conditions and in compliance with any such procedures as the Committee may adopt, do so by attesting to the ownership of Common Stock of the requisite value, in which case the Company shall issue or otherwise deliver to the Optionee upon such exercise a number of Option Shares equal to the result obtained by dividing (a) the excess of the aggregate Fair Market Value of the total number shares of Common Stock subject to the Option for which the Option (or portion thereof) is being exercised over the purchase price payable in respect of such exercise by (b) the Fair Market Value per Option Share subject to the Option, and the Optionee may retain the shares of Common Stock the ownership of which is attested.

Notwithstanding anything to the contrary contained herein, the Optionee agrees that he will not exercise the Option granted pursuant hereto, and the Company will not be obligated to issue any Option Shares pursuant to this Option Agreement, if the exercise of the Option or the issuance of such shares would constitute a violation by the Optionee or by the Company of any provision of any law or regulation of any governmental authority or any stock exchange or transaction quotation system. The Optionee agrees that, unless the options and shares covered by the Plan have been registered pursuant to the Securities Act of 1933, as amended (the "Act"), the Company may, at its election, require the Optionee to give a representation in writing in form and substance satisfactory to the Company to the effect that he is acquiring such shares for his own account for investment and not with a view to, or for sale in connection with, the distribution of such shares or any part thereof.

If any law or regulation requires the Company to take any action with respect to the shares specified in such notice, the time for delivery thereof, which would otherwise be as promptly as reasonably practicable, shall be postponed for the period of time necessary to take such action.

5. *Notices.*

Notice of exercise of the Option must be made in the following manner, using such forms as the Company may from time to time provide:

(a) by electronic means as designated by the Committee, in which case the date of exercise shall be the date when receipt is acknowledged by the Company;

(b) by registered or certified United States mail, postage prepaid, to Eagle Materials Inc., Attention: Secretary, 3811 Turtle Creek, Suite 1100, Dallas, Texas 75219, in which case the date of exercise shall be the date of mailing; or

(c) by hand delivery or otherwise to Eagle Materials Inc., Attention: Secretary, 3811 Turtle Creek, Suite 1100, Dallas, Texas 75219, in which case the date of exercise shall be the date when receipt is acknowledged by the Company.

Notwithstanding the foregoing, in the event that the address of the Company is changed prior to the date of any exercise of this Option, notice of exercise shall instead be made pursuant to the foregoing provisions at the Company's current address.

Any other notices provided for in this Agreement or in the Plan shall be given in writing or by such electronic means, as permitted by the Committee, and shall be deemed effectively delivered or given upon receipt or, in the case of notices delivered by the Company to the Optionee, five days after deposit in the United States mail, postage prepaid, addressed to the Optionee at the address specified at the end of this Agreement or at such other address as the Optionee hereafter designates by written notice to the Company.

6. *Assignment of Option.*

Except as otherwise permitted by the Committee, the rights of the Optionee under the Plan and this Award Agreement are personal; no assignment or transfer of the Optionee's rights under and interest in this Option may be made by the Optionee otherwise than by will, by beneficiary designation, by the laws of descent and distribution or by a qualified domestic relations order; and this Option is exercisable during his lifetime only by the Optionee.

After the death of the Optionee, exercise of the Option shall be permitted only by the Optionee's executor or the personal representative of the Optionee's estate (or by his assignee, in the event of a permitted assignment) and only to the extent that the Option was exercisable on the date of the Optionee's death.

7. *Stock Certificates.*

Certificates representing the Common Stock issued pursuant to the exercise of the Option will bear all legends required by law and necessary or advisable to effectuate the provisions of the Plan and this Option. The Company may place a "stop transfer" order against shares of the Common Stock issued pursuant to the exercise of this Option until all restrictions and conditions set forth in the Plan or this Agreement and in the legends referred to in this Section 7 have been complied with.

8. *Withholding.*

No certificates representing shares of Common Stock purchased hereunder shall be delivered to or in respect of an Optionee unless the amount of all federal, state and other governmental withholding tax requirements imposed upon the Company with respect to the issuance of such shares of Common Stock has been remitted to the Company or unless provisions to pay such withholding requirements have been made to the satisfaction of the Committee. The Committee may make such provisions as it may deem appropriate for the withholding of any taxes which it determines is required in connection with this Option. The Optionee may pay all or any portion of the taxes required to be withheld by the Company or paid by the Optionee in connection with the exercise of all or any portion of this Option by delivering cash, or, with the Committee's approval, by electing to have the Company withhold shares of Common Stock, or by delivering previously owned shares of Common Stock, having a Fair Market Value equal to the amount required to be withheld or paid. The Optionee must make the foregoing election on or before the date that the amount of tax to be withheld is determined.

9. *Shareholder Rights.*

The Optionee shall have no rights of a shareholder with respect to shares of Common Stock subject to the Option unless and until such time as the Option has been exercised and ownership of such shares of Common Stock has been transferred to the Optionee.

10. *Successors and Assigns.*

This Agreement shall bind and inure to the benefit of and be enforceable by the Optionee, the Company and their respective permitted successors and assigns (including personal representatives, heirs and legatees), except that the Optionee may not assign any rights or obligations under this Agreement except to the extent and in the manner expressly permitted herein.

11. *No Employment Guaranteed.*

No provision of this Option Agreement shall confer any right upon the Optionee to continued employment with the Company or any Subsidiary.

12. *Governing Law.*

This Option Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Texas.

13. *Amendment.*

This Agreement cannot be modified, altered or amended except by an agreement, in writing, signed by both the Company and the Optionee.

EAGLE MATERIALS INC.

Date: _____

By: _____
Name: _____
Title: _____

The Optionee hereby accepts the foregoing Option Agreement, subject to the terms and provisions of the Plan and administrative interpretations thereof referred to above.

OPTIONEE:

Date: _____

_____
[name]

Optionee's Address:

_____
_____
_____

Exhibit A

Change in Control

For the purpose of this Agreement, a "Change of Control" shall mean the occurrence of any of the following events:

(a) The acquisition by any Person of beneficial ownership of securities of the Company (including any such acquisition of beneficial ownership deemed to have occurred pursuant to Rule 13d-5 under the Exchange Act) if, immediately thereafter, such Person is the beneficial owner of (i) 50% or more of the total number of outstanding shares of any single class of Company Common Stock or (ii) 40% or more of the total number of outstanding shares of all classes of Company Common Stock, unless such acquisition is made (a) directly from the Company in a transaction approved by a majority of the members of the Incumbent Board or (b) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company;

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (or who is otherwise designated as a member of the Incumbent Board by such a vote) shall be considered as though such individual were a member of the Incumbent Board, except that any such individual shall not be considered a member of the Incumbent Board if his or her initial assumption of office occurs as a result of either an actual or threatened election contest (as such term is used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) The consummation of a Business Combination, unless, immediately following such Business Combination, (i) more than 50% of both the total number of then outstanding shares of common stock of the parent corporation resulting from such Business Combination and the combined voting power of the then outstanding voting securities of such parent corporation entitled to vote generally in the election of directors will be (or is) then beneficially owned, directly or indirectly, by all or substantially all of the Persons who were the beneficial owners, respectively, of the outstanding shares of Company Common Stock immediately prior to such Business Combination in substantially the same proportions as their ownership immediately prior to such Business Combination of the outstanding shares of Company Common Stock, (ii) no Person (other than any employee benefit plan (or related trust) of the Company or any corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 40% or more of the total number of then outstanding shares of common stock of the corporation resulting from such Business Combination or the

combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors and (iii) at least a majority of the members of the board of directors of the parent corporation resulting from such Business Combination were members of the Incumbent Board immediately prior to the consummation of such Business Combination; or

(d) Approval by the Board and the shareholders of the Company of (i) a complete liquidation or dissolution of the Company or (ii) a Major Asset Disposition (or, if there is no such approval by shareholders, consummation of such Major Asset Disposition) unless, immediately following such Major Asset Disposition, (A) Persons that were beneficial owners of the outstanding shares of Company Common Stock immediately prior to such Major Asset Disposition beneficially own, directly or indirectly, more than 50% of the total number of then outstanding shares of common stock and the combined voting power of the then outstanding shares of voting stock of the Company (if it continues to exist) and of the Acquiring Entity in substantially the same proportions as their ownership immediately prior to such Major Asset Disposition of the outstanding shares of Company Common Stock; (B) no Person (other than any employee benefit plan (or related trust) of the Company or such entity) beneficially owns, directly or indirectly, 40% or more of the then outstanding shares of common stock or the combined voting power of the then outstanding voting securities of the Company (if it continues to exist) and of the Acquiring Entity entitled to vote generally in the election of directors and (C) at least a majority of the members of the Board of the Company (if it continues to exist) and of the Acquiring Entity were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such Major Asset Disposition.

For purposes of the foregoing,

(i) the term “Person” means an individual, entity or group;

(ii) the term “group” is used as it is defined for purposes of Section 13(d)(3) of the Exchange Act;

(iii) the terms “beneficial owner”, “beneficially ownership” and “beneficially own” are used as defined for purposes of Rule 13d-3 under the Exchange Act;

(iv) the term “Business Combination” means (x) a merger, consolidation or share exchange involving the Company or its stock or (y) an acquisition by the Company, directly or through one or more subsidiaries, of another entity or its stock or assets;

(v) the term “Company Common Stock” shall mean the Common Stock, par value $.01 per share, of the Company and the Class B Common Stock, par value $.01 per share, of the Company (or, if the context requires, shall mean either such class);

(vi) the term “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(vii) the phrase “parent corporation resulting from a Business Combination” means the Company if its stock is not acquired or converted in the Business Combination and otherwise means the entity which as a result of such Business Combination owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries;

(viii) the term “Major Asset Disposition” means the sale or other disposition in one transaction or a series of related transactions of 50% or more of the assets of the Company and its subsidiaries on a consolidated basis; and any specified percentage or portion of the assets of the Company shall be based on fair market value, as determined by a majority of the members of the Incumbent Board;

(ix) the term “Acquiring Entity” means the entity that acquires the largest portion of the assets sold or otherwise disposed of in a Major Asset Disposition (or the entity, if any, that owns a majority of the outstanding voting stock of such acquiring entity entitled to vote generally in the election of directors or members of a comparable governing body); and

(x) the phrase “substantially the same proportions,” when used with reference to ownership interests in the parent corporation resulting from a Business Combination or in an Acquiring Entity, means substantially in proportion to the number of shares of Company Common Stock beneficially owned by the applicable Persons immediately prior to the Business Combination or Major Asset Disposition, but is not to be construed in such a manner as to require that the same ratio or number of shares of such parent corporation or Acquiring Entity be issued, paid or delivered in exchange for or in respect of the shares of each class of Company Common Stock.

EXHIBIT 10.3

EAGLE MATERIALS INC.
INCENTIVE PLAN

NON-QUALIFIED STOCK OPTION AGREEMENT

This option agreement (the "Option Agreement" or "Agreement") entered into between Eagle Materials Inc., a Delaware corporation (the "Company"), and _____ (the "Optionee"), an employee of the Company or its Affiliates, with respect to a right (the "Option") awarded to the Optionee under the Eagle Materials Inc. Incentive Plan (the "Plan") on _____ (the "Award Date") to purchase from the Company up to but not exceeding in the aggregate _____ shares of Common Stock (as defined in the Plan) at a price of $__ per share (the "Exercise Price"), such number of shares and such price per share being subject to adjustment as provided in the Plan, and further subject to the following terms and conditions:

1. *Relationship to Plan.*

This Option is subject to all of the terms, conditions and provisions of the Plan and administrative interpretations thereunder, if any, which have been adopted by the Company's Compensation Committee ("Committee") and are in effect on the date hereof. Except as defined herein, capitalized terms shall have the same meanings ascribed to them under the Plan. For purposes of this Option Agreement:

(a) "Net Earnings" for any fiscal year means the Company's net earnings as reported by the Company in its annual report to stockholders for such fiscal year, as adjusted by the Committee in its reasonable discretion to take into account events and circumstances not contemplated at the time of this award.

(b) "Return on Equity" or "ROE" for any fiscal year means the percentage obtained by dividing Net Earnings for such fiscal year by the Stockholders' Equity at the beginning of such fiscal year.

(c) "Stockholder Equity" means the Company's Total Stockholders' Equity as reported in its annual report to stockholders, as adjusted by the Committee in its reasonable discretion to take into account events and circumstances not contemplated at the time of this award.

(d) "Vesting Date" means March 31 of any given fiscal year on which Option Shares vest, if any, in accordance with the Vesting Schedule.

(e) "Vesting Period" means the period commencing on the Award Date and ending on the last day of the fiscal year in which the Award may fully vest in accordance with the Vesting Schedule.

(f) “Vesting Schedule” means the schedule provided in Section 2(a).

2. *Vesting and Exercise Schedule.*

(a) *Vesting Schedule.* The shares of Common Stock covered by this Option (the “Options Shares”) shall vest based on the three year average ROE for the three consecutive fiscal years ending with the applicable fiscal year in accordance with the following schedule:

	3 Year Average ROE Targets at FYE		
Vesting Percentage	**March 31, 2005**	**March 31, 2006**	**March 31, 2007**
50%	14.8%	16.3%	17.4%
60%	15.2%	16.7%	17.8%
70%	15.6%	17.1%	18.2%
75%	15.8%	17.3%	18.4%
80%	16.0%	17.5%	18.6%
85%	16.2%	17.7%	18.8%
90%	16.4%	17.9%	19.0%
95%	16.6%	18.1%	19.2%
100%	16.8%	18.3%	19.4%

The exact vesting percentage attained from the Vesting Schedule shall be calculated based on straight-line interpolation between the percentages shown in the Vesting Schedule with fractional percentages rounded to the nearest tenth of one percent; provided, however, in no event shall the Option Shares vest below fifty percent.

If the three year average ROE for any fiscal year subsequent to the initial fiscal year within the Vesting Period results in a vesting percentage, the applicable percentage of Option Shares which shall vest on the applicable Vesting Date shall equal (i) the vesting percentage derived from the Vesting Schedule for the given fiscal year end less (ii) the vesting percentage previously attained in prior fiscal year(s), if any. At the end of the Vesting Period, if any Option Shares remain unvested, such Option Shares shall be cancelled.

The Optionee must be in continuous employment with the Company or any of its Affiliates or serve as a Director from the Award Date through the date of vesting in order for the Option to vest with respect to additional shares of Common Stock on such date.

(b) *Exercisability.* One-third of the Option Shares that vest in accordance with the Vesting Schedule on any Vesting Date shall become exercisable as

soon as administratively practicable following such date. The remaining two-thirds shall become exercisable with one-third on the first anniversary of such Vesting Date and one-third on the second anniversary of such Vesting Date.

The Optionee must be in continuous employment with the Company or any of its Affiliates or serve as a Director from the Award Date through the date the portion of the Option would otherwise become exercisable in order for the Option to become exercisable with respect to additional shares of Common Stock on such date.

To the extent the Option becomes exercisable, such Option may be exercised in whole or in part (at any time or from time to time, except as otherwise provided herein) until expiration of the Option pursuant to the terms of this Agreement or the Plan.

(c) *Calculations*. Calculations of ROE shall be made and approved by the Committee. The Committee shall have the sole authority to approve the calculations for purposes of the Vesting Schedule, and its approval of such calculations shall be final, conclusive, and binding on all parties.

(d) *Change in Control.* This Option shall become fully vested and exercisable, without regard to the limitations set forth in subparagraph (a) or (b) above, provided that the Optionee has been in continuous employment with the Company or any of its Affiliates or served as a Director since the Award Date, upon the occurrence of a Change in Control (as defined in Exhibit A to this Agreement) within the Vesting Period, and fully exercisable (without regard to the limitations set forth in subparagraph (b) above) upon a Change in Control any time after the Vesting Period with respect to any Option Shares which are vested as of the end of the Vesting Period, unless either (i) the Committee determines that the terms of the transaction giving rise to the Change in Control provide that the Option is to be replaced within a reasonable time after the Change in Control with an option of equivalent value to purchase shares of the surviving parent corporation or (ii) the Option is to be settled in cash in accordance with the last sentence of this subparagraph (d). Upon a Change in Control, pursuant to Section 16 of the Plan, the Company may, in its discretion, settle the Option by a cash payment equal to the difference between the Fair Market Value per share of Common Stock on the settlement date and the Exercise Price for the Option, multiplied by the number of shares then subject to the Option.

(e) *Revisions*. The Committee shall have the authority to make adjustments to terms and conditions of this Section 2 as it deems appropriate.

3. *Termination of Option.*

The Option hereby granted shall terminate and be of no force and effect with respect to any shares of Common Stock not previously purchased by the Optionee at the earliest time specified below:

(a) the seventh anniversary of the Award Date;

(b) if Optionee's employment with the Company and its Affiliates (and service as a Director) is terminated by the Company or a Subsidiary for "cause" (as determined by the Committee) at any time after the Award Date, then the Option shall terminate immediately upon such termination of Optionee's employment;

(c) if Optionee's employment with the Company and its Affiliates (and service as a Director) is terminated for any reason other than death or termination for "cause", then the Option shall terminate on the first business day following the expiration of the 90-day period beginning on the date of termination of Optionee's employment;

(d) if Optionee's employment with the Company and its Affiliates(and service as a Director) is terminated due to the death of the Optionee at any time after the Award Date and while in the employ of the Company or its Affiliates or within 90 days after termination of such employment, then the Option shall terminate on the first business day following the expiration of the one-year period which began on the date of Optionee's death.

In the event the Option remains exercisable for a period of time following the date of termination of Optionee's employment, the Option may be exercised during such period of time only to the extent it was exercisable as provided in Section 2 on such date of termination of Optionee's employment. The portion of the Option not exercisable upon termination shall terminate and be of no force and effect upon the date of the Optionee's termination of employment.

4. *Exercise of Option.*

Subject to the limitations set forth herein and in the Plan, this Option may be exercised by notice provided to the Company as set forth in Section 5. The payment of the Exercise Price for the Common Stock being purchased pursuant to the Option shall be made (a) in cash, by check or cash equivalent, (b) by tender to the Company, or attestation to the ownership, of Common Stock owned by the Optionee having a Fair Market Value (as determined by the Company without regard to any restrictions on transferability applicable to such Common Stock by reason of federal or state securities laws or agreements with an underwriter for the Company) not less than the Exercise Price, (c) by delivery of a properly executed notice together with irrevocable instructions to a broker providing for the assignment to the Company of the proceeds of a sale or loan with respect to some or all of the shares being acquired upon the exercise of the Option (including, without limitation, through an exercise complying with the provisions of Regulation T as promulgated from time to time by the Board of Governors of the Federal Reserve System), (d) by such other consideration as may be approved by the Board from time to time to the extent permitted by applicable law, or (e) by any combination thereof. Such notice shall be accompanied by cash or Common

Stock in the full amount of all federal and state withholding or other employment taxes applicable to the taxable income of such Participant resulting from such exercise (or instructions to satisfy such withholding obligation by withholding Option Shares in accordance with Section 8). For the purpose of determining the amount, if any, of the purchase price satisfied by payment in Common Stock, such Common Stock shall be valued at its Fair Market Value on the date of exercise.

If the Optionee desires to pay the purchase price for the Option Shares by tendering Common Stock using the method of attestation, the Optionee may, subject to any such conditions and in compliance with any such procedures as the Committee may adopt, do so by attesting to the ownership of Common Stock of the requisite value, in which case the Company shall issue or otherwise deliver to the Optionee upon such exercise a number of Option Shares equal to the result obtained by dividing (a) the excess of the aggregate Fair Market Value of the total number shares of Common Stock subject to the Option for which the Option (or portion thereof) is being exercised over the purchase price payable in respect of such exercise by (b) the Fair Market Value per Option Share subject to the Option, and the Optionee may retain the shares of Common Stock the ownership of which is attested.

Notwithstanding anything to the contrary contained herein, the Optionee agrees that he will not exercise the Option granted pursuant hereto, and the Company will not be obligated to issue any Option Shares pursuant to this Option Agreement, if the exercise of the Option or the issuance of such shares would constitute a violation by the Optionee or by the Company of any provision of any law or regulation of any governmental authority or any stock exchange or transaction quotation system. The Optionee agrees that, unless the options and shares covered by the Plan have been registered pursuant to the Securities Act of 1933, as amended (the "Act"), the Company may, at its election, require the Optionee to give a representation in writing in form and substance satisfactory to the Company to the effect that he is acquiring such shares for his own account for investment and not with a view to, or for sale in connection with, the distribution of such shares or any part thereof.

If any law or regulation requires the Company to take any action with respect to the shares specified in such notice, the time for delivery thereof, which would otherwise be as promptly as reasonably practicable, shall be postponed for the period of time necessary to take such action.

5. *Notices.*

Notice of exercise of the Option must be made in the following manner, using such forms as the Company may from time to time provide:

(a) by electronic means as designated by the Committee, in which case the date of exercise shall be the date when receipt is acknowledged by the Company;

(b) by registered or certified United States mail, postage prepaid, to Eagle Materials Inc., Attention: Secretary, 3811 Turtle Creek, Suite 1100, Dallas, Texas 75219, in which case the date of exercise shall be the date of mailing; or

(c) by hand delivery or otherwise to Eagle Materials Inc., Attention: Secretary, 3811 Turtle Creek, Suite 1100, Dallas, Texas 75219, in which case the date of exercise shall be the date when receipt is acknowledged by the Company.

Notwithstanding the foregoing, in the event that the address of the Company is changed prior to the date of any exercise of this Option, notice of exercise shall instead be made pursuant to the foregoing provisions at the Company's current address.

Any other notices provided for in this Agreement or in the Plan shall be given in writing or by such electronic means, as permitted by the Committee, and shall be deemed effectively delivered or given upon receipt or, in the case of notices delivered by the Company to the Optionee, five days after deposit in the United States mail, postage prepaid, addressed to the Optionee at the address specified at the end of this Agreement or at such other address as the Optionee hereafter designates by written notice to the Company.

6. *Assignment of Option.*

Except as otherwise permitted by the Committee, the rights of the Optionee under the Plan and this Award Agreement are personal; no assignment or transfer of the Optionee's rights under and interest in this Option may be made by the Optionee otherwise than by will, by beneficiary designation, by the laws of descent and distribution or by a qualified domestic relations order; and this Option is exercisable during his lifetime only by the Optionee.

After the death of the Optionee, exercise of the Option shall be permitted only by the Optionee's executor or the personal representative of the Optionee's estate (or by his assignee, in the event of a permitted assignment) and only to the extent that the Option was exercisable on the date of the Optionee's death.

7. *Stock Certificates.*

Certificates representing the Common Stock issued pursuant to the exercise of the Option will bear all legends required by law and necessary or advisable to effectuate the provisions of the Plan and this Option. The Company may place a "stop transfer" order against shares of the Common Stock issued pursuant to the exercise of this Option until all restrictions and conditions set forth in the Plan or this Agreement and in the legends referred to in this Section 7 have been complied with.

8. *Withholding.*

No certificates representing shares of Common Stock purchased hereunder shall be delivered to or in respect of an Optionee unless the amount of all federal, state and other governmental withholding tax requirements imposed upon the Company with respect to the issuance of such shares of Common Stock has been remitted to the Company or unless provisions to pay such withholding requirements have been made to the satisfaction of the Committee. The Committee may make such provisions as it may deem appropriate for the withholding of any taxes which it determines is required in connection with this Option. The Optionee may pay all or any portion of the taxes required to be withheld by the Company or paid by the Optionee in connection with the exercise of all or any portion of this Option by delivering cash, or, with the Committee's approval, by electing to have the Company withhold shares of Common Stock, or by delivering previously owned shares of Common Stock, having a Fair Market Value equal to the amount required to be withheld or paid. The Optionee must make the foregoing election on or before the date that the amount of tax to be withheld is determined.

9. *Shareholder Rights.*

The Optionee shall have no rights of a shareholder with respect to shares of Common Stock subject to the Option unless and until such time as the Option has been exercised and ownership of such shares of Common Stock has been transferred to the Optionee.

10. *Successors and Assigns.*

This Agreement shall bind and inure to the benefit of and be enforceable by the Optionee, the Company and their respective permitted successors and assigns (including personal representatives, heirs and legatees), except that the Optionee may not assign any rights or obligations under this Agreement except to the extent and in the manner expressly permitted herein.

11. *No Employment Guaranteed.*

No provision of this Option Agreement shall confer any right upon the Optionee to continued employment with the Company or any Subsidiary.

12. *Governing Law.*

This Option Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Texas.

13. *Amendment.*

This Agreement cannot be modified, altered or amended except by an agreement, in writing, signed by both the Company and the Optionee.

EAGLE MATERIALS INC.

Date:_____

By:_____
Name:_____
Title:_____

The Optionee hereby accepts the foregoing Option Agreement, subject to the terms and provisions of the Plan and administrative interpretations thereof referred to above.

OPTIONEE:

Date:_____

_____
[name]

Optionee's Address:

_____
_____
_____

Exhibit A

Change in Control

For the purpose of this Agreement, a "Change of Control" shall mean the occurrence of any of the following events:

(a) The acquisition by any Person of beneficial ownership of securities of the Company (including any such acquisition of beneficial ownership deemed to have occurred pursuant to Rule 13d-5 under the Exchange Act) if, immediately thereafter, such Person is the beneficial owner of (i) 50% or more of the total number of outstanding shares of any single class of Company Common Stock or (ii) 40% or more of the total number of outstanding shares of all classes of Company Common Stock, unless such acquisition is made (a) directly from the Company in a transaction approved by a majority of the members of the Incumbent Board or (b) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company;

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (or who is otherwise designated as a member of the Incumbent Board by such a vote) shall be considered as though such individual were a member of the Incumbent Board, except that any such individual shall not be considered a member of the Incumbent Board if his or her initial assumption of office occurs as a result of either an actual or threatened election contest (as such term is used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) The consummation of a Business Combination, unless, immediately following such Business Combination, (i) more than 50% of both the total number of then outstanding shares of common stock of the parent corporation resulting from such Business Combination and the combined voting power of the then outstanding voting securities of such parent corporation entitled to vote generally in the election of directors will be (or is) then beneficially owned, directly or indirectly, by all or substantially all of the Persons who were the beneficial owners, respectively, of the outstanding shares of Company Common Stock immediately prior to such Business Combination in substantially the same proportions as their ownership immediately prior to such Business Combination of the outstanding shares of Company Common Stock, (ii) no Person (other than any employee benefit plan (or related trust) of the Company or any corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 40% or more of the total number of then outstanding shares of common stock of the corporation resulting from such Business Combination or the

combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors and (iii) at least a majority of the members of the board of directors of the parent corporation resulting from such Business Combination were members of the Incumbent Board immediately prior to the consummation of such Business Combination; or

(d) Approval by the Board and the shareholders of the Company of (i) a complete liquidation or dissolution of the Company or (ii) a Major Asset Disposition (or, if there is no such approval by shareholders, consummation of such Major Asset Disposition) unless, immediately following such Major Asset Disposition, (A) Persons that were beneficial owners of the outstanding shares of Company Common Stock immediately prior to such Major Asset Disposition beneficially own, directly or indirectly, more than 50% of the total number of then outstanding shares of common stock and the combined voting power of the then outstanding shares of voting stock of the Company (if it continues to exist) and of the Acquiring Entity in substantially the same proportions as their ownership immediately prior to such Major Asset Disposition of the outstanding shares of Company Common Stock; (B) no Person (other than any employee benefit plan (or related trust) of the Company or such entity) beneficially owns, directly or indirectly, 40% or more of the then outstanding shares of common stock or the combined voting power of the then outstanding voting securities of the Company (if it continues to exist) and of the Acquiring Entity entitled to vote generally in the election of directors and (C) at least a majority of the members of the Board of the Company (if it continues to exist) and of the Acquiring Entity were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such Major Asset Disposition.

For purposes of the foregoing,

(i) the term “Person” means an individual, entity or group;

(ii) the term “group” is used as it is defined for purposes of Section 13(d)(3) of the Exchange Act;

(iii) the terms “beneficial owner”, “beneficially ownership” and “beneficially own” are used as defined for purposes of Rule 13d-3 under the Exchange Act;

(iv) the term “Business Combination” means (x) a merger, consolidation or share exchange involving the Company or its stock or (y) an acquisition by the Company, directly or through one or more subsidiaries, of another entity or its stock or assets;

(v) the term “Company Common Stock” shall mean the Common Stock, par value $.01 per share, of the Company and the Class B Common Stock, par value $.01 per share, of the Company (or, if the context requires, shall mean either such class);

(vi) the term “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(vii) the phrase “parent corporation resulting from a Business Combination” means the Company if its stock is not acquired or converted in the Business Combination and otherwise means the entity which as a result of such Business Combination owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries;

(viii) the term “Major Asset Disposition” means the sale or other disposition in one transaction or a series of related transactions of 50% or more of the assets of the Company and its subsidiaries on a consolidated basis; and any specified percentage or portion of the assets of the Company shall be based on fair market value, as determined by a majority of the members of the Incumbent Board;

(ix) the term “Acquiring Entity” means the entity that acquires the largest portion of the assets sold or otherwise disposed of in a Major Asset Disposition (or the entity, if any, that owns a majority of the outstanding voting stock of such acquiring entity entitled to vote generally in the election of directors or members of a comparable governing body); and

(x) the phrase “substantially the same proportions,” when used with reference to ownership interests in the parent corporation resulting from a Business Combination or in an Acquiring Entity, means substantially in proportion to the number of shares of Company Common Stock beneficially owned by the applicable Persons immediately prior to the Business Combination or Major Asset Disposition, but is not to be construed in such a manner as to require that the same ratio or number of shares of such parent corporation or Acquiring Entity be issued, paid or delivered in exchange for or in respect of the shares of each class of Company Common Stock.

EXHIBIT 10.4

EAGLE MATERIALS INC.
INCENTIVE PLAN

NON-QUALIFIED DIRECTOR STOCK OPTION AGREEMENT

This option agreement (the "Option Agreement" or "Agreement") entered into between Eagle Materials Inc., a Delaware corporation (the "Company"), and _____ (the "Optionee"), a director of the Company, with respect to a right (the "Option") awarded to the Optionee under the Eagle Materials Inc. Incentive Plan (the "Plan") on _____ (the "Award Date") to purchase from the Company up to but not exceeding in the aggregate _____shares of Common Stock (as defined in the Plan) at a price of $_____ per share (the "Exercise Price"), such number of shares and such price per share being subject to adjustment as provided in the Plan, and further subject to the following terms and conditions:

1. *Relationship to Plan.*

This Option is subject to all of the terms, conditions and provisions of the Plan and administrative interpretations thereunder, if any, which have been adopted by the Company's Compensation Committee ("Committee") and are in effect on the date hereof. Except as defined herein, capitalized terms shall have the same meanings ascribed to them under the Plan. For purposes of this Option Agreement:

"Retirement" means termination of service on the Board at the Company's mandatory retirement age in accordance with the Company's Director Retirement Policy or earlier on such terms and conditions as approved by the Committee.

2. *Exercise Schedule.*

(a) *Exercisability*. This Option may be exercised to purchase the shares of Common Stock covered thereby (the "Options Shares") immediately on the Award Date.

Such Option may be exercised in whole or in part (at any time or from time to time, except as otherwise provided herein) until expiration of the Option pursuant to the terms of this Agreement or the Plan.

(b) *Change in Control*. Upon the occurrence of a Change in Control (as defined in Exhibit A to this Agreement), (i) this Option may be replaced within a reasonable time after the Change in Control with an option of equivalent value to purchase shares of the surviving parent corporation if the Committee determines that the terms giving rise to the Change in Control provide for such replacement, or (ii) the Option may be settled in cash in accordance with the last sentence of this subparagraph (b). Upon a Change in Control, pursuant to Section 16 of the Plan, the Company may,

in its discretion, settle the Option by a cash payment equal to the difference between the Fair Market Value per share of Common Stock on the settlement date and the Exercise Price for the Option, multiplied by the number of shares then subject to the Option.

3. *Termination of Option.*

The Option hereby granted shall terminate and be of no force and effect with respect to any shares of Common Stock not previously purchased by the Optionee at the earliest time specified below:

(a) the seventh anniversary of the Award Date;

(b) if Optionee's service as a Director is terminated by the Company for "cause" (as determined by the Committee) at any time after the Award Date, then the Option shall terminate immediately upon such termination of Optionee's service; or

(c) if Optionee's service as a Director is terminated for any reason other than death, Retirement or termination for "cause," then the Option shall terminate on the first business day following the expiration of the 90-day period beginning on the date of termination of Optionee's service; or

(d) if Optionee's service as a Director is terminated due to (i) the death of the Optionee at any time after the Award Date and while in the service of the Company or within 90 days after termination of such service or (ii) the Retirement of the Optionee, then the Option shall terminate on the first business day following the expiration of the one-year period which began on the date of Optionee's death or Retirement, as applicable.

4. *Exercise of Option.*

Subject to the limitations set forth herein and in the Plan, this Option may be exercised by notice provided to the Company as set forth in Section 5. The payment of the Exercise Price for the Common Stock being purchased pursuant to the Option shall be made (a) in cash, by check or cash equivalent, (b) by tender to the Company, or attestation to the ownership, of Common Stock owned by the Optionee having a Fair Market Value (as determined by the Company without regard to any restrictions on transferability applicable to such Common Stock by reason of federal or state securities laws or agreements with an underwriter for the Company) not less than the Exercise Price, (c) by delivery of a properly executed notice together with irrevocable instructions to a broker providing for the assignment to the Company of the proceeds of a sale or loan with respect to some or all of the shares being acquired upon the exercise of the Option (including, without limitation, through an exercise complying with the provisions of Regulation T as promulgated from time to time by the Board of Governors of the Federal Reserve System), (d) by such other consideration as may be approved by the Board from time to time to the extent permitted by applicable law, or

(e) by any combination thereof. For the purpose of determining the amount, if any, of the purchase price satisfied by payment in Common Stock, such Common Stock shall be valued at its Fair Market Value on the date of exercise.

If the Optionee desires to pay the purchase price for the Option Shares by tendering Common Stock using the method of attestation, the Optionee may, subject to any such conditions and in compliance with any such procedures as the Committee may adopt, do so by attesting to the ownership of Common Stock of the requisite value, in which case the Company shall issue or otherwise deliver to the Optionee upon such exercise a number of Option Shares equal to the result obtained by dividing (a) the excess of the aggregate Fair Market Value of the total number shares of Common Stock subject to the Option for which the Option (or portion thereof) is being exercised over the purchase price payable in respect of such exercise by (b) the Fair Market Value per Option Share subject to the Option, and the Optionee may retain the shares of Common Stock the ownership of which is attested.

Notwithstanding anything to the contrary contained herein, the Optionee agrees that he will not exercise the Option granted pursuant hereto, and the Company will not be obligated to issue any Option Shares pursuant to this Option Agreement, if the exercise of the Option or the issuance of such shares would constitute a violation by the Optionee or by the Company of any provision of any law or regulation of any governmental authority or any stock exchange or transaction quotation system. The Optionee agrees that, unless the options and shares covered by the Plan have been registered pursuant to the Securities Act of 1933, as amended (the "Act"), the Company may, at its election, require the Optionee to give a representation in writing in form and substance satisfactory to the Company to the effect that he is acquiring such shares for his own account for investment and not with a view to, or for sale in connection with, the distribution of such shares or any part thereof.

If any law or regulation requires the Company to take any action with respect to the shares specified in such notice, the time for delivery thereof, which would otherwise be as promptly as reasonably practicable, shall be postponed for the period of time necessary to take such action.

5. *Notices.*

Notice of exercise of the Option must be made in the following manner, using such forms as the Company may from time to time provide:

(a) by electronic means as designated by the Committee, in which case the date of exercise shall be the date when receipt is acknowledged by the Company;

(b) by registered or certified United States mail, postage prepaid, to Eagle Materials Inc., Attention: Secretary, 3811 Turtle Creek Blvd., Suite 1100, Dallas, Texas 75219, in which case the date of exercise shall be the date of mailing; or

(c) by hand delivery or otherwise to Eagle Materials Inc., Attention: Secretary, 3811 Turtle Creek Blvd., Suite 1100, Dallas, Texas 75219, in which case the date of exercise shall be the date when receipt is acknowledged by the Company.

Notwithstanding the foregoing, in the event that the address of the Company is changed prior to the date of any exercise of this Option, notice of exercise shall instead be made pursuant to the foregoing provisions at the Company's current address.

Any other notices provided for in this Agreement or in the Plan shall be given in writing or by such electronic means, as permitted by the Committee, and shall be deemed effectively delivered or given upon receipt or, in the case of notices delivered by the Company to the Optionee, five days after deposit in the United States mail, postage prepaid, addressed to the Optionee at the address specified at the end of this Agreement or at such other address as the Optionee hereafter designates by written notice to the Company.

6. *Assignment of Option.*

Except as otherwise permitted by the Committee, the rights of the Optionee under the Plan and this Award Agreement are personal; no assignment or transfer of the Optionee's rights under and interest in this Option may be made by the Optionee otherwise than by will, by beneficiary designation, by the laws of descent and distribution or by a qualified domestic relations order; and this Option is exercisable during his lifetime only by the Optionee.

After the death of the Optionee, exercise of the Option shall be permitted only by the Optionee's executor or the personal representative of the Optionee's estate (or by his assignee, in the event of a permitted assignment) and only to the extent that the Option was exercisable on the date of the Optionee's death.

7. *Stock Certificates.*

Certificates representing the Common Stock issued pursuant to the exercise of the Option will bear all legends required by law and necessary or advisable to effectuate the provisions of the Plan and this Option. The Company may place a "stop transfer" order against shares of the Common Stock issued pursuant to the exercise of this Option until all restrictions and conditions set forth in the Plan or this Agreement and in the legends referred to in this Section 7 have been complied with.

8. *Shareholder Rights.*

The Optionee shall have no rights of a shareholder with respect to shares of Common Stock subject to the Option unless and until such time as the Option has been exercised and ownership of such shares of Common Stock has been transferred to the Optionee.

9. *Successors and Assigns.*

This Agreement shall bind and inure to the benefit of and be enforceable by the Optionee, the Company and their respective permitted successors and assigns (including personal representatives, heirs and legatees), except that the Optionee may not assign any rights or obligations under this Agreement except to the extent and in the manner expressly permitted herein.

10. *No Service Guaranteed.*

No provision of this Option Agreement shall confer any right upon the Optionee to continued service with the Company.

11. *Governing Law.*

This Option Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Texas.

12. *Amendment.*

This Agreement cannot be modified, altered or amended except by an agreement, in writing, signed by both the Company and the Optionee.

EAGLE MATERIALS INC.

Date: _____

By: _____

Name: _____

Title: _____

The Optionee hereby accepts the foregoing Option Agreement, subject to the terms and provisions of the Plan and administrative interpretations thereof referred to above.

OPTIONEE:

Date: _____

_____

[name]

Optionee's Address:

_____

_____

_____

Exhibit A

Change in Control

For the purpose of this Agreement, a "Change of Control" shall mean the occurrence of any of the following events:

(a) The acquisition by any Person of beneficial ownership of securities of the Company (including any such acquisition of beneficial ownership deemed to have occurred pursuant to Rule 13d-5 under the Exchange Act) if, immediately thereafter, such Person is the beneficial owner of (i) 50% or more of the total number of outstanding shares of any single class of Company Common Stock or (ii) 40% or more of the total number of outstanding shares of all classes of Company Common Stock, unless such acquisition is made (a) directly from the Company in a transaction approved by a majority of the members of the Incumbent Board or (b) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company;

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (or who is otherwise designated as a member of the Incumbent Board by such a vote) shall be considered as though such individual were a member of the Incumbent Board, except that any such individual shall not be considered a member of the Incumbent Board if his or her initial assumption of office occurs as a result of either an actual or threatened election contest (as such term is used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) The consummation of a Business Combination, unless, immediately following such Business Combination, (i) more than 50% of both the total number of then outstanding shares of common stock of the parent corporation resulting from such Business Combination and the combined voting power of the then outstanding voting securities of such parent corporation entitled to vote generally in the election of directors will be (or is) then beneficially owned, directly or indirectly, by all or substantially all of the Persons who were the beneficial owners, respectively, of the outstanding shares of Company Common Stock immediately prior to such Business Combination in substantially the same proportions as their ownership immediately prior to such Business Combination of the outstanding shares of Company Common Stock, (ii) no Person (other than any employee benefit plan (or related trust) of the Company or any corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 40% or more of the total number of then outstanding shares of common stock of the corporation resulting from such Business Combination or the

combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors and (iii) at least a majority of the members of the board of directors of the parent corporation resulting from such Business Combination were members of the Incumbent Board immediately prior to the consummation of such Business Combination; or

(d) Approval by the Board and the shareholders of the Company of (i) a complete liquidation or dissolution of the Company or (ii) a Major Asset Disposition (or, if there is no such approval by shareholders, consummation of such Major Asset Disposition) unless, immediately following such Major Asset Disposition, (A) Persons that were beneficial owners of the outstanding shares of Company Common Stock immediately prior to such Major Asset Disposition beneficially own, directly or indirectly, more than 50% of the total number of then outstanding shares of common stock and the combined voting power of the then outstanding shares of voting stock of the Company (if it continues to exist) and of the Acquiring Entity in substantially the same proportions as their ownership immediately prior to such Major Asset Disposition of the outstanding shares of Company Common Stock; (B) no Person (other than any employee benefit plan (or related trust) of the Company or such entity) beneficially owns, directly or indirectly, 40% or more of the then outstanding shares of common stock or the combined voting power of the then outstanding voting securities of the Company (if it continues to exist) and of the Acquiring Entity entitled to vote generally in the election of directors and (C) at least a majority of the members of the Board of the Company (if it continues to exist) and of the Acquiring Entity were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such Major Asset Disposition.

For purposes of the foregoing,

(i) the term “Person” means an individual, entity or group;

(ii) the term “group” is used as it is defined for purposes of Section 13(d)(3) of the Exchange Act;

(iii) the terms “beneficial owner”, “beneficially ownership” and “beneficially own” are used as defined for purposes of Rule 13d-3 under the Exchange Act;

(iv) the term “Business Combination” means (x) a merger, consolidation or share exchange involving the Company or its stock or (y) an acquisition by the Company, directly or through one or more subsidiaries, of another entity or its stock or assets;

(v) the term “Company Common Stock” shall mean the Common Stock, par value $.01 per share, of the Company and the Class B Common Stock, par value $.01 per share, of the Company (or, if the context requires, shall mean either such class);

(vi) the term “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(vii) the phrase “parent corporation resulting from a Business Combination” means the Company if its stock is not acquired or converted in the Business Combination and otherwise means the entity which as a result of such Business Combination owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries;

(viii) the term “Major Asset Disposition” means the sale or other disposition in one transaction or a series of related transactions of 50% or more of the assets of the Company and its subsidiaries on a consolidated basis; and any specified percentage or portion of the assets of the Company shall be based on fair market value, as determined by a majority of the members of the Incumbent Board;

(ix) the term “Acquiring Entity” means the entity that acquires the largest portion of the assets sold or otherwise disposed of in a Major Asset Disposition (or the entity, if any, that owns a majority of the outstanding voting stock of such acquiring entity entitled to vote generally in the election of directors or members of a comparable governing body); and

(x) the phrase “substantially the same proportions,” when used with reference to ownership interests in the parent corporation resulting from a Business Combination or in an Acquiring Entity, means substantially in proportion to the number of shares of Company Common Stock beneficially owned by the applicable Persons immediately prior to the Business Combination or Major Asset Disposition, but is not to be construed in such a manner as to require that the same ratio or number of shares of such parent corporation or Acquiring Entity be issued, paid or delivered in exchange for or in respect of the shares of each class of Company Common Stock.

EXHIBIT 10.5

EAGLE MATERIALS INC.
INCENTIVE PLAN

DIRECTOR RESTRICTED STOCK UNIT AGREEMENT

This restricted stock unit agreement (the "Restricted Stock Unit Agreement" or "Agreement") entered into between Eagle Materials Inc., a Delaware corporation (the "Company"), and _____ (the "Grantee"), a director of the Company, with respect to a right (the "Award") of _____ units ("Restricted Stock Units") representing shares of Common Stock (as defined in the Eagle Materials Inc. Incentive Plan (the "Plan")) granted to the Grantee under the Plan on _____ (the "Award Date"), such number of units subject to adjustment as provided in the Plan, and further subject to the following terms and conditions:

1. *Relationship to Plan.*

This Award is subject to all of the terms, conditions and provisions of the Plan and administrative interpretations thereunder, if any, which have been adopted by the Company's Compensation Committee ("Committee") and are in effect on the date hereof. Except as defined herein, capitalized terms shall have the same meanings ascribed to them under the Plan. For the purposes of this Restricted Stock Unit Agreement:

(a) "Restricted Period" means the period commencing on the Award Date and ending on the date that the Restricted Stock Units become fully payable in accordance with Section 2.

(b) "Retirement" means termination of service on the Board at the Company's mandatory retirement age in accordance with the Company's Director Retirement Policy or earlier on such terms and conditions as approved by the Committee.

2. *Payment.*

(a) The Restricted Stock Units shall become payable as soon as administratively possible following the earlier of (i) Grantee's Retirement or (ii) Grantee's death.

(b) *Change in Control*. This Award shall become fully payable without regard to the limitations set forth in subparagraph (a) above, provided that the Grantee has served as a Director since the Award Date, upon the occurrence of a Change in Control (as defined in Exhibit A to this Agreement) unless either (i) the Committee determines that the terms of the transaction giving rise to the Change in Control provide that the Award is to be replaced within a reasonable time after the Change in Control with an award of equivalent value of shares of the surviving parent corporation or (ii) the Award is to be settled in cash in accordance with the last sentence of this subparagraph (b). Upon a Change in Control, pursuant to Section 16 of the Plan, the Company may, in its discretion, settle the Award by a cash payment that the Committee shall determine in its sole discretion is equal to the fair market value of the Award on the date of such event.

3. *Forfeiture of Award.*

Except as provided in any other agreement between the Grantee and the Company, if the Grantee's service terminates other than by reason of Retirement, death or Change in Control, all Restricted Stock Units, and all Dividend Equivalent Amounts (as defined in Section 4) attributable thereto, as of the termination date shall be forfeited.

4. *Dividend Equivalent Payments.*

During the period of time between the Award Date and the earlier of the date the Restricted Stock Units paid or are settled, the Restricted Stock Units will be evidenced by book entry registration. As of each date that dividends are paid with respect to Common Stock, the Grantee shall have a number of additional Restricted Stock Units credited to his account with respect to such dividends. The additional Restricted Stock Units credited with respect to such dividends shall be determined by having a Fair Market Value equal to the amount of the dividend paid per share of Common Stock as of such dividend payment date multiplied by the number of Restricted Stock Units credited to the Grantee's account immediately prior to such dividend payment date and divided by the Fair Market Value of the Common Stock on such dividend payment date.

5. *Timing and Form of Payment.*

The Grantee may be given the opportunity to timely elect to receive the Award pursuant to an election form, and subject to such terms and conditions set forth in such form as prescribed by the Committee ("Election Form"). The Grantee may timely elect to further defer receipt of the Award in such time and manner, if any, as prescribed by the Committee in its sole and absolute discretion.

Notwithstanding anything herein to the contrary including the Grantee's election pursuant to an Election Form, the Company reserves the right to pay the value of the vested Restricted Stock Units, to the extent not yet paid, to the Grantee in the form of shares of Common Stock or an equivalent cash payment at any time following vesting of the Award.

6. *Delivery of Shares.*

The Company shall not be obligated to deliver any shares of Common Stock if counsel to the Company determines that such sale or delivery would violate any applicable law or any rule or regulations of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which the Common Stock is listed or quoted. The Company shall in no event be obligated to take any affirmative action in order to cause the delivery of shares of Common Stock to comply with any such law, rule, regulations or agreement.

7. *Notices.*

Notice or other communication to the Company with respect to this Award must be made in the following manner, using such forms as the Company may from time to time provide:

(a) by electronic means as designated by the Committee;

(b) by registered or certified United States mail, postage prepaid, to Eagle Materials Inc., Attention: Secretary, 3811 Turtle Creek Blvd., Suite 1100, Dallas, Texas 75219; or

(c) by hand delivery or otherwise to Eagle Materials Inc., Attention: Secretary, 3811 Turtle Creek Blvd., Suite 1100, Dallas, Texas 75219.

Notwithstanding the foregoing, in the event that the address of the Company is changed, any such notice shall instead be made pursuant to the foregoing provisions at the Company's current address.

Any notices provided for in this Restricted Stock Unit Agreement or in the Plan shall be given in writing or by such electronic means, as permitted by the Committee, and shall be deemed effectively delivered or given upon receipt or, in the case of notices delivered by the Company to the Grantee, five days after deposit in the United States mail, postage prepaid, addressed to the Grantee at the address specified at the end of this Agreement or at such other address as the Grantee hereafter designates by written notice to the Company.

8. *Assignment of Award.*

Except as otherwise permitted by the Committee, the Grantee's rights under the Plan and this Restricted Stock Unit Agreement are personal; no assignment or transfer of the Grantee's rights under and interest in this Award may be made by the Grantee other than by will, by beneficiary designation, by the laws of descent and distribution or by a qualified domestic relations order; and this Award is payable only to the Grantee during his lifetime.

After the death of the Grantee, payment of the Award shall be permitted only to the Grantee's executor or the personal representative of the Grantee's estate (or by his assignee, in the event of a permitted assignment) and only to the extent that the Award was payable on the date of the Grantee's death.

9. *Stock Certificates.*

Certificates representing the Common Stock issued pursuant to the Award will bear all legends required by law and necessary or advisable to effectuate the provisions of the Plan and this Award. The Company may place a "stop transfer" order against shares of the Common Stock issued pursuant to this Award until all restrictions and conditions set forth in the Plan or this Agreement and in the legends referred to in this Section 9 have been complied with.

10. *Shareholder Rights.*

The Grantee shall have no rights of a shareholder with respect to shares of Common Stock subject to the Award unless and until such time as the Award has been paid pursuant to Section 5 and shares of Common Stock have been transferred to the Grantee.

11. *Successors and Assigns.*

This Agreement shall bind and inure to the benefit of and be enforceable by the Grantee, the Company and their respective permitted successors and assigns (including personal representatives, heirs and legatees), except that the Grantee may not assign any rights or obligations under this Agreement except to the extent and in the manner expressly permitted herein.

12. *No Service Guaranteed.*

No provision of this Restricted Stock Unit Agreement shall confer any right upon the Grantee to continued service with the Company.

13. *Governing Law.*

This Restricted Stock Unit Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Texas.

14. *Amendment*.

This Agreement cannot be modified, altered or amended except by an agreement, in writing, signed by both the Company and the Grantee.

EAGLE MATERIALS INC.

Date: _____ By: _____

Name: _____

Title: _____

The Grantee hereby accepts the foregoing Restricted Stock Unit Agreement, subject to the terms and provisions of the Plan and administrative interpretations thereof referred to above.

OPTIONEE:

Date: _____ _____

[name]

Grantee's Address:

_____

_____

_____

Exhibit A

Change in Control

For the purpose of this Agreement, a "Change of Control" shall mean the occurrence of any of the following events:

(a) The acquisition by any Person of beneficial ownership of securities of the Company (including any such acquisition of beneficial ownership deemed to have occurred pursuant to Rule 13d-5 under the Exchange Act) if, immediately thereafter, such Person is the beneficial owner of (i) 50% or more of the total number of outstanding shares of any single class of Company Common Stock or (ii) 40% or more of the total number of outstanding shares of all classes of Company Common Stock, unless such acquisition is made (a) directly from the Company in a transaction approved by a majority of the members of the Incumbent Board or (b) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company;

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (or who is otherwise designated as a member of the Incumbent Board by such a vote) shall be considered as though such individual were a member of the Incumbent Board, except that any such individual shall not be considered a member of the Incumbent Board if his or her initial assumption of office occurs as a result of either an actual or threatened election contest (as such term is used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) The consummation of a Business Combination, unless, immediately following such Business Combination, (i) more than 50% of both the total number of then outstanding shares of common stock of the parent corporation resulting from such Business Combination and the combined voting power of the then outstanding voting securities of such parent corporation entitled to vote generally in the election of directors will be (or is) then beneficially owned, directly or indirectly, by all or substantially all of the Persons who were the beneficial owners, respectively, of the outstanding shares of Company Common Stock immediately prior to such Business Combination in substantially the same proportions as their ownership immediately prior to such Business Combination of the outstanding shares of Company Common Stock, (ii) no Person (other than any employee benefit plan (or related trust) of the Company or any corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 40% or more of the total number of then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors and (iii) at least a majority of the members of the board of directors of the parent corporation resulting from such Business Combination were members of the Incumbent Board immediately prior to the consummation of such Business Combination; or

(d) Approval by the Board and the shareholders of the Company of (i) a complete liquidation or dissolution of the Company or (ii) a Major Asset Disposition (or, if there is no such approval by shareholders, consummation of such Major Asset Disposition) unless, immediately following such Major Asset Disposition, (A) Persons that were beneficial owners of the outstanding shares of Company Common Stock immediately prior to such Major Asset Disposition beneficially own, directly or indirectly, more than 50% of the total number of then outstanding shares of common stock and the combined voting power of the then outstanding shares of voting stock of the Company (if it continues to exist) and of the Acquiring Entity in substantially the same proportions as their ownership immediately prior to such Major Asset Disposition of the outstanding shares of Company Common Stock; (B) no Person (other than any employee benefit plan (or related trust) of the Company or such entity) beneficially owns, directly or indirectly, 40% or more of the then outstanding shares of common stock or the combined voting power of the then outstanding voting securities of the Company (if it continues to exist) and of the Acquiring Entity entitled to vote generally in the election of directors and (C) at least a majority of the members of the Board of the Company (if it continues to exist) and of the Acquiring Entity were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such Major Asset Disposition.

For purposes of the foregoing,

(i) the term “Person” means an individual, entity or group;

(ii) the term “group” is used as it is defined for purposes of Section 13(d)(3) of the Exchange Act;

(iii) the terms “beneficial owner”, “beneficially ownership” and “beneficially own” are used as defined for purposes of Rule 13d-3 under the Exchange Act;

(iv) the term “Business Combination” means (x) a merger, consolidation or share exchange involving the Company or its stock or (y) an acquisition by the Company, directly or through one or more subsidiaries, of another entity or its stock or assets;

(v) the term “Company Common Stock” shall mean the Common Stock, par value $.01 per share, of the Company and the Class B Common Stock, par value $.01 per share, of the Company (or, if the content requires, shall mean either such class);

(vi) the term “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(vii) the phrase “parent corporation resulting from a Business Combination” means the Company if its stock is not acquired or converted in the Business Combination and otherwise means the entity which as a result of such Business Combination owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries;

(viii) the term “Major Asset Disposition” means the sale or other disposition in one transaction or a series of related transactions of 50% or more of the assets of the Company and its subsidiaries on a consolidated basis; and any specified percentage or portion of the assets of the Company shall be based on fair market value, as determined by a majority of the members of the Incumbent Board;

(ix) the term “Acquiring Entity” means the entity that acquires the largest portion of the assets sold or otherwise disposed of in a Major Asset Disposition (or the entity, if any, that owns a majority of the outstanding voting stock of such acquiring entity entitled to vote generally in the election of directors or members of a comparable governing body); and

(x) the phrase “substantially the same proportions,” when used with reference to ownership interests in the parent corporation resulting from a Business Combination or in an Acquiring Entity, means substantially in proportion to the number of shares of Company Common Stock beneficially owned by the applicable Persons immediately prior to the Business Combination or Major Asset Disposition, but is not to be construed in such a manner as to require that the same ratio or number of shares of such parent corporation or Acquiring Entity be issued, paid or delivered in exchange for or in respect of the shares of each class of Company Common Stock.