

AV Homes, Inc.  
Form 425  
August 10, 2018

Filed by Taylor Morrison Home Corporation  
Pursuant to Rule 425 under the Securities Act of 1933  
and deemed filed pursuant to Rule 14a-12  
under the Securities Exchange Act of 1934  
Subject Company: AV Homes, Inc.  
(Commission File No. 001-07395)

**To:** Taylor Morrison Team Members

**From:** Sheryl

**Subject line:** AV Homes Acquisition Update

Team,

We're roughly 60 days into the process of closing the acquisition of AV Homes and I wanted to provide a point-in-time update on our progress before we head into the weekend.

First, I'd like to reiterate what we shared on our recent all-employee webcast and what we heard following our Q2 2018 earnings call from investors. The sentiment on the street about our agreement to acquire AV Homes appears to have been well received. We believe our investors and analysts understand and appreciate our strategy and see the many opportunities going deeper into key markets will provide us and we couldn't be more thrilled.

A little more than 240 AV Homes employees in overlapping roles and regions have accepted offers to continue their employment with the combined company, contingent on the closing of the acquisition. All remaining offers are expected to be distributed by early next week, at which time we will have completed the talent assessment process in just a little over two months—a remarkably fast pace. By that time, all team members in overlapping regions and corporate offices will have been communicated to regarding their anticipated role in the future combined business. I want to thank all the team members who participated in this process. I appreciate there have been many moving pieces and that it's taken a great deal of time out of everyone's normal day-to-day.

As for next steps, we'll begin assessing AV Homes sales team members who are employed by third party contractors, continue work on the anticipated organizational charts in our overlapping divisions, and begin coordinating Day One festivities for when we welcome AV Homes employees to Taylor Morrison, just to name a few.

We understand communication is always key, especially in times of change. We've heard you want more of it, so we're standing up a few additional touch points. Each Monday morning the go-forward Operations teams from Taylor Morrison and AV Homes in our overlapping regions are meeting with the Integration Management Office led by our President of M&A **Lou Steffens** and **Doug Miller**, Vice President of Integrations. These calls will empower our division leaders to provide updates on the integration planning process in real time. We're also aware that those five divisions will be hosting division-specific calls with the first one planned next Monday with the main goal being to provide a more local update on the integration planning process and answer your questions. Please take advantage of these opportunities to stay in the know.

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We'd also like to remind you of another line of communication that's available to you, and that's the [AskUsAnything@taylormorrison.com](mailto:AskUsAnything@taylormorrison.com) inbox. It's here for you should you have questions and aren't sure who to ask.

We are expecting the deal to close at the end of Q3 or early Q4 and will continue sharing updates with you along the way. Until then, thank you for staying the course and taking us into what I m certain will be a great second half of the year.

Warmly,

Sheryl

### **Forward-Looking Statements**

Some of the statements in this communication 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, aim, on track, target, opportunity, tentative, positioning, designed, create, seek, would, upside, guidance and 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 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 Taylor Morrison, or persons acting on its behalf, 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.

### **Important Additional Information 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 has filed with the U.S. Securities and Exchange Commission a registration statement on Form S-4 that includes a preliminary Proxy Statement of AV Homes that also constitutes a preliminary 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 may 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](http://www.sec.gov). In addition, investors and security holders may 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](mailto:investor@taylormorrison.com) or by calling (480) 734-2060, and may 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](mailto:m.burnett@avhomesinc.com) or by calling (480) 214-7408.

### **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, is included in the Proxy Statement/Prospectus described above. 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.