

**Notice of Guaranteed Delivery**

**Shea Homes Limited Partnership  
Shea Homes Funding Corp.**

**To Tender Any and All Outstanding 5.875% Senior Notes due 2023  
of Shea Homes Limited Partnership and Shea Homes Funding Corp.**

**CUSIP Numbers 82088KAC2 and U82091AB2**

**Pursuant to the Offer to Purchase  
dated February 6, 2020**

**THE TENDER OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON FEBRUARY 18, 2020, UNLESS EXTENDED OR EARLIER TERMINATED (SUCH TIME AND DATE, AS THE SAME MAY BE EXTENDED OR EARLIER TERMINATED, THE “EXPIRATION TIME”). IN ORDER TO BE ELIGIBLE TO RECEIVE THE TENDER OFFER CONSIDERATION (AS DEFINED IN THE OFFER TO PURCHASE) FOR YOUR NOTES, YOU MUST (I) VALIDLY TENDER (AND NOT VALIDLY WITHDRAW) YOUR NOTES PRIOR TO THE EXPIRATION TIME OR (II) OR (II) COMPLY WITH THE GUARANTEED DELIVERY PROCEDURES DESCRIBED IN THE OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL (EACH AS DEFINED BELOW) AND VALIDLY TENDER YOUR NOTES AT OR PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON FEBRUARY 20, 2020, WHICH IS THE SECOND BUSINESS DAY AFTER THE EXPIRATION TIME (AS SUCH TIME AND DATE MAY BE EXTENDED OR TERMINATED, THE “FINAL GUARANTEED DELIVERY TIME”).**

As set forth in the Offer to Purchase (as it may be amended from time to time, the “Offer to Purchase”), dated February 6, 2020, of Shea Homes Limited Partnership (the “Company”) and Shea Homes Funding Corp. (“Funding Corp.” and together with the Company, “Issuers,” “we,” “us,” or “our”) under the heading “Procedures for Tendering Notes—Guaranteed Delivery,” and in the related Letter of Transmittal (as it may be amended from time to time, the “Letter of Transmittal”), this Notice of Guaranteed Delivery (as it may be amended from time to time, the “Notice of Guaranteed Delivery”), or one substantially in the form hereof, must be used to tender the Notes pursuant to the Offer if (a) time will not permit a Holder’s Letter of Transmittal or other required documents to reach D.F. King & Co. Inc., which is acting as the Tender Agent (in such capacity, the “Tender Agent”) for the Tender Offer, prior to the Expiration Time or (b) a Holder cannot complete the procedures for book-entry transfer prior to the Expiration Time. Capitalized terms used but not defined herein have the respective meanings assigned to them in the Offer to Purchase.

This Notice of Guaranteed Delivery may be delivered by mail or hand delivery or transmitted by facsimile transmission to the Tender Agent at its address or facsimile number set forth below, but in any case it must be delivered to the Tender Agent in physical form on or prior to the Expiration Time.

*The Information Agent for the Offer is:*

**D.F. King & Co., Inc.**

48 Wall Street, 22nd Floor  
New York, NY 10005  
Banks and Brokers Call Collect: (212) 269-5550  
All Others Call Toll-Free: (877) 478-5043  
Email: shea@dfking.com

*The Tender Agent for the Offer is:*

**D.F. King & Co., Inc.**

By mail, hand, overnight courier or facsimile (for Eligible Institutions only);

*By Mail, Hand or Overnight Courier:*

48 Wall Street  
22nd Floor  
New York, NY 10005  
Attn: Andrew Beck  
E-mail: shea@dfking.com

*By Facsimile Transmission:*

(for Eligible Institutions only)  
(212) 709-3328  
Attention: Andrew Beck  
To confirm by telephone:  
(212) 269-5552

**Delivery of this Notice of Guaranteed Delivery to an address, or transmission of instructions via facsimile transmission, other than as set forth above will not constitute a valid delivery. The method of delivery of this Notice of Guaranteed Delivery, the Letter of Transmittal, certificates for Notes and all other required documents to the Tender Agent, including delivery through DTC and any acceptance of an Agent's Message transmitted through ATOP, is at the election and risk of the Holder tendering Notes. If such delivery is made by mail, it is suggested that the Holder use properly insured, registered mail with return receipt requested and that sufficient time be allowed to assure timely delivery.**

This form is not to be used to guarantee signatures. If a signature on the Letter of Transmittal is required to be guaranteed by a "Medallion Signature Guarantor" under the instructions thereto, such signature guarantee must appear in the applicable space provided in the signature box on the Letter of Transmittal.

Ladies and Gentlemen:

On the terms and subject to the conditions of the Offer to Purchase, the Letter of Transmittal and this Notice of Guaranteed Delivery, the undersigned hereby tenders to the Company the principal amount of Notes indicated herein, pursuant to the guaranteed delivery procedures described herein, in the Offer to Purchase under the caption “Procedures for Tendering Notes—Guaranteed Delivery” and in the Letter of Transmittal. The undersigned hereby represents and warrants that the undersigned has full power and authority to tender such Notes.

The undersigned understands that Notes may be tendered only in the principal amounts equal to \$2,000 or integral multiples of \$1,000 thereafter, and that Holders who tender less than all of their Notes must continue to hold Notes in the minimum authorized denomination of \$2,000 principal amount. The undersigned understands that tenders of Notes pursuant to the Offer to Purchase may not be withdrawn after the Withdrawal Deadline. If the Offer is terminated or withdrawn, Notes tendered pursuant to the Offer will be promptly returned to the tendering Holder (or, in the case of Notes tendered by book-entry transfer, such Notes will be credited to the account maintained at DTC from which such Notes were delivered).

The undersigned understands that payment by the Tender Agent for Notes tendered and accepted for payment pursuant to the Offer will be made only after receipt by the Tender Agent, no later than the Final Guaranteed Delivery Time, of a properly completed and duly executed Letter of Transmittal (or a facsimile thereof), with any required signature guarantee or, in the case of a book-entry transfer, an Agent’s Message in lieu of the Letter of Transmittal, and any other documents required by the Offer to Purchase or the Letter of Transmittal.

The Eligible Institution that completes this Notice of Guaranteed Delivery must deliver a physical copy of this Notice of Guaranteed Delivery to the Tender Agent by mail, hand delivery or transmission by facsimile and must deliver the Letter of Transmittal or Agent’s Message, together with confirmation of book-entry transfer of the Notes specified therein, to the Tender Agent within the time period stated above. **Failure to do so could result in an invalid tender of the related Notes and could result in a financial loss to such Eligible Institution.**

All authority herein conferred or agreed to be conferred by this Notice of Guaranteed Delivery shall survive the death or incapacity of the undersigned and every obligation of the undersigned under this Notice of Guaranteed Delivery shall be binding on the heirs, personal representatives, executors, administrators, successors, assigns, trustees in bankruptcy and other legal representatives of the undersigned.

**PLEASE SIGN AND COMPLETE**

This Notice of Guaranteed Delivery must be signed by the DTC participant tendering Notes on behalf of the Holder(s) of such Notes exactly as such participant's name appears on a security position listing as the owner of such Notes. If the signature appearing below is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, agent or other person acting in a fiduciary or representative capacity, such person must set forth his or her name, capacity and address as indicated below and submit evidence satisfactory to the Company of such person's authority to so act.

Aggregate Principal Amount of Notes Tendered:	Name of Participant:
Account Number: _____	_____
Transaction Code Number: _____	Address of Participant including Zip Code:
Date: _____	_____
The Participant holds the Notes Tendered through DTC on behalf of the following (" <u>Beneficiary</u> "): _____	Area Code and Tel. No.: _____
_____	Name(s) of Authorized Signatory: _____
Name and Tel. No. of Contact (if known) at the Beneficiary:	Capacity: _____
_____	Address of Authorized Signatory: _____
_____	Area Code and Tel. No.: _____
	Signature(s) of Authorized Signatory: _____
	Date: _____

**GUARANTEE**  
**(Not to be used for signature guarantee)**

The undersigned, a firm that is a member of a registered national securities exchange or of the Financial Industry Regulatory Authority, Inc., or is a commercial bank or trust company having an office in the United States or an "Eligible Guarantor Institution" within the meaning of Rule 17Ad-15(a)(2) under the Securities Exchange Act of 1934, as amended (each of the foregoing being referred to herein as an "Eligible Institution") hereby (1) represents that each Holder on whose behalf this tender is being made "own(s)" the Notes tendered hereby within the meaning of Rule 14e-4 under the Securities Exchange Act of 1934, as amended, (2) represents that such tender of Notes is being made by the guaranteed delivery procedures set forth in the Offer to Purchase and (3) guarantees that, no later than the Final Guaranteed Delivery Time, a properly completed and duly executed Letter of Transmittal (or a facsimile thereof) or a properly transmitted Agent's Message, together with confirmation of book-entry transfer of the Notes specified therein, and any other documents required by the Offer to Purchase or the Letter of Transmittal, will be deposited by such Eligible Institution with the Tender Agent.

The Eligible Institution that completes this form acknowledges that it must deliver a physical copy of the Notice of Guaranteed Delivery to the Tender Agent and must deliver the Letter of Transmittal or Agent's Message together with confirmation of book-entry transfer of the Notes specified therein to the Tender Agent within the time period shown herein. **Failure to do so will result in an invalid tender of the related Notes and could result in financial loss to such Eligible Institution.**

Name of Firm: _____  Address: _____  <div style="text-align: center;">(including Zip Code)</div> Area Code and Tel. No.: _____	<div style="text-align: center;">_____ (Authorized Signature)</div> Name: _____ Title: _____  Date: _____
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**Do not send certificates for Notes with this form. Actual surrender of certificates for Notes must be made pursuant to, and be accompanied duly executed Letter of Transmittal and any other required documents.**