

AV Homes, Inc.
Form 425
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Subject Company: AV Homes, Inc.

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June 7, 2018

Dear Team Members:

This morning we announced our entry into a definitive agreement to be acquired by Taylor Morrison Home Corporation, one of the nation's leading homebuilders, in a combination cash and stock transaction. Our agreement is a testament to the quality of our brand, the attractiveness of our homes and communities, and above all, your hard work and the high level of service you deliver every day to ensure our customers have a great homeowner experience. I know that Taylor Morrison has great respect for the AV Homes brand, our very talented group of employees, and the value we have built together.

We understand that you will have many questions about what this announcement means. At this early stage we don't have all the answers, but what you should understand is that, although we have signed an agreement with Taylor Morrison, the merger is not yet complete. Until we complete this process, AV Homes will continue to operate as an independent company, just as it always has, and importantly staying focused as we strive to meet our business plans and serve our customers. Every team member—no matter their location, department or position—should stay focused on delivering for our current and potential homeowners, so that we can make their AV Homes experience their best. We appreciate your cooperation, understanding and continued excellence in the weeks and months ahead.

Should the customers with whom you interact at our communities have questions about this news, please tell them that for now, **we do not expect anything to change about how we do business**. We do not expect there to be an effect on our ability to deliver for customers as a result of this transaction or an interruption to our existing relationships, timetables or services. Homeowners and homebuyers can expect a smooth transition and the continuation of the top-tier service they have come to expect from AV Homes and our affiliated brands. If a customer has specific concerns, please feel free to reach out to your manager.

We invite you to review the press release located at www.avhomesinc.com. Later today, we will be posting an FAQ to the AV Homes Intranet. If you have questions, please feel free to ask senior management or Human Resources, understanding that we may not have all the answers yet. We assure you that as information is available we will keep you informed. And of course, as is our standard policy, if you are contacted by the media regarding the transaction, please direct any inquiries to Roger Cregg at (480) 214-7402 or R.Cregg@avhomesinc.com or to Mike Burnett, who can be reached at (480) 214-7408 or M.Burnett@avhomesinc.com

Thank you for all you do for AV Homes and our homeowners.

Sincerely,

Roger A. Cregg

President and Chief Executive Officer

Additional Information about the Merger and Where to Find It:

This communication is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. In connection with the proposed transaction between Taylor Morrison and AV Homes, Taylor Morrison will file with the U.S. Securities and Exchange Commission (the SEC) a registration statement on Form S-4 that will include a Proxy Statement of AV Homes that also constitutes a Prospectus of Taylor Morrison (the Proxy Statement/Prospectus). AV Homes plans to mail to its shareholders the definitive Proxy Statement/Prospectus in connection with the transaction. **INVESTORS AND SECURITY HOLDERS OF AV HOMES ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC CAREFULLY WHEN IT BECOMES AVAILABLE BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION ABOUT TAYLOR MORRISON, AV HOMES, THE TRANSACTION AND RELATED MATTERS.** Investors and security holders will be able to obtain free copies of the Proxy Statement/Prospectus (when available) and other documents filed with the SEC by Taylor Morrison and AV Homes through the website maintained by the SEC at www.sec.gov. In addition, investors and security holders will be able to obtain free copies of the documents filed with the SEC by Taylor Morrison in the Investor Relations section of Taylor Morrison's website at <http://investors.taylormorrison.com> or by contacting Taylor Morrison's Investor Relations at investor@taylormorrison.com or by calling (480) 734-2060, and will be able to obtain free copies of the documents filed with the SEC by AV Homes in the Investor Relations section of AV Homes' website at <http://investors.avhomesinc.com> or by contacting AV Homes' Investor Relations at m.burnett@avhomesinc.com or by calling (480) 214-7408.

Forward Looking Statements:

Some of the statements in this press release are forward-looking statements (or forward-looking information) within the meaning of applicable U.S. securities laws. These include statements using the words believe, target, outlook, may, will, should, could, estimate, continue, expect, intend, plan, predict, potential, project, track, target, opportunity, tentative, positioning, designed, create, seek, would, upside, increases, anticipate, and similar

statements (including where the word could, may, or would is used rather than the word will) and the negative of such words and phrases, which do not describe the present or provide information about the past. There is no guarantee that the expected events or expected results will actually occur. Such statements reflect the current views of management of Taylor Morrison or AV Homes and are subject to a number of risks and uncertainties. These statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, operational and other factors. Any changes in these assumptions or other factors could cause actual results to differ materially from current expectations. All forward-looking statements attributable to AV Homes, or persons acting on either on its behalf, and are expressly qualified in their entirety by the cautionary statements set forth in this paragraph. Undue reliance should not be placed on such statements. In addition, material risks that could cause actual results to differ from forward-looking statements include: the inherent uncertainty associated with financial or other projections; the integration of Taylor Morrison and AV Homes and the ability to recognize the anticipated benefits from the combination of Taylor Morrison and AV Homes; the risk associated with AV Homes' ability to obtain the shareholder approval required to consummate the merger and the timing of the closing of the merger, including the risk that the conditions to the transaction are not satisfied on a timely basis or at all and the failure of the transaction to close for any other reason; the outcome of any legal proceedings that may be instituted against the parties and others related to the merger agreement; unanticipated difficulties or expenditures relating to the transaction, the response of business partners and retention as a result of the announcement and pendency of the transaction; risks relating to the value of the Taylor Morrison common stock to be issued in connection with the transaction; the anticipated size of the markets and continued demand for Taylor Morrison's and AV Homes' homes and the impact of competitive responses to the announcement of the transaction; access to available financing on a timely basis and on reasonable terms, including the refinancing of Taylor Morrison and AV Homes debt to fund the cash portion of the consideration in connection with the transaction. Additional risks are described under the heading "Risk Factors" in Taylor Morrison's Annual Report on Form 10-K for the year ended December 31, 2017, filed with the U.S. Securities and Exchange Commission (the "SEC") on February 21, 2018 and in AV Homes' Annual Report on Form 10-K for the year ended December 31, 2017 filed with the SEC on February 23, 2018. Forward-looking statements speak only as of the date they are made. Except as required by law, neither Taylor Morrison nor AV Homes has any intention or obligation to update or to publicly announce the results of any revisions to any of the forward-looking statements to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements.

Participants in the Merger Solicitation

Taylor Morrison, AV Homes and certain of their respective directors, executive officers and employees may be considered participants in the solicitation of proxies in connection with the proposed transaction. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the shareholders of AV Homes in connection with

the transaction, including a description of their respective direct or indirect interests, by security holdings or otherwise, will be included in the Proxy Statement/Prospectus described above when it is filed with the SEC. Additional information regarding Taylor Morrison's directors and executive officers is also included in Taylor Morrison's proxy statement for its 2018 Annual Meeting of Shareholders, which was filed with the SEC on April 17, 2018, or its Annual Report on Form 10-K for the year ended December 31, 2017, which was filed with the SEC on February 21, 2018, and information regarding AV Homes' directors and executive officers is also included in AV Homes' proxy statement for its 2018 Annual Meeting of Stockholders, which was filed with the SEC on April 18, 2018, or its Annual Report on Form 10-K for the year ended December 31, 2017, which was filed with the SEC on February 23, 2018. These documents are available free of charge as described above.