Sound Financial Bancorp, Inc.
Form 10-Q/A
November 14, 2013

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

FORM 10-Q/A

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2013

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

COMMISSION FILE NUMBER 001-35633

Sound Financial Bancorp, Inc.
(Exact Name of Registrant as Specified in its Charter)

Maryland (State or other jurisdiction of incorporation or organization)	45-5188530 (I.R.S. Employer Identification No.)
2005 5th Avenue, Suite 200, Seattle, Washington (Address of principal executive offices)	98121 (Zip Code)

Registrant's telephone number, including area code: (206) 448-0884

None
(Former name, former address and former fiscal year, if changed since last report)

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES [X] NO [ ]

Indicate by checkmark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES [X] NO [ ]

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting Company. See definition of "large accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Act.

Large accelerated filer [ ]	Accelerated filer [ ]	Non-accelerated filer [ ]	Smaller reporting company [X]

(Do not check if smaller
reporting company)

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES [ ] NO [X]

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the latest practicable date.

As of November 12, 2013, there were 2,550,810 shares of the registrant's common stock outstanding.

EXPLANATORY NOTE

This amendment (Form 10-Q/A) is being provided for the purpose of funishing Exhibits 31.1 - Rule 13a-14(a) Certification of Chief Executive Officer, 31.2 - Rule 13a-14(a) - Certification of Chief Financial Officer, Principal Financial and Accounting Principal and 32 - Section 1350 Certification, which should have been filed with our Form 10-Q for the period ended September 30, 2013 as filed on November 13, 2013. As a result of a technical error, the Exhibits 31.1, 31.2 and 32 were inadvertantly omitted from the Form 10-Q.

This amendment (Form 10-Q/A) also includes Exhibit 10.13 - Sound Financial Bancorp, Inc 2013 Equity Incentive Plan and replaces in its entirety the Exhibit 10.13 that was inadvertently filed on November 13, 2013.

No other changes have been made to the Form 10-Q. This Form 10-Q/A does not reflect events that may have occurred subsequent to the original filing date and does not modify or update and related disclosures made in the Form 10-Q.

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Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting Company. See definition of "large accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Act.

Large accelerated filer [ ]	Accelerated filer [ ]	Non-accelerated filer [ ] (Do not check if smaller reporting company)	Smaller reporting company [X]

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES [ ] NO [X]

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the latest practicable date.

As of November 12, 2013, there were 2,550,810 shares of the registrant's common stock outstanding.

SOUND FINANCIAL BANCORP, INC.
FORM 10-Q
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EXHIBITS

SOUND FINANCIAL BANCORP, INC. AND SUBSIDIARY
Condensed Consolidated Balance Sheets
(In thousands, except share amounts)

	September 30, 2013 (unaudited)	December 31, 2012
ASSETS		
Cash and cash equivalents	$13,961	$12,727
Available-for-sale securities, at fair value	16,639	22,900
Loans held for sale	1,664	1,725
Loans	379,786	326,744
Allowance for loan losses	(4,115)	(4,248)
Total Loans, net	375,671	322,496
Accrued interest receivable	1,313	1,280
Bank-owned life insurance (“BOLI”), net	10,950	7,220
Other real estate owned (“OREO”) and repossessed assets, net	981	2,503
Mortgage servicing rights, at fair value	2,843	2,306
Federal Home Loan Bank (“FHLB”) stock, at cost	2,336	2,401
Premises and equipment, net	2,174	2,256
Other assets	3,196	3,230
Total assets	$431,728	$381,044
LIABILITIES		
Deposits		
Interest-bearing	$306,767	$276,849
Noninterest-bearing demand	34,575	35,234
Total deposits	341,342	312,083
Accrued expenses and other liabilities	3,520	3,309
Advance payments from borrowers for taxes and insurance	562	331
Borrowings	40,381	21,864
Total liabilities	385,805	337,587
COMMITMENTS AND CONTINGENCIES (NOTE 8)		
STOCKHOLDERS' EQUITY		
Preferred stock, $0.01 par value, 1,000,000 shares authorized, none issued or outstanding	-	-
Common stock, $0.01 par value, 40,000,000 shares authorized, 2,550,810 and 2,587,544 shares issued and outstanding as of September 30, 2013 and December 31, 2012, respectively	26	26
Additional paid-in capital	24,370	24,789
Unearned shares - Employee Stock Ownership Plan (“ESOP”)	(1,598)	(1,598)
Retained earnings	23,410	20,736
Accumulated other comprehensive loss, net of tax	(285)	(496)
Total stockholders’ equity	45,923	43,457
Total liabilities and stockholders’ equity	$431,728	$381,044

See notes to condensed consolidated financial statements

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SOUND FINANCIAL BANCORP, INC. AND SUBSIDIARY
Condensed Consolidated Statements of Income (unaudited)
(In thousands, except share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
INTEREST INCOME				
Loans, including fees	$4,926	$4,437	$14,268	$13,459
Interest and dividends on investments, cash and cash equivalents	59	105	239	244
Total interest income	4,985	4,542	14,507	13,703
INTEREST EXPENSE				
Deposits	528	540	1,527	1,617
Borrowings	50	56	164	167
Total interest expense	578	596	1,691	1,784
Net interest income	4,407	3,946	12,816	11,919
PROVISION FOR LOAN LOSSES	450	1,075	1,150	3,675
Net interest income after provision for loan losses	3,957	2,871	11,666	8,244
NONINTEREST INCOME				
Service charges and fee income	564	574	1,714	1,638
Earnings on cash surrender value of bank-owned life insurance	78	60	230	179
Mortgage servicing income	76	148	387	346
Fair value adjustment on mortgage servicing rights	271	(211)	656	97
Other-than-temporary impairment losses on securities	-	(32)	(30)	(156)
Net gain on sale of loans	37	668	794	1,226
Total noninterest income	1,026	1,207	3,751	3,330
NONINTEREST EXPENSE				
Salaries and benefits	1,858	1,537	5,224	4,242
Operations	825	697	2,809	2,007
Regulatory assessments	57	108	239	329
Occupancy	353	314	961	918
Data processing	348	264	954	769
Net loss on OREO and repossessed assets	125	265	963	757
Total noninterest expense	3,566	3,185	11,150	9,022
Income before provision for income taxes	1,417	893	4,267	2,552
Provision for income taxes	423	281	1,333	800
Net income	$994	$612	$2,934	$1,752
Earnings per common share:				
Basic	$0.39	$0.24	$1.14	$0.68
Diluted	$0.38	$0.23	$1.11	$0.67
Weighted average number of common shares outstanding:				
Basic	2,576,995	2,587,669	2,583,588	2,585,694
Diluted	2,634,087	2,627,820	2,635,564	2,616,070

See notes to condensed consolidated financial statements

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SOUND FINANCIAL BANCORP, INC. AND SUBSIDIARY
Condensed Consolidated Statements of Comprehensive Income (unaudited)
(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Net income	$994	$612	$2,934	$1,752
Available for sale securities:				
Unrealized gains arising during the period, net of taxes of $33, $22, $98 and $43, respectively	65	42	191	83
Reclassification adjustments for other-than-temporary impairment, net of taxes of $0, $11, $10 and $53, respectively	-	21	20	103
Other comprehensive income, net of tax	$65	$63	$211	$186
Comprehensive income	$1,059	$675	$3,145	$1,938

See notes to condensed consolidated financial statements

SOUND FINANCIAL BANCORP, INC. AND SUBSIDIARY
Condensed Consolidated Statements of Stockholders' Equity
For the Nine Months Ended September 30, 2013 and 2012 (unaudited)
(In thousands, except number of shares)

	Shares	Common Stock	Additional Paid-in Capital	Unearned ESOP Shares	Retained Earnings	Accumulated Other Comprehensive Loss, net of tax	Total Stockholders' Equity
Balances at December 31, 2011	2,949,045	$30	$11,939	$(693)	$18,096	$ (659)	$ 28,713
Net income					1,752		1,752
Other comprehensive income, net of tax						186	186
Restricted stock awards	11,000						
Cancel Sound Community Bank MHC shares	(1,621,435)	(16)					(16)
Exchange of common stock at 0.87423 shares per common share	(168,357)	(2)					(2)
Fractional share distribution	(209)						
Proceeds from stock offering, net of offering costs	1,417,500	14	12,658				12,672
Purchase of common stock by ESOP				(1,134)			(1,134)
Share-based compensation			125				125
Balances at September 30, 2012	2,587,544	$26	$24,722	$(1,827)	$19,848	$ (473)	$ 42,296

	Shares	Common Stock	Additional Paid-in Capital	Unearned ESOP Shares	Retained Earnings	Accumulated Other Comprehensive Loss, net of tax	Total Stockholders' Equity
Balances at December 31,	2,587,544	$26	$24,789	$(1,598)	$20,736	$ (496)	$ 43,457

2012							
Net income					2,934		2,934
Other comprehensive income, net of tax						211	211
Share-based compensation			126				126
Restricted stock forfeited and retired	(734)						
Cash dividends on common stock ($0.05 per share)					(260)		(260)
Common stock repurchased	(36,000)		(545)				(545)
Balances at September 30, 2013	2,550,810	$26	$24,370	$(1,598)	$23,410	$(285)	$45,923

See notes to condensed consolidated financial statements

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SOUND FINANCIAL BANCORP, INC. AND SUBSIDIARY
Condensed Consolidated Statements of Cash Flows (unaudited)
(In thousands)

	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$2,934	$1,752
Adjustments to reconcile net income to net cash from operating activities		
Accretion of net premium on investments	402	69
Other-than-temporary impairment losses on securities	30	156
Provision for loan losses	1,150	3,675
Depreciation and amortization	340	284
Compensation expense related to stock options and restricted stock	126	125
Fair value adjustment on mortgage servicing rights	(656)	(97)
Additions to mortgage servicing rights	(655)	(544)
Amortization of mortgage servicing rights	774	774
Increase in cash surrender value of BOLI	(230)	(179)
Gain on sale of loans	(794)	(1,226)
Proceeds from sale of loans	110,658	63,865
Originations of loans held for sale	(109,803)	(65,373)
Loss on sale and write-downs of OREO and repossessed assets	855	314
Change in operating assets and liabilities		
Accrued interest receivable	(33)	(15)
Other assets	(76)	(1,398)
Accrued interest payable	(7)	(6)
Other liabilities	218	366
Net cash from operating activities	5,233	4,984
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from principal payments, maturities and sales of available for sale securities	8,060	1,219
FHLB stock redeemed	65	-
Purchase of available for sale securities	(1,910)	(19,056)
Net increase in loans	(56,100)	(15,074)
Improvements to OREO and other repossessed assets	(33)	(392)
Proceeds from sale of OREO and other repossessed assets	2,475	2,726
Purchases of premises and equipment, net	(258)	(136)
Purchases of BOLI	(3,500)	-
Net cash used by investing activities	(51,201)	(30,713)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase in deposits	29,259	13,046
Proceeds from borrowings	205,500	-
Repayment of borrowings	(186,983)	(482)
Dividends paid on common stock	(260)	-
Net change in advances from borrowers for taxes and insurance	231	251
Common stock purchase by ESOP	-	(1,134)
Repurchase of common stock	(545)	-
Proceeds from stock offering, net of offering costs	-	12,672
Net cash from financing activities	47,202	24,353
Net increase (decrease) in cash and cash equivalents	1,234	(1,376)

Cash and cash equivalents, beginning of period	12,727	17,031
Cash and cash equivalents, end of period	$13,961	$15,655
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for income taxes	$1,340	$750
Interest paid on deposits and borrowings	$1,698	$1,790
Noncash net transfer from loans to OREO and repossessed assets	$1,775	$2,375

See notes to condensed consolidated financial statements

SOUND FINANCIAL BANCORP, INC. AND SUBSIDIARY
Notes to Condensed Consolidated Financial Statements (unaudited)

Note 1 – Basis of Presentation

The accompanying financial information is unaudited and has been prepared from the consolidated financial statements of Sound Financial Bancorp, Inc., and its wholly owned subsidiary, Sound Community Bank (the “Bank”, collectively, “we,” “us,” “our,” or the “Company”). These unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X as promulgated by the Securities and Exchange Commission (“SEC”). In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the financial position and results of operations for the periods presented have been included. Certain information and disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to the rules and regulations of the SEC. These unaudited financial statements should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended December 31, 2012, as filed with the SEC on March 31, 2013 (“2012 Form 10-K”). The results for the interim periods are not necessarily indicative of results for a full year. For further information, refer to the consolidated financial statements and footnotes for the year ended December 31, 2012, included in the 2012 Form 10-K.

Certain amounts in the prior quarters’ consolidated financial statements have been reclassified to conform to the current presentation. These classifications do not have an impact on previously reported net income, retained earnings, stockholders’ equity or earnings per share.

On August 22, 2012, the Company completed its conversion from the mutual holding company structure and related public stock offering, so that it is now a stock holding company that is wholly owned by public shareholders. Please see Note 2 – Conversion and Stock Issuance for more information.

Note 2 – Conversion and Stock Issuance

The Company, a Maryland corporation, was organized by Sound Community MHC, Sound Financial, Inc. and Sound Community Bank to facilitate the “second-step” conversion of Sound Community Bank from the mutual holding company structure to the stock holding company structure (the “Conversion”). Upon consummation of the Conversion, which occurred on August 22, 2012, the Company became the holding company for Sound Community Bank and now owns all of the issued and outstanding shares of Sound Community Bank’s common stock.

In connection with the Conversion, the Company sold a total of 1,417,500 shares of common stock in offering to certain depositors of Sound Community Bank and others, including 113,400 shares to the Sound Community Bank employee stock ownership plan (“ESOP”). All shares were sold at a purchase price of $10.00 per share. Proceeds from the offering, net of $1.5 million in expenses, totaled $12.7 million. The Company used $1.1 million of the proceeds to fund the ESOP and made a $7.5 million capital contribution to the Bank. In addition, concurrent with the offering, shares of Sound Financial, Inc. common stock owned by public stockholders were exchanged for 0.87423 shares of the Company’s common stock, with cash being paid in lieu of issuing any fractional shares. At September 30, 2013, the Company had 2,550,810 shares outstanding.

All share and per share information in this report for periods prior to the Conversion has been revised to reflect the 0.87423 Conversion exchange ratio.

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SOUND FINANCIAL BANCORP, INC. AND SUBSIDIARY
Notes to Condensed Consolidated Financial Statements (unaudited)

Note 3 – Accounting Pronouncements Recently Issued or Adopted

In January 2013, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Updated (“ASU”) No. 2013-01, Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities. This update clarifies that ASU No. 2011-11 applies only to derivatives, including bifurcated embedded derivatives, repurchase agreements and reverse repurchase agreements, and securities borrowing and securities lending transactions that are either offset or subject to an enforceable master netting arrangement or similar agreement. Entities with other types of financial assets and financial liabilities subject to a master netting arrangement or similar agreement are no longer subject to the disclosure requirements in ASU No. 2011-11. The amendments were effective for annual and interim reporting periods beginning on or after January 1, 2013. The adoption of ASU No. 2013-01 did not have a material impact on the Company's consolidated financial statements.

In February 2013, the FASB issued ASU No. 2013-02, Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income. This update requires an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component and to present either on the face of the statement where net income is presented, or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income, but only if the amount reclassified is required to be reclassified to net income in its entirety in the same reporting period. The amendments were effective for annual and interim reporting periods beginning on or after December 15, 2012. The adoption of this update did not have a material impact on the Company's consolidated financial statements.

In July 2013, the FASB issued ASU No. 2013-10, Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes. This update permits the use of the Fed Funds Effective Swap Rate (OIS) to be used as a U.S. benchmark interest rate for hedge account purposes. The amendment was effective prospectively for qualifying new or redesignated hedging relationships entered into on or after July 17, 2013. The adoption of this update did not have a material impact on the Company's consolidated financial statements.

In July 2013, the FASB issued ASU No. 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists. This update requires an entity to present an unrecognized tax benefit, or a portion of an unrecognized tax benefit, as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, except to the extent a net operating loss carryforward, a similar tax loss, or a tax credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any additional income taxes that would result from the disallowance of a tax position or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. No new recurring disclosures are required. The amendments are effective for annual and interim reporting periods beginning on or after December 15, 2013 and are to be applied prospectively to all unrecognized tax benefits that exist at the effective date. Retrospective application is permitted. The adoption of this update is not expected to have a material impact on the Company's consolidated financial statements.

SOUND FINANCIAL BANCORP, INC. AND SUBSIDIARY
Notes to Condensed Consolidated Financial Statements (unaudited)

Note 4 – Investments

The amortized cost and fair value of our available-for-sale securities ("AFS") and the corresponding amounts of gross unrealized gains and losses at the dates indicated were as follows (in thousands):

		Gross Unrealized			
	Amortized Cost	Gains	Losses 1 Year Or Less	Losses Greater Than 1 Year	Estimated Fair Value
September 30, 2013					
Municipal bonds	$1,910	$38	$-	$-	$1,948
Agency mortgage-backed securities	12,393	29	(220)	-	12,202
Non-agency mortgage-backed securities	2,767	83	-	(361)	2,489
Total	$17,070	$150	$(220)	$(361)	$16,639
December 31, 2012					
Agency mortgage-backed securities	$20,378	$27	$(278)	$-	$20,127
Non-agency mortgage-backed securities	3,273	19	-	(519)	2,773
Total	$23,651	$46	$(278)	$(519)	$22,900

The amortized cost and fair value of investments available-for-sale at September 30, 2013, by contractual maturity, are shown below (in thousands). Expected maturities of investments available-for-sale may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	At September 30, 2013	
	Amortized Cost	Fair Value
Due after ten years	$17,070	$16,639

Securities with an amortized cost of $11.6 million and fair value of $12.2 million at September 30, 2013 were pledged to secure Washington State Public Funds. Additionally, the Company has letters of credit with a notional amount of $25.0 million to secure public deposits.

There were no sales of available for sale securities during the three and nine months ended September 30, 2013 and 2012.

SOUND FINANCIAL BANCORP, INC. AND SUBSIDIARY
Notes to Condensed Consolidated Financial Statements (unaudited)

The following table summarizes at the dates indicated the aggregate fair value and gross unrealized loss by length of time of those investments that have been continuously in an unrealized loss position (in thousands):

	September 30, 2013					
	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Agency mortgage-backed securities	$9,082	$(220)	$-	$-	$9,082	$(220)
Non-agency mortgage-backed securities	-	-	646	(361)	646	(361)
Total	$9,082	$(220)	$646	$(361)	$9,728	$(581)

	December 31, 2012					
	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Agency mortgage-backed securities	$17,685	$(278)	$-	$-	$17,685	$(278)
Non-agency mortgage-backed securities	-	-	2,137	(519)	2,137	(519)
Total	$17,685	$(278)	$2,137	$(519)	$19,822	$(797)

The following table presents the cumulative roll forward of credit losses recognized in earnings during the three and nine months ended September 30, 2013 and 2012 relating to the Company's non- agency mortgage backed securities (in thousands):

	Three months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Estimated credit losses, beginning balance	$450	$379	$	

$

3,000,000

$

4,260,000

Thomas J. Mitchell

$

575,000

$

633,000

$

2,800,000

$

4,008,000

Michael D. Grubbs

$

500,000

$

550,000

$

2,000,000

$

3,050,000

27

For comparison, the target total annual compensation for 2014 was as follows:

2014 Total Target Compensation by Element

Executive	Base Salary	Target Annual Incentive	Target Long-term Incentive	Total
Douglas F. Bauer	$500,000	$500,000	$1,000,000	$2,000,000
Thomas J. Mitchell	$475,000	$475,000	$975,000	$1,925,000
Michael D. Grubbs	$450,000	$450,000	$950,000	$1,850,000

The Compensation Committee approved awards of time-vested RSUs to the Company's other executive officers, with one-third vesting each year beginning on the first anniversary of the date of grant. The Compensation Committee established a performance metric of pre-tax income for the Company's 2015 annual incentive program for all other executive officers. The Compensation Committee also established payout percentages of base salary for each executive officers at threshold, target and maximum levels with a 20% adjustment factor to reflect individual performance. The Compensation Committee believes that this allows it to establish objective performance targets while retaining the ability to eliminate or reduce payouts based on individual performance.

Other Compensation Programs and Policies

Severance and Change in Control Benefits

We entered into the employment agreements with our Founding NEOs immediately prior to our initial public offering in January 2013. These agreements govern the treatment of each executive upon a termination of employment, among other considerations, and have an initial term expiring on January 31, 2016.

See the “Executive Compensation – Employment Agreement and Potential Payments upon Termination or Change-in-Control” section of this proxy statement for further information regarding the severance provisions and a quantification of the compensation to be received in the event of a change-in-control or termination of our Founding NEO’s employment as of December 31, 2014. The triggering events specified in our Founding NEO’s employment agreements were determined prior to our initial public offering in negotiations with our principal investor at that time.

Benefits

Our NEOs participate in retirement and benefit plans generally available to our, and on the same terms as other employees. These benefits include a 50% match on their 401(k) contributions up to $7,650 as well as medical, vision, dental, employee assistance program, life insurance and long-term disability coverage. We also provide certain of our executive officers with a car allowance, an automobile insurance policy, reimbursement of life insurance premiums and reimbursement of club membership dues.

Share Ownership Guidelines

Our Board of Directors has adopted stock ownership guidelines for executive officers of 5x base salary for the CEO and the COO, 3x base salary for the CFO, and 1x base salary for all other Corporate Vice Presidents and Homebuilding/Division Presidents. Executives have five years from the date on which they become subject to the guidelines to satisfy the applicable guideline level. For the purposes of these guidelines, ownership includes shares beneficially owned and unvested restricted stock and RSU awards. Unexercised options, whether vested or not, do not count as stock “owned” under these guidelines. If a participant is not in compliance with the applicable guideline, he or she is required to retain 60% of shares earned net of taxes from any of our incentive plans until he or she is in compliance with the guidelines.

No Hedging of Company Stock

As described further in the our policy on insider trading, all directors, officers, and other employees are prohibited from entering into transactions which have the effect of hedging the economic value of any direct or indirect interests of the person in our common equity.

Tax Deductibility; Section 162(m)

As a publicly-traded company, we are subject to Section 162(m) of the Internal Revenue Code which limits our ability to deduct for U.S. income tax purposes compensation in excess of $1 million paid to our CEO and three other most highly compensated officers (other than our CFO) unless the compensation is performance-based under Section 162(m). The Compensation Committee considers tax deductibility to be an important, but not the sole or primary, consideration in setting executive compensation. Because the Compensation Committee also recognizes the need to retain flexibility to make compensation decisions that may not meet the standards of Section 162(m) when necessary to enable us to continue to attract, retain, and motivate highly-qualified executives, it reserves the authority to approve potentially non-deductible compensation.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management.

Based on such review and discussion with management, the Compensation Committee recommended to our Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference in our Annual Report on Form 10-K for the year ended December 31, 2014.

Compensation Committee

Kristin F. Gannon (Chair)*

Steven J. Gilbert

Constance B. Moore*

* Appointed to the Compensation Committee of our Board of Directors in July 2014.

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OWNERSHIP OF OUR COMMON STOCK

The following table sets forth the beneficial ownership of common stock as of March 13, 2015 by (i) each of our directors, (ii) each of our executive officers, (iii) all of our directors and executive officers as a group and (iv) each person known by us to be the beneficial owner of 5% or more of outstanding common stock.

To our knowledge, each person named in the table has sole voting and investment power with respect to all of the securities shown as beneficially owned by such person, except as otherwise set forth in the notes to the table. The number of securities shown represents the number of securities the person "beneficially owns," as determined by the rules of the SEC. The SEC has defined "beneficial" ownership of a security to mean the possession, directly or indirectly, of voting power and/or investment power. A security holder is also deemed to be, as of any date, the beneficial owner of all securities that such security holder has the right to acquire within 60 days after that date through (i) the exercise of any option, warrant or right, (ii) the conversion of a security, (iii) the power to revoke a trust, discretionary account or similar arrangement or (iv) the automatic termination of a trust, discretionary account or similar arrangement. Except as noted below, the address for all beneficial owners in the table below is 19540 Jamboree Road, Suite 300, Irvine, California 92612.

Name and Address of Beneficial Owner	Shares Beneficially Owned	Percentage	
Directors and Executive Officers:			
Mr. Douglas F. Bauer	1,144,417	*	
Mr. Lawrence B. Burrows	9,367	*	
Mr. Daniel S. Fulton	37,723	*	
Ms. Kristin F. Gannon	7,650	*	
Mr. Steven J. Gilbert	30,096	*	
Mr. Christopher D. Graham	7,650	*	
Ms. Constance B. Moore	27,650	*	
Mr. Thomas B. Rogers	27,386	*	
Mr. Barry S. Sternlicht(1)	11,993,555	7.4	%
Mr. Bradley W. Blank	2,061	*	
Mr. Michael D. Grubbs	1,040,104	*	
Mr. Floyd W. Holder	171,028	*	
Mr. Glenn J. Keeler	3,579	*	
Mr. Kenneth E. Krivanec	78,709	*	
Ms. Linda H. Mamet	—	*	
Mr. Thomas J. Mitchell	1,150,759	*	
Mr. Alan E. Shapiro	181,343	*	
Mr. Andrew P. Warren	110,849	*	
All directors, director nominees and executive officers as a group (18 persons)	16,023,926	9.9	%
5% or more Stockholder:			
VIII/TPC Holdings, L.L.C. ("Starwood Fund")(1)(2)	11,985,905	7.4	%
Blackrock(3)(4)	13,168,831	8.1	%
The Vanguard Group(3)(5)	8,768,015	5.4	%
Susquehanna Capital Group(3)(6)	11,586,307	7.2	%

*Represents less than 1% of the number of shares of our common stock outstanding.

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(1) Barry S. Sternlicht has sole voting power with respect to 7,650 shares, shared voting power with respect to 11,985,905 shares, sole dispositive power with respect to 7,650 shares and shared dispositive power with respect to 11,985,905 shares. The Starwood Fund has sole voting power with respect to 0 shares, shared voting power with respect to 11,985,905 shares, sole dispositive power with respect to 0 shares and shared dispositive power with respect to 11,985,905 shares. VIII Management L.P. has sole voting power with respect to 0 shares, shared voting power with respect to 11,985,905 shares, sole dispositive power with respect to 0 shares and shared dispositive power with respect to 11,985,905 shares. VIII-J Management L.P. has sole voting power with respect to 0 shares, shared voting power with respect to 11,985,905 shares, sole dispositive power with respect to 0 shares and shared dispositive power with respect to 11,985,905 shares. The Starwood Fund is managed by VIII Management L.P. and VIII-J Management L.P., which are owned affiliates of Starwood Capital Group. Barry Sternlicht is the controlling partner of Starwood Capital Group, and may be deemed to share voting power and investment control over the shares of our common stock held by the Starwood Fund. Mr. Sternlicht disclaims beneficial ownership of the shares of our common stock held by the Starwood Fund except to the extent of any pecuniary interest therein. On September 4, 2014, the Starwood Fund informed us that it had pledged 11,985,905 shares of our common stock as collateral in connection with a margin loan in lieu of selling or otherwise distributing the pledged shares to monetize its investment in us. We are not a party to the loan documents.

(2) The address for this entity is 591 West Putnam Ave., Greenwich, CT 06830. We have been advised that the Starwood Fund is an affiliate of a broker-dealer. We have also been advised that the Starwood Fund acquired its investment in the Company in the ordinary course of business, not for resale, and that it did not have, at the time of purchase, any agreements or understandings, directly or indirectly, with any person to distribute the common stock.

(3) The beneficial ownership figures for the 5% or more stockholders were taken from their respective Schedule 13G or Schedule 13G/A filings with the SEC.

(4) According to the Schedule 13G filed on February 2, 2015, Blackrock, Inc. has sole voting and sole dispositive power with respect to 12,597,191 and 13,168,831 shares respectively. Its address is 55 East 52nd Street, New York, NY 10022.

(5) According to the Schedule 13G filed on February 10, 2015, The Vanguard Group has sole voting power with respect to 206,591 shares, sole dispositive power with respect to 8,574,324 shares, and shared dispositive power with respect to 193,691 shares. Its address is 100 Vanguard Blvd., Malvern, PA 19355.

(6) According to the Schedule 13G filed on February 13, 2015, Susquehanna Securities has sole voting and dispositive power with respect to 9,192,041 shares and shared voting and dispositive power with respect to 11,586,307 shares and Susquehanna Capital has sole voting and dispositive power with respect to 2,394,266 shares and shared voting and dispositive power with respect to 11,586,307 shares. Their address is 401E. City Avenue, Suite 220, Bala Cynwyd, PA 19004.

EXECUTIVE COMPENSATION

Fiscal 2014 Summary Compensation Table

The following table summarizes information regarding the compensation awarded to, earned by or paid to Mr. Douglas Bauer, Chief Executive Officer, Mr. Thomas Mitchell, President and Chief Operating Officer, Mr. Michael Grubbs, Chief Financial Officer and Treasurer, Mr. Bradley Blank, Vice President, General Counsel and Secretary and Mr. Glenn J. Keeler, Vice President and Chief Accounting Officers. These individuals are referred to in this section as our named executive officers or NEOs. Messrs. Keeler and Blank became executive officers in 2014.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Mr. Douglas F. Bauer	2014	500,000	150,000 (2)	499,993	499,999	415,500 (3)	20,220 (4)	2,085,712
Chief Executive Officer	2013	410,000	100,000	349,996	650,003	410,000	12,180	1,932,179
	2012	300,000	150,000	155,334	—	—	8,535	613,869
Mr. Thomas J. Mitchell	2014	475,000	150,000 (2)	487,493	487,502	394,725 (3)	7,710 (5)	2,002,430
President and Chief	2013	400,000	100,000	349,996	650,003	400,000	7,710	1,907,709
Operating Officer	2012	300,000	150,000	155,333	—	—	—	605,333
Mr. Michael D. Grubbs	2014	450,000	150,000 (2)	474,994	474,996	373,950 (3)	7,704 (6)	1,931,644
Chief Financial Officer	2013	400,000	100,000	349,996	650,003	400,000	8,528	1,908,527
and Treasurer	2012	300,000	150,000	155,333	—	—	1,920	607,253
Mr. Glenn J. Keeler	2014	200,000	50,000 (2)	124,994	—	200,000	—	574,994
VP – Chief Accounting Officer	2013	148,077	—	—	—	96,250	—	244,327
Mr. Bradley W. Blank VP – General Counsel Officer	2014	306,250	—	99,995	—	162,500	—	568,745

(1) In accordance with SEC rules, the amount shown is the aggregate grant date fair value for awards granted during the fiscal year calculated in accordance with FASB ASC Topic 718. Amounts shown do not reflect compensation actually received or that may be realized in the future by the executive officer. For a discussion of the assumptions relating to the valuation of the awards, please see Note 16. Stock-Based Compensation to our audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014.
(2) Represents the payment of a one-time cash bonus paid in July 2014 after the completion of the WRECO Merger.
(3) Represents the amount earned under our 2014 non-equity incentive compensation cash bonus plan, as described in further detail above in "Compensation Discussion & Analysis."
(4) Represents the amount paid by us in 2014 for club membership dues for the named executive officer ($17,040) and the reimbursement of life insurance premiums ($3,180).
(5) Represents the reimbursement of life insurance premiums for the named executive officer.
(6) Represents the premium paid by us in 2014 for an automobile insurance policy for the named executive officer ($1,854) and the reimbursement of life insurance premiums ($5,850).

Grants of Plan-Based Awards

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards Threshold ($)	Target ($)	Maximum ($)	Estimated Future Payouts Under Equity Incentive Plan Awards Threshold ($)	Target (#)	Maximum (#)	All Other Stock Awards; Number of Shares of Stock or Units (#)	All Other Option Awards; Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards(1)
Mr. Douglas F. Bauer	4/7/2014	375,000	500,000	625,000							
	4/7/2014								52,854	16.17	499,999
	4/7/2014							30,921			499,993
Mr. Thomas J. Mitchell	4/7/2014	356,250	475,000	593,750							
	4/7/2014								51,533	16.17	487,502
	4/7/2014							30,148			487,493
Mr. Michael D. Grubbs	4/7/2014	337,500	450,000	562,500							
	4/7/2014								50,211	16.17	474,996
	4/7/2014							29,375			474,994
Mr. Glenn J. Keeler	4/7/2014	—	150,000	—							
	4/7/2014							7,730			124,994
Mr. Bradley W. Blank	4/7/2014	—	162,500	—							
	4/7/2014							6,184			99,995

(1) In accordance with SEC rules, the amount shown is the aggregate grant date fair value for awards granted during the fiscal year calculated in accordance with FASB ASC Topic 718. Amounts shown do not reflect compensation actually received or that may be realized in the future by the executive officer. For a discussion of the assumptions relating to the valuation of the awards, please see Note 16. Stock-Based Compensation to our audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

Employment Agreements and Potential Payments Upon Termination or Change-in-Control

Effective upon the completion of our initial public offering, we entered into amended and restated employment agreements with each of Messrs. Bauer, Mitchell and Grubbs. The employment agreements have an initial term expiring on the third anniversary of the effective date of the employment agreement. Each employment agreement provides for automatic one-year extensions after the expiration of the initial term, unless either party provides the other with at least 60 days' prior written notice of non-renewal. The employment agreements require each named executive officer to dedicate his full business time and attention to the affairs of our business.

The employment agreements provide for, among other things:

- an annual base salary approved by our Board of Directors;
- eligibility for annual cash performance bonuses equal to a target bonus based on the satisfaction of performance goals to be established by the Compensation Committee;
- participation in the 2013 Long-Term Incentive Plan and any subsequent equity incentive plans approved by our Board of Directors; and
- participation in any employee benefit plans and programs that are maintained from time to time for our other senior executive officers, including life insurance coverage with an aggregate death benefit equal to $3 million.

The employment agreements contain non-competition provisions and non-solicitation provisions that apply during the term of the agreements and for two years after the termination of their employment if their employment is terminated by the Company for "Cause" (as defined below) or if they terminate their employment without "Good Reason" (as defined below) or one year after the termination of their employment if the Company terminates their employment without cause of if they terminate their employment for good reason or due to disability. The employment agreements also contain confidentiality provisions that apply during the term of the agreements and for three years after the termination of their employment.

Pursuant to his employment agreement, each of Messrs. Bauer, Mitchell and Grubbs have agreed that, for a period of 36 months following the completion of our initial public offering, during any calendar quarter, he will not sell shares of our common stock in an amount exceeding the greater of (i) 10% of the shares of our common stock owned by him on the date of the completion of our initial public offering and (ii) the percentage of shares of our common stock that has been sold or otherwise disposed of by the Starwood Fund during such calendar quarter.

The employment agreements with each of Messrs. Bauer, Mitchell and Grubbs provide for certain payments upon either termination of employment or a change-in-control. We do not have written employment or severance agreements with either Mr. Keeler or Mr. Blank that provide for payments upon either a termination of employment or a change in control.

Our 2013 Long-Term Incentive Plan provides that upon a "change in control" (as defined in the plan), our Board of Directors may, in its discretion, determine whether some or all outstanding options and stock appreciation rights will become exercisable in full or in part, whether the restriction period and performance period applicable to some or all outstanding restricted stock awards and restricted stock unit awards will be deemed satisfied.

The following table shows the estimated potential payments upon termination of employment or a change of control for the NEOs. The table assumes that (i) the triggering event took place on December 31, 2014, the last business day of our fiscal 2014; (ii) except in the case of termination for cause by the Company and termination by executive without good reason, our Board of Directors determines that all outstanding options would become exercisable and all performance periods applicable to restricted stock units will be deemed satisfied; (iii) the intrinsic value of equity vesting acceleration is computed by multiplying the difference between the exercise prices of any unvested option shares and the market price of our common stock on December 31, 2014 ($15.25) by the number of unvested option shares and restricted stock units; and (iv) a performance incentive bonus was earned under our 2014 annual incentive plan at the level set forth in the Summary Compensation table for each individual. The Company and the affected executives may, depending upon the circumstances, negotiate for different payments, which may be higher or lower than those described in the table.

						Payments Upon
	Termination By Company		Termination By Executive			Change-In-Control
Name	For Cause	Without Cause	Without Good Reason	With Good Reason	For Disability or Death	
Douglas F. Bauer[(1)]	$ 473,192	$ 2,523,169	$ 473,192	$ 2,523,169	$ 1,178,044	$ 680,852
Thomas J. Mitchell[(1)]	$ 437,772	$ 1,979,198	$ 437,772	$ 1,979,198	$ 1,130,835	$ 669,063
Michael D.	$ 425,873	$ 1,920,123	$ 425,873	$ 1,920,123	$ 1,107,148	$ 657,275

Grubbs[1]						
Glenn J. Keeler	$ 210,554	$ 353,858	$ 210,554	$ 353,858	$ 353,858	$ 143,304
Bradley W. Blank	$ 179,825	$ 274,131	$ 179,825	$ 274,131	$ 274,131	$ 94,306

(1) If terminated for cause, then the executive will forfeit 50% of the vested shares received by the executive upon our conversion from a limited liability company into a corporation and will forfeit any such shares that have not yet vested as of the termination date.

The definitions of “Change in Control,” “Cause” and “Good Reason” in the employment agreements with Messrs. Bauer, Mitchell and Grubbs are as follows:

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“Change in Control” means (i) the sale by the Starwood Fund or any of the Starwood Fund's affiliates of (including by way of merger, consolidation, business combination, share exchange, joint venture, or any similar transaction (which for the sake of clarity does not include a public offering)) 25% or more of our common stock collectively held by the Starwood Fund and its affiliates as of the date of our initial public offering to a single person not affiliated with the Starwood Fund and (ii) the sale, lease or other disposition directly or indirectly by merger, consolidation, business combination, share exchange, joint ventures or otherwise (which for the sake of clarity does not include a public offering) of assets of the Company or any of its subsidiaries representing all or substantially all of the consolidated assets of the Company and its subsidiaries to a person or persons not affiliated with the Starwood Fund.

“Cause” means any of the following: (i) the executive’s willful failure to follow the reasonable and lawful directions of our Board of Directors; (ii) conviction of a felony (or a plea of guilty or nolo contendere by the executive to a felony) that materially harms the Company; (iii) acts of fraud, dishonesty or misappropriation committed by the executive and intended to result in substantial personal enrichment at the expense of the Company; (iv) willful misconduct by the executive in the performance of the executive’s material duties required by this his employment agreement which is likely to materially damage the financial position or reputation of the Company; or (v) a material breach of the executive's employment agreement.

“Good Reason” means the executive’s resignation following the occurrence of: (i) a material breach of the executive's employment agreement by the Company (including the Company’s withholding or failure to pay compensation when due to executive); (ii) relocation of the Company’s headquarters or the location where the executive works, to a location outside of Orange County, California; (iii) a material reduction of the executive’s annual base salary, title, duties or responsibilities; or (iv) for Mr. Bauer only, the failure of the Company to nominate executive for election as a member of our Board of Directors; provided, however, that (1) the executive must have given us written notice specifying the conduct alleged to have constituted such good reason which notice must be provided within 30 days of the initial existence of the circumstances constituting good reason, (2) we will have 30 days to cure the matters specified in the notice delivered and, if uncured, the executive must terminate his employment with us within 90 days after the initial existence of the circumstances constituting good reason in order for that termination to be considered to be for good reason.

Outstanding Equity Awards as of December 31, 2014

The following table provides information regarding the equity awards held by the NEOs as of December 31, 2014.

	Option Awards					Stock Awards		
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable		Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)		Market Value of Shares or Units of Stock That Have Not Vested($)(6)
Mr. Douglas F. Bauer	31,356	62,711	(1)	17.00	1/30/2023			
		52,854	(2)	16.17	4/7/2024			
						13,725	(3)	209,306
						30,921	(4)	471,545
Mr. Thomas J. Mitchell	31,356	62,711	(1)	17.00	1/30/2023			
		51,533	(2)	16.17	4/7/2024			
						13,725	(3)	209,306
						30,148	(4)	459,757
Mr. Michael D. Grubbs	31,356	62,711	(1)	17.00	1/30/2023			
		50,211	(2)	16.17	4/7/2024			
						13,725	(3)	209,306
						29,735	(4)	447,969
Mr. Glenn J. Keeler						1,667	(5)	25,422
						7,730	(4)	117,883
Mr. Bradley W.						6,184	(4)	94,306

Blank

(1) 1/30/2013 stock option grant; one half of the remaining award vests on 1/30/2015 and 1/30/2016.
(2) 4/7/2014 stock option grant; one third of the award vests on 4/7/2015, 4/7/2016 and 4/7/2017.
(3) 1/30/2013 restricted stock award; one half of the remaining award vests on 1/30/2015 and 1/30/2016.
(4) 4/7/2014 restricted stock award; one third of the award vests on 4/7/2015, 4/7/2016 and 4/7/2017.
(5) 3/1/2013 restricted stock award; one half of the remaining award vests on 3/1/2015 and 3/1/2016.
(6) Market value is based on the closing price of our common stock on 12/31/14 of $15.25.

Option Exercises and Stock Vested

The following table sets forth on an aggregated basis for each of the NEOs, the number and value of shares of our common stock acquired upon exercise of stock options, and the number and value of shares of our common stock acquired upon vesting of RSUs during 2014.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)[1]	Value Realized on Vesting ($)[2]
Mr. Douglas F. Bauer	—	—	4,042	71,543
Mr. Thomas J. Mitchell	—	—	4,039	71,490
Mr. Michael D. Grubbs	—	—	4,039	71,490
Mr. Glenn J. Keeler	—	—	527	9,602
Mr. Bradley W. Blank	—	—	—	—

(1) Represents the net shares acquired after withholding shares for tax obligations.
(2) Represents the value of the acquired shares based on the closing stock price on the date of vesting.

Equity Compensation Plan Information

The following table sets forth certain information, as of December 31, 2014, with respect to our equity compensation plans under which TRI Pointe's equity securities are authorized for issuance.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (#)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights ($)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (#)
Equity compensation plans approved by security holders	4,205,258	$ 10.33 (1)	10,886,069
Equity compensation plans not approved by security holders	—	—	—
Total	4,205,258	10.33 (1)	10,886,069

(1) This weighted-average exercise price includes outstanding restricted stock units that can be exercised for no consideration, resulting in a reduced price. The weighted-average exercise price of outstanding options, excluding those restricted stock units that can be exercised for no consideration, is $13.08.

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DIRECTOR COMPENSATION

The following table sets forth the total cash and equity compensation paid to non-employee directors for their service on our Board of Directors and committees of our Board of Directors during fiscal 2014:

Name	Fees earned or paid in cash ($)	Stock Awards ($)(1)	Total ($)
Lawrence B. Burrows	28,750	102,051	130,801
Daniel S. Fulton	30,000	102,051	132,051
Kristin F. Gannon	32,500	102,051	134,551
Steven J. Gilbert	90,001	135,359	225,360
Christopher D. Graham	30,000	102,051	132,051
Constance B. Moore	28,750	102,051	130,801
Thomas B. Rogers	65,001	135,359	200,360
Barry S. Sternlicht	45,000	102,051	147,051

(1) The amounts reported in this column reflect the aggregate grant date fair value of restricted stock unit awards to each of the non-employee directors, computed in accordance with FASB ASC Topic 718. Amounts shown do not reflect compensation actually received or that may be realized in the future by the directors. For a discussion of the assumptions relating to the valuation of the awards, please see Note 16. Stock Based Compensation to our audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

Compensation of Non-Employee Directors

Prior to the closing of the Merger, our Board of Directors maintained the following compensation program for non-employee directors:

- an annual cash retainer of $35,000 and a restricted stock award of $65,000 (based upon the closing price on the date of grant);
- an additional annual cash retainer of $15,000 to the Chair of the Audit Committee and an additional cash retainer of $7,500 for the other members of the Audit Committee;
- an additional annual cash retainer of $7,500 to the Chair of the Compensation Committee and an additional cash retainer of $5,000 for the other members of such committee;

- an additional annual cash retainer of $7,500 to the Chair of the Nominating and Corporate Governance Committee and an additional cash retainer of $5,000 for the other members of such committee; and
- an additional annual cash retainer of $25,000 to the lead independent director.

As a result of the transformative nature of the Merger, our Board of Directors approved the following compensation program for the period beginning on the date of the Merger and ending on the date of the annual meeting:

- an annual cash retainer of $50,000 and a restricted stock award of $125,000 (based upon the closing price on the date of grant);
- an additional annual cash retainer of $20,000 to the Chair of the Audit Committee and an additional cash retainer of $10,000 for the other members of the Audit Committee;
- an additional annual cash retainer of $15,000 to the Chair of the Compensation Committee and an additional cash retainer of $7,500 for the other members of such committee;
- an additional annual cash retainer of $10,000 to the Chair of the Nominating and Corporate Governance Committee and an additional cash retainer of $7,500 for the other members of such committee; and
- an additional annual cash retainer of $30,000 to the Chairman of our Board of Directors and the Lead Independent Director.

We reimburse our non-employee directors for reasonable out-of-pocket expenses incurred in connection with the performance of their duties as directors, including, without limitation, travel expenses in connection with their attendance in-person at board and committee meetings. Directors who are employees do not receive any compensation for their services as directors.

Mr. Sternlicht, the Chairman of our Board of Directors, waived all directors' fees and grants that would otherwise be payable or made, as the case may be, to him in connection with his service on our Board of Directors for all periods prior to the closing of the Merger. Mr. Sternlicht has elected to receive such fees and grants for all periods after the closing of the Merger.

Director Stock Ownership Requirement

Each of our independent directors is required, within five years of becoming a member of our Board of Directors, to own shares of common stock equal to five times the annual cash retainer payable to non-employee directors.

REPORT OF THE AUDIT COMMITTEE

This report of the Audit Committee of our Board of Directors is required by the SEC and, in accordance with SEC rules, will not be deemed to be part of or incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933, as amended (the “Securities Act”) or the Exchange Act, except to the extent that we specifically incorporate this information by reference, and will not otherwise be deemed “soliciting material” or “filed” under either the Securities Act or the Exchange Act.

The Audit Committee has reviewed and discussed with management our audited financial statements for the fiscal year ended December 31, 2014. The Audit Committee has also reviewed and discussed with Ernst & Young LLP, our independent registered public accounting firm for 2014, the audited financial statements for the fiscal year ended December 31, 2014. In addition, the Audit Committee discussed with Ernst & Young LLP those matters required to be discussed by Auditing Standard No. 16: Communications with Audit Committees, as adopted by the Public Company Accounting Oversight Board (“PCAOB”). Additionally, Ernst & Young LLP provided to the Audit Committee the written disclosures and the letter required by applicable requirements of PCAOB regarding Ernst & Young LLP’s communications with the Audit Committee concerning independence. The Audit Committee also discussed with Ernst & Young LLP the accounting firm’s independence.

Based upon the foregoing review and discussions described in this report, the Audit Committee recommended to our Board of Directors that the audited financial statements be included in our Form 10-K for the fiscal year ended December 31, 2014 for filing with the SEC.

Respectfully submitted by:

THE AUDIT COMMITTEE OF THE TRI POINTE BOARD OF DIRECTORS

Thomas B. Rogers, Audit Committee Chair

Daniel S. Fulton

Christopher D. Graham

MANAGEMENT

Set forth below are the names, ages and positions of TRI Pointe's executive officers as of March 13, 2015. Each executive officer shall hold office until the executive officer's respective successor is elected and qualified or until the executive officer's earlier death, resignation or removal.

Name	Age	Position with TRI Pointe
Douglas F. Bauer	53	Chief Executive Officer
Thomas J. Mitchell	54	President and Chief Operating Officer
Michael D. Grubbs	56	Chief Financial Officer and Treasurer
Bradley W. Blank	36	Vice President, General Counsel and Secretary
Glenn J. Keeler	38	Vice President and Chief Accounting Officer
Linda H. Mamet	44	Vice President of Marketing
Floyd W. Holder	58	President of Trendmaker Homes
Kenneth E. Krivanec	50	President of Quadrant Homes
Alan E. Shapiro	54	President of Winchester Homes
Andrew P. Warren	54	President of Maracay Homes

For biographical information for Mr. Douglas F. Bauer, see "Board of Directors—Director Nominees."

THOMAS J. MITCHELL. Mr. Mitchell has served as TRI Pointe's President and Chief Operating Officer since January 30, 2013. Prior to forming TPH LLC in April 2009, from 1988 to 2009, Mr. Mitchell served in several capacities, including most recently Executive Vice President, for William Lyon Homes, an internally managed homebuilding company whose common stock was listed on the NYSE from 1999 until the company was taken private in 2006. Through his various roles within that company, Mr. Mitchell developed a broad background and experience in all aspects of residential construction and land development. Prior to his 20-year tenure at William Lyon Homes, Mr. Mitchell spent over two years with The Irvine Company in their community development group and over two years with Pacific Savings Bank. Throughout his career, Mr. Mitchell has obtained significant experience in land acquisition, land entitlement, land development, project planning, product design, construction operations, project and company finance, sales and marketing, customer satisfaction and warranty service. Mr. Mitchell served as a member of the board of managers of TPH LLC since 2010. Mr. Mitchell has more than 25 years of experience in the real estate development and homebuilding industry. His accomplishments have been recognized by, among other things, him being awarded the Outstanding Home Design and National Home of the Year awards and being identified by Home Builder Executive as a Top 100 President. In 2004, Mr. Mitchell was awarded the BIA Inland Empire Builder of the Year. Mr. Mitchell received his B.A. from California State University of Long Beach.

MICHAEL D. GRUBBS. Mr. Grubbs has served as TRI Pointe's Chief Financial Officer and Treasurer since January 30, 2013. Prior to forming TPH LLC in April 2009, from 1992 to 2009, Mr. Grubbs served in several capacities, including most recently the Senior Vice President and Chief Financial Officer, for William Lyon Homes, an internally managed homebuilding company whose common stock was listed on the NYSE from 1999 until the company was taken private in 2006. Prior to his 17-year tenure at William Lyon Homes, Mr. Grubbs spent five years at Kenneth Leventhal & Company where he specialized in real estate accounting and over five years at J.C. Penney Company Construction and Real Estate Division which built retail facilities throughout the Western United States. Mr. Grubbs has more than 25 years of experience in residential real estate and homebuilding finance. Mr. Grubbs is a member (inactive) of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants. Mr. Grubbs is also a former member of the Board of Directors for HomeAid Orange County, a charitable organization with the mission of building or renovating shelters for the temporarily homeless, which serves individuals and families who find themselves without shelter due to such factors as domestic violence, job loss, catastrophic illness or crisis pregnancy. He served as Treasurer and committee chair for the Finance Focus Group. Mr. Grubbs received his B.A., magna cum laude, with honors from Arizona State University.

BRADLEY W. BLANK. Mr. Blank has served as our Vice President, General Counsel and Secretary since February 2014. Prior to joining our management team, Mr. Blank worked for Gibson Dunn & Crutcher LLP where he served as corporate counsel to a variety of public and private companies, focusing on mergers and acquisition, strategic investments, securities offerings and general corporate advice. Mr. Blank received his B.A., cum laude, with honors from Pepperdine University and his law degree, cum laude, with honors from University of San Diego School of Law.

GLENN J. KEELER. Mr. Keeler joined TRI Pointe in February 2013 and currently serves as our Vice President and Chief Accounting Officer. From 2011 until 2013, he served as Corporate Controller of STEC, Inc., a publicly traded, global provider of enterprise-class solid state drives. From 2006 until 2011, Mr. Keeler served as Director of Finance and Controller of Lantronix, Inc., a publicly traded designer, developer, marketer and seller of networking and communications products. Mr. Keeler spent six years at Ernst & Young LLP serving clients in the real estate, technology and manufacturing industries. Mr. Keeler is a Certified Public Accountant (inactive) in California and earned his B.A. from California State University Dominguez Hills.

LINDA M. MAMET. Ms. Mamet has served as our Vice President of Marketing since August, 2014. With over 15 years of home building experience, Ms. Mamet previously held sales and marketing roles with Pulte Group Inc (NYSE: PHM) across Centex, Pulte Homes and Del Webb brands and served as Corporate Vice President of Sales and Marketing with the privately held regional home builder, John Laing Homes. Ms. Mamet is a California Real Estate Broker, and has served as a member of the Board of Directors and the Programing Committee Co-chair of the Pacific Coast Builder's Conference (PCBC). Ms. Mamet received her Bachelor of Management Studies Degree with 1st class honors from the University of Waikato in her native New Zealand.

FLOYD W. HOLDER. Mr. Holder has served as the President of Trendmaker Homes since 2006. Mr. Holder has worked in the homebuilding and residential land development industry for more than 30 years. He started his homebuilding career with David Weekley Homes and later built apartments and townhomes in a dozen cities across the United States with Lokey Properties. He returned to Houston and worked for Village Builders prior to joining Trendmaker Homes in 1993. Mr. Holder became president of Trendmaker in 2006 and has led the company to become the leader in luxury production homebuilding and master planned community development. Mr. Holder is a native Texan with a bachelor's degree from Texas State University and an MBA from The George Washington University; he is also a graduate of the Stanford University Executive Program. Further, he served as the 2012 president of The Greater Houston Homebuilders Association and is frequently a guest expert on real estate forecasts and home-building trends for local and national news, radio, TV, magazines and newspapers, including "Fox Business Report" and "USA Today," among others. Mr. Holder is also active in promoting and participating in the education of future industry professionals, serving as an Adjunct Professor for the University of Houston MBA Program and on the Advisory Board of both the McCoy School of Business at Texas State University and the Bauer College of Business at the University of Houston.

KENNETH E. KRIVANEC. Mr. Krivanec has served as the President of Quadrant since 2010. In his 14 year tenure at Quadrant, he has served in many other roles, including Executive Vice President and Senior Vice President of Sales and Marketing. Throughout his 26-year career in residential construction and development, Mr. Krivanec has developed significant experience in strategic planning, consumer research, land acquisition, product design and development, operations, project and corporate finance, sales and marketing, organizational development and mortgage operations. Prior to Quadrant Homes, Mr. Krivanec developed homebuilding expertise with Ivory Homes, Ryland Homes and KB Home. In addition, he currently serves as a Board Member and Executive Committee Member of the Mountains to Sound Greenway Trust and the Bellevue Chamber of Commerce, where he has held Board positions since 2007 and 2012 respectively. Mr. Krivanec attended the University of Utah, Baylor University and the University of Washington Business School.

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ALAN E. SHAPIRO. Mr. Shapiro has served as the President of Winchester Homes since 2009. With nearly 30 years' industry experience and 18 years with Winchester Homes, Mr. Shapiro has held a variety of positions in homebuilding operations, including sales, marketing and purchasing. Prior to joining Winchester Homes, Mr. Shapiro developed home building expertise with Ryan Homes in Maryland, a division of NVR. He is the senior sponsor of the TRI Pointe company-wide construction and purchasing councils. In addition, Mr. Shapiro is the past chairperson for the Maryland National Building Association Construction Quality Council and a member of both the Maryland Counties and Northern Virginia Building Industry Associations; he has also served as co-captain of Winchester Homes MANNA Food Bank drives in Montgomery County, Maryland. A Washington, D.C. area native, Mr. Shapiro has a bachelor's degree in Economics from the University of Maryland, College Park.

ANDREW P. WARREN. Mr. Warren has served as the President of Maracay Homes since 2009. Mr. Warren previously served as Partner and Chief Operating Officer of EYA, LLC, a private, urban-infill homebuilder and developer based in Bethesda, MD, servicing the Washington D.C. area. Prior to that, he spent 16 years in various capacities with Bethesda-based Winchester Homes, ultimately serving as the company's Executive Vice President. Mr. Warren is a Board Member and serves on the Executive Committee of the Greater Phoenix Economic Council (GPEC) and GPEC's Distinguished Service Award in 2012. In addition, he is a member of Greater Phoenix Leadership, an active member of the Urban Land Institute, a past Board Member of the Homebuilders Association of Central Arizona and past President of the Board of Washington Christian Academy. Mr. Warren holds an MBA degree in Finance from George Washington University and a bachelor's degree in Business Administration from Wake Forest University.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires TRI Pointe's directors and certain officers, and persons who own more than 10% of a registered class of TRI Pointe equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of TRI Pointe common stock and other equity securities. Certain officers, directors and greater-than-ten-percent stockholders are required by SEC regulation to furnish TRI Pointe with copies of all Section 16(a) forms they file. To TRI Pointe's knowledge, based on information furnished by these persons, all Section 16(a) filing requirements applicable to TRI Pointe's directors, executive officers and greater-than-ten-percent stockholders were complied with on a timely basis during the fiscal year ended December 31, 2014.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In addition to the compensation described in the section entitled "Executive Compensation," our executive officers, directors and other related parties will be entitled to receive, or have received since the beginning of the last fiscal year, material financial and other benefits, including the following:

Indemnification Agreements

We have entered into an indemnification agreement with each of its directors and certain of its executive officers. These agreements require us to indemnify these individuals to the fullest extent permitted under Delaware law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified.

Additionally, in connection with the WRECO transaction, we entered into indemnification agreements with Starwood Capital Group and Messrs. Bauer, Mitchell and Grubbs, pursuant to which we agreed to (i) pay all out-of-pocket costs, and reasonable fees and expenses of counsel and other advisors, incurred by the applicable stockholder in connection with the execution and performance of the applicable voting agreement and (ii) indemnify and hold harmless the applicable stockholder from all losses arising out of or relating to the execution and performance of the applicable voting agreement. During the year-ended December 31, 2014, we reimbursed Starwood Capital Group $171,346 for costs incurred in connection with the WRECO transaction.

Registration Rights Agreement

On January 30, 2013, TRI Pointe entered into a registration rights agreement with the former members of TPH LLC, including the Starwood Fund and Messrs. Bauer, Grubbs and Mitchell, with respect to the shares of common stock that they received as part of TRI Pointe's formation transactions. The shares are referred to collectively as the "registrable shares." On November 13, 2014 and after request by the Starwood Fund, we filed an automatic shelf registration statement on Form S-3 with respect to the potential offer and sale of the registrable shares. In the year ended December 31, 2014, the Company incurred expenses totaling approximately $200,000 in connection with the preparation and filing of this registration statement.

Acquisitions from Entities Managed by Affiliates of the Starwood Fund

In February 2014, we acquired 87 additional lots located in the master planned community of Sycamore Creek in Riverside, CA, for a purchase price of approximately $7.8 million from an entity managed by an affiliate of the Starwood Capital Group. This acquisition was approved by our independent directors.

Conflicts of Interest

Conflicts of interest may exist among our directors and officers and other related parties and us as described below.

Mr. Barry Sternlicht, the Chairman of the TRI Pointe board of directors, is the Chairman and Chief Executive Officer of Starwood Capital Group. Mr. Christopher Graham, who became a director upon closing of the Merger, is a Senior Managing Director at Starwood Capital Group. As a result of our relationship with Starwood Capital Group, there may be transactions between Starwood Capital Group, Starwood Property Trust (which is managed by an affiliate of Starwood Capital Group) or their affiliates and us that could present an actual or perceived conflict of interest. These conflicts of interest may lead Mr. Sternlicht and Mr. Graham to recuse themselves from actions of our Board of Directors with respect to any transactions involving or with Starwood Capital Group, the Starwood Property Trust or their affiliates. In addition, Mr. Sternlicht and Mr. Graham will devote only a portion of their business time to their duties with our Board of Directors, and they will devote the majority of their time to their duties with Starwood Capital Group and its affiliates and other commitments. Pursuant to an investors rights agreement with the Company, the Starwood Fund has the right to nominate one member of our Board of Directors for so long as the Starwood Fund owns 5% or more of our outstanding common stock. See “Board of Directors—Composition of Our Board of Directors.”

On November 3, 2013, Messrs. Bauer, Grubbs and Mitchell entered into a lock-up agreement with the Starwood Fund. Pursuant to the lock-up agreement, Messrs. Bauer, Grubbs and Mitchell each agreed that, following the consummation of the WRECO transaction, they would not sell to any third party certain of their shares of common stock, as outlined in each of their employment agreements, without the prior written consent of the Starwood Fund until the Starwood Fund (and any of its affiliates owning our common stock) owns less than 4.875% of the total common stock outstanding.

TRI Pointe has adopted Corporate Governance Guidelines which, among other things, require directors to disclose to the Chairman of our Board of Directors personal or business interests that involve an actual or potential conflict of interest. In addition, our Code of Business Conduct and Ethics requires that any transaction in which any of our directors, officers or employees has an interest must be approved by a vote of a majority of our disinterested and independent directors. Our Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer (or persons performing similar functions) (collectively, "Senior Officers" and each a "Senior Officer") must comply with our Code of Ethics for Senior Executive and Financial Officers, which requires the prior written approval of the Audit Committee before a Senior Officer makes any investment, accepts any position or benefits, participates in any transaction or business arrangement or otherwise acts in a manner that creates or appears to create a conflict of interest. Neither the adoption of these policies nor any communication concerning these policies is intended to constitute a representation concerning past, present or future compliance by the persons subject to them. We cannot assure you that these policies will be successful in eliminating the influence of conflicts of interest. These policies may be amended from time to time at the discretion of our Board of Directors, without a vote of stockholders.

AUDIT COMMITTEE MATTERS

Independent Registered Public Accounting Firm Fees

The following table represents aggregate fees billed to us for the fiscal years ended December 31, 2014 and 2013 by Ernst & Young LLP. All fees below were approved by the Audit Committee in conformity with the Audit Committee's pre-approval process.

	Year Ended December 31,	
	2014	2013
Audit Fees[(1)]	$2,748,000	$580,500
Audit-Related Fees[(2)]	179,500	1,212,900
Tax Fees[(3)]	450,732	29,062
All Other Fees[(4)]	1,995	81,000
Total	$3,380,227	$1,903,462

(1) These are fees for professional services performed by Ernst & Young LLP for the audit of TRI Pointe's annual financial statements, consents and comfort letters and services that are normally provided in connection with statutory and regulatory filings or engagements.
(2) These are fees for assurance and related services performed by Ernst & Young LLP that are reasonably related to the performance of the audit or review of TRI Pointe's financial statements. This includes employee benefit plan audits, due diligence related to mergers and acquisitions, and consulting on financial accounting/reporting standards.
(3) These are fees for professional services performed by Ernst & Young LLP with respect to tax compliance, tax advice and tax planning. This includes the preparation of TRI Pointe's and its consolidated subsidiaries' original and amended tax returns, refund claims, payment planning, tax audit assistance and tax work stemming from "Audit-Related" items.
(4) These are fees for other permissible work performed by Ernst & Young LLP that does not meet the above category descriptions.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services

The Audit Committee has responsibility for establishing policies and procedures for the pre-approval of audit and non-audit services rendered by our independent registered public accounting firm, Ernst & Young LLP. The Audit Committee has the sole authority and responsibility to select, appoint, evaluate, compensate, retain and oversee the work of any independent registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for us (including resolution of disagreements between management and the independent registered public accounting firm regarding financial reporting). Our internal auditing function and the independent registered public accounting firm reports directly to the Audit Committee. The Audit Committee has the sole authority to approve all audit engagement fees and terms, and the Audit Committee, or the Chair of the Audit Committee, must pre-approve any audit and non-audit services provided to us by the independent registered public accounting firm and the fees and terms thereof (provided that the Chair may not pre-approve services in excess of $25,000 and must report any such approval to the full Audit Committee at the next regularly scheduled meeting of the Audit Committee).

STOCKHOLDER PROPOSALS FOR 2016 ANNUAL MEETING

Stockholders who wish to submit a proposal to be considered for inclusion in our proxy statement and form of proxy for the 2016 Annual Meeting of Stockholders may do so by following the procedures set forth in Rule 14a-8 under the Exchange Act. To be eligible for inclusion, proposals must be submitted in writing and received by us on or before November 27, 2015 at 19540 Jamboree Road, Suite 300, Irvine, California 92612, Attention: Corporate Secretary.

Any stockholder who intends to nominate an individual for election to our Board of Directors or submit a matter for consideration at the 2016 annual meeting, other than by submitting a proposal to be included in our 2016 proxy statement, must give timely notice according to our Bylaws. Our Bylaws provide that, to be timely for submission to the 2016 annual meeting, a stockholder's notice must be received by our Corporate Secretary, at 19540 Jamboree Road, Suite 300, Irvine, California 92612, between 90 and 120 days prior to the anniversary date of the 2015 annual meeting; provided, however, that if the 2016 annual meeting date is advanced by more than 30 days before or delayed by more than 30 days after the anniversary date of the 2015 annual meeting, then the stockholder must provide notice within the time period specified in the Bylaws.

For each matter any stockholder intends to bring before the 2016 annual meeting, the stockholder's notice must comply with all applicable provisions of our Bylaws, including a description of the proposal or business (including the complete text of any resolutions to be presented at the annual meeting, and, in the event that such business includes a proposal to amend our Bylaws, the text of the proposed amendment), the reasons for conducting such business at the annual meeting, and any material interest the stockholder has in that business as well as information regarding the stockholder, the number of shares of our common stock that the stockholder owns and a representation that such stockholder intends to appear in person or by proxy at the annual meeting. Any stockholder proposals must also comply in all respects with the rules and regulations of the SEC. For more information, and for more detailed requirements, please refer to our Amended and Restated Bylaws, filed as Exhibit 3.2 to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2013, filed with the SEC on August 13, 2013, as amended by Amendments to Amended and Restated Bylaws, filed as Exhibit 3.1 to our Current Report on Form 8-K, filed with the SEC on August 6, 2014.

TRI POINTE HOMES, INC.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF TRI POINTE HOMES, INC.

ANNUAL MEETING OF STOCKHOLDERS ON MAY 8, 2015

The undersigned appoint(s) Douglas F. Bauer, Thomas J. Mitchell and Michael D. Grubbs, or any of them, as proxies, each with the power to appoint a substitute, and authorize(s) them to represent the undersigned and to vote, as designated on the reverse side of this proxy card, all of the shares of common stock of TRI Pointe Homes, Inc. that the undersigned is/are entitled to vote at the Annual Meeting of Stockholders of TRI Pointe Homes, Inc. to be held at 10:00 a.m. California Time on Friday, May 8, 2015, at 19540 Jamboree Road, Suite 300, Irvine, California 92612, and any adjournment or postponement of that meeting.

(Continued and to be signed on the reverse side.)

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ANNUAL MEETING OF STOCKHOLDERS OF

TRI POINTE HOMES, INC.

May 8, 2015

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NOTICE REGARDING INTERNET AVAILABILITY OF PROXY MATERIALS:

The notice of meeting, proxy statement, proxy card and annual report to stockholders are available at http://www.astproxyportal.com/ast/18094 Please sign, date and mail your proxy card in the envelope provided as soon as possible. Please detach along perforated line and mail in the envelope provided.

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THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED STOCKHOLDER(S).

IF NO DIRECTION IS MADE,THIS PROXY WILL BE VOTED "FOR" ALL THE BOARD OF DIRECTOR NOMINEES AND “FOR” PROPOSAL 2.

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL LISTED NOMINEES.

1. Election of Directors: Elect nine directors to serve until his or her successor is elected and qualified or until his or her earlier resignation or removal.

NOMINEES: FOR ALL NOMINEES WITHHOLD AUTHORITY FOR ALL NOMINEES FOR ALL EXCEPT

(See instructions below)

Douglas F. Bauer

Lawrence. B. Burrows

Daniel S. Fulton

Kristin F. Gannon

Steven J. Gilbert

Christopher D. Graham

Constance B. Moore

Thomas B. Rogers

Barry S. Sternlicht

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR PROPOSAL 2.

2. Ratification of the appointment of Ernst & Young LLP as TRI Pointe Homes, Inc.'s independent registered public accounting firm for the fiscal year ending December 31, 2015. FOR AGAINST ABSTAIN

INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), mark "FOR ALL EXCEPT " and fill in the circle next to each nominee you wish to withhold, as shown here:

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.

Signature of Stockholder

Date: Signature of Stockholder Date:

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

ANNUAL MEETING OF STOCKHOLDERS OF

TRI POINTE HOMES, INC.

May 8, 2015

PROXY VOTING INSTRUCTIONS

INTERNET - Access “www.voteproxy.com” and follow the on-screen instructions or scan the QR code with your smartphone. Have your proxy card available when you access the web page.

TELEPHONE - Call toll-free 1-800-PROXIES (1-800-776-9437) in the United States or 1-718-921-8500 from foreign countries from any touch-tone telephone and follow the instructions. Have your proxy card available when you call. Vote online/phone until 11:59 PM EST the day before the meeting. MAIL - Sign, date and mail your proxy card in the envelope provided as soon as possible. IN PERSON - You may vote your shares in person by attending the Annual Meeting. GO GREEN - e-Consent makes it easy to go paperless. With e-Consent, you can quickly access your proxy material, statements and other eligible documents online, while reducing costs, clutter and paper waste. Enroll today via www.amstock.com to enjoy online access.

COMPANY NUMBER

ACCOUNT NUMBER

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PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE

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INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), mark "FOR ALL EXCEPT " and fill in the circle next to each nominee you wish to withhold, as shown here:

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.

Signature of Stockholder

Date: Signature of Stockholder Date:

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.