

SHEA HOMES LIMITED PARTNERSHIP
SHEA HOMES FUNDING CORP.

**Offer to Purchase for Cash Any and All of its Outstanding
5.875% Senior Notes due 2023 (CUSIP Nos. 82088KAC2 and U82091AB2)**

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 FOR YOUR NOTES THAT IS SHOWN IN THE TABLE AT THE BOTTOM OF THIS PAGE, YOU (I) MUST VALIDLY TENDER (AND NOT VALIDLY WITHDRAW) YOUR NOTES PRIOR TO THE EXPIRATION TIME OR (II) COMPLY WITH THE GUARANTEED DELIVERY PROCEDURES DESCRIBED HEREIN 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”).

Shea Homes Limited Partnership (the “Company”) and Shea Homes Funding Corp. (“Funding Corp.,” and together with the Company, “Issuers,” “we,” “us,” or “our”) are offering to holders (each a “Holder” and collectively the “Holders”) of our outstanding 5.875% Senior Notes due 2023 (the “Notes”) to purchase for cash, using funds provided by the Financing Transaction (as defined below), together with cash on hand, any and all Notes on the terms and subject to the conditions set forth in this Offer to Purchase (including the accompanying Letter of Transmittal and Notice of Guaranteed Delivery, as amended or supplemented from time to time, this “Statement”). We refer to this offer to purchase the Notes as the “Tender Offer.”

The consideration for the Notes validly tendered (and not validly withdrawn) pursuant to this Statement (the “Tender Offer Consideration”) is \$1,018.04 per \$1,000 principal amount of the Notes. Holders who validly tender (and do not validly withdraw) their Notes prior to the Expiration Time will be entitled to receive the Tender Offer Consideration on the applicable Settlement Date (as defined below) if such Notes are accepted for purchase. Holders whose Notes are accepted for purchase pursuant to the Tender Offer will also receive accrued and unpaid interest from the last interest payment date on such purchased Notes up to, but not including, the Initial Settlement Date (as defined below).

The “Initial Settlement Date” for the Tender Offer will be a business day we choose promptly following both the Expiration Time and the satisfaction or waiver of the conditions to consummation of the Tender Offer, and is expected to be February 20, 2020. The “Final Settlement Date” for the Tender Offer will be a business day we choose promptly following the Final Guaranteed Delivery Time and is expected to be the next business day after the Final Guaranteed Delivery Time. The Initial Settlement Date and the Final Settlement Date are each referred to individually as a “Settlement Date.”

The Offer will expire at 5:00 p.m., New York City time, on February 18, 2020, unless the Offer is extended or earlier terminated by us in our sole discretion. The Offer is conditioned upon the satisfaction of or, where applicable, our waiver of the conditions set forth under “Conditions to Consummation of the Tender Offer” including the Financing Condition (as defined below).

The following table summarizes the Tender Offer Consideration for each \$1,000 principal amount of Notes.

<u>CUSIP Nos.</u>	<u>Title of Security</u>	<u>Outstanding Principal Amount</u>	<u>Tender Offer Consideration</u>
82088KAC2 U82091AB2	5.875% Senior Notes due 2023	\$375,000,000	\$1,018.04

The Dealer Manager for the Tender Offer is:

J.P. Morgan

February 6, 2020

We intend to accept for purchase on the applicable Settlement Date any and all Notes validly tendered (and not validly withdrawn) pursuant to the Tender Offer prior to the Expiration Time. The purpose of the Tender Offer is to acquire all outstanding Notes. The Tender Offer is being made in connection with, and is conditioned upon, among other things, the Financing Condition (as defined below).

Subject to the results of the Tender Offer, we currently intend, in accordance with the terms and conditions of the indenture governing the Notes (as supplemented, the “Indenture”), to mail (or send by electronic transmission in the case of Notes held in book-entry form) a notice of redemption to the Holders of any outstanding Notes on or immediately following the Initial Settlement Date, if any, although we have no legal obligation to do so and the selection of any particular redemption date is in our discretion.

Notes tendered prior the Expiration Time may be validly withdrawn at any time prior to the Expiration Time, but not thereafter (except in certain limited circumstances where additional withdrawal rights are required by law).

In order to be eligible to receive the Tender Offer Consideration, you must (i) validly tender your Notes at or prior to the Expiration Time or (ii) comply with the guaranteed delivery procedures described herein and validly tender your notes at or prior to the Final Guaranteed Delivery Time. In the event that the Tender Offer is terminated or otherwise not completed, the Tender Offer Consideration will not be paid or become payable to Holders of the Notes who have validly tendered their Notes in connection with the Tender Offer, and all tendered Notes will be returned promptly.

Notwithstanding any other provision of the Tender Offer, our obligation to accept for purchase, and to pay for, Notes validly tendered (and not validly withdrawn) pursuant to the Tender Offer is subject to, and conditioned upon, the satisfaction of or, where applicable, our waiver of the conditions set forth under “Conditions to Consummation of the Tender Offer” including the Financing Condition.

NOTICE TO HOLDERS

THIS STATEMENT AND THE ACCOMPANYING LETTER OF TRANSMITTAL AND NOTICE OF GUARANTEED DELIVERY CONTAIN IMPORTANT INFORMATION THAT SHOULD BE READ BEFORE ANY DECISION IS MADE WITH RESPECT TO THE TENDER OFFER.

To validly tender Notes registered in the name of a custodian bank, broker, dealer, trust company or other nominee, the beneficial owner of such Notes should contact the registered Holder of such Notes promptly and instruct such Holder to tender such Notes on such beneficial owner's behalf at or prior to the Expiration Time. A set of instructions is included in the Letter of Transmittal accompanying this Statement that may be used by a beneficial owner to effect such a tender of Notes.

Any beneficial owner of Notes held of record by The Depository Trust Company ("DTC") or its nominee through a DTC participant, pursuant to authority granted by DTC, must direct the DTC participant through which such beneficial owner's Notes are held to tender such Notes on such beneficial owner's behalf at or prior to the Expiration Time. A set of instructions is included in the Letter of Transmittal accompanying this Statement that may be used by a beneficial owner to effect such a tender of Notes.

DTC has authorized DTC participants that hold Notes through DTC on behalf of the beneficial owners of such Notes to tender such Notes as if they were Holders. To validly tender Notes held through DTC, DTC participants must, in lieu of physically completing and signing the Letter of Transmittal and delivering it to the Tender and Information Agent, electronically transmit tenders of Notes to DTC through DTC's Automated Tender Offer Program ("ATOP"), and follow the procedures for book-entry transfer set forth under "Procedures for Tendering Notes—Book-Entry Delivery Procedures" at or prior to the Expiration Time.

If you desire to tender your Notes and (i) you cannot comply with the procedure for book-entry transfer or (ii) you cannot deliver the other required documents to DTC by the Expiration Time, you must tender your Notes according to the guaranteed delivery procedures set forth under "Procedures for Tendering Notes—Guaranteed Delivery."

A tender of Notes pursuant to any of the procedures set forth herein will constitute an agreement by the tendering Holder to deliver good and marketable title to such Notes on the first date on which such Notes are accepted for payment by us pursuant to the Tender Offer free and clear of all liens, charges, claims, encumbrances, interests and restrictions of any kind.

You should rely only upon the information contained in this document. We, J.P. Morgan Securities LLC (the "Dealer Manager") and D.F. King & Co., Inc. (the "Tender and Information Agent") have not authorized any other person to provide you with additional or different information. If anyone provides you with additional, different or inconsistent information, you should not rely on it. Neither we nor the Dealer Manager is making an offer to purchase these securities in any jurisdiction where the offer or purchase is not permitted. You should assume the information appearing in this Statement is accurate only as of the date on the front cover page. Our business, financial condition, results of operations and prospects may have changed since that date.

This Statement (including the accompanying Letter of Transmittal and Notice of Guaranteed Delivery) contains important information that should be read before any decision is made with respect to the Tender Offer.

This Statement is based on information provided by us and other sources we believe to be reliable. Neither the Tender and Information Agent nor the Dealer Manager makes any representation or warranty that this information is accurate or complete, and none of them is responsible for this information. We have summarized portions of the Indenture and other information in a manner we believe to be accurate, but we refer you to the actual documents for a more complete understanding of what we discuss in this document. In making a decision whether or not to participate in the Tender Offer, you must rely on your own examination of our business and the terms of the Tender Offer as well as the Notes, including the merits and risks involved.

Any questions regarding the terms of the Tender Offer may be directed to the Dealer Manager. Requests for additional copies of documentation related to the Tender Offer and any questions or requests for assistance in tendering may be directed to the Tender and Information Agent. Their respective contact information appears on the back cover page of this Statement. Beneficial owners of Notes may also contact their brokers, dealers, commercial banks, trust companies or other nominees for assistance concerning the Tender Offer.

We reserve the right to terminate or extend the Tender Offer if any condition of the Tender Offer is not satisfied or waived by us and otherwise to amend the Tender Offer in any respect. If we amend a condition to the Tender Offer, we will give the appropriate Holders such notice of the amendment as may be required by applicable law.

This Statement has not been filed with, or reviewed by, the Securities and Exchange Commission (the "SEC"), any state securities commission or any other regulatory authority, nor has any such commission or authority passed upon the accuracy or adequacy of this document. Any representation to the contrary is a criminal offense.

This Statement does not constitute an offer to purchase in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such an offer under applicable securities or "blue sky" laws. The delivery of this Statement shall not under any circumstances create any implication that the information contained herein is correct as of any time subsequent to the date thereof, or that there has been no change in the information set forth herein or in any attachments hereto or in our or any of our subsidiaries or affiliates since the date thereof.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Statement and, if given or made, such information or representation may not be relied upon as having been authorized by the Company, Funding Corp., guarantors of the Notes (the "Guarantors"), the Tender and Information Agent, the Dealer Manager or the trustee with respect to the Notes (the "Trustee).

We expressly reserve the absolute right, in our sole discretion, at any time and from time to time, to purchase or offer to purchase any Notes, through open market or privately negotiated transactions, one or more additional tender or exchange offers, by redemption under the terms of the Indenture or otherwise, in each case upon terms that may or may not differ materially from the terms of the Tender Offer. Subject to the results of the Tender Offer, we currently intend, in accordance with the terms and conditions of the Indenture, to mail (or send by electronic transmission in the case of Notes held in book-entry form) a notice of redemption to the Holders of any outstanding Notes on or immediately following the Initial Settlement Date, if any, although we have no legal obligation to do so and the selection of any particular redemption date is in our discretion. See "Certain Considerations—Subsequent Acquisitions of Notes."

NONE OF THE COMPANY, FUNDING CORP., THE GUARANTORS, THE DEALER MANAGER, THE TENDER AND INFORMATION AGENT OR THE TRUSTEE MAKES ANY RECOMMENDATION IN CONNECTION WITH THE TENDER OFFER.

IMPORTANT DATES

Holders should take note of the following important dates in connection with the Tender Offer:

<u>Date</u>	<u>Calendar Date</u>	<u>Event</u>
Withdrawal Time:	5:00 p.m., New York City time, on February 18, 2020 in respect of the Tender Offer, unless extended or earlier terminated by us, except in certain limited circumstances where additional withdrawal rights are required by law.	The last date and time for Holders to validly withdraw tenders of Notes. If tenders are validly withdrawn, the Holder will no longer be eligible to receive the Tender Offer Consideration on the applicable Settlement Date unless such Holder validly re-tenders such notes by the Expiration Time.
Expiration Time:	5:00 p.m., New York City time, on February 18, 2020 in respect of the Tender Offer, unless extended or earlier terminated by us.	The date and time by which Holders must tender Notes or deliver a duly completed Notice of Guaranteed Delivery in order to be eligible to receive payment of the Tender Offer Consideration.
Initial Settlement Date:	The business day we select promptly following the Expiration Time and the satisfaction or waiver of the conditions to consummation of the Tender Offer, which is expected to be February 20, 2020.	We will notify the Tender and Information Agent which Notes tendered prior to the Expiration Time are accepted for purchase and will deposit the amount of cash necessary to pay each Holder of such Notes the Tender Consideration in respect of such Notes, plus accrued and unpaid interest from the last interest payment date up to, but not including the Initial Settlement Date.
Final Guaranteed Delivery Time:	5:00 p.m., New York City time, on February 20, 2020.	The date and time by which Holders who tender pursuant to the procedures for guaranteed delivery must tender their notes pursuant to the procedure set forth under the caption "Procedures for Tendering Notes—Guaranteed Delivery."
Final Settlement Date:	Promptly following the Final Guaranteed Delivery Time and is expected to be the next business day after the Final Guaranteed Delivery Time.	We expect to accept for purchase and pay the Tender Offer Consideration, plus accrued and unpaid interest to, but not including, the Initial Settlement Date, for any Notes that are validly tendered (and not validly withdrawn) pursuant to the Offer prior to the Expiration Time by Notice of Guaranteed Delivery. Holders whose Notes are tendered by Notice of Guaranteed Delivery and are purchased will not receive payment in respect of any unpaid interest accruing after the Initial Settlement Date.

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY	1
AVAILABLE INFORMATION AND INCORPORATION BY REFERENCE	5
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS.....	5
THE ISSUERS	8
THE TENDER OFFER.....	9
CERTAIN CONSIDERATIONS	11
PURPOSE AND BACKGROUND OF THE TENDER OFFER	13
DESCRIPTION OF THE FINANCING TRANSACTION.....	13
PROCEDURES FOR TENDERING NOTES	13
ACCEPTANCE OF OUTSTANDING NOTES FOR PURCHASE; PAYMENT FOR NOTES	17
WITHDRAWAL OF TENDERS	17
CONDITIONS TO CONSUMMATION OF THE TENDER OFFER.....	18
CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS	20
COMPANIES THAT WILL ASSIST US IN MAKING THE TENDER OFFER.....	24
APPENDIX A — NOTICE OF GUARANTEED DELIVERY	

SUMMARY

The following summary is provided solely for your convenience. This summary is not intended to be complete and is qualified in its entirety by reference to the full text and more specific details contained elsewhere in this Statement, including the exhibit hereto. You are urged to read this Statement (including the exhibit hereto) in its entirety. Each of the capitalized terms used in this summary and not defined herein has the meaning set forth elsewhere in this Statement.

The Issuers	Shea Homes Limited Partnership (the “Company”) and Shea Homes Funding Corp. (“Funding Corp.” and together with the Company, “Issuers,” “we,” “us,” or “our”).
The Notes	5.875% Senior Notes due 2023 (CUSIP Nos. 82088KAC2 and U82091AB2), of which \$375,000,000 in aggregate principal amount is outstanding as of the date hereof.
Purpose of the Tender Offer	The purpose of the Tender Offer is to acquire all of the outstanding Notes. See “Purpose and Background of the Tender Offer.”
The Tender Offer	We are offering to purchase for cash, upon the terms and subject to the conditions set forth in this Statement, any and all of the outstanding Notes validly tendered (and not validly withdrawn) prior to the Expiration Time. Each Holder should read the discussion in the section entitled “The Tender Offer” for further information regarding the Tender Offer.
Expiration Time	The Tender Offer will expire at 5:00 p.m., New York City time, on February 18, 2020 unless extended or earlier terminated by the Company. We have the right to extend the Tender Offer one or more times in our sole discretion.
Tender Offer Consideration	The Tender Offer Consideration for each \$1,000 principal amount of Notes validly tendered (and not validly withdrawn) prior to the Expiration Time and accepted for purchase pursuant to the Tender Offer is \$1,018.04.
Accrued and Unpaid Interest	Holders whose Notes are accepted for purchase pursuant to the Tender Offer will receive in addition to the Tender Offer Consideration, accrued and unpaid interest from the last interest payment date on such purchased Notes up to, but not including, the Initial Settlement Date.
Conditions to the Tender Offer	Our obligation to complete the Tender Offer is subject to and conditioned upon satisfaction of (i) the Financing Condition (as defined below) and (ii) the General Conditions (as defined below), although we may waive any of these conditions in our sole discretion. We also reserve the right to terminate or extend the Tender Offer if any condition to the Tender Offer is not satisfied and to amend the Tender Offer in any respect. See “Conditions to Consummation of the Tender Offer.”

Source of Funds The Tender Offer Consideration, accrued and unpaid interest and the costs and expenses of the Tender Offer are expected to be paid with funds provided by the Financing Transaction (as defined below), together with cash on hand. See “Description of the Financing Transaction.”

Procedures for Tendering Notes..... Each Holder who wishes to accept the Tender Offer must comply with the procedures for tendering Notes described under “Procedures for Tendering Notes.”

For help with tendering Notes, contact the Tender and Information Agent at the telephone numbers set forth on the back cover page of this Statement or consult your broker, dealer, commercial bank, trust company or other nominee for assistance.

Beneficial owners whose Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if they wish to tender Notes. **Beneficial owners should be aware that their broker, dealer, commercial bank, trust company or other nominee may establish its own earlier deadline for participation in the Tender Offer. Accordingly, beneficial owners wishing to participate in the Tender Offer should contact their broker, dealer, commercial bank, trust company or other nominee as soon as possible in order to determine the time by which such owner must take action in order to so participate.**

Guaranteed Delivery If you desire to tender Notes in the Offer and the procedures for book-entry transfer cannot be completed at or before the Expiration Time, your tender may still be effected if all of the guaranteed delivery procedures are followed as set forth in “Procedures for Tendering Notes— Guaranteed Delivery.”

Withdrawal Rights At any time prior to the Expiration Time, each Holder may withdraw its Notes that it has tendered by submitting a notice of withdrawal to the Tender and Information Agent. We have the right to extend the Expiration Time in our sole discretion. **Any Notes tendered prior to the Expiration Time that are not validly withdrawn prior to that time may not be withdrawn thereafter, except in certain limited circumstances where additional withdrawal rights are required by law.**

Settlement Dates With respect to Notes that are validly tendered (and not validly withdrawn) prior to the Expiration Time, payment of the Tender Offer Consideration will be made promptly after the Expiration Time on the Initial Settlement Date, provided that the conditions to the Tender Offer have been satisfied or waived and such Notes have been accepted for purchase. The Initial Settlement Date will be the business day we select promptly following the Expiration Time and is expected to be February 20, 2020.

With respect to Notes that are validly tendered (and not validly withdrawn) by delivery of a properly completed Notice of

Guaranteed Delivery pursuant to the guaranteed delivery procedures described herein, payment of the Tender Offer Consideration will be made on the Final Settlement Date, provided that the conditions to the Tender Offer have been satisfied or waived and such Notes have been accepted for purchase. The Final Settlement Date for the Tender Offer is expected to be the next business day following the Final Guaranteed Delivery Time.

Holders will also receive on the applicable Settlement Date accrued and unpaid interest, if any, on all of their Notes accepted for purchase from the last interest payment date up to, but not including, the Initial Settlement Date.

**Acceptance of Notes and Delivery
of Cash Payment**

If all of the conditions to the Tender Offer are satisfied or waived, we will accept, after the Expiration Time, any and all Notes for purchase that, at such time, have been validly tendered in the Tender Offer (and not validly withdrawn). We will deliver the Tender Offer Consideration for such Notes on the applicable Settlement Date. Each Holder that has validly tendered Notes (and not validly withdrawn them) prior to the Expiration Time will receive the Tender Offer Consideration in respect of those Notes on the applicable Settlement Date subject to our acceptance of their Notes for purchase.

Tax Considerations

For a discussion of certain United States federal income tax considerations of the Tender Offer, see “Certain United States Federal Income Tax Considerations.”

Certain Considerations

For a discussion of certain factors that each Holder should consider in connection with the Tender Offer, see “Certain Considerations.”

Dealer Manager

J.P. Morgan Securities LLC is serving as Dealer Manager for the Tender Offer. Its address and telephone numbers are set forth on the back cover page of this Statement.

Tender and Information Agent

D.F. King & Co., Inc. is acting as Tender and Information Agent for the Tender Offer. Its address and telephone numbers are set forth on the back cover page of this Statement.

Fees and Expenses

Tendering Holders of Notes purchased in the Tender Offer will not be obligated to pay brokerage commissions or fees to the Dealer Manager, the Tender and Information Agent or the Issuers or, except as indicated in the instructions to the Letter of Transmittal, to pay transfer taxes with respect to the purchase of their Notes; however, such Holders may be obligated to pay commissions to their own brokers or other agents.

**Additional Documentation;
Further Information**

Any questions regarding the terms of the Tender Offer may be directed to the Dealer Manager. Requests for additional copies of documentation related to the Tender Offer and any questions or requests for assistance in tendering may be directed to the Tender and Information Agent. Their respective contact information appears on the back cover page of this Statement. Beneficial owners of

Notes may also contact their brokers, dealers, commercial banks, trust companies or other nominees for assistance concerning the Tender Offer.

AVAILABLE INFORMATION AND INCORPORATION BY REFERENCE

We are not currently subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The Indenture currently provides that, for so long as any Notes remain outstanding, we will furnish to the Trustee and post on a website freely accessible to the public certain annual, quarterly and other reports, as well as all information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act of 1933, as amended (such reports and information, collectively, the “Reports”).

We maintain an internet website that contains the Reports and other information about the Company. You may review the Reports, at no cost, at <http://www.sheahomes.com> on the Investor Relations page of our website. In addition, the Tender and Information Agent will provide, without charge, to each person to whom this Statement is delivered upon the request of such person, a copy of any or all of the Reports incorporated by reference herein, other than exhibits to such Reports (unless such exhibits are specifically incorporated by reference into such documents). Requests for such Reports should be directed to the Tender and Information Agent at its address and telephone number set forth on the back cover of this Statement.

The following documents heretofore furnished to the Trustee and posted on our website pursuant to the provisions of the Indenture are incorporated by reference:

- Our annual Report for the fiscal year ended December 31, 2018; and
- Our quarterly Reports for the fiscal quarters ended March 31, 2019, June 30, 2019 and September 30, 2019.

All Reports furnished by us to the Trustee and posted on our website pursuant to the Indenture after the date of this Statement and prior to the expiration of the Offer shall be deemed to be incorporated in and made a part of this Statement by reference from the date of filing such documents unless such Report specifically states otherwise.

Any statement contained herein or contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Statement to the extent that a statement contained herein or in any other subsequently furnished Report which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Statement.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Statement and the documents incorporated in this Statement by reference constitute “forward-looking statements.” In addition, other statements we may make from time to time, such as press releases, oral statements made by officials of either Issuer and other reports, may also contain such forward-looking statements. These forward-looking statements and information relating to us are based on beliefs of management as well as assumptions made by, and information currently available to, us. When used in this Statement and the documents incorporated in this Statement by reference, words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “will,” “plan,” “could” and “project” and similar expressions, as they relate to us are intended to identify forward-looking statements. These statements reflect our current views with respect to future events, are not guarantees of future performance and involve risks and uncertainties difficult to predict. Further, certain forward-looking statements are based upon assumptions of future events that may not prove to be accurate.

See the “Risk Factors” section of our annual report for the fiscal year ended December 31, 2018 and our quarterly report for the fiscal quarter ended September 30, 2019, incorporated by reference herein, for a description of risk factors that could significantly affect our financial results. In addition, the following factors could cause actual results to differ materially from results that may be expressed or implied by such forward-looking statements. These factors include, among other things:

- cyclical nature of the homebuilding industry and its sensitivity to economic conditions and events;
- changes in availability of financing for homebuyers;
- elimination or reduction of tax benefits associated with owning a home;
- changes in interest rates;
- cancellations of home orders;
- geographic concentration;
- inflation;
- competition;
- shortages of building materials and skilled labor;
- construction defect claims and litigation risks;
- availability of suitable land and improved lots;
- relations with residents of our communities;
- our ability to develop communities successfully within expected timeframes;
- risks associated with owning land and lot inventory;
- our ability to obtain performance bonds;
- risks associated with expansion of our business into new markets;
- seasonality;
- weather conditions and natural disasters;
- the impact of drought and water availability in California;
- utility and resources shortages and delays or rate fluctuations;
- dependence on key personnel;
- information technology failures and security breaches;
- failure to maintain effective internal control over financial reporting;
- government regulation;
- compliance with government regulations, including environmental regulations;
- changes in government regulations of our financial services operations;
- our ability to maintain sufficient liquidity and service our debt;

- exposure to contingent liabilities;
- restrictive covenants governing our senior notes and revolving credit facility;
- the illiquid nature of our unconsolidated joint ventures;
- risks associated with our construction and development management activities for projects we do not own;
- our level of indebtedness;
- our ability to incur additional indebtedness;
- negative changes in our credit ratings;
- failure of our credit ratings to capture all risks of investing in our notes;
- affiliate transactions;
- conflicts of interests between our equity owners and note holders;
- IRS audit risks;
- required tax distribution payments; and
- various other factors, both referenced and not referenced in this Statement.

Many of these factors are macroeconomic in nature and are, therefore, beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results, performance or achievements may vary materially from those contained herein as anticipated, believed, estimated, expected, intended, planned or projected. Except as required by law, we neither intend nor assume any obligation to revise or update these forward-looking statements, which speak only as of their dates.

THE ISSUERS

Shea Homes Limited Partnership, a California limited partnership (the “Company”) was formed January 4, 1989, pursuant to an agreement of limited partnership, as amended and restated on March 11, 2013, and as most recently amended March 23, 2016, by and between J.F. Shea, G.P., a Delaware general partnership, as general partner, and the Company’s limited partners who are comprised of entities and trusts, including J.F. Shea Co., Inc. (“JFSCI”), that are under the common control of Shea family members. J.F. Shea, G.P. is 96% owned by JFSCI.

Our principal business purpose is homebuilding, which includes acquiring and developing land and constructing and selling new residential homes thereon. To a lesser degree, we develop lots and sell them to other homebuilders.

Shea Homes Funding Corp. (“Funding Corp.,” and together with the Company, “Issuers,” “we,” “us,” or “our”) is a finance company with no operations of its own and no material assets. The Company owns 100% of the outstanding common stock of Funding Corp.

We are one of the nation’s largest privately-owned homebuilders based on total number of home deliveries and total revenues according to data compiled for Builder Magazine’s 2018 “Builder 100” list. We design, build and market single-family detached and attached homes in various geographic markets in California, Arizona, Colorado, Washington, Nevada, Florida, Virginia, North Carolina and Texas. We serve a broad customer base including entry, move-up, luxury and active lifestyle buyers.

Our principal executive offices are located at 655 Brea Canyon Road, Walnut, California 91789. Our telephone number is (909) 594-9500.

THE TENDER OFFER

You should carefully consider the risks and uncertainties described below and other information included in this Statement before you decide to tender your Notes in the Tender Offer.

We hereby offer, upon the terms and subject to the conditions set forth in this Statement (including the accompanying Letter of Transmittal), to purchase for cash any and all of the outstanding Notes that are validly tendered (and not validly withdrawn) to the Tender and Information Agent prior to the Expiration Time, for the consideration described below.

Tender Offer Consideration

The Tender Offer Consideration for each \$1,000 principal amount of Notes validly tendered (and not validly withdrawn) prior to the Expiration Time and accepted for purchase pursuant to the Tender Offer is \$1,018.04. Notes may be tendered only in minimum denominations of \$2,000 and integral multiples of \$1,000 thereafter. Holders whose Notes are accepted for purchase pursuant to the Tender Offer will receive in addition to the Tender Offer Consideration accrued and unpaid interest from the last interest payment date on such purchased Notes up to, but not including, the Initial Settlement Date. Our obligation to accept Notes that are tendered is subject to the conditions described below under “Conditions to Consummation of the Tender Offer.”

Tendering Holders of Notes purchased in the Tender Offer will not be obligated to pay brokerage commissions or fees to the Dealer Manager, the Tender and Information Agent or us, or, except as indicated in the instructions to the Letter of Transmittal, to pay transfer taxes with respect to the purchase of their Notes; however, such Holders may be obligated to pay commissions to their own brokers or other agents.

We reserve the right, in our sole discretion, at any time and from time to time, to purchase or offer to purchase any Notes through open market or privately negotiated transactions, one or more additional tender or exchange offers, by redemption under the terms of the Indenture or otherwise, in each case upon terms that may or may not differ materially from the terms of the Tender Offer. Subject to the results of the Tender Offer, we currently intend, in accordance with the terms and conditions of the Indenture, to mail (or send by electronic transmission in the case of Notes held in book-entry form) a notice of redemption to the Holders of any outstanding Notes on or immediately following the Initial Settlement Date, if any, although we have no legal obligation to do so and the selection of any particular redemption date is in our discretion. See “Certain Considerations—Subsequent Acquisitions of Notes.”

Expiration Time; Extensions; Termination; Amendments

The Tender Offer will expire at 5:00 p.m., New York City time, on February 18, 2020, unless we extend the Expiration Time in our sole discretion. In the event that we extend the Tender Offer, the term “Expiration Time” with respect to such extended Tender Offer shall mean the time and date on which the Tender Offer, as so extended, will expire. We expressly reserve the right to extend the Tender Offer from time to time for such period or periods as we may determine in our sole discretion by giving oral (to be confirmed in writing) or written notice of such extension to the Tender and Information Agent and by making a public announcement by press release to PR Newswire or a similar news service no later than 9:00 a.m., New York City time, on the next business day following the previously scheduled Expiration Time.

During any extension of the Tender Offer, all Notes previously tendered and not accepted for purchase will remain subject to the Tender Offer and may, subject to the terms and conditions of the Tender Offer, be accepted for purchase by us.

To the extent we are legally permitted to do so, we expressly reserve the absolute right, in our sole discretion, at any time (i) to waive any condition to the Tender Offer, (ii) to amend any of the terms of the Tender Offer, (iii) to terminate the Tender Offer or (iv) to modify the Tender Offer Consideration, provided that in the event we modify the Tender Offer Consideration, the Tender Offer will be extended such that the Expiration Time is at least five business days from the date of such modification and if we make any other material change to the Tender Offer, the Tender Offer will be extended so that the Expiration Time is at least three business days from the date of

such modification. Any waiver, amendment, modification or termination of the Tender Offer will apply to all Notes tendered pursuant to the Tender Offer. If we make a material change in the terms of the Tender Offer or waive a material condition of the Tender Offer, we will give oral (to be confirmed in writing) or written notice of such amendment or such waiver to the Tender and Information Agent and will disseminate additional offer documents and extend the Tender Offer to the extent required by law.

We also reserve the right to terminate the Tender Offer if any condition of the Tender Offer is not satisfied or for any other reason as determined by us in our sole discretion (subject to applicable law). In the event that the Tender Offer is terminated or otherwise not completed, the Tender Offer Consideration will not be paid or become payable.

No Appraisal or Similar Rights

Neither the Indenture nor applicable law gives the Holders any appraisal or similar rights to request a court or other person to value their outstanding Notes in connection with the Tender Offer.

CERTAIN CONSIDERATIONS

You should consider carefully the following considerations, in addition to the other information in this Statement (including the Letter of Transmittal and Notice of Guaranteed Delivery), before deciding whether to participate in the Tender Offer.

Limited Trading Market

The Notes are not listed on any national or regional securities exchange. To the extent that Notes are traded, prices for the Notes may fluctuate greatly depending on the trading volume, the balance between buy and sell orders, prevailing interest rates, our operating results and the market for similar securities. In addition, quotations for securities that are not widely traded, such as the Notes, may differ from actual trading prices and should be viewed as approximations. Notes that are tendered and accepted in the Tender Offer will cease to be outstanding and will be cancelled. To the extent that fewer than all of the Notes are purchased in the Tender Offer, the trading market for the Notes would become more limited. A debt security with a smaller outstanding principal amount available for trading (a smaller “float”) may command a lower price than would a comparable debt security with a greater float. Therefore, market prices for Notes that are not purchased may be affected adversely to the extent that the principal amount of Notes purchased pursuant to the Tender Offer reduces the float. The reduced float may also tend to make market prices more volatile. Holders of Notes not purchased in the Tender Offer may attempt to obtain quotations for their Notes from their brokers; however, there can be no assurance that any trading market will exist for the Notes following consummation of the Tender Offer. The extent of the public market for the Notes following consummation of the Tender Offer will depend upon, among other things, the remaining outstanding principal amount of Notes after the Tender Offer, the number of beneficial owners remaining at such time and the interest in maintaining a market in such Notes on the part of securities firms and other factors. We cannot assure you that a market for any Notes that remain outstanding following consummation of the Tender Offer will exist or be sustained.

Subsequent Acquisitions of Notes

Whether or not the Tender Offer is consummated, we or our affiliates may, at any time and from time to time, purchase or offer to purchase any Notes, other than pursuant to the Tender Offer, through open market purchases, privately negotiated transactions, tender offers, exchange offers, by redemptions under the Indenture or otherwise, upon such terms and conditions and at such prices as we or such affiliates may determine, which may be more or less than the prices to be paid pursuant to the Tender Offer and could be for cash or other consideration.

The Indenture permits us to redeem all or a portion of the Notes upon giving of notice to the Holders as prescribed therein. We are permitted to redeem all or a portion of the Notes at a redemption price of 102.938% if redeemed prior to April 1, 2020, 101.469% if redeemed on or after April 1, 2020 and prior to April 1, 2021, and 100.000% if redeemed on or after April 1, 2021, in each case, together with accrued and unpaid interest up to the date of redemption. We currently intend, in accordance with the terms and conditions of the Indenture, to mail (or send by electronic transmission in the case of Notes held in book-entry form) a notice of redemption to the Holders of any outstanding Notes on or immediately following the Initial Settlement Date, if any, although we have no legal obligation to do so and the selection of any particular redemption date is in our discretion. This statement of intent shall not constitute a notice of redemption under the Indenture. Any such notice, if made, will only be made in accordance with the provisions of the Indenture.

Tax Matters

See “Certain United States Federal Income Tax Considerations” for a discussion of certain United States federal income tax considerations of the Tender Offer.

Conditions of the Consummation of the Tender Offer

The closing of the Tender Offer is subject to the satisfaction or waiver of certain conditions, including the Financing Condition. See “Conditions to Consummation of the Tender Offer.” There can be no assurance that the

Tender Offer will be consummated or that any failure to consummate the Tender Offer will not have a negative effect on the market price and liquidity of the Notes.

Consideration

The consideration offered to purchase the Notes does not reflect any independent valuation of such Notes and does not take into account the events or changes in financial markets (including interest rates) after the commencement of the Tender Offer. We have not obtained or requested a fairness opinion from any banking or other firm as to the fairness of the consideration offered for the Notes. If you tender your Notes, you may or may not receive more than, or as much value as, if you choose to keep them.

PURPOSE AND BACKGROUND OF THE TENDER OFFER

The purpose of the Tender Offer is to acquire all of the outstanding Notes.

The total amount of funds required to purchase all of the outstanding Notes pursuant to the Tender Offer and to pay all related fees and expenses is approximately \$384.2 million, excluding accrued and unpaid interest, assuming all outstanding Notes are validly tendered (and not validly withdrawn) prior to the Expiration Time. We expect to obtain these funds from the net proceeds of the Financing Transaction, together with cash on hand. See “Conditions to Consummation of the Tender Offer.”

We are not making any recommendation to Holders as to whether to tender or refrain from tendering all or any portion of Notes. You must decide whether to tender Notes, and if tendering, the amount of Notes to tender. You are urged to review carefully all of the information contained in this Statement before making a decision as to whether to tender Notes.

DESCRIPTION OF THE FINANCING TRANSACTION

In order to satisfy the Financing Condition, we intend to complete a capital markets debt offering of new notes (the “Financing Transaction”) so that we will receive net proceeds that, together with cash on hand, are at least sufficient funds to pay the Tender Offer Consideration for all tendered Notes plus all related fees and expenses. See “Purpose and Background of the Tender Offer.” The terms of the Financing Transaction will be determined by market conditions and other factors at the time it occurs. This Offer to Purchase does not consist of an offer to sell or the solicitation of an offer to buy any notes sold in the Financing Transaction.

No assurances can be given that we will in fact complete the Financing Transaction. Consummation of the Tender Offer is expressly contingent upon, among other things, our obtaining financing on terms satisfactory to us. See “Conditions to Consummation of the Tender Offer.”

PROCEDURES FOR TENDERING NOTES

In order to participate in the Tender Offer, you must validly tender your Notes to the Tender and Information Agent as described below. Holders who validly tender (and do not validly withdraw) their Notes to the Tender and Information Agent prior to the Expiration Time will be entitled to receive the Tender Offer Consideration on the applicable Settlement Date if such Notes are accepted for purchase. It is your responsibility to validly tender your Notes. We have the right to waive any defects. However, we are not required to waive defects and are not required to notify you of defects in your tender. If Holders do not validly tender their Notes at or prior to the Expiration Time, such Holders will not receive the Tender Offer Consideration.

Tender of Notes.

The tender of Notes by a Holder (and the subsequent acceptance of such tendered Notes by us) pursuant to one of the procedures set forth below will constitute a binding agreement between the Holder and us in accordance with the terms and subject to the conditions set forth herein and in the Letter of Transmittal. The procedures by which Notes may be tendered by beneficial owners who are not registered Holders will depend upon the manner in which the Notes are held.

Tender of Notes Held Through a Custodian.

Any beneficial owner whose Notes are registered in the name of a custodian bank, broker, dealer, trust company or other nominee and who wishes to tender Notes pursuant to the Tender Offer should contact the registered Holder of such Notes promptly and instruct such Holder to tender such Notes on such beneficial owner’s behalf at or prior to the Expiration Time. Any beneficial owner of Notes held of record by DTC or its nominee through a DTC participant, pursuant to authority granted by DTC, must direct the DTC participant through which such beneficial owner’s Notes are held to tender such Notes on such beneficial owner’s behalf at or prior to the Expiration Time.

Tender of Notes Held Through DTC.

To validly tender Notes that are held through DTC, DTC participants must, in lieu of physically completing and signing the Letter of Transmittal, electronically transmit their acceptance of the Tender Offer through ATOP, for which the transaction will be eligible, at or prior to the Expiration Time, or deliver a properly completed and duly executed notice of guaranteed delivery, at or before the Expiration Time. Upon receipt of such Holder's acceptance through ATOP, DTC will edit and verify the acceptance and send an Agent's Message to the Tender and Information Agent for its acceptance. Delivery of tendered Notes must be made to the Tender and Information Agent pursuant to the book-entry delivery procedures set forth herein and in the Letter of Transmittal.

The term "Agent's Message" means a message transmitted by DTC to, and received by, the Tender and Information Agent, which forms part of the Book-Entry Confirmation (as defined below) and states that DTC has received an express acknowledgement from the DTC participant described therein, stating the principal amount of Notes that has been tendered by such participant pursuant to the Tender Offer and that such participant has received and agrees to be bound by the Letter of Transmittal and that the Issuers may enforce the Letter of Transmittal against such participant.

Book-Entry Delivery Procedures.

The Tender and Information Agent will establish one or more accounts at DTC with respect to the Notes for purposes of the Tender Offer within two business days after the date of this Statement, and any financial institution that is a participant in DTC may make book-entry delivery of the Notes by causing DTC to transfer such Notes into the Tender and Information Agent's account in accordance with DTC's ATOP. However, although delivery of Notes may be effected through book-entry transfer into the Tender and Information Agent's account at DTC, an Agent's Message in connection with a book-entry transfer and any other required documents must, in any case, be transmitted to and received by the Tender and Information Agent at its address set forth on the back cover page of this Statement at or Prior to the Expiration Time, in connection with the tender of such Notes. The confirmation of book-entry transfer into the Tender and Information Agent's account at DTC as described above is referred to herein as a "Book-Entry Confirmation." Delivery of documents to DTC does not constitute delivery to the Tender and Information Agent.

Guaranteed Delivery

If a Holder desires to tender Notes pursuant to the Tender Offer and (a) time will not permit such Holder's Letter of Transmittal or other required documents to reach the Tender Agent prior to the Expiration Time or (b) such Holder cannot complete the procedures for book-entry transfer prior to the Expiration Time, such Holder may effect a tender of Notes if all of the following are complied with:

- such tender is made by or through 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 Exchange Act, as amended (each of the foregoing being referred to herein as an "Eligible Institution");
- prior to the Expiration Time, the Tender Agent has received from such Eligible Institution, at its address or its facsimile number set forth on the last page of this Offer to Purchase, a properly completed and duly executed Notice of Guaranteed Delivery (or facsimile thereof) setting forth the name and address of the DTC participant tendering Notes on behalf of the Holder and the principal amount of Notes being tendered, and representing that the Holder owns such Notes, and the tender is being made thereby and guaranteeing that, no later than 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 thereof pursuant to the procedures set forth under the caption "Procedures for Tendering Notes—Book-Entry Delivery Procedures" above, and any other documents required by the Letter of Transmittal, will be deposited by such Eligible Institution with the Tender Agent (except as provided in the second succeeding paragraph); and

- a properly completed and duly executed Letter of Transmittal (or facsimile thereof), including any required signature guarantees, or a properly transmitted Agent’s Message, together with confirmation of book-entry transfer thereof pursuant to the procedures set forth under the caption “Procedures for Tendering Notes—Book-Entry Delivery Procedures” above, and all other required documents are received by the Tender Agent at or prior to the Final Guaranteed Delivery Time.

If an Eligible Institution is tendering Notes through ATOP pursuant to the guaranteed delivery procedures set forth above, the Eligible Institution should not complete and deliver the Notice of Guaranteed Delivery, but such Eligible Institution will be bound by the terms of the Notice of Guaranteed Delivery, as if it was executed and delivered by such Eligible Institution. DTC participants who hold Notes in book-entry form and tender pursuant to ATOP’s procedures should, at or prior to the Expiration Time and the Final Guaranteed Delivery Time, only comply with ATOP’s procedures applicable to guaranteed delivery.

Interest will cease to accrue on the Initial Settlement Date for all Notes accepted in the Offer, including those tendered through the guaranteed delivery procedure. Holders whose Notes are tendered by notice of guaranteed delivery and are purchased will receive accrued and unpaid interest on such Notes only up to, but not including, the Initial Settlement Date, and will not receive payment in respect of any unpaid interest accruing after the Initial Settlement Date.

Signature Guarantees.

Signatures on all Letters of Transmittal must be guaranteed by a recognized participant in the Securities Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program or the Stock Exchange Medallion Program (each, a “Medallion Signature Guarantor”), unless the Notes are tendered and delivered (i) by a registered Holder (or by a participant in DTC whose name appears on a security position listing as the owner of such Notes) who has not completed either box entitled “Special Issuance/Delivery Instructions” on the Letter of Transmittal or (ii) for the account of an Eligible Institution. See Instruction 1 of the Letter of Transmittal. If Notes are registered in the name of a person other than the signatory of the Letter of Transmittal or if Notes not accepted for payment or not tendered are to be returned to a person other than the registered Holder, then the signature on the Letter of Transmittal accompanying the tendered Notes must be guaranteed by a Medallion Signature Guarantor as described above. See Instruction 4 of the Letter of Transmittal.

Mutilated, Lost, Stolen or Destroyed Certificates.

If a Holder desires to tender Notes, but the certificates evidencing such Notes have been mutilated, lost, stolen or destroyed, such Holder should contact the Tender and Information Agent to receive information about the procedures for obtaining replacement certificates for the Notes.

Backup Withholding.

Under U.S. federal income tax laws, the Tender and Information Agent may be required to backup withhold on payments made to certain Holders who tender Notes in the Offer. See “Certain United States Federal Income Tax Considerations.”

Determination of Validity.

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any tendered Notes pursuant to any of the procedures described above will be determined by the Issuers in their sole discretion (which determination shall be final and binding). We expressly reserve the absolute right, in our sole discretion, subject to applicable law, to reject any or all tenders of any Notes determined by us not to be in proper form or, if the acceptance for payment of, or payment for, such Notes may, in the opinion of our counsel, be unlawful. We also reserve the absolute right, in our sole discretion, subject to applicable law, to waive any defect or irregularity in any tender of Notes by any particular Holder, regardless of whether similar defects or irregularities are waived in the case of other Holders. Our interpretation of the terms and conditions of the Tender Offer (including the Letter of Transmittal) will be final and binding. None of the Company, Funding Corp., the Dealer Manager, the Tender and Information Agent, or any other person will be under any duty to give notification of any defects or irregularities in

tenders of Notes or will incur any liability for failure to give any such notification. If we waive our right to reject a defective tender of Notes, the tendering Holder will be entitled to the Tender Offer Consideration.

THE LETTER OF TRANSMITTAL AND NOTES SHOULD BE SENT ONLY TO THE TENDER AND INFORMATION AGENT. DO NOT SEND A LETTER OF TRANSMITTAL OR NOTES TO THE COMPANY, FUNDING CORP., THE DEALER MANAGER OR THE TRUSTEE.

ACCEPTANCE OF OUTSTANDING NOTES FOR PURCHASE; PAYMENT FOR NOTES

If the conditions to the Tender Offer are satisfied, or if we waive all of the conditions that have not been satisfied, we will accept, after the Expiration Time, all Notes that, at such time, have been validly tendered (or defectively tendered if we waive such defect) pursuant to the Tender Offer, and have not been validly withdrawn. We will accept the Notes for purchase by notifying the Tender and Information Agent of our acceptance. The notice may be oral if we promptly confirm it in writing.

If any tendered Notes are not accepted for purchase for any reason pursuant to the terms and conditions of the Tender Offer, such Notes will be returned to the tendering Holder without expense to the tendering Holders. In the case of tendered Notes that were held through DTC, such Notes will be credited to the account maintained at DTC from which such Notes were delivered after the expiration or termination of the Tender Offer. If the Tender Offer is terminated or withdrawn, no consideration will be paid or payable to the Holders of those Notes who have tendered their Notes in connection with the Tender Offer.

We will pay for Notes that we have accepted for purchase by wiring to the Tender and Information Agent, which will act as agent for tendering Holders for the purpose of receiving payment from us, on each applicable Settlement Date funds sufficient to pay the full amount of the Tender Offer Consideration that we then owe to the Holders plus cash in the amount of the interest accrued on the purchased Notes from the last interest payment date to, but not including, the Initial Settlement Date. We will not be responsible for any mistakes or delays made by the Tender and Information Agent in distributing the Tender Offer Consideration or the accrued interest on the Notes to the persons entitled to them, and no additional interest will be payable because of any such mistake or delay.

We intend to accept for purchase on the applicable Settlement Date any and all Notes validly tendered (and not validly withdrawn) pursuant to the Tender Offer prior to Expiration Time. However, if the conditions to the consummation of the Tender Offer are not satisfied, we have the right to retain such Notes without accepting them or without paying for them until the conditions are satisfied. If we cause the Tender and Information Agent to hold such Notes, we must comply with Rule 14e-1 under the Exchange Act, which requires us to pay for all tendered Notes or return the Notes promptly after termination or withdrawal of the Tender Offer.

We reserve the right to transfer or assign, in whole at any time or in part from time to time, to one or more of our affiliates, the right to purchase any Notes tendered pursuant to the Tender Offer, but any such transfer or assignment will not relieve us of our obligations under the Tender Offer or prejudice the rights of tendering Holders to receive the Tender Offer Consideration pursuant to the Tender Offer.

Tendering Holders of Notes purchased in the Tender Offer will not be obligated to pay brokerage commissions or fees to the Dealer Manager, the Tender and Information Agent or the Company or, except as indicated in the instructions to the Letter of Transmittal, to pay transfer taxes with respect to the purchase of their Notes; however, such Holders may be obligated to pay commissions to their own brokers or other agents. We will pay all other reasonable charges and expenses in connection with the Tender Offer. Notwithstanding anything herein to the contrary, the payments to Holders will be made net of any withholding tax or backup withholding that is required to be imposed pursuant to applicable law. See "Certain United States Federal Income Tax Considerations."

WITHDRAWAL OF TENDERS

You may withdraw Notes that you have tendered for purchase at any time prior to the earlier of (i) the Expiration Time and (ii) in the event that the Tender Offer is extended, the 10th business day after commencement of the Tender Offer; provided that Notes tendered pursuant to the Tender Offer may also be withdrawn at any time after the 60th business day after commencement of the Tender Offer if for any reason the Tender Offer has not been consummated within 60 business days of commencement.

For a withdrawal of a tender of Notes to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Tender and Information Agent at its address set forth on the back cover page of this Offer to Purchase at or prior to the Expiration Time, by mail, fax, overnight courier or hand delivery or by a properly transmitted "Request Message" through ATOP. Any such notice of withdrawal must:

(a) specify the name of the DTC participant whose name appears on the security position as the owner of such Notes;

(b) contain the description of the Notes to be withdrawn (including the principal amount of the Notes to be withdrawn); and

(c) in the case of Notes tendered by book-entry transfer and except in the case of a notice of withdrawal transmitted through ATOP, be signed by such participant in the same manner as the participant's name is listed in the applicable Agent's Message, or be accompanied by evidence satisfactory to us that the person withdrawing the tender has succeeded to the beneficial ownership of such Notes.

The signature on the notice of withdrawal must be guaranteed by an Eligible Institution unless such Notes have been tendered for purchase for the account of an Eligible Institution. Any properly withdrawn Notes, will be deemed not validly tendered or delivered for purposes of the Tender Offer.

If you withdraw Notes, you will have the right to retender them prior to the Expiration Time in accordance with the procedures described above for tendering outstanding Notes.

All questions as to the validity, form and eligibility (including time of receipt) of notices of withdrawal of tenders will be determined by us, in our sole discretion (which determination shall be final and binding). None of the Company, Funding Corp., the Guarantors, the Dealer Manager, the Tender and Information Agent nor any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal of tenders or incur any liability for failure to give any such notification.

CONDITIONS TO CONSUMMATION OF THE TENDER OFFER

Notwithstanding any other provision of the Tender Offer, our obligation to accept for purchase, and to pay for, any Notes validly tendered (and not validly withdrawn) pursuant to the Tender Offer is conditioned upon the following having occurred or been satisfied or having been waived by us:

- (i) we shall have: (a) completed the Financing Transaction (as defined in "Description of the Financing Transaction" above) on terms satisfactory to us in our sole discretion and (b) the net proceeds of the Financing Transaction, when combined with cash on hand, will be sufficient to pay the Tender Offer Consideration for all the tendered Notes, plus all fees and expenses incurred in connection with the Tender Offer (each of (a) and (b) together constitute the "Financing Condition"); and
- (ii) the following shall not have occurred, or if we shall have become aware of any of the following or if any of the following exists on the date of this Statement, we shall not have become aware of a material worsening (the "General Conditions"):
 - any instituted, threatened or pending legal or administrative proceeding or investigation that could, in our reasonable judgment, adversely affect our ability to close the Tender Offer;
 - any event that, in our reasonable judgment, adversely affects our business or our ability to consummate the Tender Offer or to realize the contemplated benefits from the Tender Offer, including, without limitation, any actual or threatened legal impediment (such as a default under an agreement, indenture or other instrument or obligation to which either Issuer is bound) to the acceptance for purchase of, or payment for, Notes;
 - the enactment of any law, rule or court order that prohibits or delays the Tender Offer or that places material restrictions on the Tender Offer;
 - the Trustee under the Indenture objects to the terms of the Tender Offer, or the Trustee takes any other action that could, in our sole judgment, adversely affect the consummation of the Tender Offer;

- any suspension of trading in securities in the U.S. financial or capital markets;
- any material change in the trading price of the Notes or the market for the Notes;
- any moratorium or other suspension or limitation that, in our reasonable judgment, will affect the ability of banks to extend credit or receive payments; or
- the commencement or escalation of a war or armed hostilities involving the United States (including acts of terrorism).

The foregoing conditions are for our sole benefit and may be asserted by us, in our sole discretion, in relation to the Tender Offer regardless of the circumstances giving rise to any such condition (including any action or inaction on our part). We will have the right (but not the obligation) to waive any of the preceding conditions and to consummate the Tender Offer. Neither you nor any other person who tenders Notes for purchase will have the ability to prevent us from waiving a condition or will have the ability to withdraw Notes tendered if we waive any of the foregoing conditions. We also have the right to determine whether or not any of the conditions were satisfied and to terminate or extend the Tender Offer if any condition of the Tender Offer was not satisfied. Our decision as to whether or not a condition was satisfied will be final and binding, and you will have no right to disagree with our conclusions.

Notwithstanding any other provisions of the Tender Offer, subject to applicable law, we have the right, in our sole discretion, to terminate the Tender Offer at any time and for any reason. In such event, we will provide notice by public announcement.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain material U.S. federal income tax considerations generally applicable to Holders of Notes with respect to the Tender Offer. This summary is based on provisions of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), existing and proposed Treasury regulations promulgated thereunder (the “Treasury Regulations”), and administrative and judicial interpretations thereof, all as of the date hereof, and all of which are subject to change, possibly on a retroactive basis, and any such change could affect the validity of this summary and the conclusions and statements set forth below. We have not sought any ruling from the IRS, nor have we sought an opinion from counsel, in each instance with respect to any aspect of the transactions described herein, or the statements made and conclusions reached in this summary. Accordingly, no assurance can be given that the IRS will agree with the views expressed in this summary, or that a court will not sustain any challenge by the IRS in the event of litigation. The following assumes that the Notes are held as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment).

This summary does not address all of the U.S. federal income tax considerations that may be relevant to particular Holders in light of their personal circumstances, or to certain types of Holders that may be subject to special tax treatment (such as banks and other financial institutions, employee stock ownership plans, regulated investment companies, partnerships or other pass-through entities for U.S. federal income tax purposes, former citizens or residents of the United States, controlled foreign corporations, foreign personal holding companies, passive foreign investment companies, corporations that accumulate earnings to avoid U.S. federal income tax, insurance companies, tax-exempt organizations, dealers in securities, brokers, “U.S. Holders” (as defined below) whose functional currency is not the U.S. dollar, persons subject to the alternative minimum tax, or persons who hold the notes as a hedge, straddle, conversion, synthetic security or who hedge the interest rate on the notes, all of whom may be subject to tax rules that differ materially from those discussed in this summary). In addition, this summary does not include any description of the tax laws of any state, local or non-U.S. government that may be applicable to a particular Holder and does not consider any aspects of U.S. federal tax law other than income taxation.

The U.S. federal income tax treatment of a partner in a partnership (or other entity classified as a partnership for U.S. federal income tax purposes) that holds the notes generally will depend on such partner’s particular circumstances and on the activities of the partnership. Partners in such partnerships should consult their own tax advisors.

For purposes of this discussion, a “U.S. Holder” is a beneficial owner of the notes that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other business entity treated as a corporation) created or organized in or under the laws of the United States or any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States can exercise primary supervision over its administration, and one or more U.S. persons have the authority to control all of the substantial decisions of that trust (or the trust was in existence on August 20, 1996, and validly elected to continue to be treated as a U.S. trust).

A “Non-U.S. Holder” is a beneficial owner of the notes that is an individual, corporation, estate, or trust and is not a U.S. Holder.

This summary of certain U.S. federal income tax considerations is for general information only and is not tax advice. Holders are urged to consult their tax advisors with respect to the application of the U.S. federal income tax laws to their particular situation as well as any tax consequences arising under the U.S. federal estate or gift tax rules or under the laws of any state, local, foreign or other taxing jurisdiction. The statements of U.S. federal income tax considerations set out below are based on the laws and regulations in

force and interpretations thereof as of the date of this Statement, and are subject to changes occurring after that date.

Treatment of Tendering U.S. Holders

Sale of the Notes. The sale of Notes pursuant to the Tender Offer by a U.S. Holder will be a taxable transaction for U.S. federal income tax purposes. A U.S. Holder selling Notes pursuant to the Tender Offer will generally recognize gain or loss, if any, on the sale of a Note in an amount equal to the difference between (1) the amount of cash received (other than amounts received by U.S. Holders attributable to accrued and unpaid interest on the Notes, if any, which will be taxed as described below under “—Accrued and Unpaid Interest”), and (2) the U.S. Holder’s adjusted tax basis in the Notes sold at the time of sale. A U.S. Holder’s adjusted tax basis in a Note is generally equal to the price such U.S. Holder paid for the Note (i) increased by, if applicable, any market discount (as described below) previously included in income by such U.S. Holder with respect to the Note, and (ii) decreased by, if applicable, (a) any payments other than stated interest received by such U.S. Holder and (b) any amortizable bond premium which the U.S. Holder has previously deducted with respect to the Note. Except to the extent that gain is recharacterized as ordinary income pursuant to the market discount rules discussed below, any gain or loss recognized upon the sale of the Notes will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder’s holding period in the Notes sold exceed one year at the time of sale. Non-corporate taxpayers are generally subject to reduced rates of U.S. federal income taxation on net long-term capital gains. The deductibility of capital losses is subject to limitations.

Market Discount. An exception to the capital gain treatment described above may apply to a U.S. Holder that purchased a Note at a “market discount” within the meaning of Section 1278 of the Code. Subject to a statutory *de minimis* exception, a Note generally will be treated as having been purchased by a U.S. Holder at a market discount if, immediately after such acquisition, (i) the Note’s stated redemption price at maturity is greater than (ii) the U.S. Holder’s initial tax basis of the Note. In general, unless the U.S. Holder previously elected to currently include market discount in income as it accrues, any gain realized by a U.S. Holder on the sale of a Note having market discount will be treated as ordinary income to the extent of the market discount that has accrued (on a straight line basis or, at the election of the U.S. Holder, on a constant-yield basis) while such Note was held by the U.S. Holder. Gains in excess of such accrued market discount will generally be capital gains as discussed above.

Accrued and Unpaid Interest. Any amounts received pursuant to the Tender Offer that are attributable to accrued and unpaid interest on the Notes will be taxable to a U.S. Holder as ordinary income when accrued or received (to the extent not previously taken into account) in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes.

Information Reporting and Backup Withholding. In general, a U.S. Holder of the Notes will be subject to backup withholding with respect to the proceeds received pursuant to the Tender Offer at the applicable tax rate (currently 24%), unless such U.S. Holder (1)(a) is an entity that is exempt from backup withholding (including certain corporations and certain qualified nominees) and, when required, such entity demonstrates this fact, or (b) provides the payor with its United States taxpayer identification number (“TIN”) (e.g., on an IRS Form W-9), certifies under penalties of perjury that the TIN provided to the payor is correct, and that the U.S. Holder has not been notified by the IRS that such U.S. Holder is subject to backup withholding, and (2) such U.S. Holder otherwise complies with applicable requirements of the backup withholding rules.

In addition, payments to a U.S. Holder that are subject to backup withholding will generally be subject to information reporting requirements. A U.S. Holder that does not provide the payor with its correct TIN may be subject to penalties imposed by the IRS.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be generally allowed as a credit against such U.S. Holder’s U.S. federal income tax liability and may entitle such U.S. Holder to a refund, provided that the required information is timely furnished, by the U.S. Holder, to the IRS.

Treatment of Tendering Non-U.S. Holders

Sale of the Notes. A Non-U.S. Holder that receives cash in exchange for the Notes pursuant to the Tender Offer will realize gain or loss, if any, in an amount equal to the difference between (i) the amount of cash received in the Tender Offer, other than amounts attributable to accrued and unpaid interest, if any (which will be taxed as described below under “—Accrued and Unpaid Interest”), and (ii) the Non-U.S. Holder’s adjusted tax basis in the Notes sold. Subject to the discussion below regarding the backup withholding requirements of the Code, any gain realized by a Non-U.S. Holder on the exchange generally will not be subject to U.S. federal income tax, unless:

- the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of the Tender Offer and who has a “tax home” in the United States and certain other conditions are met; or
- the gain with respect to the Notes is effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States.

If the first exception applies, then the Non-U.S. Holder generally will be subject to tax at a rate of 30% on the amount by which its U.S.-source capital gains exceed its U.S.-source capital losses. If the second exception applies, the Non-U.S. Holder will generally be required to pay U.S. federal income tax on the net gain derived from the sale in the same manner as U.S. Holders, as described above. In addition, corporate Non-U.S. Holders may be subject to a branch profits tax equal to 30% (or lower applicable treaty rate) on its effectively connected gain. If a Non-U.S. Holder is eligible for the benefits of an income tax treaty between the United States and its country of residence, any gain that is effectively connected with a U.S. trade or business will be subject to U.S. federal income tax in the manner specified by the treaty and generally only will be subject to such tax if such gain is attributable to a permanent establishment (or a fixed base in the case of an individual) maintained by the Non-U.S. Holder in the United States, provided that the Non-U.S. Holder claims the benefit of the treaty by timely and properly submitting an IRS Form W-8BEN or W-8BEN-E, as applicable (or suitable successor form).

Accrued and Unpaid Interest. To the extent a Non-U.S. Holder receives amounts attributable to accrued and unpaid interest, such payments of interest on the Notes will not be subject to U.S. federal income tax or 30% withholding tax, provided that (1) the Non-U.S. Holder does not actually or constructively own (a) 10% or more of the capital or profits interests in the Company, or (b) 10% or more of the total combined voting power of all classes of stock of Funding Corp. entitled to vote, (2) the Non-U.S. Holder is not a “controlled foreign corporation” that is related (actually or constructively) to either of the Issuers, (3) the Non-U.S. Holder is not, and is not treated as, a bank receiving interest on an extension of credit pursuant to a loan agreement entered into in the ordinary course of its trade or business, (4) the interest is not effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States (discussed below), and (5) either we have, or our paying agent has, received or receives appropriate documentation from the Non-U.S. Holder (e.g., IRS Form W-8BEN, W-8BEN-E and, if applicable, W-8IMY) establishing that the Non-U.S. Holder is not a U.S. person (as defined in the Code). A Non-U.S. Holder that does not qualify for exemption from U.S. federal income tax under the preceding sentence generally will be subject to a U.S. federal withholding tax at a 30% rate (or lower applicable treaty rate, provided that a properly executed IRS Form W-8BEN or W-8BEN-E, as applicable, is furnished to the withholding agent) on payments received in the Tender Offer that are, or are attributable to, accrued and unpaid interest, unless the interest is effectively connected with such Non-U.S. Holder’s conduct of a trade or business within the United States and the Non-U.S. Holder timely provides an appropriate statement to that effect on a properly completed and duly executed IRS Form W-8ECI (or suitable successor form).

If payments received in the Tender Offer are, or are attributable to, accrued and unpaid interest, and such interest is effectively connected with a Non-U.S. Holder’s conduct of a United States trade or business, then, unless the Non-U.S. Holder is eligible for the benefits of an income tax treaty between the United States and such Holder’s country of residence, the Non-U.S. Holder generally will be subject to United States federal income tax on such interest on a net-income basis in the same manner as if it were a U.S. Holder. If a Non-U.S. Holder is eligible for the benefits of an income tax treaty between the United States and its country of residence, any interest income that is effectively connected with a U.S. trade or business will be subject to U.S. federal income tax in the manner specified by the treaty and generally only will be subject to such tax if such income is attributable to a permanent establishment (or a fixed base in the case of an individual) maintained by the Non-U.S. Holder in the United States, provided that the Non-U.S. Holder claims the benefit of the treaty by timely and properly submitting an IRS Form

W-8BEN or W-8BEN-E, as applicable (or suitable successor form). In addition, a Non-U.S. Holder that is treated as a foreign corporation for U.S. federal income tax purposes may be subject to a branch profits tax equal to 30% (or lower applicable treaty rate) of its earnings and profits for the taxable year, subject to adjustments, that are effectively connected with its conduct of a trade or business in the United States.

Information Reporting and Backup Withholding. If a Non-U.S. Holder is not eligible for an exemption and receives sales proceeds for Notes sold pursuant to the Tender Offer through a U.S. broker (including certain brokers owned or controlled by U.S. persons or engaged in a U.S. trade or business), the payments may be subject to information reporting and backup withholding. In some circumstances, information reporting (but not backup withholding) may apply if a Non-U.S. Holder uses the foreign office of a broker that has certain connections to the United States.

A Non-U.S. Holder generally will not be subject to information reporting or backup withholding, however, if (i) it certifies its nonresident status, or otherwise establishes an exemption from information reporting and backup withholding by properly completing and submitting the applicable IRS Form W-8 signed under penalties of perjury and attesting to the status of such Non-U.S. Holder as a non-U.S. person, and (ii) neither of the Issuers nor our paying agent has actual knowledge or reason to know that such certification is unreliable or that the conditions of the exemption are in fact not satisfied. However, even if backup withholding does not apply, certain information reporting may still apply with respect to certain payments.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a Non-U.S. Holder generally will be allowed as a credit against such Non-U.S. Holder's U.S. federal income tax liability, and may entitle such Non-U.S. Holder to a refund, provided the required information is timely furnished to the IRS.

Information reporting generally will apply to payments of, or attributable to, accrued but unpaid interest on the Notes that are made to a Non-U.S. Holder. Copies of the information returns reporting such payments may also be made available to the tax authorities in the country in which the Non-U.S. Holder is a resident under the provisions of an applicable income tax treaty or agreement.

Treatment of Non-Tendering Holders

The Tender Offer will not result in a taxable event for non-tendering Holders.

Foreign Account Tax Compliance Act

Under Section 1471 through 1474 of the Code ("FATCA"), withholding at a rate of 30% may be required on payments of, or attributable to, interest to non-U.S. financial institutions and certain other non-U.S. entities, unless they satisfy certain reporting requirements or otherwise qualify for an exemption. In general, foreign financial institutions (as defined in the Code) and non-financial foreign entities (as defined in the Code) must qualify for an exemption from, or be in compliance with, these FATCA rules. If a payment for, or attributable to, interest is subject to withholding under both (i) FATCA and (ii) the U.S. federal withholding tax discussed above under "—Accrued and Unpaid Interest", then any withholding tax withheld pursuant to FATCA is generally creditable against, and therefore reduces, such other U.S. federal withholding tax.

While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of Notes on or after January 1, 2019, recently proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued. Holders should consult their tax advisors regarding FATCA and the regulations thereunder.

THIS DISCUSSION IS INCLUDED FOR GENERAL INFORMATION PURPOSES ONLY, AND DOES NOT CONSTITUTE LEGAL ADVICE. THE COMPANY URGES YOU TO CONSULT YOUR OWN TAX ADVISORS TO DETERMINE THE TAX CONSIDERATIONS OF THE TENDER OFFER AND THE RECEIPT OF CONSIDERATION FOR YOUR NOTES IN YOUR PARTICULAR CIRCUMSTANCES, INCLUDING THE APPLICATION AND EFFECT OF ANY APPLICABLE GIFT, ESTATE, U.S. FEDERAL, STATE, LOCAL OR OTHER FOREIGN TAX LAWS.

COMPANIES THAT WILL ASSIST US IN MAKING THE TENDER OFFER

Dealer Manager

We have engaged J.P. Morgan Securities LLC to act as the Dealer Manager in connection with the Tender Offer. In this capacity, J.P. Morgan Securities LLC may contact Holders or beneficial owners of the Notes regarding the Tender Offer and may ask brokers, dealers, commercial banks and others to mail this document and other materials to beneficial owners of the Notes.

At any given time, the Dealer Manager may trade the Notes or any other securities of ours for its own account, or for the accounts of its customers, and accordingly, may hold a long or short position in the Notes or those other securities.

We have agreed to reimburse the reasonable expenses that J.P. Morgan Securities LLC may incur as Dealer Manager, and we have also agreed to indemnify the Dealer Manager and its affiliates for liabilities they may incur as a result of the Dealer Manager acting as Dealer Manager, including liabilities to which they may be subject under securities laws.

The Dealer Manager and its affiliates have engaged, and may in the future engage, in investment banking, commercial banking and other financial advisory and commercial dealings with us and our affiliates.

Any Holder that has questions concerning the terms of the Tender Offer may contact the Dealer Manager at the address and telephone numbers set forth on the back cover of this Statement.

Tender and Information Agent

We have retained D.F. King & Co., Inc. as the Tender and Information Agent for the Tender Offer. We will pay the Tender and Information Agent customary fees for its services and reimburse it for its reasonable expenses. We have also agreed to indemnify the Tender and Information Agent for liabilities it may incur in its capacity as such.

Miscellaneous

In connection with the Tender Offer, our directors and officers may solicit tenders by use of the mails, personally or by telephone, facsimile, telegram, electronic communication or other similar methods. These directors and officers will not be specifically compensated for these services. We will pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of this Statement and related documents to the beneficial owners of the Notes and in handling or forwarding tenders of Notes by their customers.

The Tender Offer is being made to all Holders. We are not aware of any jurisdiction in which the Tender Offer is not in compliance with applicable law. If we become aware of any jurisdiction in which the Tender Offer would not be in compliance with applicable law, we will make a good faith effort to comply with any such law. If, after such good faith effort, we cannot comply with any such law, the Tender Offer will not be offered to (nor will tenders of Notes be accepted from or on behalf of) the owners of Notes residing in any such jurisdiction.

The Tender Agent for the Tender Offer is:

D.F. King & Co., Inc.

By facsimile
(For Eligible Institutions Only):
(212) 709-3328
Attention: Andrew Beck

Confirm by Telephone:
(212) 269-5552

By Registered or Certified Mail, Hand or Overnight Courier:
48 Wall Street, 22nd Floor
New York, New York 10005
Attention: Andrew Beck

The Information Agent for the Tender Offer is:

D.F. King & Co., Inc.

48 Wall Street, 22nd Floor
New York, New York 10005
Bankers and Brokers call: (212) 269-5550
Holders call toll free: (877) 478-5043
Email: shea@dfking.com

The Dealer Manager for the Tender Offer is:

J.P. Morgan Securities LLC

383 Madison Avenue
New York, New York 10179
Attention: Liability Management Group
Toll-Free: (866) 834-4666
Collect: (212) 834-2045

Any questions regarding the terms of the Tender Offer may be directed to the Dealer Manager. Requests for additional copies of documentation related to the Tender Offer and any questions or requests for assistance in tendering may be directed to the Tender and Information Agent. Beneficial owners of Notes may also contact their brokers, dealers, commercial banks or trust companies for assistance concerning the Tender Offer.

APPENDIX A

NOTICE OF GUARANTEED DELIVERY

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.