



Shea Homes Limited Partnership and Shea Homes Funding Corp. Announce Tender Offer for Any and All of Its Outstanding 5.875% Notes due 2023

Immediate Release
For Information Contact:
Andrew Parnes
(909) 594-0954

Walnut, Calif., February 6, 2020

Shea Homes Limited Partnership (the "Company") and Shea Homes Funding Corp. ("Funding Corp." and, together with the Company, the "Issuers") announced today they have commenced a cash tender offer (the "Tender Offer") for any and all of the \$375 million outstanding principal amount of their 5.875% Senior Notes due 2023 (the "Notes"). The Tender Offer is being made upon the terms and subject to the conditions described in the Company's Offer to Purchase dated February 6, 2020 (the "Offer to Purchase") and the related letter of transmittal and notice of guaranteed delivery. The Tender Offer will expire at 5:00 p.m., New York City time, on February 18, 2020, unless extended or earlier terminated (the "Expiration Time").

Holders who validly tender (and do not validly withdraw) their Notes prior to the Expiration Time, will be eligible to receive the consideration offered in the Tender Offer equaling \$1,018.04 per \$1,000 principal amount of the Notes. In addition, holders whose Notes are purchased in the Tender Offer will receive accrued and unpaid interest on their purchased Notes up to, but not including, the initial settlement date of the Tender Offer, which is expected to be February 20, 2020.

Consummation of the Tender Offer is subject to the satisfaction or waiver of certain conditions set forth in the Offer to Purchase, including satisfactory financing arrangements in an amount that, when combined with cash on hand, will be sufficient to fund the purchase of the Notes tendered in the Tender Offer.

The Company has engaged J.P. Morgan Securities LLC to act as the dealer manager for the Tender Offer, and D.F. King & Co., Inc. to serve as the tender and information agent for the Tender Offer.

The complete terms and conditions of the Tender Offer are described in the offer to purchase and the related letter of transmittal and notice of guaranteed delivery. These documents are available at www.dfking.com/sheahomes and may also be requested by contacting D.F. King & Co., Inc. Requests for documents may be directed to D.F. King & Co., Inc. by telephone at (877) 478-5043 (toll free) (banks and brokerage firms please call (212) 269-5550) or by email at shea@dfking.com. Questions regarding the terms of the Tender Offer may be directed to J.P. Morgan at (800) 245-8812 (US toll-free) and (212) 270-1200 (collect).

This press release is for informational purposes only and does not constitute an offer to purchase with respect to any Notes. The Tender Offer is being made solely by the Offer to Purchase and the related letter of transmittal and notice of guaranteed delivery, which sets forth the complete terms and conditions of the Tender Offer.

Cautionary statement regarding forward-looking statements

This news release contains forward-looking statements and information relating to Shea Homes Limited Partnership and its subsidiaries, such as the strength or weakness of our housing markets and housing markets and the U.S. economy in general, the change in the geographic mix of new home deliveries, the impact of new home prices, backlog conversion, changes in the interest rate and the impact such changes may have, which are based on the beliefs of, as well as assumptions made by, and information currently available to, our management. Words such as "anticipate," "believe," "estimate," "expect," "intend," "plan," "appear" and "project" and

similar expressions, as they relate to Shea Homes Limited Partnership and its subsidiaries are intended to identify forward-looking statements. These statements reflect our management's current views with respect to future events, are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. Further, certain forward-looking statements are based upon assumptions of future events that may not prove to be accurate. Such statements involve known and unknown risks, uncertainties, assumptions and other factors many of which are out of Shea Homes Limited Partnership's and its subsidiaries' control and are difficult to forecast and that may cause actual results to differ materially from those that may be described or implied. Such factors include but are not limited to: the cyclical nature of the homebuilding industry and its sensitivity to economic conditions and events; changes in the 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; the effect on sales of poor relations with residents from previously sold homes; 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; dependence on key personnel; information technology and security breaches; failure to maintain internal control over financial reporting; government regulation; compliance with environmental regulations; changes in government regulations; 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 substantial 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 above, and included in the Company's Annual and Quarterly Reports available on the investor relations section of the Company's website. 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 described as anticipated, believed, estimated, expected, intended, planned, appeared or projected. Except as required by law, Shea Homes Limited Partnership and its subsidiaries neither intend nor assume any obligation to revise or update these forward-looking statements, which speak only as of their dates. Shea Homes Limited Partnership and its subsidiaries nonetheless reserve the right to make such updates from time to time by press release, periodic report or other method of public disclosure without the need for specific reference to this press release. No such update shall be deemed to indicate that other statements not addressed by such update remain correct or create an obligation to provide any other updates.