

Taylor Morrison Home Corp
Form S-4/A
August 20, 2018
Table of Contents

As filed with the Securities and Exchange Commission on August 20, 2018

Registration No. 333-226164

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

AMENDMENT NO. 1
TO
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

TAYLOR MORRISON HOME CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

1531
(Primary Standard Industrial
Classification Code Number)
4900 N. Scottsdale Road, Suite 2000

90-0907433
(I.R.S. Employer
Identification Number)

Scottsdale, AZ 85251

(480) 840-8100

(Address, including zip code, and telephone number, including area code, of Registrant's Principal Executive Offices)

Darrell C. Sherman, Esq.

Benjamin A. Aronovitch, Esq.

4900 N. Scottsdale Road, Suite 2000

Scottsdale, AZ 85251

(480) 840-8100

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Justin Hamill, Esq.

Adam O. Emmerich, Esq.

John C. Kennedy, Esq.

John L. Robinson, Esq.

Lawrence G. Wee, Esq.

Wachtell, Lipton, Rosen & Katz

Paul, Weiss, Rifkind, Wharton & Garrison LLP

51 West 52nd Street

1285 Avenue of the Americas

New York, NY 10019

New York, NY 10019-6064

(212) 403-1000

(212) 373-3000

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement is declared effective and upon the satisfaction or waiver of all other conditions to consummation of the merger described herein.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. *See* the definitions of large accelerated filer, accelerated filer, smaller reporting company, and emerging growth company in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company)	Smaller reporting company
	Emerging growth company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the U.S. Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this proxy statement/prospectus is not complete and is subject to completion and amendment. A registration statement relating to the securities described in this proxy statement/prospectus has been filed with the U.S. Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted until the registration statement filed with the U.S. Securities and Exchange Commission is declared effective. This proxy statement/prospectus is not an offer to sell, nor a solicitation of an offer to buy these securities, in any jurisdiction where the offer, solicitation or sale is not permitted prior to registration under the securities laws of any such jurisdiction.

PRELIMINARY SUBJECT TO COMPLETION DATED AUGUST 20, 2018

MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT

Dear Fellow Stockholders:

As previously announced, on June 7, 2018, AV Homes, Inc. (AV Homes) entered into an Agreement and Plan of Merger (as it may be amended from time to time, the Merger Agreement) with Taylor Morrison Home Corporation (Taylor Morrison), Taylor Morrison Communities, Inc. (Intermediate Parent), and Thor Merger Sub, Inc. (Merger Sub), pursuant to which Merger Sub will be merged with and into AV Homes (the Merger), with AV Homes continuing as the surviving entity in the Merger as an indirect subsidiary of Taylor Morrison.

If the Merger Agreement is adopted by AV Homes stockholders and the Merger is consummated, AV Homes stockholders will be entitled to receive, at their election, consideration per share of common stock of AV Homes (the AV Homes Common Stock) consisting of (i) \$21.50 in cash, without interest (subject to the proration procedures described in this proxy statement/prospectus, the Cash Consideration), (ii) 0.9793 validly issued, fully paid and nonassessable shares of Taylor Morrison Class A common stock (the shares, the Taylor Morrison Common Stock, and the consideration, subject to the proration procedures described in this proxy statement/prospectus, the Stock Consideration, respectively) or (iii) a combination of \$12.64 in cash, without interest, and 0.4034 validly issued, fully paid and nonassessable shares of Taylor Morrison Common Stock (the Mixed Consideration, and, together with the Cash Consideration and the Stock Consideration, the Merger Consideration). If no election is made as to a share of AV Homes Common Stock, the holder of that share will receive Mixed Consideration. The Cash Consideration and Stock Consideration are subject to adjustment pursuant to the terms of the Merger Agreement such that the aggregate Merger Consideration will consist of approximately 58.8% cash and approximately 41.2% Taylor Morrison common stock, as further described in this proxy statement/prospectus under the heading *The Merger Agreement Merger Consideration*.

Based on Taylor Morrison's closing stock price on August 17, 2018, the most recent practicable date for which such information was available, the Stock Consideration represented approximately \$18.69 in value per share of AV Homes Common Stock (before giving effect to any proration adjustment), and the Mixed Consideration represented approximately \$20.34 in value per share of AV Homes Common Stock, which represent a premium of approximately 13% and 23% (before giving effect to any proration adjustment), respectively, over AV Homes' closing stock price on June 6, 2018, the last trading day before the public announcement of the Merger Agreement. The Cash Consideration represents a premium of approximately 30% over AV Homes' closing stock price on June 6, 2018 (before giving effect to any proration adjustment). The value of the Stock Consideration and Mixed Consideration will fluctuate based on

the market price of Taylor Morrison Common Stock until the completion of the Merger. Shares of Taylor Morrison Common Stock are traded on the New York Stock Exchange (the NYSE), under the ticker symbol TMHC and shares of AV Homes Common Stock are traded on the Nasdaq Stock Market (the Nasdaq) under the ticker symbol AVHI. We urge you to obtain current market quotations for the shares of Taylor Morrison Common Stock and AV Homes Common Stock.

Based on the number of shares of Taylor Morrison Common Stock and AV Homes Common Stock expected to be outstanding immediately prior to the closing of the Merger, Taylor Morrison expects to issue approximately 9.1 million shares of Taylor Morrison Common Stock (not including shares of Taylor Morrison Common Stock issuable in connection with the settlement of Taylor Morrison restricted stock units issued to holders of AV Homes restricted stock units in accordance with the terms set forth in the Merger Agreement or in connection with the conversion of AV Homes Convertible Notes). The issuance is expected to result in former AV Homes stockholders owning approximately 8% and current Taylor Morrison stockholders owning approximately 92% of outstanding Taylor Morrison Common Stock immediately after the completion of the Merger. Taylor Morrison may issue additional shares as the result of conversions of AV Homes Convertible Notes after the completion of the Merger. *See* the section entitled *Treatment of AV Homes Convertible Notes* in the accompanying proxy statement/prospectus.

Table of Contents

The Merger cannot be consummated unless AV Homes stockholders holding a majority of the outstanding shares of AV Homes Common Stock, as of the close of business on _____, 2018 (the Record Date), vote in favor of the adoption of the Merger Agreement at the special meeting of AV Homes stockholders (the AV Homes special meeting) to be held on _____, 2018, at _____ a.m., local time, at _____. **Your vote is very important regardless of the number of shares of AV Homes Common Stock you own. Whether or not you expect to attend the AV Homes special meeting in person, please vote or otherwise submit a proxy to vote your shares as promptly as possible so that your shares may be represented and voted at the AV Homes special meeting.** TPG Aviator, L.P., which owns approximately 41% of the outstanding shares of AV Homes, has agreed to vote all of its shares in favor of the adoption of the Merger Agreement.

The board of directors of AV Homes (the AV Homes Board) unanimously recommends that AV Homes stockholders vote FOR the proposal to adopt the Merger Agreement and FOR each of the other proposals to be voted on at the AV Homes special meeting, as described in more detail in the accompanying proxy statement/prospectus. In considering the recommendations of the AV Homes Board, you should be aware that certain directors and executive officers of AV Homes will have interests in the Merger that may be different from, or in addition to, the interests of AV Homes stockholders generally. See the section entitled *Proposal I: Adoption of the Merger Agreement Interests of Certain AV Homes Directors and Officers in the Merger* beginning on page 88 of the accompanying proxy statement/prospectus.

The accompanying proxy statement/prospectus provides important information regarding the AV Homes special meeting and a detailed description of the Merger Agreement, the Merger and the other transactions contemplated thereby, and the matters to be presented at the AV Homes special meeting. **We urge you to read the accompanying proxy statement/prospectus (and any documents incorporated by reference into the accompanying proxy statement/prospectus) carefully and in its entirety. Please pay particular attention to Risk Factors beginning on page 32 of the accompanying proxy statement/prospectus.**

We look forward to the successful completion of the Merger.

Sincerely,

Roger A. Cregg

President and Chief Executive Officer

AV Homes, Inc.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved the Merger or other transaction described in the accompanying proxy statement/prospectus or of the securities to be issued in connection with the Merger described in the accompanying proxy statement/prospectus or determined that the accompanying proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The accompanying proxy statement/prospectus is dated _____, 2018 and is first being mailed to AV Homes stockholders on or about _____, 2018.

Table of Contents

AV Homes, Inc.

6730 N. Scottsdale Road, Suite 150

Scottsdale, AZ 85253

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To be Held on , 2018

Dear Fellow Stockholders:

We are pleased to invite you to attend the special meeting of stockholders of AV Homes, Inc. ("AV Homes") to be held on , 2018 at a.m., local time, at , for the following purposes:

to consider and vote on the adoption of the Agreement and Plan of Merger, dated June 7, 2018 (as it may be amended from time to time, the "Merger Agreement") (a copy of which is attached as Annex A to the accompanying proxy statement/prospectus), by and among Taylor Morrison Home Corporation ("Taylor Morrison"), Taylor Morrison Communities, Inc. ("Intermediate Parent"), Thor Merger Sub, Inc. ("Merger Sub"), and AV Homes. The Merger Agreement provides that Merger Sub will be merged with and into AV Homes (the "Merger"), with AV Homes continuing as the surviving entity in the Merger as an indirect subsidiary of Taylor Morrison;

to consider and vote on the proposal to approve, on an advisory (non-binding) basis, certain compensation that may become payable to the named executive officers of AV Homes in connection with the Merger; and

to consider and vote on a proposal to adjourn the AV Homes special meeting, or any adjournments thereof, to another time or place, if necessary or appropriate, as determined by AV Homes, to solicit additional proxies if there are insufficient votes at the time of the AV Homes special meeting or any adjournments thereof to adopt the Merger Agreement.

AV Homes will transact no other business at the AV Homes special meeting except such business as may properly be brought before the AV Homes special meeting or any adjournment or postponement thereof. Please refer to the accompanying proxy statement/prospectus for further information with respect to the business to be transacted at the AV Homes special meeting.

The board of directors of AV Homes (the "AV Homes Board") has fixed the close of business on , 2018 as the record date (the "Record Date") for the AV Homes special meeting. Only holders of record of AV Homes Common Stock as of the Record Date are entitled to notice of, and to vote at, the AV Homes special meeting or any adjournment or postponement thereof. Completion of the Merger is conditioned on, among other things, adoption of

the Merger Agreement by the AV Homes stockholders.

Adoption of the Merger Agreement requires the affirmative vote of holders of a majority of the outstanding shares of AV Homes Common Stock. The proposal to approve the Merger-related executive compensation requires the affirmative vote of holders of a majority of the votes that could be cast by the holders of all classes of stock entitled to vote on such question that are present in person or by proxy at the meeting; however, such vote is advisory (non-binding) only. Approval of the adjournment proposal requires the affirmative vote of holders of a majority of the votes that could be cast by the holders of all classes of stock entitled to vote on such question that are present in person or by proxy at the meeting.

Table of Contents

The AV Homes Board recommends that AV Homes stockholders vote FOR the adoption of the Merger Agreement, FOR the named executive officer Merger-related compensation proposal and FOR the adjournment proposal.

Your vote is very important. Whether or not you plan to attend the AV Homes special meeting, please act promptly to submit a proxy to vote your shares with respect to the proposals described above. You may submit a proxy to vote your shares by completing, signing and dating the enclosed proxy card and returning it in the postage-paid envelope provided. You also may submit a proxy to vote your shares by telephone or through the Internet by following the instructions set forth on the proxy card. If you attend the AV Homes special meeting, you may vote your shares in person, even if you have previously submitted a proxy in writing, by telephone or through the Internet. If your shares are held in the name of a nominee or intermediary, please follow the instructions on the voting instruction card furnished by such record holder.

We urge you to read the accompanying proxy statement/prospectus, including all documents incorporated by reference into the accompanying proxy statement/prospectus, and its annexes carefully and in their entirety. In particular, *see Risk Factors* beginning on page 32 of the accompanying proxy statement/prospectus. If you have any questions concerning the Merger Agreement, the Merger or the other transactions contemplated thereby, the AV Homes special meeting or the accompanying proxy statement/prospectus, would like additional copies of the accompanying proxy statement/prospectus, or need help submitting a proxy to have your shares of AV Homes Common Stock voted, please contact AV Homes proxy solicitor:

1290 Avenue of the Americas, 9th Floor

New York, NY 10104

Banks, Brokers and Shareholders

Call Toll-Free: 866-647-8869

By Order of the Board of Directors,

S. Gary Shullaw

Executive Vice President, General Counsel and Corporate Secretary

, 2018

Table of Contents

ADDITIONAL INFORMATION

The accompanying document is the proxy statement of AV Homes for its special meeting of stockholders and the prospectus of Taylor Morrison relating to the offer and sale of Taylor Morrison Common Stock to be issued to AV Homes stockholders pursuant to the Merger Agreement and any Taylor Morrison Common Stock to be issued upon conversion of AV Homes Convertible Notes after the effective time of the Merger. The accompanying proxy statement/prospectus incorporates important business and financial information about Taylor Morrison and AV Homes from documents that are not included in or delivered with the accompanying proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain documents incorporated by reference into the accompanying proxy statement/prospectus by requesting them in writing or by telephone from Taylor Morrison or AV Homes at the following addresses and telephone numbers:

Taylor Morrison Home Corporation
Attn: Darrell C. Sherman, Esq.
Executive Vice President and Chief Legal Officer
4900 N. Scottsdale Road, Suite 2000
Scottsdale, AZ 85251
Telephone: (480) 840-8100

AV Homes, Inc.
Attn: S. Gary Shullaw
Executive Vice President and General Counsel
6730 N. Scottsdale Road, Suite 150
Scottsdale, AZ 85253
(480) 214-7400

In addition, if you have questions about the Merger, the other transactions contemplated by the Merger Agreement, or the accompanying proxy statement/prospectus, would like additional copies of the accompanying proxy statement/prospectus, or need to obtain proxy cards or other information related to the proxy solicitation, please contact AV Homes proxy solicitor:

Georgeson LLC

1290 Avenue of the Americas, 9th Floor

New York, NY 10104

Banks, Brokers and Shareholders

Call Toll-Free: 866-647-8869

You will not be charged for any of these documents that you request. **If you would like to request any documents, please do so by , 2018 to receive them before the AV Homes special meeting.**

See also Where You Can Find More Information.

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

Taylor Morrison has filed with the SEC a registration statement on Form S-4 to register with the SEC the shares of Taylor Morrison Common Stock to be issued to AV Homes stockholders pursuant to the Merger Agreement and any Taylor Morrison Common Stock to be issued upon conversion of AV Homes Convertible Notes after the effective time of the Merger. This proxy statement/prospectus is a part of that registration statement and constitutes a prospectus of Taylor Morrison in addition to being a proxy statement of AV Homes for its special meeting. The registration statement, including the attached annexes and exhibits, contains additional relevant information about Taylor Morrison and the Taylor Morrison Common Stock. The rules and regulations of the SEC allow Taylor Morrison and AV Homes to omit certain information included in the registration statement from this proxy statement/prospectus.

Taylor Morrison and AV Homes each file annual, quarterly and current reports, proxy statements and other information with the SEC under the Exchange Act. You may read and copy any of this information at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. The SEC also maintains a website that contains reports, proxy and information statements, and other information regarding issuers, including Taylor Morrison and AV Homes, who file electronically with the SEC. The address of that website is www.sec.gov. Investors may also consult Taylor Morrison's and AV Homes' websites for more information about Taylor Morrison or AV Homes, respectively. Taylor Morrison's website is www.taylormorrison.com. AV Homes' website is www.avhomesinc.com. Information included on these websites is not incorporated by reference into this proxy statement/prospectus.

The SEC allows Taylor Morrison and AV Homes to incorporate by reference into this proxy statement/prospectus information that Taylor Morrison or AV Homes file with the SEC, which means that important information can be disclosed to you by referring you to those documents and those documents will be considered part of this proxy statement/prospectus. The information incorporated by reference is an important part of this proxy statement/prospectus. Certain information that is subsequently filed with the SEC will automatically update and supersede information in this proxy statement/prospectus and in earlier filings with the SEC. This proxy statement/prospectus also contains summaries of certain provisions contained in some of the Taylor Morrison or AV Homes documents described in this proxy statement/prospectus, but reference is made to the actual documents for complete information. All of these summaries are qualified in their entirety by reference to the actual documents.

The information and documents listed below, which Taylor Morrison and AV Homes have filed with the SEC, are incorporated by reference into this proxy statement/prospectus:

Taylor Morrison's SEC Filings

Taylor Morrison's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed with the SEC on February 21, 2018, including portions of Taylor Morrison's Definitive Proxy Statement on Schedule 14A filed with the SEC on April 17, 2018 to the extent specifically incorporated by reference therein;

Taylor Morrison's Quarterly Reports on Form 10-Q for the quarter ended March 31, 2018, filed with the SEC on May 2, 2018, and June 30, 2018, filed with the SEC on August 1, 2018;

Edgar Filing: Taylor Morrison Home Corp - Form S-4/A

Taylor Morrison's Current Reports on Form 8-K, filed with the SEC on January 8, 2018, January 17, 2018, January 30, 2018, May 31, 2018, June 7, 2018 (two reports), June 15, 2018, July 2, 2018 and July 19, 2018; and

The description of Taylor Morrison Common Stock contained in Taylor Morrison's Registration Statement on Form 8-A filed April 10, 2013, and any amendment or report filed with the or report filed with the SEC for the purpose of updating that description.

Table of Contents

AV Homes SEC Filings

AV Homes Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed with the SEC on February 23, 2018, including portions of AV Homes Definitive Proxy Statement on Schedule 14A, filed with the SEC on April 18, 2018 to the extent specifically incorporated by reference therein;

AV Homes Quarterly Reports on Form 10-Q for the quarter ended March 31, 2018, filed with the SEC on April 27, 2018, and June 30, 2018, filed with the SEC on August 1, 2018; and

AV Homes Current Reports on Form 8-K, filed with the SEC on June 5, 2018 and June 7, 2018 (two reports).

Beginning January 1, 2018, AV Homes adopted new accounting guidance that changed the presentation of certain items within its consolidated statements of cash flows, including the presentation of restricted cash. The change results in a decrease/(increase) to cash flows from operations of \$0.1 million, \$25.7 million, and (\$10.5 million) in 2017, 2016, and 2015, respectively, with a corresponding change to total cash, cash equivalents, and restricted cash. The \$25.7 million change in 2016 related to the release of a restricted deposit on a credit facility. However, the adoption of this new accounting guidance did not have a material impact on their consolidated financial statements and no recasting of the 2017 Form 10-K was necessary.

In addition, all documents filed by Taylor Morrison and AV Homes with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this proxy statement/prospectus and before the date of the AV Homes special meeting shall be deemed to be incorporated by reference into this proxy statement/prospectus and made a part of this proxy statement/prospectus from the respective dates of filing.

Notwithstanding anything to the contrary in this proxy statement/prospectus, Taylor Morrison and AV Homes are not incorporating any information furnished in any Current Report on Form 8-K unless specifically stated otherwise.

Taylor Morrison has supplied all information contained in or incorporated by reference into this proxy statement/prospectus relating to Taylor Morrison, as well as all pro forma financial information, and AV Homes has supplied all such information relating to AV Homes.

Documents incorporated by reference are available from Taylor Morrison or AV Homes, as the case may be, without charge, excluding any exhibits to those documents, unless the exhibit is specifically incorporated by reference into this proxy statement/prospectus. Stockholders may obtain these documents incorporated by reference by requesting them in writing or by telephone from the appropriate party at the following addresses and telephone numbers:

Taylor Morrison Home Corporation

Attn: Darrell C. Sherman, Esq.

Executive Vice President and Chief Legal Officer

4900 N. Scottsdale Road, Suite 2000

Edgar Filing: Taylor Morrison Home Corp - Form S-4/A

Scottsdale, AZ 85251

Telephone: (480) 840-8100

AV Homes, Inc.

Attn: S. Gary Shullaw

Executive Vice President and General Counsel

6730 N. Scottsdale Road, Suite 150

Scottsdale, AZ 85253

Telephone: (480) 214-7400

You should not rely on information that purports to be made by or on behalf of Taylor Morrison or AV Homes other than the information contained in or incorporated by reference into this proxy statement/prospectus. Neither Taylor Morrison nor AV Homes has authorized anyone to provide you with information on behalf of Taylor Morrison or AV Homes, respectively, that is different from what is contained in this proxy statement/prospectus.

Table of Contents

If you are in a jurisdiction where offers to exchange or sell, or solicitations of offers to exchange or purchase, the securities offered by this proxy statement/prospectus or solicitations of proxies are unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this proxy statement/prospectus does not extend to you.

This proxy statement/prospectus is dated _____, 2018. You should not assume that the information in it is accurate as of any date other than that date, and neither its mailing to stockholders nor the issuance of Taylor Morrison Common Stock in the Merger will create any implication to the contrary.

Table of Contents

ABOUT THIS PROXY STATEMENT/PROSPECTUS

This proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the U.S. Securities and Exchange Commission by Taylor Morrison, constitutes a prospectus of Taylor Morrison under Section 5 of the Securities Act of 1933, as amended, with respect to the shares of Taylor Morrison Common Stock to be issued to AV Homes stockholders pursuant to the Merger Agreement and any Taylor Morrison Common Stock to be issued upon conversion of AV Homes Convertible Notes after the effective time of the Merger. This proxy statement/prospectus also constitutes a proxy statement for AV Homes under Section 14(a) of the Securities Exchange Act of 1934, as amended. In addition, it constitutes a notice of meeting with respect to the special meeting of AV Homes stockholders.

No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this proxy statement/prospectus. This proxy statement/prospectus is dated _____, 2018. You should not assume that the information contained in this proxy statement/prospectus is accurate as of any date other than that date. You should not assume that the information incorporated by reference into this proxy statement/prospectus is accurate as of any date other than the date of such information. Neither the mailing of this proxy statement/prospectus to AV Homes stockholders nor the issuance by Taylor Morrison of shares of Taylor Morrison Common Stock pursuant to the Merger Agreement will create any implication to the contrary.

This proxy statement/prospectus shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction where, or to or from any person to whom, it is unlawful to make any such offer or solicitation. Information contained in this proxy statement/prospectus regarding Taylor Morrison has been provided by Taylor Morrison and information contained in this proxy statement/prospectus regarding AV Homes has been provided by AV Homes.

Unless otherwise indicated or as the context otherwise requires, a reference in this proxy statement/prospectus to:

adjournment proposal means the proposal to approve the adjournment of the AV Homes special meeting, or any adjournments thereof, to another time or place, if necessary or appropriate, as determined by AV Homes, to solicit additional proxies if there are insufficient votes at the time of the AV Homes special meeting or any adjournments thereof to adopt the Merger Agreement;

AV Homes 6.625% Notes means the outstanding 6.625% Senior Notes due 2022 of AV Homes;

AV Homes means AV Homes, Inc., a Delaware corporation;

AV Homes Board means the board of directors of AV Homes;

AV Homes Bylaws means the Amended and Restated Bylaws of AV Homes, effective as of March 31, 2014;

Edgar Filing: Taylor Morrison Home Corp - Form S-4/A

AV Homes Charter means the Certificate of Incorporation of AV Homes, effective as of May 28, 1998, as amended by the Certificate of Amendment of Restated Certificate of Incorporation, dated May 25, 2000;

AV Homes Common Stock means the common stock, par value \$1.00 per share, of AV Homes;

AV Homes Convertible Notes means the outstanding 6.00% Senior Convertible Notes due 2020 of AV Homes;

AV Homes Projections refer to the information provided under *Proposal I: Adoption of the Merger Agreement Unaudited Projected Financial Information* ;

Citi means Citigroup Global Markets, Inc., Taylor Morrison's financial advisor in connection with the Merger.

Code means the Internal Revenue Code of 1986, as amended;

Table of Contents

combined company means Taylor Morrison, following the Merger;

DGCL means the General Corporation Law of the State of Delaware;

dissenters' shares means shares of AV Homes Common Stock that are issued and outstanding immediately prior to the effective time of the Merger that are held by any AV Homes stockholder who is entitled to demand and who properly demands appraisal of such stockholder's shares pursuant to, and in compliance in all respects with, the provisions of Section 262 of the DGCL;

EBITDA means earnings before interest, income taxes, depreciation and amortization;

Exchange Act means the Securities Exchange Act of 1934, as amended;

Exchange Agent means Computershare Trust Company, N.A.;

fractional share means a fractional share of Taylor Morrison Common Stock;

GAAP means U.S. Generally Accepted Accounting Principles;

Intermediate Parent means Taylor Morrison Communities, Inc., a Delaware corporation and an indirect subsidiary of Taylor Morrison;

IRS means the Internal Revenue Service;

J.P. Morgan means J.P. Morgan Securities LLC, one of AV Homes' financial advisors in connection with the Merger;

Merger means, as contemplated by the Merger Agreement, the merger of Merger Sub with and into AV Homes, with AV Homes as the surviving corporation in such merger; the result of which is the legacy business and subsidiaries of AV Homes becoming indirect subsidiaries of Taylor Morrison;

Merger Agreement means Agreement and Plan of Merger, dated June 7, 2018, among Taylor Morrison, Intermediate Parent, Merger Sub and AV Homes, as it may be amended from time to time, a copy of which is attached as Annex A to this proxy statement/prospectus and incorporated by reference herein;

Edgar Filing: Taylor Morrison Home Corp - Form S-4/A

Merger Sub means Thor Merger Sub, Inc., a Delaware corporation and an indirect subsidiary of Taylor Morrison;

Mixed Consideration Stock Exchange Ratio means 0.4034;

Moelis means Moelis & Company LLC, one of AV Homes financial advisors in connection with the Merger;

Nasdaq means the Nasdaq Stock Market;

NYSE means the New York Stock Exchange;

Outside Date means December 7, 2018;

Paul, Weiss means Paul, Weiss, Rifkind, Wharton & Garrison LLP, counsel to Taylor Morrison;

Record Date means the close of business on _____, 2018, the date and time as of which holders of AV Homes Common Stock must be holders of record in order to receive notice of, and to vote at, the AV Homes special meeting.

SEC means the U.S. Securities and Exchange Commission;

Securities Act means the Securities Act of 1933, as amended;

Taylor Morrison means Taylor Morrison Home Corporation, a Delaware corporation;

Taylor Morrison Board means the board of directors of Taylor Morrison;

Table of Contents

Taylor Morrison Bylaws means the Amended and Restated Bylaws of Taylor Morrison, effective as of April 15, 2013;

Taylor Morrison Charter means the Amended and Restated Certificate of Incorporation of Taylor Morrison, effective May 30, 2018;

Taylor Morrison Class B Common Stock means the Class B Common Stock, par value \$0.00001 per share, of Taylor Morrison;

Taylor Morrison Common Stock means the Class A Common Stock, par value \$0.00001 per share, of Taylor Morrison;

TPG means TPG Aviator, L.P.;

Voting Agreement means the Voting Agreement, dated June 7, 2018, by and between Taylor Morrison Home Corporation and TPG, as it may be amended from time to time, a copy of which is attached as Annex B to the proxy statement/prospectus that forms a part of this Registration Statement and is incorporated by reference herein; and

Wachtell Lipton means Wachtell, Lipton, Rosen & Katz, counsel to AV Homes.

Table of Contents**TABLE OF CONTENTS**

	Page
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	
<u>Taylor Morrison's SEC Filings</u>	
<u>AV Homes' SEC Filings</u>	
<u>QUESTIONS AND ANSWERS</u>	1
<u>SUMMARY</u>	12
<u>The Companies</u>	12
<u>AV Homes Special Meeting</u>	14
<u>The Merger Agreement and the Merger</u>	15
<u>The Voting Agreement</u>	16
<u>Merger Consideration</u>	16
<u>AV Homes' Reasons for the Merger; Recommendation of the AV Homes Board of Directors</u>	17
<u>Opinion of AV Homes' Financial Advisor, J.P. Morgan</u>	17
<u>Opinion of AV Homes' Financial Advisor, Moelis & Company LLC</u>	17
<u>Interests of Certain AV Homes Directors and Officers in the Merger</u>	18
<u>Board of Directors and Management Following the Merger</u>	18
<u>Treatment of AV Homes Convertible Notes</u>	18
<u>Treatment of AV Homes Equity Awards</u>	19
<u>Certain Material U.S. Federal Income Tax Consequences of the Merger</u>	19
<u>Accounting Treatment of the Merger</u>	20
<u>Regulatory Approvals Required to Complete the Merger</u>	20
<u>Conditions to Completion of the Merger is Subject to Certain Conditions</u>	20
<u>No Solicitation of Alternative Proposals</u>	21
<u>Termination of the Merger Agreement</u>	21
<u>Fees and Expenses and Termination Fees</u>	22
<u>Listing of Shares of Taylor Morrison Common Stock and Delisting and Deregistration of AV Homes</u>	
<u>Common Stock</u>	22
<u>Comparison of Stockholder Rights</u>	22
<u>Appraisal Rights</u>	22
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF TAYLOR MORRISON</u>	24
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF AV HOMES</u>	26
<u>SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION</u>	27
<u>COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA</u>	28
<u>Historical Per Share Data for Taylor Morrison Common Stock and AV Homes Common Stock</u>	28
<u>Unaudited Pro Forma Combined Per Share Data for Taylor Morrison Common Stock</u>	28
<u>Unaudited Pro Forma Combined Per AV Homes Equivalent Share Data</u>	28
<u>Generally</u>	28
<u>COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION</u>	30
<u>Market Prices</u>	30
<u>Comparative Per Share Market Price Information</u>	30
<u>Comparative Stock Prices and Dividends</u>	31
<u>RISK FACTORS</u>	32
<u>Risk Factors Relating to the Merger</u>	32
<u>Risk Factors Relating to the Combined Company Following the Merger</u>	39

<u>Other Risk Factors Relating to Taylor Morrison and AV Homes</u>	42
<u>CAUTIONARY INFORMATION REGARDING FORWARD-LOOKING STATEMENTS</u>	43
<u>THE COMPANIES</u>	45

Table of Contents

<u>AV HOMES SPECIAL MEETING</u>	47
<u>Date, Time and Location</u>	47
<u>Purpose</u>	47
<u>Recommendation of the AV Homes Board</u>	47
<u>Record Date; Outstanding Shares; Stockholders Entitled to Vote</u>	48
<u>Quorum</u>	48
<u>Required Vote</u>	49
<u>Share Ownership of and Voting by AV Homes Directors and Executive Officers</u>	49
<u>Voting of Shares</u>	49
<u>Revocability of Proxies; Changing Your Vote</u>	50
<u>Solicitation of Proxies; Expenses of Solicitation</u>	51
<u>Householding</u>	51
<u>Adjournment</u>	51
<u>Tabulation of Votes; Methods of Voting; Results</u>	52
<u>Other Information</u>	52
<u>Assistance; Proxy Solicitor</u>	52
<u>PROPOSAL I: ADOPTION OF THE MERGER AGREEMENT</u>	53
<u>General</u>	53
<u>Effects of the Merger</u>	53
<u>Background of the Merger</u>	53
<u>AV Homes Reasons for the Merger; Recommendation of the AV Homes Board of Directors</u>	68
<u>Opinions of AV Homes Financial Advisors</u>	73
<u>Unaudited Projected Financial Information</u>	85
<u>Interests of Certain AV Homes Directors and Officers in the Merger</u>	88
<u>Board of Directors and Management Following the Merger</u>	91
<u>Treatment of AV Homes Convertible Notes</u>	91
<u>Material U.S. Federal Income Tax Consequences of the Merger</u>	91
<u>Accounting Treatment of the Merger</u>	97
<u>Regulatory Approvals Required to Complete the Merger</u>	97
<u>Exchange of Shares in the Merger</u>	98
<u>Dividends and Share Repurchases</u>	98
<u>Listing of Shares of Taylor Morrison Common Stock and Delisting and Deregistration of AV Homes</u>	
<u>Common Stock</u>	98
<u>Appraisal Rights</u>	99
<u>Corporate Headquarters</u>	99
<u>THE MERGER AGREEMENT</u>	100
<u>Structure and Effect of the Merger</u>	100
<u>Merger Consideration</u>	101
<u>Election and Exchange Procedures</u>	102
<u>Exchange Procedures</u>	103
<u>Lost, Stolen or Destroyed Shares</u>	103
<u>Dissenting Shares</u>	103
<u>Representations and Warranties</u>	104
<u>Conduct of Business</u>	107
<u>No Solicitation of Alternative Proposals</u>	109
<u>Change of AV Homes Board Recommendation</u>	111
<u>Efforts to Complete the Merger</u>	112
<u>Employee Benefits Matters</u>	113

<u>Treatment of AV Homes Convertible Notes</u>	113
<u>Treatment of AV Homes Equity Awards</u>	114
<u>Other Covenants and Agreements</u>	115
<u>Conditions to Completion of the Merger</u>	115

Table of Contents

<u>Termination of the Merger Agreement</u>	117
<u>Fees and Expenses and Termination Fees</u>	119
<u>Amendments, Extensions, Waivers, and Consents</u>	120
<u>No Third Party Beneficiaries</u>	120
<u>Specific Performance</u>	120
<u>Governing Law</u>	120
<u>THE VOTING AGREEMENT</u>	121
<u>PROPOSAL II: ADVISORY VOTE ON NAMED EXECUTIVE OFFICER MERGER-RELATED COMPENSATION</u>	124
<u>PROPOSAL III: ADJOURNMENT OF AV HOMES SPECIAL MEETING</u>	125
<u>UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS</u>	126
<u>NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS</u>	134
<u>DESCRIPTION OF TAYLOR MORRISON S CAPITAL STOCK</u>	137
<u>Capital Stock</u>	137
<u>Common Stock</u>	137
<u>Anti-Takeover Effects of Taylor Morrison s Certificate of Incorporation and Bylaws</u>	138
<u>Directors Liability; Indemnification of Directors and Officers</u>	139
<u>Transfer Agent and Registrar</u>	139
<u>Securities Exchange</u>	139
<u>COMPARISON OF STOCKHOLDER RIGHTS</u>	140
<u>APPRAISAL RIGHTS</u>	146
<u>General</u>	146
<u>How to Exercise and Perfect Your Appraisal Rights</u>	146
<u>Who May Exercise Appraisal Rights</u>	147
<u>Surviving Corporation s Actions After Completion of the Merger</u>	148
<u>LEGAL MATTERS</u>	152
<u>EXPERTS</u>	152
<u>Taylor Morrison</u>	152
<u>AV Homes</u>	152
<u>FUTURE STOCKHOLDER PROPOSALS</u>	153
<u>ANNEXES</u>	
<u>Annex A: Merger Agreement</u>	A-1
<u>Annex B: Voting Agreement</u>	B-1
<u>Annex C: Opinion of J.P. Morgan Securities LLC</u>	C-1
<u>Annex D: Opinion of Moelis & Company LLC</u>	D-1
<u>Annex E: DGCL Section 262</u>	E-1

Table of Contents

QUESTIONS AND ANSWERS

*The following questions and answers are intended to address some commonly asked questions regarding the Merger, the Merger Agreement, certain voting procedures and other matters with respect to the AV Homes special meeting. These questions and answers may not address all questions that may be important to AV Homes stockholders. To better understand these matters, and for a more complete description of the terms of the Merger Agreement, the Voting Agreement, the Merger and the other transactions contemplated thereby including, certain risks relating to the Merger and Taylor Morrison following the Merger, and the proceedings to be conducted at the AV Homes special meeting, you should carefully read this entire proxy statement/prospectus, including each of the attached Annexes, as well as the documents that have been incorporated by reference into this proxy statement/prospectus. See the section entitled *Where You Can Find More Information* in this proxy statement/prospectus.*

Q: Why am I receiving this proxy statement/prospectus?

A: On June 7, 2018, Taylor Morrison, Intermediate Parent, Merger Sub, and AV Homes entered into the Merger Agreement that is described in this proxy statement/prospectus. A copy of the Merger Agreement is attached as Annex A to this proxy statement/prospectus and is incorporated by reference herein. In order to complete the Merger, among other things, AV Homes stockholders must affirmatively vote to adopt the Merger Agreement. AV Homes is holding a special meeting of stockholders to obtain the requisite approval of its stockholders for the adoption of the Merger Agreement and advisory, non-binding approval of certain compensation that may become payable to the named executive officers of AV Homes in connection with the Merger. In addition, AV Homes stockholders will also be asked to approve the adjournment proposal.

This proxy statement/prospectus serves as both a proxy statement of AV Homes and a prospectus of Taylor Morrison in connection with the Merger.

Your vote is very important. We encourage you to complete, sign, date and submit a proxy card to have your shares of AV Homes Common Stock voted as soon as possible.

Q: What will happen in the Merger?

A: In the Merger, Merger Sub will be merged with and into AV Homes, with AV Homes being the surviving corporation. As a result of the Merger, AV Homes will become an indirect subsidiary of Taylor Morrison, Merger Sub's separate corporate existence will cease, and AV Homes will no longer be a publicly traded company. See *The Merger Agreement Structure and Effect of the Merger* and the Merger Agreement attached as Annex A to this proxy statement/prospectus for more information about the Merger.

Q: What will AV Homes stockholders receive in the Merger?

A:

Edgar Filing: Taylor Morrison Home Corp - Form S-4/A

At the effective time of the Merger each share of AV Homes Common Stock (other than restricted stock, dissenters' shares or any shares of AV Homes Common Stock owned directly by AV Homes (or any wholly owned subsidiary of AV Homes), Taylor Morrison or Merger Sub (which we refer to as Canceled Shares)) will be converted into, at the election of the holder of each share of AV Homes Common Stock, the right to receive consideration consisting of (i) 0.9793 validly issued, fully paid and non-assessable shares of Taylor Morrison Common Stock (subject to the proration procedures described in this proxy statement/prospectus, the Stock Consideration), (ii) \$21.50 in cash (subject to the proration procedures described in this proxy statement/prospectus, the Cash Consideration), or (iii) \$12.64 in cash and 0.4034 validly issued, fully paid and non-assessable shares of Taylor Morrison Common Stock (which we refer to as the Mixed Consideration).

Table of Contents

Elections to receive Stock Consideration (which we refer to as *Stock Elections*), elections to receive Cash Consideration (which we refer to as *Cash Elections*) and elections to receive Mixed Consideration (which we refer to as *Mixed Elections*), are subject to allocation and proration procedures set forth in the Merger Agreement to ensure that the aggregate Merger Consideration will consist of approximately 58.8% cash and approximately 41.2% Taylor Morrison Common Stock.

You will receive cash in lieu of a fractional share to which you would otherwise be entitled, and you will not be entitled to dividends, voting rights or any other rights in respect of such fractional share. For more information regarding allocation and proration procedures, see the section entitled *The Merger Agreement Merger Consideration*.

Pursuant to the Voting Agreement, TPG has agreed both to vote all of its shares of AV Homes Common Stock (representing approximately % of the outstanding shares of AV Homes Common Stock as of Record Date) in favor of the adoption of the Merger Agreement and any action required in furtherance thereof and to make a Stock Election with respect to all of its AV Homes Common Stock. TPG may not transfer its AV Homes Common Stock prior to the Merger other than to an affiliate that agrees to be bound by the Voting Agreement.

Because the exchange ratio for the shares of Taylor Morrison Common Stock that will be issued in the Merger is fixed and there will be no adjustment to such exchange ratio, the aggregate value of the Merger Consideration received by AV Homes stockholders who receive Taylor Morrison Common Stock in the Merger will depend on the then-current NYSE market price of shares of Taylor Morrison Common Stock at the effective time of the Merger. As a result, the value of the Merger Consideration that AV Homes stockholders will receive in the Merger could be greater than, less than, or the same as, the value of such Merger Consideration on the date of this proxy statement/prospectus or at the time of the AV Homes special meeting.

For more information regarding the Stock Consideration, Cash Consideration, or Mixed Consideration, as applicable, to be provided to AV Homes stockholders (which we refer to as the *Per Share Merger Consideration*), see the section entitled *The Merger Merger Consideration*. For more information regarding election mechanics, see the section entitled *The Merger Agreement Election and Exchange Procedures*.

Q: I own shares of AV Homes Common Stock. How do I make an election to receive Cash Consideration, Stock Consideration or Mixed Consideration for my shares of AV Homes Common Stock?

A: Prior to the closing of the Merger, AV Homes will provide a form of election to holders of record of shares of AV Homes Common Stock advising such holders of the procedure for exercising their right to make an election.

Q: I own shares of AV Homes Common Stock. What is the deadline for submitting my election?

A: To be effective, a form of election must be properly completed, signed and submitted to the Exchange Agent by the election deadline. Unless otherwise agreed upon in advance by the parties, the election deadline will be 5:00 p.m. New York City time, on the date that AV Homes and Taylor Morrison agree is as near as practicable to two (2) business days preceding the closing date of the Merger. AV Homes stockholders are urged to promptly submit their properly completed and signed forms of election, together with the necessary transmittal materials, as soon as those materials become available, and not wait until the

election deadline.

Q: I own shares of AV Homes Common Stock. How can I change or revoke my election?

A: You can change or revoke your election before the election deadline by written notice that is sent to and received by the Exchange Agent prior to the election deadline accompanied by a properly completed and

Table of Contents

signed revised form of election or by withdrawal prior to the election deadline of your certificates (or affidavits of loss in lieu of such certificates), or any documents in respect of book-entry shares previously deposited with the Exchange Agent.

Q: I own shares of AV Homes Common Stock. What happens if I don't make an election?

A: A holder of shares of AV Homes Common Stock who makes no election or an untimely election, or is otherwise deemed not to have submitted an effective form of election, or who has validly revoked his or her merger consideration election but has not properly submitted a new duly completed form of election, will be deemed to have made a Mixed Election.

Q: I own shares of AV Homes Common Stock. Can I sell my shares of AV Homes Common Stock after I make my election to receive cash or stock?

A: Yes, but, after an election is validly made, any subsequent transfer of AV Homes Common Stock will automatically revoke such election. Following such revocation, unless a subsequent election is made, the holder of such shares shall be deemed to have made a Mixed Election with respect to such shares.

Q: If I elect to receive Cash Consideration, under what circumstances will my cash be prorated and how will proration be calculated?

A: If (i) the product of the number of shares pursuant to which a Cash Election was made (which we refer to as "Cash Electing Shares") multiplied by the Cash Consideration (before giving effect to any adjustment) (which we refer to as the "Cash Election Amount") exceeds (ii) the product of the aggregate number of issued and outstanding shares of AV Homes Common Stock (other than Canceled Shares) multiplied by \$12.64 minus the aggregate amount of cash to be paid in respect of all shares pursuant to which a Mixed Election is made (which we refer to as the "Available Cash Election Amount"), then the following consideration will be paid in respect of each Cash Electing Share:

an amount of cash equal to the product of (i) the Cash Consideration (before giving effect to any adjustment) multiplied by (ii) the greater of (a) a fraction, rounded to four (4) decimal places, the numerator of which is the Available Cash Election Amount and the denominator of which is the Cash Election Amount and (b) zero (0) (we refer to the amount calculated in clause (ii) of this paragraph as the "Cash Fraction"); and

a number of shares of Taylor Morrison Common Stock equal to the product of (i) the Stock Consideration (before giving effect to any adjustment) multiplied by (ii) the result of one (1) minus the Cash Fraction.

Q: If I elect to receive Stock Consideration, under what circumstances will my stock be prorated and how will proration be calculated?

A: If the Available Cash Election Amount exceeds the Cash Election Amount, then the following consideration will be paid in respect of each share pursuant to which a Stock Election is made (which we refer to as Stock Electing Shares):

an amount of cash equal to the result of (i) the amount of such excess divided by (ii) the number of Stock Electing Shares (which we refer to as the Prorated Cash Amount); and

a number of shares of Taylor Morrison Common Stock equal to the product of (i) the Stock Consideration (before giving effect to any adjustment) *multiplied by* (ii) a fraction, rounded to four (4) decimal places, the numerator of which is the difference between (a) the Cash Consideration (before giving effect to any adjustment) and (b) the Prorated Cash Amount and the denominator of which is the Cash Consideration (before giving effect to any adjustment).

Table of Contents

Q: What happens if the Merger is not completed?

A: If the Merger is not completed for any reason, AV Homes stockholders will not receive any Merger Consideration for their shares of AV Homes Common Stock, and AV Homes will remain an independent public company with AV Homes Common Stock continuing to be traded on Nasdaq. For a discussion of the fees payable in the event the Merger is not completed, see Fees and Expenses and Termination Fees.

Q: When and where will the AV Homes special meeting be held?

A: The AV Homes special meeting will be held on _____, 2018, at _____ a.m. local time, at _____.

Q: What are AV Homes stockholders being asked to vote on?

A: AV Homes stockholders are being asked to vote on:

Proposal I: a proposal to adopt the Merger Agreement, pursuant to which Merger Sub will merge with and into AV Homes, with AV Homes continuing as the surviving corporation in such Merger, such that the separate corporate existence of Merger Sub will cease, AV Homes no longer will be a publicly traded company, and the business and subsidiaries of AV Homes will become indirect subsidiaries of Taylor Morrison; and

Proposal II: a proposal to approve, on an advisory (non-binding) basis, certain compensation that may become payable to the named executive officers of AV Homes in connection with the Merger; and

Proposal III: the adjournment proposal.

The adoption by AV Homes stockholders of the Merger Agreement is a condition to the obligations of Taylor Morrison and of AV Homes to complete the Merger. The approval of the advisory compensation proposal and the adjournment proposal are not conditions to the obligations of Taylor Morrison or of AV Homes to complete the Merger.

Q: Who is entitled to vote at the AV Homes special meeting?

A: AV Homes has one class of voting stock issued and outstanding, the AV Homes Common Stock, which votes on all matters presented to AV Homes stockholders for their vote or approval. Only holders of record of AV Homes Common Stock as of the Record Date, the close of business on _____, 2018, are entitled to vote at the AV Homes special meeting or any adjournment or postponement thereof.

As of the Record Date, there were _____ shares of AV Homes Common Stock outstanding. Each outstanding share of AV Homes Common Stock is entitled to one vote on each matter to be acted upon at the AV Homes special meeting.

Q: How does the AV Homes Board recommend that AV Homes stockholders vote?

A: At a meeting of the AV Homes Board held on June 6, 2018, at which all of the AV Homes directors were present, the AV Homes Board unanimously determined that the Merger Agreement and the other transactions contemplated by the Merger Agreement, including the Merger, are advisable, fair to, and in the best interests of, AV Homes and its stockholders, and approved, adopted, and declared advisable the Merger Agreement and the other transactions contemplated by the Merger Agreement, including the Merger.

The AV Homes Board recommends that AV Homes stockholders vote FOR the adoption of the Merger Agreement, FOR the named executive officer Merger-related compensation proposal and FOR the adjournment proposal. See *Proposal I: Adoption of the Merger Agreement AV Homes Reasons for the Merger; Recommendation of the AV Homes Board of Directors*, *Proposal II: Advisory*

Table of Contents

Vote on Named Executive Officer Merger-Related Compensation and Proposal III: Adjournment of AV Homes Special Meeting beginning on pages 53, 124 and 125, respectively, of this proxy statement/prospectus.

Q: What AV Homes stockholder vote is required for the adoption of the Merger Agreement and the approval of the adjournment proposal, and what happens if I abstain?

A: The following are the vote requirements:

Adoption of the Merger Agreement: The affirmative vote, in person or by proxy, of holders of a majority of the voting power of the outstanding shares of AV Homes Common Stock is required to adopt the Merger Agreement. Accordingly, shares deemed not in attendance at the AV Homes special meeting, whether due to a record holder's failure to vote or a street name holder's failure to provide any voting instructions to such holder's nominee or intermediary, abstentions and broker non-votes will have the same effect as a vote against the adoption of the Merger Agreement.

Approval of Executive Pay: The affirmative vote, in person or by proxy, of holders of a majority of the votes which could be cast which are present in person or by proxy at the meeting is required to adopt the proposal. Accordingly, abstentions will have the same effect as a vote against the proposal, but shares deemed not in attendance at the meeting, whether due to a record holder's failure to vote or a street name holder's failure to provide any voting instructions to such holder's nominee or intermediary, and broker non-votes will have no effect on the proposal.

Adjournment of AV Homes Special Meeting: The affirmative vote of holders of shares entitling them to exercise a majority of the voting power that is present in person or by proxy at any special meeting, even if such majority represents less than a quorum, is required to approve the adjournment proposal. Accordingly, abstentions will have the same effect as a vote against the proposal, but shares deemed not in attendance at the meeting, whether due to a record holder's failure to vote or a street name holder's failure to provide any voting instructions to such holder's nominee or intermediary, and broker non-votes will have no effect on the proposal.

Q: How many votes do I and others have? Are any AV Homes stockholders already committed to vote in favor of the proposals?

A: Holders of AV Homes Common Stock vote on all matters presented to AV Homes stockholders for their vote or approval, including the proposal to adopt the Merger Agreement and the adjournment proposal to be presented at the AV Homes special meeting. Holders of AV Homes Common Stock are entitled to one vote for each share of AV Homes Common Stock owned as of the Record Date. As of the Record Date, there were _____ outstanding shares of AV Homes Common Stock, and TPG held _____ shares of AV Homes Common Stock.

In connection with the execution of the Merger Agreement, TPG entered into the Voting Agreement with Taylor Morrison. As of the Record Date, the shares of AV Homes Common Stock held by TPG subject to the Voting Agreement represent approximately % of the aggregate voting power of the AV Homes Common Stock. TPG has agreed in the Voting Agreement to, among other things, vote all shares of AV Homes capital stock held by it (i) in favor of the adoption of the Merger Agreement and any action required in furtherance thereof, (ii) against approval of any proposal made in opposition to, in competition with, or that would result in a breach of the Merger Agreement or the Merger or any other transactions contemplated by the Merger Agreement, and (iii) against certain other actions that are intended or would reasonably be expected to prevent, interfere with, or materially impair or delay, the consummation of the Merger or any of the other transactions contemplated by the Merger Agreement in accordance with their terms. The Voting Agreement will terminate automatically on the first to occur of (i) a change in the recommendation of the AV Homes Board, (ii) certain amendments or waivers of the Merger Agreement without TPG's prior consent, (iii) the effective time of the Merger and (iv) the termination of the Merger Agreement. *See The Voting Agreement.*

Table of Contents

Q: Why are the Merger Agreement and the Merger not being considered and voted upon by Taylor Morrison stockholders?

A: Under Delaware law, Taylor Morrison stockholders are not required to consider and vote to adopt the Merger Agreement. Under NYSE rules, stockholder approval is required prior to the issuance by an NYSE-listed issuer of common stock in a business combination transaction if the number of shares of common stock to be issued in the business combination equals 20% or more of the number of shares of common stock outstanding before such issuance. The issuance by Taylor Morrison in the Merger of up to approximately 14.0 million shares of Taylor Morrison Common Stock will not equal 20% or more of the total issued and outstanding shares of Taylor Morrison Common Stock at the time of issuance.

Q: Are there any important risks related to the Merger or Taylor Morrison's or AV Homes' businesses of which I should be aware?

A: Yes, there are important risks related to the Merger and each of Taylor Morrison's and AV Homes' businesses. Before making any decision on how to vote, Taylor Morrison and AV Homes urge you to read carefully and in its entirety the section entitled *Risk Factors* in this proxy statement/prospectus. You also should read and carefully consider the risk factors relating to Taylor Morrison and AV Homes contained in the documents that are incorporated by reference into this proxy statement/prospectus, including Taylor Morrison's and AV Homes' respective Annual Reports on Form 10-K for the fiscal year ended December 31, 2017, as updated from time to time in each company's subsequent filings with the SEC.

Q: Do AV Homes directors and officers have interests that may differ from those of other AV Homes stockholders?

A: Yes. In considering the recommendation of the AV Homes Board that AV Homes stockholders vote **FOR** the adoption of the Merger Agreement, AV Homes stockholders should be aware and take into account the fact that certain AV Homes directors and executive officers have interests in the Merger that may be different from, or in addition to, the interests of AV Homes stockholders generally. The AV Homes Board was aware of and considered these interests, among other matters, in evaluating the terms and structure, and overseeing the negotiation of, the Merger, in approving the Merger Agreement and in recommending that AV Homes stockholders vote **FOR** the adoption of the Merger Agreement. See *Proposal I: Adoption of the Merger Agreement - Interests of Certain AV Homes Directors and Officers in the Merger*.

Q: What constitutes a quorum for the AV Homes special meeting?

A: A quorum of outstanding shares is necessary to take action at the AV Homes special meeting. The presence in person or by proxy of the holders of stock having a majority of the voting power of AV Homes will constitute a quorum at the AV Homes special meeting. The inspector of election appointed for the AV Homes special meeting will determine whether a quorum is present.

Q: How do I vote?

A: If you are a stockholder of record as of the Record Date for the AV Homes special meeting, you may attend the AV Homes special meeting and vote your shares in person. You also may choose to submit your proxies by any of the following methods:

By Mail. If you choose to submit your proxy to vote by mail, simply complete the enclosed proxy card, date and sign it, and return it in the postage-paid envelope provided;

By Telephone. You may submit your proxy to vote your shares by telephone by calling the toll-free number provided on your proxy card any time up to _____ p.m. Eastern Time, on _____, 2018; or

Table of Contents

Through the Internet. You may also submit your proxy to vote through the Internet by signing on to the website identified on your proxy card and following the procedures described in the website any time up to p.m. Eastern Time, on , 2018.

If you are a beneficial owner and hold your shares in street name, or through a nominee or intermediary, such as a bank or broker, you will receive separate instructions from such nominee or intermediary describing how to vote your shares. The availability of telephonic or Internet voting will depend on the intermediary's voting process. Please check with your nominee or intermediary and follow the voting instructions provided by your nominee or intermediary with these materials.

Q: What is a broker non-vote ?

A: If a holder of AV Homes Common Stock is a beneficial owner of shares held in street name by a bank, broker, trust company or other nominee and does not provide the organization that holds its shares with specific voting instructions, then, under applicable rules, the organization that holds its shares may generally vote on routine matters but cannot vote on non-routine matters. The proposals to be voted on at the AV Homes special meeting are non-routine matters. If the organization that holds the beneficial owner's shares does not receive instructions from such AV Homes stockholder on how to vote its shares on any of the proposals to be voted on at the AV Homes special meeting, that bank, broker, trust company or other nominee will inform the inspector of election at the AV Homes special meeting that it does not have authority to vote on any proposal at the AV Homes special meeting with respect to such shares, and, furthermore, such shares will not be deemed to be in attendance at the meeting. However, if the bank, broker, trust company or other nominee receives instructions from such AV Homes stockholder on how to vote its shares as to only one or two proposals, the shares will be voted as instructed on such proposal(s) but will not be voted on the other, uninstructed proposal(s). This is generally referred to as a broker non-vote.

Q: If my shares are held in street name, will my nominee or intermediary automatically vote my shares for me?

A: No. If your shares of AV Homes Common Stock are held in street name, you must instruct your nominee or intermediary how to vote your shares. Your nominee or intermediary will vote your shares only if you provide instructions on how to vote by properly completing the voting instruction form sent to you by your nominee or intermediary with this proxy statement/prospectus.

Q: What will happen if I return my proxy card without indicating how to vote?

A: If you return your signed and dated proxy card without indicating how to vote your shares on any particular proposal, the AV Homes Common Stock represented by your proxy will be voted in accordance with the recommendation of the AV Homes Board.

Q: Is my vote important?

A: Yes, your vote is very important. The Merger cannot be completed without the adoption of the Merger Agreement by AV Homes stockholders.

The AV Homes Board recommends that AV Homes stockholders vote **FOR** the adoption of the Merger Agreement.

Q: Can I revoke my proxy or change my voting instructions?

A: Yes. You may revoke your proxy or change your vote, at any time, before your proxy is voted at the AV Homes special meeting.

Table of Contents

If you are a holder of record as of the Record Date, you can revoke your proxy or change your vote by:

sending a written notice stating that you revoke your proxy to the Corporate Secretary of AV Homes, at AV Homes offices at 6730 N. Scottsdale Road Suite 150, Scottsdale, AZ 85253, Attention: Corporate Secretary, that bears a date later than the date of the previously submitted proxy that you want to revoke and is received by AV Homes Corporate Secretary prior to the AV Homes special meeting;

submitting a valid, later-dated proxy via mail, over the telephone or through the Internet; or

attending the AV Homes special meeting and voting in person, which will automatically cancel any proxy previously given, or revoking your proxy in person, but your attendance alone will not constitute a vote or revoke any proxy previously given.

If you hold your shares in street name, you must contact your nominee or intermediary to change your vote or obtain a legal proxy to vote your shares if you wish to cast your vote in person at the AV Homes special meeting.

Q: What happens if I transfer my shares of AV Homes Common Stock before the AV Homes special meeting?

A: The Record Date is earlier than the date of the AV Homes special meeting and the date that the Merger is expected to be completed. If you transfer your shares of AV Homes Common Stock after the Record Date, but before the AV Homes special meeting, you will retain your right to vote at the AV Homes special meeting. However, you will have transferred the right to receive the Merger Consideration in the Merger. In order to receive the Merger Consideration, you must hold your shares of AV Homes Common Stock through the effective time of the Merger. In addition, after an election is validly made, any subsequent transfer of AV Homes Common Stock will automatically revoke such election. Following such revocation, unless a subsequent election is made, the holder of such shares shall be deemed to have made a Mixed Election with respect to such shares.

Q: What do I do if I receive more than one set of voting materials?

A: You may receive more than one set of voting materials, including multiple copies of this proxy statement/prospectus, the proxy card or the voting instruction form. This can occur if you hold your shares in more than one brokerage account, if you hold shares directly as a holder of record and also in street name, or otherwise through another holder of record, and in certain other circumstances. If you receive more than one set of voting materials, please vote or return each set separately in order to ensure that all of your shares are voted.

Q: What will happen if all of the proposals to be considered at the AV Homes special meeting are not approved?

A:

As a condition to completion of the Merger, AV Homes stockholders must adopt the Merger Agreement at the AV Homes special meeting. Completion of the Merger is not conditioned or dependent upon the approval of either the proposal regarding certain compensation that may become payable to the named executive officers of AV Homes in connection with the Merger or the adjournment proposal.

Q: Are AV Homes stockholders entitled to appraisal rights if they do not vote FOR the adoption of the Merger Agreement?

A: Yes. Under Delaware law, record holders of AV Homes Common Stock who neither vote in favor of the adoption of the Merger Agreement nor consent thereto in writing, who continuously hold their shares of AV Homes Common Stock through the effective time of the Merger and who otherwise comply with the procedures set forth in Section 262 of the DGCL, will be entitled to appraisal rights in connection with the Merger, and if the Merger is completed, subject to the provisions of Section 262 of the DGCL, obtain payment in cash of the fair value of their shares of AV Homes Common Stock as determined by the

Table of Contents

Delaware Court of Chancery, instead of receiving the Merger Consideration for their shares. Under Section 262 of the DGCL, assuming AV Homes Common Stock remains listed on a national securities exchange immediately prior to the effective time of the Merger, the Delaware Court of Chancery will dismiss any appraisal proceedings as to all stockholders who have perfected their appraisal rights unless (i) the total number of shares entitled to appraisal exceeds 1% of the outstanding shares of AV Homes Common Stock, or (ii) the value of the consideration provided in the Merger for such total number of shares entitled to appraisal exceeds \$1 million. To exercise appraisal rights, AV Homes stockholders must comply with the procedures prescribed by Section 262 of the DGCL. These procedures are summarized under *Appraisal Rights*. In addition, a copy of the full text of Section 262 of the DGCL is included as Annex E to this proxy statement/prospectus. Failure to comply with these provisions may result in a loss of the right of appraisal.

Q: What are the material U.S. federal income tax consequences of the Merger to U.S. holders of AV Homes Common Stock?

A: The exchange of AV Homes Common Stock for cash, Taylor Morrison Common Stock or both in the Merger generally will be a taxable transaction for U.S. federal income tax purposes and may also be taxable under state, local or other tax laws. You should read the section entitled *Proposal I: Adoption of the Merger Agreement Material U.S. Federal Income Tax Consequences of the Merger* for more information. Tax matters can be complicated and the tax consequences of the Merger to you will depend on your particular circumstances. You are urged to consult your tax advisors regarding the U.S. federal income tax consequences of the Merger to you in your particular circumstances, as well as tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

Q: What are the conditions to the completion of the Merger?

A: Completion of the Merger is subject to certain closing conditions, including, but not limited to, the (i) adoption of the Merger Agreement by AV Homes stockholders; (ii) effectiveness of the registration statement under the Securities Act of which this proxy statement/prospectus is a part; and (iii) satisfaction (or to the extent permitted by applicable law, waiver) of other customary conditions to closing. See *The Merger Agreement Conditions to Completion of the Merger* for more information.

Q: When is the Merger expected to be completed?

A: As of the date of this proxy statement/prospectus, it is not possible to accurately estimate the closing date of the Merger because the Merger is subject to the satisfaction (or, to the extent permitted by applicable law, waiver) of the conditions to Taylor Morrison's and AV Homes' obligations to complete the Merger, some of which are not within the control of such parties; however, Taylor Morrison and AV Homes currently expect the Merger to close late in the third quarter or early in the fourth quarter of 2018. Accordingly, no assurance can be given as to when, or if, the Merger will be completed.

Q:

Do I need to do anything at this time with my shares of AV Homes Common Stock other than voting on the proposals at the AV Homes special meeting?

A: If you are an AV Homes stockholder, you will be entitled to receive the Merger Consideration for your shares after the effective time of the Merger (assuming you do not properly exercise your appraisal rights in respect of such shares as described under *Appraisal Rights*). However, there is no action that you are requested to take at this time, other than affirmatively voting **FOR** the adoption of the Merger Agreement, **FOR** the named executive officer Merger-related compensation proposal and **FOR** the adjournment proposal in accordance with one of the methods of voting set forth in *AV Homes Special Meeting Voting of Shares*.

Table of Contents

Q: Should I send in my AV Homes stock certificates now to receive the Merger Consideration?

A: No. AV Homes stockholders should not send in their stock certificates to any person at this time. After the effective time of the Merger, the Exchange Agent will send you a letter of transmittal and instructions for exchanging your shares of AV Homes Common Stock for the Merger Consideration. See *Proposal I: Adoption of the Merger Agreement Exchange of Shares in the Merger*.

Q: Is the completion of the Merger subject to a financing condition?

A: No. The receipt of any financing by Taylor Morrison is not a condition to completion of the Merger or any of the other transactions contemplated by the Merger Agreement and, except in certain limited circumstances in which Taylor Morrison or AV Homes may be permitted to terminate the Merger Agreement (as more fully described in *The Merger Agreement Termination of the Merger Agreement*), Taylor Morrison will be required to complete the Merger (assuming that all of the conditions to its obligations to complete the Merger under the Merger Agreement are satisfied or waived) whether or not financing is available on acceptable terms or at all. Taylor Morrison currently intends to pay the cash portion of the Merger Consideration and pay related fees and expenses in connection with the Merger using the proceeds of draws under its revolving credit facility, the proceeds of a new bond issuance and/or cash on hand at the time of closing. In addition, Taylor Morrison has a commitment for a 364-day term loan if a new bond offering is not completed at or prior to the time of closing. The term loan, if drawn upon, would be a \$200.0 million unsecured facility with Intermediate Parent as borrower, bearing interest at a rate equal to LIBOR plus a margin ranging from 1.50% to 2.00% or the base rate plus a margin ranging from 0.50% to 1.00%. The term loan would mature 364 days after the closing date of the Merger and have covenants substantially the same as those under Taylor Morrison's existing credit facility.

Q: How will AV Homes' outstanding indebtedness be treated in the Merger?

A: Upon closing of the Merger, AV Homes' existing revolving credit facility will be terminated and any amounts outstanding thereunder will be repaid using cash from AV Homes' balance sheet. The AV Homes 6.625% Notes are expected to remain outstanding following the Merger. The Merger constitutes a Fundamental Change for purposes of the indenture governing the AV Homes Convertible Notes. Upon the occurrence of a Fundamental Change, the holders of the AV Homes Convertible Notes can cause AV Homes (or its successor) to repurchase the AV Homes Convertible Notes at a price equal to 100% of their aggregate principal amount, plus accrued and unpaid interest to but not including the date of repurchase. Holders of the AV Homes Convertible Notes may also convert them at an increased conversion rate in connection with the Merger, and if such conversion occurs with respect to all of the AV Homes Convertible Notes, such holders would be entitled to the Merger Consideration that would be paid to holders of a total of approximately 4.4 million shares of AV Homes Common Stock. The form of such Merger Consideration would be the form elected by holders of a plurality of the AV Homes Common Stock. Such Merger Consideration would consist of (i) an aggregate of approximately \$95.0 million in cash if holders of a plurality of AV Homes Common Stock elect to receive all of the Merger Consideration in cash, (ii) an aggregate of approximately 4.3 million shares of Taylor Morrison Common Stock if holders of a plurality of such AV Homes Common Stock elect to receive all of the Merger Consideration in Taylor Morrison Common Stock and (iii) an aggregate of approximately \$55.8 million in cash and approximately 1.8 million shares of Taylor Morrison Common Stock if holders of a plurality of such AV Homes Common Stock elect to

receive mixed cash and stock consideration. The combined company expects to fund any required additional cash payments from additional borrowings under its revolving credit facility. The consideration deliverable upon conversion of AV Homes Convertible Notes as described in the preceding paragraph assumes that the Merger closes on October 1, 2018, and the average closing price of the AV Homes Common Stock on the last five trading days preceding the closing date is \$21.50. Pursuant to the terms of the indenture governing the AV Homes Convertible Notes, the number of shares of AV Homes Common Stock issuable upon conversion of the AV Homes Convertible Notes will vary based on the date of closing of the Merger and such average closing price. Any AV Homes Convertible Notes that are not repurchased or converted will remain outstanding.

Table of Contents

Q: Will the Taylor Morrison Common Stock issued to AV Homes stockholders at the time of completion of the Merger be traded on an exchange?

A: Yes. It is a condition to completion of the Merger that the shares of Taylor Morrison Common Stock to be issued to AV Homes stockholders in the Merger be approved for listing on the NYSE, subject to official notice of issuance. Shares of Taylor Morrison Common Stock are currently traded on the NYSE under the ticker symbol TMHC.

Q: If I am an AV Homes stockholder, whom should I contact with questions?

A: If you have any questions about the Merger or the AV Homes special meeting, or desire additional copies of this proxy statement/prospectus, proxy cards or voting instruction forms, you should contact:
AV Homes, Inc.

6730 N. Scottsdale Road, Suite 150

Scottsdale, AZ 85253

Attention: Investor Relations

Email: m.burnett@avhomesinc.com

Telephone: (480) 214-7408

or

Georgeson LLC

1290 Avenue of the Americas, 9th Floor

New York, NY 10104

Banks, Brokers and Shareholders

Call Toll-Free: 866-647-8869

Q: Where can I find more information about Taylor Morrison and AV Homes?

A: You can find more information about Taylor Morrison and AV Homes from the various sources described under *Where You Can Find More Information*.

Table of Contents

SUMMARY

This summary highlights selected information from this proxy statement/prospectus. It may not contain all of the information that is important to you. You are urged to read this entire proxy statement/prospectus and the other documents referred to or incorporated by reference into this proxy statement/prospectus in order to fully understand the Merger, the Merger Agreement and other matters to be considered at the AV Homes special meeting. See *Where You Can Find More Information*. Each item in this summary refers to the beginning page of this proxy statement/prospectus on which that subject is discussed in more detail.

The Companies (See page 45)

Taylor Morrison Home Corporation

Taylor Morrison is one of the largest public homebuilders in the United States. Taylor Morrison is also a land developer, with a portfolio of lifestyle and master-planned communities. Taylor Morrison provides a diverse assortment of homes across a wide range of price points. Taylor Morrison strives to appeal to a broad spectrum of customers in traditionally high growth markets, where it designs, builds and sells single-family detached and attached homes. Taylor Morrison operates under the Taylor Morrison and Darling Homes brand names. Taylor Morrison also provides financial services to customers through its mortgage subsidiary, Taylor Morrison Home Funding, LLC (TMHF), and title insurance and closing settlement services through its title company, Inspired Title Services, LLC (Inspired Title).

Taylor Morrison has operations in Arizona, California, Colorado, Florida, Georgia, Illinois, North Carolina and Texas. Taylor Morrison s business is organized into multiple homebuilding operating divisions and a mortgage and title services division, which are managed as multiple reportable segments, as follows:

East	Atlanta, Charlotte, Chicago, Orlando, Raleigh, Southwest Florida and Tampa
Central	Austin, Dallas, Houston (each of the Dallas and Houston markets include both a Taylor Morrison division and a Darling Homes division) and Denver
West	Bay Area, Phoenix, Sacramento and Southern California
Mortgage Operations	Taylor Morrison Home Funding (TMHF) and Inspired Title Services (Inspired Title)

During 2017, Taylor Morrison s operations were located in eight states and generated revenue of \$3.89 billion, net income from continuing operations of \$176.7 million. Taylor Morrison ended 2017 with \$1.7 billion in sales order backlog.

During 2017, Taylor Morrison had 297 average active communities and at December 31, 2017 Taylor Morrison owned or controlled over 37,800 lots. The average sales price of homes closed during the year ended December 31, 2017 was approximately \$473,000. During 2017, Taylor Morrison sold 8,397 homes, an increase of approximately 12% over the prior year.

Taylor Morrison was incorporated in Delaware in November 2012. Taylor Morrison s principal executive offices are located at 4900 N. Scottsdale Road, Suite 2000, Scottsdale, AZ 85251 and its telephone number is (480) 840-8100.

AV Homes, Inc.

AV Homes, a Delaware corporation, is a homebuilder and land developer of residential communities in Florida, the Carolinas, Arizona and Texas. AV Homes focuses on the development and construction of primary residential communities that serve first-time and move-up buyers, as well as active adults communities, which are restricted to 55 years and older, and typically include resort-style amenities such as clubhouses, swimming pools, and fitness centers.

Table of Contents

AV Homes employs a deliberate land acquisition strategy that focuses on development in high-demand markets in addition to exploring opportunities that will broaden its geographical footprint. AV Homes' core business strategies are: strategically expanding its primary segments to capitalize on market recoveries, serve the lifestyle and housing needs of the 55 and over active adults, maintain core focus on operational improvements to drive profitability while managing construction and labor costs, exercise prudent balance sheet management to maintain ample liquidity for growth and profitably monetize non-core commercial and industrial land positions and scattered lots.

As of December 31, 2017, AV Homes owned 4,911 developed residential lots, 2,395 partially developed residential lots, 8,776 undeveloped residential lots and 6,980 acres of mixed-use, commercial and industrial land. AV Homes utilizes its deep experience, strong operating platform and land inventory to capitalize on the strengthening housing environment and favorable demographic trends within our core markets. AV Homes' common stock is currently traded on the Nasdaq Stock Market under the symbol AVHI.

AV Homes' principal operations, which include the acquisition, development and building of active adult and primary residential communities, are conducted in the greater Orlando, Jacksonville, Phoenix, Charlotte, Raleigh and Dallas-Fort Worth markets. AV Homes believes that these markets have attractive residential real estate investment characteristics, and that its strategic development of land there will allow it to obtain higher home prices and gross margins, as well as yield a strong pace of sales and higher returns. In focusing on the 55+ age demographic, AV Homes hopes to support a growing interest in lifestyle-oriented, age-qualified communities, especially throughout the Sun Belt.

AV Homes' current major active adult communities include: Solivita (Central Florida), Vitalia at Tradition (Port St. Lucie, Florida), CantaMia (Goodyear, Arizona), Encore at Eastmark (Mesa, Arizona), and Creekside at Bethpage (Raleigh/Durham).

AV Homes purchases improved lots and tracts of raw land or unimproved lots that require development. AV Homes acts as general contractor for the construction of its homes and communities, and it typically engages subcontractors on a project-by-project basis. With regard to purchase of raw materials, AV Homes engages several suppliers in each region, and also has national supplier contracts for certain items such as flooring, faucets, and air conditioning systems.

AV Homes' principal executive offices are located at 6730 N. Scottsdale Road, Suite 150, Scottsdale, AZ 85253, and its telephone number is (480) 214-7400.

Merger Sub

Thor Merger Sub, Inc., an indirect subsidiary of Taylor Morrison, is a Delaware corporation that was formed on June 1, 2018 for the sole purpose of effecting the Merger. In the Merger, Merger Sub will be merged with and into AV Homes, with AV Homes surviving the Merger. As a result of the Merger, AV Homes will become an indirect subsidiary of Taylor Morrison.

Merger Sub's principal executive offices and its telephone number are the same as those of Taylor Morrison.

Table of Contents

AV Homes Special Meeting (See page 47)

General

The AV Homes special meeting will be held on _____, 2018, at _____ a.m., local time, at _____. At the AV Homes special meeting, AV Homes stockholders will consider and vote on:

Proposal I: the adoption of the Merger Agreement, pursuant to which Merger Sub will merge with and into AV Homes, with AV Homes continuing as the surviving entity in the Merger as a subsidiary of Taylor Morrison;

Proposal II: to approve, on an advisory (non-binding) basis, certain compensation that may become payable to the named executive officers of AV Homes in connection with the Merger; and

Proposal III: the adjournment proposal.

The adoption of the Merger Agreement by AV Homes stockholders is a condition to the obligations of Taylor Morrison and of AV Homes to complete the Merger.

Record Date

The AV Homes Board has fixed the close of business on _____, 2018 as the Record Date for determination of the AV Homes stockholders entitled to vote at the AV Homes special meeting or any adjournment or postponement thereof. Only AV Homes stockholders of record on the Record Date are entitled to receive notice of, and to vote at, the AV Homes special meeting or any adjournment or postponement thereof.

As of the Record Date, there were _____ shares of AV Homes Common Stock outstanding and entitled to vote at the AV Homes special meeting, held by approximately _____ holders of record. With respect to each matter to be acted upon at the AV Homes special meeting, each holder of AV Homes Common Stock is entitled to one vote for each outstanding share of AV Homes Common Stock held by such holder. As described in detail under the heading *The Voting Agreement*, Taylor Morrison and TPG entered into a voting agreement pursuant to which, among other things, TPG agreed to vote all outstanding AV Homes Common Stock currently held or thereafter acquired by TPG in favor of the adoption of the Merger Agreement.

Quorum

A quorum of outstanding shares is necessary to take action at the AV Homes special meeting. The presence in person or by proxy of the holders of AV Homes Common Stock having a majority of the votes that could be cast by the holders of AV Homes Common Stock entitled to vote at the AV Homes special meeting will constitute a quorum at the AV Homes special meeting. Shares held by a beneficial owner in street name who does not give the nominee or other intermediary that holds such shares instructions on how to vote such shares on any proposal to be voted on at the AV Homes special meeting (a broker non-vote) will not be deemed to be in attendance at the meeting or counted for purposes of determining whether a quorum has been achieved. However, abstentions will be counted as present in determining the existence of a quorum.

Table of Contents***Required Vote***

The required number of votes to approve the matters to be voted upon at the AV Homes special meeting depends on the particular item to be voted upon as set out below:

	Item	Vote Necessary for Approval*
Proposal I	Adoption of the Merger Agreement	Approval requires the affirmative vote, in person or by proxy, of holders of a majority of the outstanding shares of AV Homes Common Stock.
Proposal II	Non-Binding Approval of Executive Pay	Approval requires the affirmative vote, in person or by proxy, of holders of a majority of the votes that could be cast that are present in person or by proxy at the meeting.
Proposal III	Adjournment of AV Homes Special Meeting (if Necessary or Appropriate)	Approval requires the affirmative vote, in person or by proxy, of holders of a majority of the votes that could be cast that are present in person or by proxy at the meeting.

* Under the rules of Nasdaq, if you hold your shares of AV Homes Common Stock in street name, your nominee or intermediary may not vote your shares without instructions from you. If you do not provide voting instructions on any Proposal, your shares will not be deemed in attendance at the AV Homes special meeting and will not be voted. If you provide voting instructions on fewer than all three Proposals, a broker non-vote will occur with respect to whichever Proposal(s) you did not provide voting instructions for. Abstentions will have the same effect as a vote against the applicable Proposal(s). Shares deemed not in attendance at the meeting, whether due to a record holder's failure to vote in person or by proxy or a street name holder's failure to provide any voting instructions to such holder's nominee or intermediary, and broker non-votes, will have the same effect as a vote against Proposal I but will have no effect on Proposal II or Proposal III.

Share Ownership of and Voting by AV Homes Directors and Executive Officers

At the Record Date, AV Homes' directors and executive officers and their affiliates beneficially owned and had the right to vote at the AV Homes special meeting an aggregate of shares of AV Homes Common Stock, which represents % of the voting power of the outstanding shares of AV Homes Common Stock entitled to vote at the AV Homes special meeting.

It is expected that AV Homes' directors and executive officers will vote their respective shares **FOR** the adoption of the Merger Agreement, **FOR** the named executive officer merger-related compensation proposal and **FOR** the approval of the adjournment proposal.

The Merger Agreement and the Merger

In the Merger, Merger Sub will be merged with and into AV Homes, with AV Homes being the surviving corporation in the Merger. As a result of the Merger, AV Homes will become an indirect subsidiary of Taylor Morrison.

The Merger will not be completed without the adoption of the Merger Agreement by AV Homes stockholders.

Table of Contents

A copy of the Merger Agreement is attached as Annex A to this proxy statement/prospectus. **You are urged to read the Merger Agreement in its entirety because it is the legal document that governs the Merger.** For more information on the Merger and the Merger Agreement, see *Proposal I: Adoption of The Merger Agreement* and *The Merger Agreement*.

As of the date of this proxy statement/prospectus, it is not possible to accurately estimate the closing date for the Merger because the Merger is subject to the satisfaction (or, to the extent permitted by applicable law, waiver) of the conditions to Taylor Morrison's and AV Homes' obligations to complete the Merger, some of which are not within the control of such parties; however, Taylor Morrison and AV Homes currently expect the Merger to close late in the third quarter or early in the fourth quarter of 2018. No assurance can be given as to when, or if, the Merger will be completed.

The Voting Agreement (See page 121)

On June 7, 2018, Taylor Morrison and TPG entered into a Voting Agreement (which we refer to as the *Voting Agreement*).

Pursuant to the Voting Agreement, TPG has agreed to, among other things, vote all shares of AV Homes Common Stock held by it (i) in favor of the adoption of the Merger Agreement and any action required in furtherance thereof, (ii) against approval of any proposal made in opposition to, in competition with, or that would result in a breach of the Merger Agreement or the Merger or any other transactions contemplated by the Merger Agreement, and (iii) against certain other actions that are intended or would reasonably be expected to prevent, interfere with, or materially impair or delay, the consummation of the Merger or any of the other transactions contemplated by the Merger Agreement. TPG has also agreed to elect Stock Consideration with respect to all of its AV Homes Common Stock.

The Voting Agreement will terminate automatically on the first to occur of (i) a change in the recommendation of the AV Homes Board, (ii) certain amendments or waivers of the Merger Agreement without TPG's prior consent, (iii) the effective time of the Merger and (iv) the termination of the Merger Agreement.

See *The Voting Agreement*.

Merger Consideration (See page 101)

At the effective time of the Merger, each share of AV Homes Common Stock (other than Excluded Shares, as defined below under *The Merger Agreement Merger Consideration*) will be converted into the right to receive at the election of the holder of each share (a) Stock Consideration, consisting of 0.9793 validly issued, fully paid and non-assessable shares of Taylor Morrison Common Stock before giving effect to any proration adjustment, (b) Cash Consideration, consisting of \$21.50 in cash before giving effect to any proration adjustment, or (c) Mixed Consideration, consisting of \$12.64 in cash, without any interest thereon, and 0.4034 validly issued, fully paid and non-assessable shares of Taylor Morrison Common Stock.

Each AV Homes stockholder will, until the election deadline, be entitled to elect to receive either Cash Consideration, Stock Consideration, or Mixed Consideration, in exchange for each share of AV Homes Common Stock held by him or her that was issued and outstanding immediately prior to the election deadline (other than any Excluded Shares), subject to allocation and proration procedures set forth in the Merger Agreement. AV Homes stockholders (other than in their capacity as holders of Excluded Shares) who make no election or an untimely election (or who otherwise are deemed not to have submitted an effective form of election) will be deemed to have elected for Mixed Consideration.

Table of Contents

Stock Elections, Cash Elections and Mixed Elections are subject to the allocation and proration procedures set forth in the Merger Agreement to ensure that the aggregate Per Share Merger Consideration will consist of approximately 58.8% cash and approximately 41.2% Taylor Morrison Common Stock.

For more information see *The Merger Agreement*.

AV Homes Reasons for the Merger; Recommendation of the AV Homes Board of Directors (See page 68)

In evaluating the Merger and other transactions contemplated by the Merger Agreement, the AV Homes Board consulted with AV Homes senior management and AV Homes outside legal counsel and financial advisors. After consideration, the members of the AV Homes Board unanimously determined that the Merger Agreement and the other transactions contemplated by the Merger Agreement, including the Merger, are advisable, fair to, and in the best interests of, AV Homes and its stockholders, and approved, adopted and declared advisable the Merger Agreement and the other transactions contemplated by the Merger Agreement, including the proposed Merger. For more information regarding the factors considered by the AV Homes Board in reaching its decision to approve the Merger Agreement and the Merger contemplated by the Merger Agreement, see *Proposal I: Adoption of the Merger Agreement AV Homes Reasons for the Merger; Recommendation of the AV Homes Board of Directors*.

The AV Homes Board recommends that AV Homes stockholders vote FOR the adoption of the Merger Agreement, FOR the named executive officer Merger-related compensation proposal and FOR the adjournment proposal.

Opinion of AV Homes Financial Advisor, J.P. Morgan (See page 73)

In connection with the Merger, AV Homes financial advisor, J.P. Morgan Securities LLC, referred to as J.P. Morgan, delivered a written opinion, dated June 6, 2018, to the AV Homes Board as to the fairness, from a financial point of view and as of the date of the opinion, of the Merger Consideration to be received by holders of AV Homes common stock. The full text of the opinion, dated June 6, 2018, to the AV Homes Board, which describes, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken, is attached as Annex C to this document and is incorporated by reference herein in its entirety. **J.P. Morgan provided its opinion for the information and assistance of the AV Homes Board in connection with its consideration of the Merger from a financial point of view and did not address any other aspect of the Merger. J.P. Morgan expressed no view as to, and its opinion did not address, the underlying business decision of AV Homes to effect or enter into the Merger. J.P. Morgan's opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to it as of, the date of the opinion. The J.P. Morgan opinion is not intended to be and does not constitute a recommendation to any stockholder as to how such stockholder should vote or act on any matters relating to the proposed Merger or otherwise.**

Opinion of AV Homes Financial Advisor, Moelis & Company LLC (See page 79)

In connection with the Merger, AV Homes financial advisor, Moelis & Company LLC, referred to as Moelis, delivered a written opinion, dated June 6, 2018, to the AV Homes Board as to the fairness, from a financial point of view and as of the date of the opinion, of the Merger Consideration to be received by holders of AV Homes Common Stock, other than TPG pursuant to Moelis established policies and procedures, whereby Moelis excludes significant stockholders from its fairness opinions in certain circumstances, including where a significant stockholder enters into a voting agreement. The full text of the opinion, dated June 6, 2018, to the AV Homes Board, which describes, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken, is attached as Annex D to this document and is incorporated

Table of Contents

by reference herein in its entirety. **Moelis provided its opinion for the information and assistance of the AV Homes Board in connection with its consideration of the Merger from a financial point of view and did not address any other aspect of the Merger. Moelis expressed no view as to, and its opinion did not address, the underlying business decision of AV Homes to effect or enter into the Merger. Moelis' opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to it as of, the date of the opinion. The Moelis opinion is not intended to be and does not constitute a recommendation to any stockholder as to how such stockholder should vote or act on any matters relating to the proposed Merger or otherwise.**

Interests of Certain AV Homes Directors and Officers in the Merger (See page 88)

In considering the recommendation of the AV Homes Board that AV Homes stockholders vote **FOR** the adoption of the Merger Agreement, AV Homes stockholders should be aware and take into account the fact that certain AV Homes directors and executive officers have interests in the Merger that may be different from, or in addition to, the interests of AV Homes stockholders generally. These interests include, among others, potential severance benefits and other payments, the treatment of outstanding equity awards pursuant to the Merger Agreement, and certain indemnification rights of AV Homes directors and officers under the Merger Agreement. The directors and executive officers of AV Homes will also be entitled to certain indemnification rights under the Merger Agreement.

The AV Homes Board was aware of and carefully considered these interests, among other matters, in evaluating the terms and structure, and overseeing the negotiation of the Merger, in approving the Merger Agreement and in recommending that the AV Homes stockholders vote **FOR** the adoption of the merger agreement. For additional information about these interests, see *Proposal I: Adoption of the Merger Agreement Interests of Certain AV Homes Directors and Officers in the Merger*.

Board of Directors and Management Following the Merger (See page 91)

The board of directors and executive officers of Taylor Morrison are not expected to change as a result of the consummation of the Merger. For information on Taylor Morrison's current directors and executive officers, please see Taylor Morrison's proxy statement for its 2018 annual meeting of stockholders filed with the SEC on May 11, 2018 and its Current Report on Form 8-K filed with the SEC on July 19, 2018. See *Where You Can Find More Information*.

Treatment of AV Homes Convertible Notes (See page 91)

The Merger constitutes a **Fundamental Change** for purposes of the indenture governing the AV Homes Convertible Notes. Upon the occurrence of a Fundamental Change, the holders of the AV Homes Convertible Notes can cause AV Homes (or its successor) to repurchase the AV Homes Convertible Notes at a price equal to 100% of their aggregate principal amount, plus accrued and unpaid interest to but not including the date of repurchase.

Holders of the AV Homes Convertible Notes may also convert them at an increased conversion rate in connection with the Merger, and if such conversion occurs with respect to all of the AV Homes Convertible Notes, such holders would be entitled to the Merger Consideration that would be paid to holders of a total of approximately 4.4 million shares of AV Homes Common Stock. The form of such Merger Consideration would be the form elected by holders of a plurality of the AV Homes Common Stock. Such Merger Consideration would consist of (i) an aggregate of approximately \$95.0 million in cash if holders of a plurality of AV Homes Common Stock elect to receive all of the Merger Consideration in cash, (ii) an aggregate of approximately 4.3 million shares of Taylor Morrison Common Stock if holders of a plurality of such AV Homes Common Stock elect to receive all of the Merger Consideration in Taylor Morrison Common Stock and (iii) an aggregate of

Table of Contents

approximately \$55.8 million in cash and approximately 1.8 million shares of Taylor Morrison Common Stock if holders of a plurality of such AV Homes Common Stock elect to receive mixed cash and stock consideration. The combined company expects to fund any required additional cash payments from additional borrowings under its revolving credit facility.

The consideration deliverable upon conversion of AV Homes Convertible Notes as described in the preceding paragraph assumes that the Merger closes on October 1, 2018, and the average closing price of the AV Homes Common Stock on the last five trading days preceding the closing date is \$21.50. Pursuant to the terms of the indenture governing the AV Homes Convertible Notes, the number of shares of AV Homes Common Stock issuable upon conversion of the AV Homes Convertible Notes will vary based on the date of closing of the Merger and such average closing price. Any AV Homes Convertible Notes that are not repurchased or converted will remain outstanding.

Treatment of AV Homes Equity Awards (See page 114)

AV Homes Options. At the effective time of the Merger, each outstanding option to purchase shares of AV Homes Common Stock will be converted into the right to receive a cash payment equal to the product of (i) the excess, if any, of the Cash Consideration (before giving effect to any proration adjustment) over the exercise price per share of such option and (ii) the number of shares subject to such option.

AV Homes Restricted Stock Awards. At the effective time of the Merger, each outstanding AV Homes restricted stock award will be substituted with a Taylor Morrison restricted stock award corresponding to a number of whole shares of Taylor Morrison Common Stock (rounded to the nearest whole share) equal to the product of (i) the number of shares of AV Homes Common Stock subject to the AV Homes restricted stock award (assuming that any performance-based vesting conditions applicable to such award are fully achieved) and (ii) the Stock Consideration (before giving effect to any proration adjustment). Except as set forth in the immediately preceding sentence, each Taylor Morrison restricted stock award will continue to have the same vesting and acceleration of vesting terms and conditions (other than any performance-based vesting conditions) as, and other terms and conditions that are substantially similar to, those that applied to the corresponding AV Homes restricted stock award.

AV Homes RSU Awards. At the effective time of the Merger, each outstanding restricted stock unit award in respect of shares of AV Homes Common Stock (referred to as an AV Homes RSU award) that is held by an employee of AV Homes or its subsidiaries will be substituted with a Taylor Morrison restricted stock unit, corresponding to a number of whole shares of Taylor Morrison Common Stock (rounded to the nearest whole share) equal to the product of (i) the number of shares of AV Homes Common Stock subject to the AV Homes award (assuming that any performance-based vesting conditions applicable to such award are achieved at target levels) and (ii) the Stock Consideration (before giving effect to any proration adjustment). Except as set forth in the immediately preceding sentence, each Taylor Morrison restricted stock unit will continue to have the same vesting and acceleration of vesting terms and conditions (other than any performance-based vesting conditions) as, and other terms and conditions that are substantially similar to, those that applied to the corresponding AV Homes RSU award.

At the effective time of the Merger, each AV Homes RSU award held by a non-employee director of AV Homes will be converted into the right to receive the Cash Consideration (before giving effect to any proration adjustment) in respect of each share of AV Homes Common Stock underlying such award.

Certain Material U.S. Federal Income Tax Consequences of the Merger (See page 91)

Edgar Filing: Taylor Morrison Home Corp - Form S-4/A

The exchange of AV Homes Common Stock for a cash, Taylor Morrison Common Stock or both in the Merger generally will be a taxable transaction for U.S. federal income tax purposes and may also be taxable

Table of Contents

under state and local and other tax laws. You should read the section entitled *Proposal I: Adoption of the Merger Agreement Material U.S. Federal Income Tax Consequences of the Merger*. Tax matters can be complicated and the tax consequences of the Merger to you will depend on your particular circumstances. You are urged to consult your tax advisors regarding the U.S. federal income tax consequences of the Merger to you in your particular circumstances, as well as tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

Accounting Treatment of the Merger (See page 97)

In accordance with GAAP, Taylor Morrison will account for the Merger using the acquisition method of accounting, with Taylor Morrison being considered the acquirer of AV Homes for accounting purposes. This means that Taylor Morrison will allocate the purchase price to the fair value of AV Homes tangible and intangible assets and liabilities at the acquisition date, with the excess purchase price, if any, being recorded as goodwill. Under the acquisition method of accounting, goodwill is not amortized but is tested for impairment at least annually. The operating results of AV Homes will be reported as part of the combined company beginning on the closing date of the Merger. The final valuation of the tangible and identifiable intangible assets acquired and liabilities assumed has not yet been completed and is not required to be completed under applicable guidance until 12 months after completion of the Merger. The finalization of the valuation could result in significantly different amortization expenses and balance sheet classifications than those presented in Taylor Morrison's unaudited pro forma condensed combined financial information included in this proxy statement/prospectus.

Regulatory Approvals Required to Complete the Merger (See page 97)

Taylor Morrison has determined that no authorizations, approvals or consents from regulatory authorities are required to enable them to complete the Merger. For a more complete discussion of regulatory matters relating to the Merger, see *Proposal I: Adoption of the Merger Agreement Regulatory Approvals Required to Complete the Merger*.

Litigation Relating to the Merger (See page 97)

Two purported class action complaints related to the Merger have been filed in the United States District Court for the District of Delaware on behalf of putative classes of AV Homes' public shareholders. The two complaints are captioned: *Franchi v. AV Homes, Inc.*, Case No. 18 Civ. 01161, which was filed on August 3, 2018; and *Zucker v. AV Homes, Inc., et al.*, No. 18 Civ. 01091, which was filed on July 24, 2018. Both complaints name as defendants AV Homes and its directors, as well as Taylor Morrison, and the *Franchi* complaint also names Intermediate Parent and Merger Sub as defendants. The complaints generally allege that AV Homes and its directors and Taylor Morrison violated federal securities laws by failing to disclose material information in the version of this proxy statement/prospectus filed with the SEC on July 13, 2018. The *Franchi* complaint also alleges that the omissions constitute violations of federal securities laws by Intermediate Parent and Merger Sub. The complaints seek, among other things, injunctive relief preventing the consummation of the Merger, damages, and an award of plaintiffs' expenses and attorneys' fees. The defendants believe that the claims respectively asserted against them are wholly without merit.

Conditions to Completion of the Merger is Subject to Certain Conditions (See page 114)

As more fully described in this proxy statement/prospectus and in the Merger Agreement, the obligations of Taylor Morrison and AV Homes to complete the Merger are subject to the satisfaction of a number of conditions, including the following:

the adoption of the Merger Agreement by AV Homes stockholders at the AV Homes Special Meeting (or at any adjournment or postponement thereof);

Table of Contents

the effectiveness of the registration statement of which this proxy statement/prospectus forms a part and the absence of a stop order in respect thereof or proceedings initiated or threatened by the SEC related thereto;

the approval for listing on NYSE of the shares of Taylor Morrison Common Stock to be issued in the Merger and such other shares of Taylor Morrison Common Stock to be reserved for issuance in connection with the Merger;

the absence of any temporary, preliminary or permanent restraining order, injunction or other order issued by any court of competent jurisdiction or any other government entity restraining, enjoining, preventing or otherwise prohibiting the consummation of the Merger or any of the other transactions contemplated by the Merger Agreement, and the absence of any law enacted, promulgated or deemed applicable to the Merger by any governmental entity of competent jurisdiction restraining, enjoining, preventing or otherwise prohibiting the consummation of the Merger;

subject to certain exceptions, the accuracy of the respective representations and warranties of Taylor Morrison and AV Homes, and compliance by Taylor Morrison and AV Homes with their respective covenants, in each case, as set forth in the Merger Agreement;

the absence of a material adverse effect relating to AV Homes; and

the receipt by Taylor Morrison and AV Homes of a customary closing certificate on behalf of each respective party by an authorized officer of each respective party.

For more information, see *The Merger Agreement Conditions to Completion of the Merger*.

No Solicitation of Alternative Proposals (See page 109)

The Merger Agreement precludes AV Homes from soliciting or engaging in discussions or negotiations with a third party with respect to any proposal for a competing transaction, including the acquisition of a significant interest in AV Homes' capital stock or assets. However, if, prior to obtaining the requisite stockholder approval in connection with the Merger, AV Homes receives an unsolicited proposal from a third party for a competing transaction that the AV Homes Board, among other things, determines in good faith (after consultation with AV Homes' outside legal counsel and financial advisor) (i) constitutes or would reasonably be expected to lead to a proposal that is superior to the Merger, and (ii) did not result from a breach of the non-solicitation obligations set forth in the Merger Agreement, then AV Homes may furnish non-public information to and enter into discussions with that third party and its representatives and financing sources about such competing transaction after obtaining from such third party an executed confidentiality agreement (subject to promptly and, in any event, within twenty-four (24) hours, notifying Taylor Morrison of the status and material details thereof (including copies of any written documentation that is material to such unsolicited proposal)). For more information, see *The Merger Agreement No Solicitation of Alternative Proposals*.

Termination of the Merger Agreement (See page 117)

The Merger Agreement may be terminated and the Merger abandoned at any time before the effective time of the Merger in the following circumstances:

by the mutual written consent of Taylor Morrison, Merger Sub and AV Homes;

by either Taylor Morrison or AV Homes if:

the Merger is not consummated by the Outside Date;

any court of competent jurisdiction or governmental entity has issued a final and non-appealable judgment or order permanently enjoining or otherwise permanently prohibiting the consummation of the Merger;

Table of Contents

AV Homes stockholders fail to adopt the Merger Agreement at the AV Homes Special Meeting (or at any adjournment or postponement thereof); or

the other party has breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements, which breach or failure to perform (1) would give rise to the failure of any closing condition relating to the accuracy of such other party's representations and warranties or such other party's compliance with covenants would fail to be satisfied, and (2) such inaccuracy or breach is either incapable of being cured or is not cured within 45 days after receiving written notice thereof;

by Taylor Morrison, before the adoption of the Merger Agreement by AV Homes stockholders, if the AV Homes Board changes its recommendation to AV Homes stockholders to vote in favor of the adoption of the Merger Agreement, in accordance with the terms and provisions of the Merger Agreement; or

by AV Homes, before the adoption of the Merger Agreement by AV Homes stockholders, in order to enter into a binding agreement providing for a Superior Proposal, in accordance with the terms and provisions of the Merger Agreement.

For more information, see *The Merger Agreement Termination of the Merger Agreement*.

Fees and Expenses and Termination Fees (See page 119)

Generally, each party is required to pay all fees and expenses incurred by it in connection with the Merger. However, the Merger Agreement provides that, upon termination of the Merger Agreement under certain circumstances, AV Homes will be required to pay Taylor Morrison a cash termination fee of \$18,472,000 or \$10,000,000, depending on the underlying facts.

For more information, see *The Merger Agreement Fees and Expenses and Termination Fees*.

Listing of Shares of Taylor Morrison Common Stock and Delisting and Deregistration of AV Homes Common Stock (See page 98)

Under the terms of the Merger Agreement, Taylor Morrison is required to use reasonable best efforts to cause the shares of Taylor Morrison Common Stock to be issued in connection with the Merger to be approved for listing on the NYSE, prior to the closing of the Merger. Accordingly, application will be made to have such shares approved for listing on the NYSE, where shares of Taylor Morrison Common Stock are currently listed for trading under the ticker symbol TMHC.

If the Merger is completed, there will no longer be any publicly held shares of AV Homes Common Stock. Accordingly, AV Homes Common Stock will no longer be listed on Nasdaq and will be deregistered under the Exchange Act.

Comparison of Stockholder Rights (See page 140)

AV Homes stockholders will have different rights once they become Taylor Morrison stockholders due to differences between the organizational documents of AV Homes and Taylor Morrison. See *Comparison of Stockholder Rights*.

Appraisal Rights (See page 146)

Pursuant to Section 262 of the DGCL, AV Homes stockholders who do not vote in favor of adoption of the Merger Agreement, who continuously hold their shares of AV Homes Common Stock through the effective time

Table of Contents

of the Merger and who otherwise comply with the applicable requirements of Section 262 of the DGCL have the right to seek appraisal of the fair value of their shares of AV Homes Common Stock, as determined by the Delaware Court of Chancery, if the Merger is completed. The fair value of shares of AV Homes Common Stock as determined by the Delaware Court of Chancery could be greater than, the same as, or less than the value of the Merger Consideration that AV Homes stockholders would otherwise be entitled to receive under the terms of the Merger Agreement.

The right to seek appraisal will be lost if an AV Homes stockholder votes **FOR** adoption of the Merger Agreement. However, abstaining or voting against adoption of the Merger Agreement is not in itself sufficient to perfect appraisal rights because additional actions must also be taken to perfect such rights.

AV Homes stockholders who wish to exercise the right to seek an appraisal of their shares must so advise AV Homes by submitting a written demand for appraisal prior to the taking of the vote on the Merger Agreement at the AV Homes special meeting, and must otherwise follow the procedures prescribed by Section 262 of the DGCL. A person having a beneficial interest in shares of AV Homes Common Stock held of record in the name of another person, such as a nominee or intermediary, must act promptly to cause the record holder to follow the steps required by Section 262 of the DGCL and in a timely manner to perfect appraisal rights. In view of the complexity of Section 262 of the DGCL, AV Homes stockholders that may wish to pursue appraisal rights are urged to consult their legal and financial advisors. In addition, under Section 262 of the DGCL, the Delaware Court of Chancery will dismiss any appraisal proceedings as to all stockholders who have perfected their appraisal rights unless (i) the total number of shares entitled to appraisal exceeds 1% of the outstanding shares of AV Homes Common Stock, or (ii) the value of the Merger Consideration provided in the Merger Agreement for the total number of shares of AV Homes Common Stock entitled to appraisal exceeds \$1 million. *See Appraisal Rights.*

Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF TAYLOR MORRISON**

The following table presents selected historical consolidated financial data of Taylor Morrison. The selected historical consolidated financial data as of December 31, 2017, 2016, 2015, 2014 and 2013, and for each of the years in the five-year period ended December 31, 2017, are derived from Taylor Morrison's audited consolidated financial statements and accompanying notes for such years, and should be read in conjunction with such audited consolidated financial statements of Taylor Morrison. The selected historical unaudited condensed consolidated financial data as of June 30, 2018 and 2017, and for the six months ended June 30, 2018 and 2017, are derived from Taylor Morrison's unaudited condensed consolidated financial statements and accompanying notes, and should be read in conjunction with such unaudited condensed consolidated financial statements of Taylor Morrison.

The information set forth below is only a summary. You should read the following information together with Taylor Morrison's audited consolidated financial statements and accompanying notes and the section entitled *Management's Discussion and Analysis of Financial Condition and Results of Operations* contained in Taylor Morrison's Annual Report on Form 10-K for the year ended December 31, 2017, and with Taylor Morrison's unaudited condensed consolidated financial statements and accompanying notes and the section entitled *Management's Discussion and Analysis of Financial Condition and Results of Operations* contained in Taylor Morrison's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2018, which are incorporated by reference into this proxy statement/prospectus, and in Taylor Morrison's other reports filed with the SEC. For more information, see *Where You Can Find More Information*.

	Six Months Ended June 30,		Year Ended December 31,				
<i>(Dollars in thousands, except per share amounts)</i>	2018	2017	2017	2016	2015	2014	2013
Statements of Operations Data:							
Home closings revenue, net	\$ 1,689,524	\$ 1,640,581	\$ 3,799,061	\$ 3,425,521	\$ 2,889,968	\$ 2,619,558	\$ 1,857,950
Land closings revenue	13,165	7,120	17,093	64,553	43,770	53,381	27,760
Mortgage operations revenue	30,472	29,883	69,136	59,955	43,082	35,493	30,371
Total revenues	\$ 1,733,161	1,677,584	\$ 3,885,290	\$ 3,550,029	\$ 2,976,820	\$ 2,708,432	\$ 1,916,081
Cost of home closings	1,379,427	1,340,800	3,092,704	2,801,739	2,358,823	2,082,819	1,457,454
Cost of land closings	10,725	4,867	12,005	35,912	24,546	39,696	26,316
Mortgage operations expenses	21,196	18,804	41,652	32,099	25,536	19,671	16,446

Edgar Filing: Taylor Morrison Home Corp - Form S-4/A

Total cost of revenues	\$ 1,411,348	\$ 1,364,471	\$ 3,146,361	\$ 2,869,750	\$ 2,408,905	\$ 2,142,186	\$ 1,500,216
Gross margin	321,813	313,113	738,929	680,279	567,915	566,246	415,865
Sales, commissions and other marketing costs	118,302	117,133	259,663	239,556	198,676	168,897	127,419
General and administrative expenses	68,778	67,022	130,777	122,207	95,235	81,153	77,198
Equity in income of unconsolidated entities	(7,263)	(4,156)	(8,846)	(7,453)	(1,759)	(5,405)	(2,895)
Interest (income) expense, net	(619)	(179)	(577)	(184)	(192)	1,160	842
Other expense (income), net	4,092	413	2,256	11,947	11,634	18,447	2,842
Loss on extinguishment of debt						33,317	10,141
Gain on foreign currency forward						(29,983)	
Indemnification and transaction expenses							195,773
Income from continuing operations before income taxes	\$ 138,523	\$ 132,880	\$ 355,656	\$ 314,206	\$ 260,987	\$ 301,994	\$ 4,545
Income tax provision / (benefit) ⁽¹⁾	31,699	41,349	179,006	107,643	90,001	76,395	(23,810)
Net income from continuing operations	106,824	91,531	176,650	206,563	170,986	225,599	28,355
Income from discontinued operations net of tax					58,059	41,902	66,513

Table of Contents

<i>(Dollars in thousands, except per share amounts)</i>	Six Months Ended June 30,		Year Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
Net income before allocation to non-controlling interests	106,824	91,531	176,650	206,563	229,045	267,501	94,868
Net (income) / loss attributable to non-controlling interests joint ventures	(269)	(198)	(430)	(1,294)	(1,681)	(1,648)	131
Net income before non-controlling interests Principal Equityholders	106,555	91,333	176,220	205,269	227,364	265,853	94,999
Net (income) / loss from continuing operations attributable to non-controlling interests Principal Equityholders	(3,133)	(54,164)	(85,000)	(152,653)	(123,909)	(163,790)	1,442
Net income from discontinued operations attributable to non-controlling interests Principal Equityholders ⁽²⁾					(42,406)	(30,594)	(51,021)
Net income available to Taylor Morrison Home Corporation	\$ 103,422	\$ 37,169	\$ 91,220	\$ 52,616	\$ 61,049	\$ 71,469	\$ 45,420
Earnings per common share⁽¹⁾							
Basic							
Income from continuing operations ⁽¹⁾	\$ 0.94	\$ 0.76	\$ 1.47	\$ 1.69	\$ 1.38	\$ 1.83	\$ 0.91
Discontinued operations net of tax ⁽¹⁾					0.47	0.34	0.47
Diluted							
Income from continuing operations ⁽¹⁾	\$ 0.93	\$ 0.76	\$ 1.47	\$ 1.69	\$ 1.38	\$ 1.83	\$ 0.91
Discontinued operations net of tax ⁽¹⁾					0.47	0.34	0.47

(1)

Edgar Filing: Taylor Morrison Home Corp - Form S-4/A

2017 income tax provision and earnings per common share data include impacts of the Tax Cuts and Jobs Act which is an aggregate of \$61.0 million expense.

<i>(Dollars in thousands)</i>	As of June 30,			As of December 31,			
	2018	2017	2017	2016	2015	2014	2013
Balance Sheet Data:							
Cash and cash equivalents ⁽²⁾	\$ 320,102	\$ 246,477	\$ 573,925	\$ 300,179	\$ 126,188	\$ 234,217	\$ 193,518
Real estate inventory	3,195,703	3,200,027	2,959,236	3,017,219	3,126,787	2,518,321	2,012,580
Total assets	4,220,821	4,258,086	4,325,893	4,220,926	4,122,447	4,111,798	3,419,285
Total debt, net	1,427,264	1,454,547	1,498,062	1,586,533	1,668,425	1,715,791	1,238,457
Total stockholders equity	2,258,382	2,260,932	2,346,545	2,160,202	1,972,677	1,777,161	1,544,901

(2) Excludes restricted cash.

Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF AV HOMES**

The following table presents selected historical consolidated financial data of AV Homes. The selected historical consolidated financial data as of December 31, 2017, 2016, 2015, 2014 and 2013, and for each of the years in the five-year period ended December 31, 2017, are derived from AV Homes' audited consolidated financial statements and accompanying notes for such years and should be read in conjunction with such audited consolidated financial statements of AV Homes. The selected historical unaudited consolidated financial data as of June 30, 2018 and 2017, and for the six months ended June 30, 2018 and 2017, are derived from AV Homes' unaudited condensed consolidated financial statements and accompanying notes, and should be read in conjunction with such unaudited condensed consolidated financial statements of AV Homes.

The information set forth below is only a summary. You should read the following information together with AV Homes' audited consolidated financial statements and accompanying notes and the section entitled *Management's Discussion and Analysis of Financial Condition and Results of Operations* contained in AV Homes' Annual Report on Form 10-K for the year ended December 31, 2017, and with AV Homes' unaudited condensed consolidated financial statements and accompanying notes and the section entitled *Management's Discussion and Analysis of Financial Condition and Results of Operations* contained in AV Homes' Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2018, which are incorporated by reference into this proxy statement/prospectus, and in AV Homes' other reports filed with the SEC. For more information, see *Where You Can Find More Information*.

	Six Months Ended June 30,		Year Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
	<i>(In thousands, except per share data)</i>						
Operations Data							
Total revenues	\$ 355,568	\$ 356,742	\$ 843,253	\$ 779,305	\$ 517,766	\$ 285,913	\$ 141,482
Homebuilding revenues	343,801	345,544	821,616	764,041	498,915	243,171	114,973
Amenities and other	9,107	8,762	17,061	11,698	12,385	10,146	10,206
Land sales	2,660	2,436	4,576	3,566	6,466	32,596	16,303
Net (loss) income	656	3,086	(21,936)	147,107	11,950	(1,603)	(8,272)
Net (loss) income attributable to common stockholders of AV Homes	\$ 656	\$ 3,086	\$ (21,936)	\$ 147,107	\$ 11,950	\$ (1,932)	\$ (9,477)
Income (loss) per share							
Basic	\$ 0.03	\$ 0.14	\$ (0.98)	\$ 6.58	\$ 0.54	\$ (0.09)	\$ (1.34)
Diluted	\$ 0.03	\$ 0.14	\$ (0.98)	\$ 5.66	\$ 0.54	\$ (0.09)	\$ (1.34)
Financial Condition							
Cash and cash equivalents(1)	\$ 115,978	\$ 331,227	\$ 240,990	\$ 67,792	\$ 46,898	\$ 180,334	\$ 144,727
Total assets	1,024,433	1,199,475	1,010,144	840,233	736,139	663,151	465,928
Senior Debt, net	473,086	623,743	472,108	275,660	320,846	294,221	104,602
Stockholder's equity	432,294	455,407	431,970	450,807	301,681	286,740	286,101
Stockholder's equity per share	19.33	20.22	19.32	20.02	13.51	12.99	13.01

(1) Excludes Restricted Cash.

Table of Contents**SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**

The table below presents selected unaudited pro forma condensed combined balance sheet data of Taylor Morrison and AV Homes, giving effect to the Merger as if it had been consummated on June 30, 2018, and also presents selected unaudited pro forma condensed combined statements of operations information for the six months ended June 30, 2018 and for the year ended December 31, 2017 giving effect to the Merger as if it had been consummated on January 1, 2017, the beginning of the earliest period presented. The fiscal years of Taylor Morrison and AV Homes both end on December 31.

The unaudited pro forma condensed combined financial information (from which the selected unaudited pro forma condensed combined financial information is derived) is being presented in this proxy statement/prospectus for illustrative purposes only and reflects certain adjustments that are preliminary in nature and certain assumptions that have been made in their preparation. You should read *Unaudited Pro Forma Condensed Combined Financial Information* for important information regarding the basis of presentation and such adjustments and assumptions.

These unaudited pro forma condensed combined financial statements have been developed from and should be read in conjunction with (1) the unaudited interim consolidated financial statements of Taylor Morrison and AV Homes contained in their respective Quarterly Reports on Form 10-Q for the quarter ended June 30, 2018 and (2) the audited consolidated financial statements of Taylor Morrison and AV Homes contained in their respective Annual Reports on Form 10-K for the year ended December 31, 2017, all of which are incorporated by reference in this proxy statement/prospectus. The unaudited pro forma condensed combined financial statements are provided for illustrative purposes only and do not purport to represent what the actual consolidated results of operations or the consolidated financial position of Taylor Morrison would have been had the Merger occurred on the dates assumed, nor are they necessarily indicative of the future consolidated results of operations or consolidated financial position of the combined company. See *Where You Can Find More Information* and *Unaudited Pro Forma Condensed Combined Financial Statements*.

	As of and for the	
	Six	Year Ended
	Months	December 31,
	Ended June 30,	2017
	2018	
(\$ in thousands, except per share data)		
Pro Forma Balance Sheet Information:		
Total assets	\$ 5,009,463	
Total liabilities	2,624,578	
Total stockholders' equity	2,384,885	
Pro Forma Statement of Operations Information:		
Total revenues	\$ 2,088,729	\$ 4,728,543
Income before income taxes	139,485	373,988
Net income available to Taylor Morrison/AV Homes	\$ 104,267	85,316
Earnings per common share		
Basic	\$ 0.87	\$ 1.20
Diluted	\$ 0.86	\$ 1.20

Table of Contents

COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA

Historical Per Share Data for Taylor Morrison Common Stock and AV Homes Common Stock

The historical per share data for Taylor Morrison Common Stock and AV Homes Common Stock below is derived from the audited consolidated financial statements of each of Taylor Morrison and AV Homes as of and for the year ended December 31, 2017, and the unaudited condensed consolidated financial statements of each of Taylor Morrison and AV Homes as of and for the six months ended June 30, 2018.

Unaudited Pro Forma Combined Per Share Data for Taylor Morrison Common Stock

The unaudited pro forma combined per share data for Taylor Morrison Common Stock set forth below gives effect to the Merger as if it had been consummated on January 1, 2017, the beginning of the earliest period presented, in the case of net income per share data, and as of June 30, 2018 and December 31, 2017 in the case of book value per share data, and assuming that each outstanding share of AV Homes Common Stock had been converted into 0.4034 shares of Taylor Morrison Common Stock and \$12.64 of cash.

The unaudited pro forma combined per share data for Taylor Morrison Common Stock has been derived from the audited consolidated financial statements of each of Taylor Morrison and AV Homes as of and for the year ended December 31, 2017, and the unaudited condensed consolidated financial statements of each of Taylor Morrison and AV Homes as of and for the six months ended June 30, 2018.

The unaudited pro forma combined per share data for Taylor Morrison Common Stock has been derived using the acquisition method of accounting. See *Unaudited Pro Forma Condensed Combined Financial Statements*. Accordingly, the pro forma adjustments reflect the assets and liabilities of AV Homes at their preliminary estimated fair values. Differences between these preliminary estimates and the values finalized within 12 months after the completion of the Merger in accordance with applicable accounting guidance could occur and these differences could have a material impact on the unaudited pro forma combined per share information set forth below.

The unaudited pro forma combined per share data for Taylor Morrison Common Stock does not purport to represent the actual results of operations that Taylor Morrison would have achieved had the Merger been completed at the relevant dates used or to project the future results of operations that Taylor Morrison may achieve after the Merger.

Unaudited Pro Forma Combined Per AV Homes Equivalent Share Data

The unaudited pro forma combined AV Homes equivalent per share data set forth below shows the effect of the Merger from the perspective of an owner of AV Homes Common Stock. The information was calculated by multiplying the unaudited pro forma combined per share data for Taylor Morrison Common Stock by the Mixed Consideration Stock Exchange Ratio.

Generally

You should read the below information in conjunction with the selected historical consolidated financial data included elsewhere in this proxy statement/prospectus and the historical consolidated financial statements of Taylor Morrison and AV Homes and related notes that have been filed with the SEC, certain of which are incorporated by reference into this proxy statement/prospectus. See *Selected Historical Consolidated Financial Data of Taylor Morrison*, *Selected Historical Consolidated Financial Data of AV Homes* and *Where You Can Find More Information* in this proxy statement/prospectus. The unaudited pro forma combined per share

Table of Contents

data for Taylor Morrison Common Stock and the unaudited pro forma combined per AV Homes equivalent share data is derived from, and should be read in conjunction with, the unaudited pro forma condensed combined financial statements and related notes included in this proxy statement/prospectus. See *Unaudited Pro Forma Condensed Combined Financial Statements*.

The following table sets forth certain historical and unaudited pro forma combined per share information for Taylor Morrison and AV Homes.

	Six Months Ended June 30, 2018	Year Ended December 31, 2017
Taylor Morrison Historical		
Earnings per share:		
Basic	\$ 0.94	\$ 1.47
Diluted	\$ 0.93	\$ 1.47
Book value per share of common stock ⁽¹⁾	\$ 20.12	\$ 19.62
Dividends declared per share of common stock		
AV Homes Historical		
Earnings per share:		
Basic	\$ 0.03	\$ (0.98)
Diluted	\$ 0.03	\$ (0.98)
Book value per share of common stock ⁽²⁾	\$ 19.33	\$ 19.32
Dividends declared per share of common stock		
Surviving Corporation Unaudited Pro Forma Combined Amounts		
Earnings per share:		
Basic	\$ 0.87	\$ 1.20
Diluted	\$ 0.86	\$ 1.20
Pro forma book value per share of common stock ⁽³⁾	\$ 19.65	N/A
AV Homes Unaudited Pro Forma Equivalent Per Share Data⁽⁴⁾		
Earnings per share:		
Basic	\$ 0.35	\$ 0.48
Diluted	\$ 0.35	\$ 0.48
Pro forma book value per share of common stock	\$ 7.93	N/A

(1) Calculated by dividing stockholders' equity of \$2.3 billion and \$2.3 billion as of June 30, 2018 and December 31, 2017, respectively, by 112,250,658 and 119,579,612 outstanding shares of Taylor Morrison Common Stock and Taylor Morrison Class B Common Stock as of June 30, 2018 and December 31, 2017, respectively.

(2) Calculated by dividing stockholders' equity of \$432.3 million and \$432.0 million as of June 30, 2018 and December 31, 2017, respectively, by 22,361,511 and 22,363,947 outstanding shares of AV Homes Common Stock as of June 30, 2018 and December 31, 2017, respectively.

(3) Calculated by dividing pro forma stockholders' equity of \$2.4 billion by 121,390,342 pro forma outstanding shares of Taylor Morrison Common Stock.

(4)

Assumes amounts calculated by multiplying unaudited pro forma combined per share amounts by 0.4034, the Mixed Consideration Stock Exchange Ratio. The Mixed Consideration Stock Exchange Ratio does not include the \$12.64 cash portion of the Mixed Consideration.

Table of Contents**COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION****Market Prices**

Taylor Morrison Common Stock is listed for trading on the NYSE under the ticker symbol TMHC. AV Homes Common Stock is listed for trading on Nasdaq under the ticker symbol AVHI.

Comparative Per Share Market Price Information

The following table presents the closing prices of AV Homes Common Stock and Taylor Morrison Common Stock on June 6, 2018, the last trading day before the public announcement of the Merger Agreement, and _____, 2018, the last practicable trading day prior to the mailing of this proxy statement/prospectus. The table also shows the estimated value of the per share consideration for each share of AV Homes Common Stock on the relevant date.

Date	AV Homes Closing Price	Taylor Morrison Closing Price	Value of the Per Share Consideration⁽¹⁾
June 6, 2018	\$ 16.50	\$ 22.04	\$ 21.53
_____, 2018			

- (1) Assumes the receipt of Mixed Consideration. The implied value of the per share consideration for each share of AV Homes Common Stock represents the sum of (i) \$12.64, the cash portion of the Mixed Consideration, *plus* (ii) the implied value of the stock portion of the Mixed Consideration, based on the closing prices of Taylor Morrison Common Stock of \$22.04 on June 6, 2018 and \$ _____ on _____, 2018, multiplied by 0.4034, the Mixed Consideration Stock Exchange Ratio.

The above table shows only historical comparisons. The market price of AV Homes Common Stock and Taylor Morrison Common Stock will fluctuate prior to the AV Homes special meeting and before the consummation of the Merger, which will affect the implied value of the stock portion of the Merger Consideration paid to the AV Homes stockholders. These comparisons may not provide meaningful information to AV Homes stockholders in determining whether to adopt the Merger Agreement. AV Homes stockholders are urged to obtain current market quotations for Taylor Morrison Common Stock and AV Homes Common Stock and to review carefully the other information contained in, or incorporated by reference into, this proxy statement/prospectus in considering whether to adopt the Merger Agreement. *See Where You Can Find More Information.*

In addition, AV Homes stockholders may not receive all consideration in the form they elect. *See Questions and Answers What will AV Homes stockholders receive in the Merger?*

Table of Contents**Comparative Stock Prices and Dividends**

The following table sets forth, for the respective periods of AV Homes and Taylor Morrison indicated, the high and low sale prices per share of AV Homes Common Stock and Taylor Morrison Common Stock as reported by Nasdaq and the NYSE, respectively, and cash dividends declared and paid. Neither AV Homes nor Taylor Morrison has historically paid dividends on its common stock, and neither company presently anticipates paying any dividends on its common stock in the foreseeable future.

	AV Homes			Taylor Morrison		
	High	Low	Dividends Declared and Paid	High	Low	Dividends Declared and Paid
Quarter ended June 30, 2018	\$ 21.80	\$ 15.85	\$	\$ 24.50	\$ 19.66	\$
Quarter ended March 31, 2018	\$ 19.60	\$ 15.55	\$	\$ 28.42	\$ 22.04	\$
Year Ended December 31, 2017						
Quarter ended December 31, 2017	\$ 19.00	\$ 15.90	\$	\$ 24.72	\$ 21.95	\$
Quarter ended September 30, 2017	\$ 20.50	\$ 14.65	\$	\$ 24.79	\$ 19.68	\$
Quarter ended June 30, 2017	\$ 20.30	\$ 15.50	\$	\$ 24.77	\$ 20.87	\$
Quarter ended March 31, 2017	\$ 19.13	\$ 14.90	\$	\$ 22.17	\$ 18.26	\$
Year Ended December 31, 2016			\$			
Quarter ended December 31, 2016	\$ 17.45	\$ 15.05	\$	\$ 21.61	\$ 15.82	\$
Quarter ended September 30, 2016	\$ 16.97	\$ 11.75	\$	\$ 18.36	\$ 14.43	\$
Quarter ended June 30, 2016	\$ 13.79	\$ 10.72	\$	\$ 16.13	\$ 13.31	\$
Quarter ended March 31, 2016	\$ 13.30	\$ 8.50	\$	\$ 15.93	\$ 10.33	\$
Year Ended December 31, 2015			\$			
Quarter ended December 31, 2015	\$ 14.86	\$ 12.02	\$	\$ 20.64	\$ 14.95	\$
Quarter ended September 30, 2015	\$ 15.24	\$ 11.58	\$	\$ 21.55	\$ 17.92	\$
Quarter ended June 30, 2015	\$ 17.44	\$ 14.19	\$	\$ 21.40	\$ 17.34	\$
Quarter ended March 31, 2015	\$ 16.64	\$ 12.93	\$	\$ 21.37	\$ 15.66	\$
Year Ended December 31, 2014						
Quarter ended December 31, 2014	\$ 15.55	\$ 13.16	\$	\$ 20.15	\$ 14.96	\$
Quarter ended September 30, 2014	\$ 17.41	\$ 14.55	\$	\$ 23.12	\$ 16.21	\$
Quarter ended June 30, 2014	\$ 18.72	\$ 15.64	\$	\$ 24.51	\$ 19.77	\$
Quarter ended March 31, 2014	\$ 20.82	\$ 17.15	\$	\$ 26.37	\$ 18.56	\$

Table of Contents

RISK FACTORS

*In deciding how and whether to vote, AV Homes stockholders should carefully consider the following risk factors and all of the information contained in or incorporated by reference into this proxy statement/prospectus, including but not limited to, the matters addressed in the section entitled **Cautionary Information Regarding Forward-Looking Statements** of this proxy statement/prospectus and the matters discussed under **Item 1A. Risk Factors** of Taylor Morrison's and AV Homes' respective Annual Reports on Form 10-K for the year ended December 31, 2017, as updated from time to time in Taylor Morrison's and AV Homes' respective subsequent filings with the SEC, which are incorporated by reference into this proxy statement/prospectus. See the section entitled **Where You Can Find More Information** of this proxy statement/prospectus.*

Risk Factors Relating to the Merger

The Merger is subject to approval by the stockholders of AV Homes.

In order for the Merger to be completed, AV Homes stockholders must approve the Merger, which requires the affirmative vote of holders of a majority of the outstanding shares of AV Homes Common Stock entitled to vote thereon. There can be no assurance that this approval will be obtained.

Taylor Morrison's stock price may be negatively impacted by risks, conditions and developments that apply to Taylor Morrison, which are different from the risks, conditions and developments applicable to AV Homes.

Upon completion of the Merger, AV Homes stockholders who elect to receive the Stock Consideration or Mixed Consideration will become holders of Taylor Morrison Common Stock and AV Homes stockholders who elect to receive Cash Consideration may become holders of Taylor Morrison Common Stock. See AV Homes stockholders may not receive all consideration in the form they elect. The businesses and markets of Taylor Morrison are different from those of AV Homes. There is a risk that various factors, conditions and developments that would not affect the price of AV Homes Common Stock could negatively affect the price of Taylor Morrison Common Stock.

AV Homes stockholders may not receive all consideration in the form they elect.

AV Homes stockholders that elect to receive the Cash Consideration or the Stock Consideration will be subject to proration if holders of AV Homes Common Stock, in the aggregate, elect to receive more or less than the aggregate amount of cash consideration or Taylor Morrison Common Stock to be paid in the Merger. Accordingly, AV stockholders who elect to receive the Cash Consideration or the Stock Consideration may instead receive a combination of cash and shares of Taylor Morrison Common Stock if necessary to maintain the aggregate mix of consideration described above. The relative proportion of stock and cash that an AV Homes stockholder receives may also have a value that is higher or lower than the relative proportion of stock and cash that the AV Homes stockholder elected to receive. A discussion of the proration mechanism can be found under the heading *The Merger Agreement Merger Consideration*.

Taylor Morrison and AV Homes may have difficulty attracting, motivating and retaining executives and other employees in light of the Merger.

Uncertainty about the effect of the Merger on Taylor Morrison and AV Homes employees may have an adverse effect on Taylor Morrison and AV Homes and consequently the combined company. This uncertainty may impair Taylor Morrison's and AV Homes' ability to attract, retain and motivate personnel both before and after completion of the Merger. Taylor Morrison and AV Homes are dependent on the experience and industry knowledge of their officers

and other key employees to execute their business plans. The combined company's success after the Merger will depend in part upon its ability to retain key management personnel and other key employees of Taylor Morrison and AV Homes. Employee retention may be particularly challenging during the pendency of the Merger, as employees may feel uncertain about their future roles with the combined company. In

Table of Contents

addition, Taylor Morrison and AV Homes may have to provide additional compensation in order to retain employees. If employees of Taylor Morrison or AV Homes depart because of issues relating to the uncertainty and difficulty of integration or a desire not to become employees of the combined company, the combined company's ability to realize the anticipated benefits of the Merger could be reduced.

Taylor Morrison and AV Homes will incur significant transaction-related costs in connection with the Merger.

Taylor Morrison and AV Homes expect to incur a number of non-recurring transaction-related costs associated with completing the Merger, combining the operations of the two companies and achieving desired synergies. These fees and costs will be significant. Non-recurring transaction costs include, but are not limited to, fees paid to legal, financial and accounting advisors, filing fees and printing costs. Additional unanticipated costs may be incurred in the integration of the businesses of Taylor Morrison and AV Homes. There can be no assurance that the elimination of certain duplicative costs, as well as the realization of other efficiencies related to the integration of the two businesses, will offset the incremental transaction-related costs over time. Thus, any net benefit may not be achieved in the near term, the long term or at all.

Failure to successfully combine the businesses of Taylor Morrison and AV Homes in the expected time frame may adversely affect the future results of the combined company, and, consequently, the value of any Taylor Morrison Common Stock that AV stockholders receive as part of the Merger Consideration.

The success of the Merger will depend, in part, on the ability of Taylor Morrison to realize the anticipated benefits and synergies from combining the businesses of Taylor Morrison and AV Homes. To realize these anticipated benefits, the businesses must be successfully combined. If the combined company is not able to achieve these objectives, or is not able to achieve these objectives on a timely basis, the anticipated benefits of the transactions may not be realized fully or at all. In addition, the actual integration may result in additional and unforeseen expenses, which could reduce the anticipated benefits of the transactions. These integration difficulties could result in declines in the market value of Taylor Morrison Common Stock and, consequently, result in declines in the market value of the Taylor Morrison Common Stock that AV Homes stockholders receive as part of the merger consideration and continue to hold following consummation of the Merger.

The Merger is subject to conditions, including certain conditions that may not be satisfied, and may not be completed on a timely basis, or at all. Failure to complete the Merger could have material and adverse effects on AV Homes and Taylor Morrison.

The completion of the Merger is subject to a number of conditions, including the approval of the Merger by the AV Homes stockholders, which make the completion and timing of the completion of the Merger uncertain. For more information relating to conditions to completion of the Merger, see the section entitled *The Merger Agreement Conditions to Completion of the Merger*. Also, either AV Homes or Taylor Morrison may terminate the Merger Agreement if the Merger has not been completed by December 7, 2018, unless the failure of the Merger to be completed by such date has resulted from the failure of the party seeking to terminate the Merger Agreement to perform its obligations.

If the Merger is not completed on a timely basis, or at all, Taylor Morrison's and AV Homes' respective ongoing businesses may be adversely affected and, without realizing any of the benefits of having completed the Merger, Taylor Morrison and AV Homes will be subject to a number of risks, including the following:

Edgar Filing: Taylor Morrison Home Corp - Form S-4/A

AV Homes may be required to pay Taylor Morrison a termination fee of approximately \$18.5 million (or \$10.0 million in certain circumstances) if the Merger Agreement is terminated under qualifying circumstances, as described in the Merger Agreement;

AV Homes and Taylor Morrison will be required to pay certain costs relating to the Merger, whether or not the Merger is completed, such as legal, accounting, financial advisor and printing fees;

Table of Contents

under the Merger Agreement, each of Taylor Morrison and AV Homes is subject to certain restrictions on the conduct of its business prior to completing the Merger, which may adversely affect its ability to execute certain of its business strategies;

time and resources committed by Taylor Morrison and AV Homes' respective management to matters relating to the Merger could otherwise have been devoted to pursuing other beneficial opportunities;

the market price of Taylor Morrison Common Stock or AV Homes Common Stock could decline below current market prices to the extent that such current market prices reflect a market assumption that the Merger will be completed; and

if the Merger Agreement is terminated and the AV Homes Board seeks another business combination, stockholders of AV Homes cannot be certain that AV Homes will be able to find a party willing to enter into a business combination or other strategic transaction on terms equivalent to or more attractive than the terms that Taylor Morrison has agreed to in the Merger Agreement.

In addition, if the Merger is not completed, Taylor Morrison and/or AV Homes may experience negative reactions from the financial markets and from their respective customers and employees. Taylor Morrison and/or AV Homes could also be subject to litigation related to any failure to complete the Merger or to enforcement proceedings commenced against Taylor Morrison or AV Homes to perform their respective obligations under the Merger Agreement. If the Merger is not completed, Taylor Morrison and AV Homes cannot assure their respective stockholders that the risks described above will not materialize and will not adversely affect the business, financial results and stock prices of Taylor Morrison and/or AV Homes.

The Merger Agreement contains provisions that limit AV Homes' ability to pursue alternatives to the Merger, could discourage a potential competing acquirer of AV Homes from making a favorable alternative transaction proposal and, in specified circumstances, could require AV Homes to pay a termination fee of up to approximately \$18.5 million to Taylor Morrison.

Under the Merger Agreement, AV Homes is restricted from entering into an alternative transaction. Unless and until the Merger Agreement is terminated, subject to specified exceptions (which are discussed in more detail in *The Merger Agreement Termination of the Merger Agreement*), AV Homes is restricted from initiating, soliciting, knowingly facilitating or knowingly encouraging a competing acquisition proposal with any person. Additionally, under the Merger Agreement, in the event of a potential change by the AV Homes Board of its recommendation with respect to the Merger in light of a superior proposal, AV Homes must provide Taylor Morrison with three business days' prior written notice to allow Taylor Morrison to propose an adjustment to the terms and conditions of the Merger Agreement. AV Homes may terminate the Merger Agreement and enter into an agreement with respect to a superior proposal only if specified conditions have been satisfied, including compliance with the no solicitation and termination provisions of the Merger Agreement. These provisions could discourage a third party that may have an interest in acquiring all or a significant part of AV Homes or Taylor Morrison from considering or proposing that acquisition, even if such third party were prepared to pay consideration with a higher per share cash or market value than the market value proposed to be received or realized in the Merger, or might result in a potential competing acquirer of AV Homes proposing to pay a lower price than it would otherwise have proposed to pay because of the added expense of the termination fee that may become payable in specified circumstances.

Under the Merger Agreement, AV Homes may be required to pay to Taylor Morrison a termination fee of approximately \$18.5 million if the Merger Agreement is terminated under specified circumstances. If such a termination fee is payable, the payment of this fee could have material and adverse consequences to the financial condition and operations of AV Homes. For a discussion of the restrictions on AV Homes soliciting or entering into an acquisition proposal or alternative transaction and the AV Homes Board's ability to change its recommendation, see *The Merger Agreement No Solicitation of Alternative Proposals, and Recommendation of the AV Homes Board of Directors*.

Table of Contents

AV Homes executive officers and directors have interests in the Merger that may be different from, or in addition to, the interests of AV Homes stockholders generally.

Executive officers of AV Homes negotiated the terms of the Merger Agreement with their counterparts at Taylor Morrison, and the AV Homes Board determined that entering into the Merger Agreement was advisable, fair to and in the best interests of AV Homes and its stockholders, and approved, adopted, and declared advisable the Merger Agreement and recommended that AV Homes stockholders approve the Merger Agreement. In considering these facts and the other information contained in this proxy statement/prospectus, you should be aware that aside from their interests as stockholders, AV Homes executive officers and directors may have employment and other compensation arrangements or plans that give them financial interests in the Merger that may be different from, or in addition to, the interests of AV Homes stockholders. For a further description of these interests *see* the section entitled *The Merger Interests of Certain AV Homes Directors and Officers in the Merger*.

The fairness opinions rendered to the AV Homes board by its financial advisors, J.P. Morgan and Moelis, were based on the financial analyses J.P. Morgan and Moelis performed, which considered factors such as market and other conditions then in effect, and financial forecasts and other information made available to them, as of the date of their opinions. As a result, these opinions do not reflect changes in events or circumstances after the date of such opinions. AV Homes has not obtained, and does not expect to obtain, an updated fairness opinion from either of its financial advisors reflecting changes in circumstances that may have occurred since the signing of the Merger Agreement.

The fairness opinion rendered to the AV Homes board by each of J.P. Morgan and Moelis was provided in connection with, and at the time of, the AV Homes board's evaluation of the Merger. These opinions were based on the financial analyses performed, which considered market and other conditions then in effect, and financial forecasts and other information made available to J.P. Morgan and Moelis, respectively, as of the date of their opinions, which may have changed, or may change, after the date of such opinions. AV Homes has not obtained updated opinions as of the date of proxy statement/prospectus from its financial advisors. AV Homes does not expect to obtain updated opinions prior to completion of the Merger. Changes in the operations and prospects of Taylor Morrison or AV Homes, general market and economic conditions and other factors which may be beyond the control of Taylor Morrison and AV Homes, and on which the fairness opinions were based, may have altered the value of Taylor Morrison or AV Homes or the prices of shares of Taylor Morrison Common Stock or shares of AV Homes Common Stock since the dates of such opinions, or may alter such values and prices by the time the Merger is completed. The opinion does not speak as of any date other than the date of such opinion. For a description of the opinion that AV Homes received from its financial advisor, *see* the sections entitled *The Merger Opinions of AV Homes Financial Advisors Opinion of AV Homes Financial Advisor, J.P. Morgan* and *The Merger Opinions of AV Homes Financial Advisors Opinion of AV Homes Financial Advisor, Moelis*.

The closing of the Merger may trigger change in control provisions in certain agreements to which AV Homes is a party.

Closing of the Merger may trigger change in control provisions in certain agreements to which AV Homes is a party, including the indentures governing the AV Homes Convertible Notes and AV Homes 6.625% Notes. If AV Homes and Taylor Morrison are unable to negotiate waivers of those provisions, the counterparties may exercise their rights and remedies under the agreements, potentially terminating the agreements or seeking monetary damages. Even if AV Homes and Taylor Morrison are able to negotiate waivers, the counterparties may require a fee for such waiver or seek to renegotiate the agreements on terms less favorable to AV Homes or the combined company. While Taylor Morrison expects the closing of the Merger will not trigger the change in control provisions in the indenture governing the AV Homes 6.625% Notes, there can be no assurance that this will be the case. *See Changes in credit rating could*

adversely affect the combined company, including by decreasing the combined company's business flexibility, financial condition and operating results, as well as the market price of Taylor Morrison Common Stock.

Table of Contents

AV Homes is subject to business uncertainties and contractual restrictions while the Merger is pending, which could adversely affect AV Homes business and operations.

Under the terms of the Merger Agreement, AV Homes is subject to certain restrictions on the conduct of its business prior to completing the Merger, which may adversely affect its ability to execute certain of its business strategies, including the ability in certain cases to enter into contracts or incur capital expenditures to grow its business. Such limitations could negatively affect AV Homes businesses and operations prior to the completion of the Merger. Furthermore, the process of planning to integrate two businesses and organizations for the post-Merger period can divert management attention and resources and could ultimately have an adverse effect on each of Taylor Morrison and AV Homes.

In connection with the Merger, it is possible that some customers, suppliers and other persons with whom AV Homes has a business relationship may delay or defer certain business decisions or might decide to seek to terminate, change or renegotiate their relationships with AV Homes as a result of the Merger, which could negatively affect AV Homes revenues, earnings and cash flows, as well as the market price of shares of its common stock, regardless of whether the Merger is completed.

The exchange ratio is fixed and because the market price of Taylor Morrison Common Stock and AV Homes Common Stock will fluctuate, AV Homes stockholders receiving Taylor Morrison Common Stock as part of the merger consideration cannot be sure of the market value of such merger consideration relative to the value of their shares of AV Homes Common Stock that they are exchanging.

If the Merger is completed, each share of AV Homes Common Stock will be converted into the right to receive either \$21.50 in cash (without any interest thereon), 0.9793 shares of Taylor Morrison Common Stock or \$12.64 in cash (without any interest thereon) and 0.4034 shares of Taylor Morrison Common Stock (subject to the adjustment and proration procedures described in further detail in the sections entitled *The Merger Agreement Merger Consideration* and *The Merger Agreement Election and Exchange Procedures*). During the pendency of the Merger, the market value of Taylor Morrison Common Stock will fluctuate, and decreases in the market value of Taylor Morrison Common Stock will negatively affect the value of the merger consideration that AV Homes stockholders receive. The market value of AV Homes Common Stock will also fluctuate during the pendency of the Merger, and increases in the market value of AV Homes Common Stock may mean that the merger consideration issued to AV Homes stockholders will be worth less than the market value of the shares of AV Homes Common Stock such stockholders are exchanging. The exchange ratio was fixed at the time the Merger Agreement was executed, and the value of Taylor Morrison and AV Homes stock may vary significantly from their values on the date of the Merger Agreement, the date of this proxy statement/prospectus, the date on which AV Homes stockholders vote on the Merger Agreement, the date on which AV Homes stockholders make their election and the date on which AV Homes stockholders receive the merger consideration. Neither AV Homes nor Taylor Morrison is permitted to terminate the Merger Agreement solely due to changes in the market price of either party's common stock.

There will be a period of time between the date on which AV Homes stockholders make an election with respect to the form of merger consideration to be received by them in exchange for their AV Homes Common Stock and the date on which AV Homes stockholders actually receive Taylor Morrison Common Stock, depending on their election and subject to proration. Fluctuations in the market value of Taylor Morrison Common Stock during this time period will also affect the value of the merger consideration, once it is actually received.

If an AV Homes stockholder elects to receive the Stock Consideration or the Mixed Consideration and the market value of Taylor Morrison Common Stock falls between the time of the election and the time the merger consideration is actually received, the value of the merger consideration received may be less than the value of the merger

consideration such stockholder would have received if they had elected to receive the Cash Consideration. Conversely, if an AV Homes stockholder elects to receive the Cash Consideration and the market

Table of Contents

value of Taylor Morrison Common Stock rises between the time of the election and the time the merger consideration is actually received, the value of the merger consideration received may be less than the value of the merger consideration such stockholder would have received if they had elected to receive the Stock Consideration or the Mixed Consideration. AV Homes stockholders are urged to obtain current market quotations for Taylor Morrison Common Stock when they make their elections.

The unaudited pro forma financial information included in this proxy statement/prospectus may not necessarily reflect the combined company's operating results and financial condition following the Merger.

The unaudited pro forma condensed combined financial information included in this proxy statement/prospectus is derived from Taylor Morrison's and AV Homes' separate historical consolidated financial statements. The preparation of this pro forma information is based upon available information and certain assumptions and estimates that Taylor Morrison and AV Homes currently believe are reasonable. These assumptions and estimates may not prove to be accurate, and this pro forma financial information does not necessarily reflect what the combined company's results of operations and financial position would have been had the Merger been completed on the relevant dates assumed and the assumptions and estimates were to prove accurate, or what the combined company's results of operations or financial position will be in the future.

AV Homes' financial estimates are based on various assumptions that may not prove to be correct.

The financial estimates set forth in the forecast included under *Proposal I: Adoption of the Merger Agreement - Unaudited Projected Financial Information* are based on assumptions of, and information available to, AV Homes, at the time they were prepared and provided to the AV Homes board and to J.P. Morgan and Moelis, as AV Homes' financial advisors. AV Homes does not know whether the assumptions they made will prove correct. Any or all of such estimates may turn out to be wrong. They can be adversely affected by inaccurate assumptions or by known or unknown risks and uncertainties, many of which are beyond AV Homes' control. Many factors mentioned in this proxy statement/prospectus and AV Homes' other filings with the SEC incorporated by reference into this proxy statement/prospectus, including the risks outlined in this *Risk Factors* section and in AV Homes' public filings and the events and/or circumstances described under *Cautionary Statement Regarding Forward-Looking Statements* will be important in determining AV Homes' future results. *See also, Where You Can Find More Information.* As a result of these contingencies, actual future results may vary materially from AV Homes' estimates. In view of these uncertainties, the inclusion of AV Homes' financial estimates in this proxy statement/prospectus is not and should not be viewed as a representation that the forecasted results will be achieved. These financial estimates are AV Homes' internal financial forecasts and were not prepared with a view toward public disclosure or toward compliance with published guidelines of any regulatory or professional body. Further, any forward-looking statement speaks only as of the date on which it is made, and AV Homes undertakes no obligation, other than as required by applicable law, to update its financial estimates herein to reflect events or circumstances after the date those financial estimates were prepared or to reflect the occurrence of anticipated or unanticipated events or circumstances. The financial estimates included in this proxy statement/prospectus have been prepared by, and are the responsibility of, AV Homes. Moreover, AV Homes' independent accountants, Deloitte & Touche LLP, have not compiled, examined or performed any procedures with respect to AV Homes' prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and, accordingly, Deloitte & Touche LLP assumes no responsibility for, and disclaims any association with, AV Homes' prospective financial information. The reports of Deloitte & Touche LLP incorporated by reference relate exclusively to the historical financial information of the entities named in those reports and do not cover any other information in this proxy statement/prospectus and should not be read to do so. *See Proposal I: Adoption of the Merger Agreement - Unaudited Projected Financial Information* for more information.

Table of Contents

Current Taylor Morrison stockholders and AV Homes stockholders will have a reduced ownership and voting interest in Taylor Morrison after the Merger.

Upon the completion of the Merger, each AV Homes stockholder who receives consideration in the form of Taylor Morrison Common Stock and each Taylor Morrison stockholder will have a percentage ownership of Taylor Morrison that is smaller than such stockholder's previous percentage ownership of AV Homes or Taylor Morrison, as applicable. Based on the number of issued and outstanding shares of Taylor Morrison Common Stock and AV Homes Common Stock on August 13, 2018, and assuming no adjustment in the number of shares of Taylor Morrison Common Stock to be issued as Merger Consideration pursuant to the Merger Agreement and without giving effect to the issuance of any Merger Consideration to holders of AV Homes Convertible Notes that are converted, AV Homes stockholders, as a group, will receive shares in the Merger constituting approximately 8% of the Taylor Morrison Common Stock expected to be outstanding immediately after the Merger (not including any Taylor Morrison Common Stock held by AV Homes stockholders prior to the merger), and Taylor Morrison stockholders, as a group, will own 92% of Taylor Morrison Common Stock expected to be outstanding immediately after the Merger. As a result of these reduced ownership percentages, each of Taylor Morrison and AV Homes stockholders, as a group, will have less voting power in, and influence on the board of directors, management and policies of, Taylor Morrison following the Merger than they now have in their respective companies. If AV Homes Convertible Notes are converted prior to or in connection with or after the Merger, the ownership and voting interest that current Taylor Morrison stockholders and AV Homes stockholders will have in Taylor Morrison after the Merger may be further reduced. See *Treatment of the AV Homes Convertible Notes*.

Following the Merger, the AV Homes Convertible Notes will be convertible into the form of Merger Consideration elected by holders of a plurality of the AV Homes Common Stock.

Following the Merger, the AV Homes Convertible Notes will be convertible into the Merger Consideration elected by holders of a plurality of the AV Homes Common Stock in connection with the Merger. Although TPG has agreed to receive Stock Consideration pursuant to the Voting Agreement, there can be no assurance that the AV Homes Convertible Notes will be convertible solely into Taylor Morrison Common Stock. If holders of a plurality of the AV Homes Common Stock elect to receive all cash or mixed cash and stock consideration, then the AV Homes Convertible Notes will be convertible in whole or in part into cash. The combined company expects to fund any required additional cash payments from additional borrowings under its revolving credit facility.

Holders of the AV Homes Convertible Notes may also convert them at an increased conversion rate in connection with the Merger, and if such conversion occurs with respect to all of the AV Homes Convertible Notes, such holders would be entitled to the Merger Consideration that would be paid to holders of a total of approximately 4.4 million shares of AV Homes Common Stock. Such Merger Consideration would consist of (i) an aggregate of approximately \$95.0 million in cash if holders of a plurality of AV Homes Common Stock elect to receive all of the Merger Consideration in cash, (ii) an aggregate of approximately 4.3 million shares of Taylor Morrison Common Stock if holders of a plurality of such AV Homes Common Stock elect to receive all of the Merger Consideration in Taylor Morrison Common Stock and (iii) an aggregate of approximately \$55.8 million in cash and approximately 1.8 million shares of Taylor Morrison Common Stock if holders of a plurality of such AV Homes Common Stock elect to receive mixed cash and stock consideration. The combined company expects to fund any required additional cash payments from additional borrowings under its revolving credit facility.

The consideration deliverable upon conversion of AV Homes Convertible Notes as described in the preceding paragraph assumes that the Merger closes on October 1, 2018 and the average closing price of the AV Homes Common Stock on the last five trading days preceding the closing date is \$21.50. Any AV Homes Convertible Notes that are not repurchased or converted will remain outstanding.

Table of Contents

Potential litigation instituted against AV Homes, Taylor Morrison or their respective directors challenging the proposed Merger may prevent the Merger from becoming effective within the expected timeframe or at all.

Potential litigation related to the Merger may result in injunctive or other relief prohibiting, delaying or otherwise adversely affecting the parties' ability to complete the Merger. Such relief may prevent the Merger from becoming effective within the expected timeframe or at all. In addition, defending against such claims may be expensive and divert management's attention and resources, which could adversely affect the respective businesses of AV Homes and Taylor Morrison.

Risk Factors Relating to the Combined Company Following the Merger

Although Taylor Morrison expects that its acquisition of AV Homes will result in cost savings, synergies and other benefits, the combined company may not realize those benefits because of integration difficulties and other challenges.

The success of Taylor Morrison's acquisition of AV Homes will depend in large part on the success of the management of the combined company in integrating the operations, strategies, technologies and personnel of the two companies following the completion of the Merger. The combined company may fail to realize some or all of the anticipated benefits of the Merger if the integration process takes longer than expected or is more costly than expected. The failure of the combined company to meet the challenges involved in successfully integrating the operations of the two companies or to otherwise realize any of the anticipated benefits of the Merger, including additional cost savings and synergies, could impair the operations of the combined company. In addition, Taylor Morrison anticipates that the overall integration of AV Homes will be a time-consuming and expensive process that, without proper planning and effective and timely implementation, could significantly disrupt the combined company's business.

Potential difficulties the combined company may encounter in the integration process include the following:

the integration of management teams, strategies, technologies and operations, products and services;

the disruption of ongoing businesses and distraction of their respective management teams from ongoing business concerns;

the retention of and possible decrease in business from the existing clients of both companies;

the creation of uniform standards, controls, procedures, policies and information systems;

the reduction of the costs associated with each company's operations;

the integration of corporate cultures and maintenance of employee morale;

the retention of key employees; and

potential unknown liabilities associated with the Merger.

The anticipated cost savings, synergies and other benefits of the Merger assume a successful integration of the companies and are based on projections and other assumptions, which are inherently uncertain. Even if integration is successful, anticipated cost savings, synergies and other benefits may not be achieved.

The market price of Taylor Morrison Common Stock may decline in the future as a result of the Merger.

The market price of Taylor Morrison Common Stock may decline in the future as a result of the Merger for a number of reasons, including:

the unsuccessful integration of AV Homes and Taylor Morrison (including for the reasons set forth in the preceding risk factor);

the failure of the combined company to achieve the perceived benefits of the Merger, including financial results, as rapidly as or to the extent anticipated by financial or industry analysts.

Table of Contents

These factors are, to some extent, beyond the control of Taylor Morrison. As a consequence, AV Homes stockholders who become holders of Taylor Morrison Common Stock after completion of the Merger could lose the value of their investment in Taylor Morrison Common Stock.

The Merger may not be accretive and may cause dilution to the combined company's earnings per share, which may negatively affect the market price of the Taylor Morrison Common Stock.

Taylor Morrison currently anticipates that the Merger will be accretive to earnings per share (on an adjusted earnings basis) during the first full calendar year after the Merger. This expectation is based on preliminary estimates which may materially change. The combined company could also encounter additional transaction-related costs or other factors such as the failure to realize all of the benefits anticipated in the Merger. All of these factors could cause dilution to the combined company's earnings per share or decrease or delay the expected accretive effect of the Merger and cause a decrease in the market price of Taylor Morrison Common Stock.

The combined company's future results will suffer if it does not effectively manage its expanded operations following the Merger.

Following the Merger, the size of the business of the combined company will increase significantly beyond the current size of either Taylor Morrison's or AV Homes' current businesses. The combined company's future success depends, in part, upon its ability to manage this expanded business, which may pose substantial challenges for management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity. There can be no assurance that the combined company will be successful or that it will realize the expected operating efficiencies, cost savings, revenue enhancements and other benefits currently anticipated from the Merger.

Taylor Morrison and AV Homes face competition, which is expected to intensify and which may reduce the market share and profits of Taylor Morrison after consummation of the Merger.

Competition in the homebuilding industry is intense, and there are relatively low barriers to entry in the industry. Homebuilders compete for, among other things, home buying customers, desirable land parcels, financing, raw materials and skilled labor. Increased competition could hurt Taylor Morrison's and AV Homes' businesses, as it could prevent both companies from acquiring attractive land parcels on which to build homes or make such acquisitions more expensive, hinder their market share expansion and lead to pricing pressures on their homes that may adversely impact their margins and revenues. If the combined company is unable to successfully compete following the Merger, its business, prospects, liquidity, financial condition and results of operations could be materially and adversely affected.

Following the consummation of the Merger, the combined company's competitive position could be weakened by strategic alliances or consolidation within the homebuilding industry or the development of new technologies. The combined company's ability to compete successfully will depend on how well it markets its products and services and on its ability to anticipate and respond to various competitive factors affecting the industry, including changes in consumer preferences or demographics, and changes in the product offerings or pricing strategies of the combined company's competitors.

After the consummation of the Merger, competition could materially adversely affect the combined company in several ways, including (i) the loss of customers and market share, (ii) the combined company's need to lower prices or increase marketing expenses to remain competitive and (iii) the loss of business relationships within Taylor Morrison's existing markets.

Taylor Morrison is expected to incur substantial expenses related to the Merger and integration.

Taylor Morrison is expected to incur substantial expenses in connection with the Merger and the related integration. There are a large number of processes, policies, procedures, operations, technologies and systems that may need to be integrated, including purchasing, accounting and finance, sales, payroll, pricing and benefits.

Table of Contents

While Taylor Morrison has assumed that a certain level of expenses will be incurred, there are many factors beyond its control that could affect the total amount or the timing of the integration expenses. Moreover, many of the expenses that will be incurred are, by their nature, difficult to estimate accurately. These expenses could, particularly in the near term, exceed the savings that Taylor Morrison expects to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings. These integration expenses likely will result in the combined company taking significant charges against earnings following the completion of the Merger, and the amount and timing of such charges are uncertain at present.

Following the consummation of the Merger, Taylor Morrison will be bound by all of the obligations and liabilities of both companies.

Following the consummation of the Merger, the combined company will become bound by all of the obligations and liabilities of AV Homes in addition to Taylor Morrison's obligations and liabilities existing prior to the consummation of the Merger. Neither Taylor Morrison nor AV Homes can predict the financial condition of the combined company at the time of the combination or the ability of the combined company to satisfy its obligations and liabilities.

The Merger may result in a loss of suppliers and strategic alliances may result in the termination of existing contracts.

Following the Merger, some of the suppliers of Taylor Morrison or AV Homes, as historical businesses, may terminate or scale back their business relationship with the combined company. Taylor Morrison and AV Homes have contracts with suppliers, vendors, and other business partners which may require Taylor Morrison or AV Homes to obtain consents from these other parties in connection with the Merger, which may not be obtained at all or on favorable terms. If supplier relationships or strategic alliances are adversely affected by the Merger, or if the combined company, following the Merger, loses the benefits of the contracts of Taylor Morrison or AV Homes, the combined company's business and financial performance could suffer.

Following the Merger, the combined company will have a substantial amount of debt, which could adversely affect our business, financial condition or results of operations and prevent us from fulfilling our debt-related obligations.

Following the Merger, the combined company will have a substantial amount of debt. As of June 30, 2018, on a pro forma basis, the combined company would have had approximately \$1.90 billion of outstanding debt (including under its outstanding debt securities and borrowings under its revolving credit facilities). The combined company's substantial debt could have important consequences for the holders of its common stock, including:

making it more difficult for the combined company to satisfy its obligations with respect to its debt or to its trade or other creditors;

increasing the combined company's vulnerability to adverse economic or industry conditions;

limiting the combined company's ability to obtain additional financing to fund capital expenditures and land acquisitions, particularly when the availability of financing in the capital markets is limited;

requiring the combined company to pay higher interest rates upon refinancing or on the combined company's variable rate indebtedness if interest rates rise;

requiring a substantial portion of the combined company's cash flows from operations and the proceeds of any capital markets offerings or loan borrowings for the payment of interest the combined company's debt and reducing the combined company's ability to use its cash flows to fund working capital, capital expenditures, land acquisitions and general corporate requirements;

Table of Contents

limiting the combined company's flexibility in planning for, or reacting to, changes in our business and the industry in which it operates; and

placing the combined company at a competitive disadvantage to less leveraged competitors.

The combined company may not generate sufficient cash flow from operations, together with any future borrowings, to enable the combined company to pay its indebtedness, or to fund the combined company's other liquidity needs. The combined company may need to refinance all or a portion of its indebtedness, on or before its maturity. The combined company may not be able to refinance any of its indebtedness on commercially reasonable terms or at all. In addition, the combined company may incur additional indebtedness in order to finance its operations, to fund acquisitions, or to repay existing indebtedness. If the combined company cannot service its indebtedness, it may have to take actions such as selling assets, seeking additional debt or equity or reducing or delaying capital expenditures, strategic acquisitions, investments and alliances. Any such actions, if necessary, may not be able to be effected on commercially reasonable terms or at all, or on terms that would be advantageous to the combined company's stockholders or on terms that would not require Taylor Morrison to breach the terms and conditions of its existing or future debt agreements.

Changes in credit rating could adversely affect the combined company, including by decreasing the combined company's business flexibility, financial condition and operating results, as well as the market price of Taylor Morrison Common Stock.

Downgrades in the combined company's ratings could adversely affect the combined company's businesses, cash flows, financial condition, operating results and stock and debt prices.

Upon completion of the Merger, a subsidiary of Taylor Morrison will guarantee the AV Homes 6.625% Notes (the "Qualified Successor"). Provided that the Qualified Successor has an unsecured debt rating equal to or higher than Ba3 (or the equivalent) by Moody's or equal to or higher than BB- (or the equivalent) by S&P (a "Qualified Rating") following the Merger, the restrictive covenants in the AV Homes 6.625% Notes will be replaced by significantly less restrictive covenants, and it will not be necessary for the combined company to make a change of control offer for the AV Homes 6.625% Notes.

While Taylor Morrison expects its subsidiaries to have a Qualified Rating upon the guarantee of the AV Homes 6.625% Notes, there can be no assurance that this will be the case. If the Qualified Successor does not have a Qualified Rating upon the guarantee of the AV Homes 6.625% Notes, there will be additional restrictions on the combined company's operations, and the combined company will be required to make an offer to purchase the AV Homes 6.625% Notes at 101% of the aggregate principal amount thereof *plus* accrued and unpaid interest to but not including the date of repurchase.

Other Risk Factors Relating to Taylor Morrison and AV Homes

As a result of entering into the Merger Agreement, Taylor Morrison's and AV Homes' businesses are and will be subject to the risks described above. In addition, Taylor Morrison and AV Homes are, and following completion of the Merger, the combined company will continue to be, subject to the risks described in Taylor Morrison's and AV Homes' respective Annual Reports on Form 10-K for the fiscal year ended December 31, 2017, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which are filed with the SEC and incorporated by reference into this proxy statement/prospectus. For the location of information incorporated by reference, see *Where You Can Find More Information*.

Table of Contents

CAUTIONARY INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus, including the information included or incorporated by reference, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements in this proxy statement/prospectus and the information included or incorporated by reference herein that are not historical facts are hereby identified as forward-looking statements for the purpose of the safe harbor provided by Section 21E of the Exchange Act and Section 27A of the Securities Act. These forward-looking statements, including, without limitation, those relating to the future business prospects, revenues and income of Taylor Morrison and AV Homes, wherever they occur in this proxy statement/prospectus or in the documents incorporated by reference herein, are necessarily estimates reflecting the current views of the respective management of Taylor Morrison and AV Homes and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These forward-looking statements should, therefore, be considered in light of various important factors, including those set forth in and incorporated by reference into this proxy statement/prospectus.

Words such as estimate, project, plan, intend, expect, anticipate, believe, would, should, could, potential, continue, forecast and similar expressions are intended to identify forward-looking statements, although the absence of any such words or expressions does not mean that a particular statement is not a forward-looking statement. These forward-looking statements are found at various places throughout this proxy statement/prospectus, including in the section entitled *Risk Factors*. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include those set forth in Taylor Morrison's and AV Homes filings with the SEC, including their respective Annual Reports on Form 10-K for the year ended December 31, 2017. These important factors also include those set forth under *Risk Factors*, as well as, among others, risks and uncertainties relating to:

the inherent uncertainty associated with financial or other projections;

risks related to 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;

risks 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 Merger 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;

unanticipated difficulties or expenditures relating to the Merger, 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 Merger; and

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 Merger.

For a further discussion of these and other risks, contingencies and uncertainties that may impact Taylor Morrison or AV Homes, and that AV Homes stockholders should consider prior to deciding whether to vote **FOR** the adoption of the Merger Agreement, *see Risk Factors* in this proxy statement/prospectus and in Taylor Morrison's and AV Homes' other filings with the SEC incorporated by reference into this proxy statement/prospectus. *See Where You Can Find More Information.*

Table of Contents

Due to these risks, contingencies and other uncertainties, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this proxy statement/prospectus as to the forward-looking statements contained in this proxy statement/prospectus, and as of the date of any document incorporated by reference into this proxy statement/prospectus as to any forward-looking statement incorporated by reference herein. Except as provided by federal securities laws, neither Taylor Morrison nor AV Homes is required to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to Taylor Morrison or AV Homes or any person acting on its or their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Taylor Morrison and AV Homes do not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this proxy statement/prospectus or to reflect the occurrence of unanticipated events, except as may be required under applicable federal securities laws.

Table of Contents

THE COMPANIES

Taylor Morrison Home Corporation

Taylor Morrison is one of the largest public homebuilders in the United States. Taylor Morrison is also a land developer, with a portfolio of lifestyle and master-planned communities. Taylor Morrison provides a diverse assortment of homes across a wide range of price points. Taylor Morrison strives to appeal to a broad spectrum of customers in traditionally high growth markets, where it designs, builds and sells single-family detached and attached homes. Taylor Morrison operates under the Taylor Morrison and Darling Homes brand names. Taylor Morrison also provides financial services to customers through its mortgage subsidiary, TMHF, and title insurance and closing settlement services through its title company, Inspired Title.

Taylor Morrison has operations in Arizona, California, Colorado, Florida, Georgia, Illinois, North Carolina and Texas. Taylor Morrison's business is organized into multiple homebuilding operating divisions and a mortgage and title services division, which are managed as multiple reportable segments, as follows:

East	Atlanta, Charlotte, Chicago, Orlando, Raleigh, Southwest Florida and Tampa
Central	Austin, Dallas, Houston (each of the Dallas and Houston markets include both a Taylor Morrison division and a Darling Homes division) and Denver
West	Bay Area, Phoenix, Sacramento and Southern California
Mortgage Operations	Taylor Morrison Home Funding (TMHF) and Inspired Title Services (Inspired Title)

During 2017, Taylor Morrison's operations were located in eight states and generated revenue of \$3.89 billion, net income from continuing operations of \$176.7 million. Taylor Morrison ended 2017 with \$1.7 billion in sales order backlog.

During 2017, Taylor Morrison had 297 average active communities and at December 31, 2017 Taylor Morrison owned or controlled over 37,800 lots. The average sales price of homes closed during the year ended December 31, 2017 was approximately \$473,000. During 2017, Taylor Morrison sold 8,397 homes, an increase of approximately 12% over the prior year.

Taylor Morrison was incorporated in Delaware in November 2012. Taylor Morrison's principal executive offices are located at 4900 N. Scottsdale Road, Suite 2000, Scottsdale, AZ 85251 and its telephone number is (480) 840-8100.

AV Homes, Inc.

AV Homes, a Delaware corporation, is a homebuilder and land developer of residential communities in Florida, the Carolinas, Arizona and Texas. AV Homes focuses on the development and construction of primary residential communities that serve first-time and move-up buyers, as well as active adults communities, which are restricted to 55 years and older, and typically include resort-style amenities such as clubhouses, swimming pools, and fitness centers.

AV Homes employs a deliberate land acquisition strategy that focuses on development in high-demand markets in addition to exploring opportunities that will broaden its geographical footprint. AV Homes' core business strategies are: strategically expand its primary segments to capitalize on market recoveries, serve the lifestyle and housing needs of the 55 and over active adults, maintain core focus on operational improvements to drive profitability while managing construction and labor costs, exercise prudent balance sheet management to maintain ample liquidity for

growth and profitably monetize non-core commercial and industrial land positions and scattered lots.

As of December 31, 2017, AV Homes owned 4,911 developed residential lots, 2,395 partially developed residential lots, 8,776 undeveloped residential lots and 6,980 acres of mixed-use, commercial and industrial land. AV Homes utilizes its deep experience, strong operating platform and land inventory to capitalize on the

Table of Contents

strengthening housing environment and favorable demographic trends within our core markets. AV Homes' common stock is currently traded on the Nasdaq Stock Market under the symbol AVHI.

AV Homes' principal operations, which include the acquisition, development and building of active adult and primary residential communities, are conducted in the greater Orlando, Jacksonville, Phoenix, Charlotte, Raleigh and Dallas-Fort Worth markets. AV Homes believes that these markets have attractive residential real estate investment characteristics, and that its strategic development of land there will allow it to obtain higher home prices and gross margins, as well as yield a strong pace of sales and higher returns. In focusing on the 55+ age demographic, AV Homes hopes to support a growing interest in lifestyle-oriented, age-qualified communities, especially throughout the Sun Belt.

AV Homes' current major active adult communities include: Solivita (Central Florida), Vitalia at Tradition (Port St. Lucie, Florida), CantaMia (Goodyear, Arizona), Encore at Eastmark (Mesa, Arizona), and Creekside at Bethpage (Raleigh/Durham).

AV Homes purchases improved lots and tracts of raw land or unimproved lots that require development. AV Homes acts as general contractor for the construction of its homes and communities, and it typically engages subcontractors on a project-by-project basis. With regard to purchase of raw materials, AV Homes engages several suppliers in each region, and also has national supplier contracts for certain items such as flooring, faucets, and air conditioning systems.

AV Homes' principal executive offices are located at 6730 N. Scottsdale Road, Suite 150, Scottsdale, AZ 85253, and its telephone number is (480) 214-7400.

Merger Sub

Merger Sub, an indirect subsidiary of Taylor Morrison, is a Delaware corporation that was formed on June 1, 2018 for the sole purpose of effecting the Merger. In the Merger, Merger Sub will be merged with and into AV Homes, with AV Homes surviving the Merger. As a result of the Merger, AV Homes, together with the legacy business and subsidiaries of AV Homes, will become indirect subsidiaries of Taylor Morrison.

Table of Contents

AV HOMES SPECIAL MEETING

AV Homes is providing this proxy statement/prospectus to its stockholders in connection with the solicitation of proxies to be voted at the AV Homes special meeting (or any adjournment or postponement of the AV Homes special meeting). This proxy statement/prospectus contains important information for you to consider when deciding how and whether to vote on the matters brought before the AV Homes special meeting. Please read it carefully and in its entirety.

Date, Time and Location

The date, time and place of the AV Homes special meeting are set forth below:

Date: , 2018

Time: a.m., local time

Place:

Purpose

At the AV Homes special meeting, AV Homes stockholders will consider and vote on:

Proposal I: a proposal to adopt the Merger Agreement, pursuant to which Merger Sub will merge with and into AV Homes, with AV Homes continuing as the surviving entity in the Merger as a subsidiary of Taylor Morrison;

Proposal II: a proposal to approve, on an advisory (non-binding) basis, certain compensation that may become payable to the named executive officers of AV Homes in connection with the Merger; and

Proposal III: the adjournment proposal.

The adoption by AV Homes stockholders of the Merger Agreement is a condition to the obligations of Taylor Morrison and of AV Homes to complete the Merger. The approval of the proposal for Merger-related compensation is not a condition to the obligations of Taylor Morrison or of AV Homes to complete the Merger. The approval of the adjournment proposal is not a condition to the obligations of Taylor Morrison or of AV Homes to complete the Merger.

Recommendation of the AV Homes Board

In evaluating the Merger and other transactions contemplated by the Merger Agreement, the AV Homes Board consulted with AV Homes senior management and AV Homes outside legal counsel and financial advisors. After consideration, the members of the AV Homes Board unanimously determined that the Merger Agreement and the other transactions contemplated by the Merger Agreement, including the Merger, are advisable, fair to, and in the best interests of, AV Homes and its stockholders, and approved, adopted and declared advisable the Merger Agreement and the other transactions contemplated by the Merger Agreement, including the proposed Merger. For more

information regarding the factors considered by the AV Homes Board in reaching its decision to approve the Merger Agreement and the transactions contemplated by the Merger Agreement, *see Proposal I: Adoption of the Merger Agreement AV Homes Reasons for the Merger; Recommendation of the AV Homes Board* beginning on page 53 of this proxy statement/prospectus.

The AV Homes Board recommends that AV Homes stockholders vote FOR the adoption of the Merger Agreement, FOR the named executive officer Merger-related compensation proposal and FOR the adjournment proposal.

Table of Contents

Record Date; Outstanding Shares; Stockholders Entitled to Vote

The AV Homes Board has fixed the close of business on _____, 2018 as the Record Date for determination of the AV Homes stockholders entitled to notice of, and to vote at, the AV Homes special meeting or any adjournment or postponement thereof. Only AV Homes stockholders of record on the Record Date are entitled to receive notice of, and to vote at, the AV Homes special meeting or any adjournment or postponement thereof.

As of the Record Date, there were _____ shares of AV Homes Common Stock outstanding and entitled to vote at the AV Homes special meeting, held by approximately _____ holders of record. With respect to each matter to be acted upon at the AV Homes special meeting, each holder of AV Homes Common Stock is entitled to one vote for each outstanding share of AV Homes Common Stock held by such holder. As described in detail under the heading "The Voting Agreement," Taylor Morrison and TPG entered into a voting agreement pursuant to which, among other things, TPG agreed to vote all outstanding AV Homes Common Stock currently held or thereafter acquired by TPG in favor of the adoption of the Merger Agreement.

A list of stockholders entitled to vote at the AV Homes special meeting will be available for examination by any stockholder for any purpose germane to the AV Homes special meeting beginning ten days prior to the AV Homes special meeting between the hours of 9:00 a.m. and 5:00 p.m., local time, at 6730 N. Scottsdale Rd., Suite 150, Scottsdale, AZ, AV Homes' principal place of business, and ending on the date of the AV Homes special meeting, and such list will also be available at the AV Homes special meeting during the duration of the meeting.

Quorum

A quorum of outstanding shares is necessary to take action at the AV Homes special meeting. The presence in person or by proxy of the holders of AV Homes Common Stock having a majority of the votes which could be cast by the holders of AV Homes Common Stock entitled to vote at the AV Homes special meeting will constitute a quorum at the AV Homes special meeting.

If a holder of AV Homes Common Stock is a beneficial owner of shares held in _____ street name by a bank, broker, trust company or other nominee and does not provide the organization that holds its shares with specific voting instructions, then, under applicable rules, the organization that holds its shares may generally vote on _____ routine matters but cannot vote on _____ non-routine matters. If the organization that holds its shares does not receive instructions from such AV Homes stockholder on how to vote its shares on a non-routine matter, that bank, broker, trust company or other nominee will inform the inspector of election at the AV Homes special meeting that it does not have authority to vote on the matter with respect to such shares. This is generally referred to as a _____ broker non-vote. Abstentions will be included in the calculation of the number of shares of AV Homes Common Stock represented at the AV Homes special meeting for purposes of determining whether a quorum has been achieved. However, if a beneficial owner of AV Homes Common Stock does not instruct its broker, bank, trust company or other nominee how to vote on any matter, the broker, bank, trust company or other nominee will not have discretion to vote on any proposal at the AV Homes special meeting and such shares will not be deemed to be in attendance at the meeting or counted for purposes of determining whether a quorum has been achieved.

Table of Contents**Required Vote**

The required number of votes to approve the matters to be voted upon at the AV Homes special meeting depends on the particular item to be voted upon as set out below:

	Item	Vote Necessary for Approval*
Proposal I	Adoption of the Merger Agreement	Approval requires the affirmative vote, in person or by proxy, of holders of a majority of the outstanding shares of AV Homes Common Stock, voting together as a single class.
Proposal II	Non-Binding Approval of Executive Pay	Approval requires the affirmative vote, in person or by proxy, of holders of a majority of the votes which could be cast by the holders of all classes of stock entitled to vote on such question which are present in person or by proxy at the meeting.
Proposal III	Adjournment of AV Homes Special Meeting (if Necessary or Appropriate)	Approval requires the affirmative vote, in person or by proxy, of holders of a majority of the votes which could be cast by the holders of all classes of stock entitled to vote on such question which are present in person or by proxy at the meeting.

* Under the rules of Nasdaq, if you hold your shares of AV Homes Common Stock in street name, your nominee or intermediary may not vote your shares without instructions from you. If you do not provide voting instructions on any Proposal, your shares will not be deemed in attendance at the AV Homes special meeting and will not be voted. If you provide voting instructions on fewer than all three Proposals, a broker non-vote will occur with respect to whichever Proposal(s) you did not provide voting instructions for. Abstentions will have the same effect as a vote against the applicable Proposal(s). Shares deemed not in attendance at the meeting, whether due to a record holder's failure to vote in person or by proxy or a street name holder's failure to provide any voting instructions to such holder's nominee or intermediary, and broker non-votes, will have the same effect as a vote against Proposal I but will have no effect on Proposal II or Proposal III.

Share Ownership of and Voting by AV Homes Directors and Executive Officers

At the Record Date, AV Homes directors and executive officers and their affiliates beneficially owned and had the right to vote an aggregate of _____ shares of AV Homes Common Stock, which represents _____ % of the voting power of the outstanding shares of AV Homes Common Stock entitled to vote at the AV Homes special meeting.

It is expected that AV Homes directors and executive officers will vote their respective shares **FOR** the adoption of the Merger Agreement, **FOR** the named executive officer Merger-related compensation proposal and **FOR** the approval of the adjournment proposal.

Voting of Shares

Whether or not you plan to attend the AV Homes special meeting, please vote your shares. If you are a registered or record holder, which means your shares are registered in your name with Computershare Trust Company, N.A., AV

Homes transfer agent and registrar, you may vote in person at the special meeting or represented by proxy. You may specify whether your shares should be voted for or against, or whether you abstain from voting with respect to, the proposal to adopt the Merger Agreement, the proposal to approve Merger-related compensation and the adjournment proposal. If your shares are held in street name, which

Table of Contents

means your shares are held of record in an account with a broker, bank or other nominee, you must follow the instructions from your broker, bank or other nominee in order to vote.

You may attend the AV Homes special meeting and vote your shares in person or you may submit a proxy by any of the following methods:

By Mail. If you choose to submit a proxy to vote by mail, simply complete the enclosed proxy card, date and sign it, and return it in the postage-paid envelope provided. Your shares will be voted in accordance with the instructions on your proxy card. If you sign your proxy card and return it without marking any voting instructions, your shares will be voted **FOR** the proposal to adopt the Merger Agreement, **FOR** named executive officer Merger-related compensation proposal **FOR** the adjournment proposal, and in the discretion of the persons named as proxies on all other matters that may properly come before the AV Homes special meeting or any adjournment or postponement of the AV Homes special meeting.

By Telephone. You may submit a proxy to vote your shares by telephone by calling the toll-free number provided on your proxy card any time up to 11:59 p.m. Eastern Time on _____, 2018. If you vote by telephone, you should not return your proxy card.

Through the Internet. You may also submit a proxy to vote through the Internet by signing on to the website identified on your proxy card and following the procedures described in the website any time up to 11:59 p.m. Eastern Time on _____, 2018. If you vote by Internet, you should not return your proxy card.

If you are a beneficial owner and hold your shares in street name, or through a nominee or intermediary, such as a bank or broker, you will receive separate instructions from such nominee or intermediary describing how to vote your shares. The availability of telephonic or Internet voting will depend on the intermediary's voting process. Please check with your nominee or intermediary and follow the voting instructions provided by your nominee or intermediary with these materials.

Your vote is very important. Whether or not you plan to attend the AV Homes special meeting, please act promptly to vote your shares with respect to the proposals described above. You may vote your shares by completing, signing and dating the enclosed proxy card and returning it in the postage-paid envelope provided. You also may vote your shares by telephone or through the Internet by following the instructions set forth on the proxy card. If you attend the AV Homes special meeting, you may vote your shares in person, even if you have previously submitted a proxy in writing, by telephone or through the Internet. If your shares are held in the name of a nominee or intermediary, please follow the instructions on the voting instruction card furnished by such record holder.

Revocability of Proxies; Changing Your Vote

You may revoke your proxy or change your vote at any time before your shares are voted at the AV Homes special meeting by:

sending a signed written notice stating that you revoke your proxy to the Corporate Secretary, at AV Homes offices at 6730 N. Scottsdale Road, Suite 150, Scottsdale, AZ 85253, that bears a later date than the date of the proxy you want to revoke and is received by the AV Homes Corporate Secretary prior to the applicable special meeting;

submitting a valid, later-dated proxy via mail, over the telephone or through the Internet; or

attending the AV Homes special meeting (or if the AV Homes special meeting is adjourned or postponed, attending the adjourned or postponed meeting) and voting in person, which will automatically cancel any proxy previously given, or revoking your proxy in person, but your attendance alone will not constitute a vote or revoke any proxy previously given.

Table of Contents

Beneficial owners who hold their AV Homes Common Stock in street name cannot revoke their proxies in person at the AV Homes special meeting because the AV Homes stockholders of record who have the right to cast the votes will not be present. If beneficial owners of AV Homes Common Stock wish to change their votes after returning voting instructions, they should contact their bank, broker or other agent before the AV Homes special meeting to determine whether they can do so.

Solicitation of Proxies; Expenses of Solicitation

This proxy statement/prospectus is being provided to AV Homes stockholders in connection with the solicitation of proxies by the AV Homes Board to be voted at the AV Homes special meeting and at any adjournments or postponements of the AV Homes special meeting. AV Homes will bear all costs and expenses in connection with the solicitation of proxies for the AV Homes special meeting, except that Taylor Morrison and AV Homes will each pay 50% of the costs of filing, printing and mailing this proxy statement/prospectus. AV Homes has engaged Georgeson LLC to assist in the distribution and solicitation of proxies for the AV Homes special meeting and will pay Georgeson LLC a fee of approximately \$12,500, plus reimbursement of reasonable expenses, for these services.

AV Homes is making this solicitation by mail, but AV Homes directors, officers and employees also may solicit by mail, telephone, facsimile, electronic transmission, personal interview or otherwise. Such directors, officers and employees will not receive additional compensation, but may be reimbursed by AV Homes for out-of-pocket expenses in connection with such solicitation. AV Homes will reimburse brokerage firms and other custodians, nominees and fiduciaries for their reasonable expenses incurred in sending proxies and proxy materials to beneficial owners.

Householding

The SEC has adopted a rule concerning the delivery of annual reports and proxy statements. It permits AV Homes, with your permission, to send a single notice of meeting and, to the extent requested, a single set of this Proxy Statement/Prospectus to any household at which two or more shareholders reside if Georgeson LLC believes they are members of the same family. This rule is called householding, and its purpose is to help reduce printing and mailing costs of proxy materials.

A number of brokerage firms have instituted householding. If you and members of your household have multiple accounts holding AV Homes shares, you may have received a householding notification from your broker. Please contact your broker directly if you have questions, require additional copies of this Proxy Statement/Prospectus or wish to revoke your decision to household. These options are available to you at any time.

Adjournment

The AV Homes special meeting may be adjourned from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place, if any, thereof and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned AV Homes special meeting, any business may be transacted that might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, notice of the adjourned meeting in accordance with the AV Homes Bylaws must be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the AV Homes Board will fix as the record date for determining AV Homes stockholders entitled to notice of such adjourned AV Homes special meeting the same or an earlier date as that fixed for determination of AV Homes stockholders entitled to vote at the adjourned meeting, and will give notice of the adjourned AV Homes special meeting to each AV Homes

stockholder of record as of the record date so fixed for

Table of Contents

notice of such adjourned AV Homes special meeting. All proxies will be voted in the same manner as they would have been voted at the original convening of the AV Homes special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the time the proxy is voted at the reconvened meeting.

Tabulation of Votes; Methods of Voting; Results

AV Homes will retain an independent party, to receive and tabulate the proxies, and to serve as the inspector of election to certify the results of the AV Homes special meeting.

Other Information

The matters to be considered at the AV Homes special meeting are of great importance to AV Homes stockholders. Accordingly, you are urged to read and carefully consider the information contained in or incorporated by reference into this proxy statement/prospectus and complete, date, sign and promptly return the enclosed proxy card in the postage-paid envelope provided. You may also vote your shares by telephone or through the Internet. **If you submit your proxy by telephone or through the Internet, you do not need to return the enclosed proxy card.**

Assistance; Proxy Solicitor

If you need assistance in completing your proxy card or have questions regarding the AV Homes special meeting, please contact:

1290 Avenue of the Americas, 9th Floor

New York, NY 10104

Banks, Brokers and Shareholders

Call Toll-Free: 866-647-8869

or

AV Homes, Inc.

6730 N. Scottsdale Road, Suite 150

Scottsdale, AZ 85253

Attention: Investor Relations

Email: m.burnett@avhomesinc.com

Telephone: (480) 214-7408

Table of Contents

PROPOSAL I: ADOPTION OF THE MERGER AGREEMENT

General

This proxy statement/prospectus is being provided to AV Homes stockholders in connection with the solicitation of proxies to be voted at the AV Homes special meeting and at any adjournments or postponements of the AV Homes special meeting. At the AV Homes special meeting, AV Homes will ask its stockholders to vote to (i) adopt the Merger Agreement (ii) approve (in a non-binding vote) certain executive compensation measures and (iii) approve the adjournment proposal.

The Merger will not be completed without the adoption of the Merger Agreement by AV Homes stockholders.

A copy of the Merger Agreement is attached as Annex A to this proxy statement/prospectus. You are urged to read the Merger Agreement in its entirety because it is the legal document that governs the Merger. For additional information about the Merger Agreement, see *The Merger Agreement* beginning on page 100 of this proxy statement/prospectus.

Effects of the Merger

At the effective time of the Merger, Merger Sub will merge with and into AV Homes. AV Homes will survive the Merger, and as a result of the Merger, AV Homes, will be an indirect subsidiary of Taylor Morrison.

At the effective time of the Merger, AV Homes stockholders will be entitled to receive, at their election, consideration per share of AV Homes Common Stock consisting of (i) \$21.50 in cash, without interest (subject to the proration procedures described in this proxy statement/prospectus), (ii) 0.9793 validly issued, fully paid and nonassessable shares of Taylor Morrison Common Stock (subject to the proration procedures described in this proxy statement/prospectus) or (iii) a combination of \$12.64 in cash, without interest, and 0.4034 validly issued, fully paid and nonassessable shares of Taylor Morrison Common Stock (the Mixed Consideration, and, together with the Cash Consideration and the Stock Consideration, the Merger Consideration). If no election is made as to a share of AV Homes Common Stock, the holder of that share will receive Mixed Consideration. The Cash Consideration and Stock Consideration are subject to adjustment pursuant to the terms of the Merger Agreement such that the aggregate Merger Consideration will consist of approximately 58.8% cash and approximately 41.2% Taylor Morrison common stock, as further described in this proxy statement/prospectus under the heading *The Merger Agreement Merger Consideration*.

Background of the Merger

Members of senior management and the board of directors of AV Homes (the AV Homes Board) regularly review and consider AV Homes performance and operations, financial condition and the broader homebuilding industry in the context of AV Homes long-term strategic goals and plans, with the goal of enhancing value for AV Homes stockholders. In connection with these activities, the AV Homes Board meets from time to time in the ordinary course of business to consider and evaluate potential strategic alternatives, including business combinations, acquisitions, dispositions, stock buybacks, secondary sales of stock in the public markets and other potential transactions, as well as various operational strategies available to AV Homes.

During the fall of 2016, Roger Cregg, the Chief Executive Officer of AV Homes, was contacted by a representative of a foreign homebuilding company, which we refer to as Company A. The representative from Company A and Mr. Cregg discussed the homebuilding industry generally, and the performance of Company A and AV Homes, more particularly. During the course of this conversation, the representative of Company A indicated to Mr. Cregg that Company A might have interest in a substantial investment in AV Homes. No particular terms or conditions of any

such potential transaction were discussed at that time.

On February 6, 2017, AV Homes entered into a customary confidentiality agreement with Company A, in order to permit Company A to conduct preliminary discussions with respect to a potential transaction involving

Table of Contents

Company A and AV Homes. Over the course of February 2017 and the first half of March 2017, representatives of Company A and Mr. Cregg engaged in high-level conversations with respect to a potential transaction between Company A and AV Homes.

On March 24, 2017, a representative of Company A sent AV Homes a non-binding preliminary indication of interest, which noted, among other things, that subject to the completion of due diligence with respect to AV Homes and its business, and an agreement from AV Homes to negotiate exclusively with Company A, Company A would be interested in acquiring up to 80% of the outstanding shares of the AV Homes Common Stock at a price per share of between \$19.00 and \$21.00, which represented a premium of 18 % to 30% to the trading price of the AV Homes Common Stock on the Nasdaq as of such date (the Company A Proposal).

On March 28, 2017, the AV Homes Board held a telephonic meeting to discuss the Company A Proposal. After reviewing and considering the Company A Proposal, certain financial information and other materials, members of the AV Homes Board noted that certain assumptions underlying the Company A Proposal were incorrect, discussed that the Company A Proposal did not appear to be credible in its current form and determined to provide Company A with certain additional information with respect to AV Homes, so that Company A could correct its assumptions and revise its proposal. Based on the foregoing considerations, the AV Homes Board concluded that, in its current form, the proposal was not acceptable and should be rejected.

Following the March 28, 2017 meeting of the AV Homes Board, members of AV Homes management provided limited diligence information to representatives of Company A, in order to allow Company A to revise its proposal in the event that Company A determined to do so. A member of AV Homes management also sent a revised draft non-disclosure agreement to Company A, including a standstill and non-solicitation provisions, which provisions were offered as a condition to AV Homes offering any further due diligence information to Company A.

From time to time, Mr. Cregg accepts meetings with investment bankers who cover the homebuilding sector to discuss the current state of affairs in the homebuilding industry, the companies participating in the industry and various strategic alternatives that may be available to AV Homes. One such meeting occurred on March 30, 2017. At this meeting, the investment banker presented the strategic merit of a possible business combination between AV Homes and Taylor Morrison (the AV Homes / Taylor Morrison Presentation). The investment banker also indicated to Mr. Cregg that the AV Homes / Taylor Morrison Presentation had been made to Sheryl Palmer, the Chief Executive Officer of Taylor Morrison. During the meeting, Mr. Cregg conveyed that, although AV Homes was not conducting a process with respect to any potential strategic transaction involving AV Homes, the AV Homes Board and AV Homes management team regularly review and assess AV Homes strategic direction, and would review the materials.

On April 5, 2017, the AV Homes Board held its regularly scheduled meeting. Among other things, during this meeting, representatives of J.P. Morgan Securities LLC, which we refer to as J.P. Morgan, and Citigroup Global Markets, Inc., which we refer to as Citi, each presented an overview of the mergers and acquisitions environment for the homebuilding sector, their perspectives on the position of AV Homes within the homebuilding market and strategic alternatives for AV Homes to consider, including with respect to potential transaction counterparties. These presentations were based on publicly available information regarding the homebuilding sector and AV Homes. Neither J.P. Morgan nor Citi was engaged by AV Homes or the AV Homes Board in connection with this meeting, and neither received any fees in connection therewith. Following their presentations, the representatives of J.P. Morgan and Citi left the meeting. During the remainder of this meeting, the AV Homes Board discussed the request from Company A to commence due diligence, and AV Homes request for a standstill agreement in exchange for more complete diligence materials, which request remained unanswered at the time of this meeting. After further discussion, the AV Homes Board determined that no further confidential information with respect to AV Homes should be provided to Company A and that management should terminate discussions with Company A, and instead

focus on operating AV Homes business.

Table of Contents

As a result of the AV Homes / Taylor Morrison Presentation, on April 12, 2017, Ms. Palmer called Mr. Cregg, to communicate Taylor Morrison's potential interest in a business combination and arranged a breakfast meeting.

On April 21, 2017, Ms. Palmer and Mr. Cregg met for breakfast to discuss the March 30 banker presentation, including the status of the homebuilding industry generally and the possibility of an acquisition of AV Homes by Taylor Morrison. During the meeting, Ms. Palmer referred to the March 30 presentation and indicated that, subject to further discussion internally at Taylor Morrison, including among the board of directors of Taylor Morrison (the Taylor Morrison Board), Taylor Morrison might be interested in discussing the possibility of such a transaction. Mr. Cregg and Ms. Palmer did not discuss during this meeting the price at which either party might be interested in transacting or any other particular terms of any potential transaction between the two companies.

On September 13, 2017, Joshua Nash, the Chairman of the AV Homes Board, Matthew Coleman, a partner and chief operating officer of the TPG real estate platform and a member of the AV Homes Board (nominated for election by TPG Aviator, L.P., which, together with its affiliates, we refer to as TPG, AV Homes' largest stockholder) and Mr. Cregg met in New York City. During this meeting, Mr. Nash, Mr. Coleman and Mr. Cregg discussed the homebuilding industry, including current trends, market positioning and competitors. They also discussed TPG's investment in AV Homes and that TPG would be supportive of a potential sale of AV Homes that could result in TPG disposing of its equity position in AV Homes if the AV Homes Board determined that pursuing such a transaction would be in the best interests of AV Homes and its shareholders. Following this meeting, Mr. Nash requested that Mr. Cregg begin the process of selecting one or more investment banks to assist AV Homes and the AV Homes Board in evaluating the advisability of a potential strategic transaction involving AV Homes.

On September 26, 2017, Mr. Cregg received a telephone call from a representative of Moelis & Company LLC, which we refer to as Moelis, during which the representative of Moelis told Mr. Cregg that two different homebuilding companies, which we refer to as Company B and Company C, had independently contacted Moelis to express preliminary interest in acquiring AV Homes. In response to this information, Mr. Cregg agreed for the representative of Moelis to arrange meetings with a representative of each of Company B and Company C.

On October 11, 2017, Mr. Nash, Mr. Cregg, Mr. Coleman, Michael Profenius, a member of the AV Homes Board, and a representative of Moelis met in New York City. During this meeting, Mr. Nash, Mr. Cregg, Mr. Coleman, Mr. Profenius and the Moelis representative discussed the homebuilding industry, including current trends, market positioning, competitors and the environment for mergers and acquisitions.

On October 18, 2017, Mr. Cregg met for dinner with the representative of Moelis and a representative from Company B. During this meeting, Mr. Cregg and the representative of Company B discussed industry developments, each company's business and a potential business combination between AV Homes and Company B, although no specific terms of any possible transaction were discussed. Following this meeting, the representative of Company B informed the representative of Moelis that Company B had determined that it was no longer interested in exploring a potential acquisition of AV Homes.

On October 31, 2017, Mr. Cregg and Ms. Palmer held a meeting during which Mr. Cregg and Ms. Palmer again discussed the potential for an acquisition of AV Homes by Taylor Morrison. In particular, Mr. Cregg and Ms. Palmer discussed the similarities between the two companies, their mutual respect for the business of the other company and their general sense that a transaction between the two companies might be strategically advantageous to both companies. During this meeting, Mr. Cregg and Ms. Palmer discussed in general terms that a potential transaction should be structured as an acquisition of AV Homes by Taylor Morrison, but price was not discussed.

Table of Contents

On November 2, 2017, Mr. Cregg, a representative of Moelis and the Chief Executive Officer of Company C held a meeting during which they discussed industry developments, each company's business and the possibility of an acquisition of AV Homes by Company C.

On November 13, 2017, Mr. Cregg received a telephone call from the Chief Executive Officer of a U.S.-based homebuilding company, which we refer to as Company D, suggesting to meet for dinner to discuss the industry dynamics and to explore the possibility of a business combination. In response to this request, Mr. Cregg agreed to meet.

On November 27, 2017, Mr. Cregg met with the Chief Executive Officer of Company D. During this meeting, Mr. Cregg and the Chief Executive Officer of Company D discussed industry developments, including current trends, market positioning and other participants in the industry. They also discussed a potential business combination between AV Homes and Company D, although no specific terms of a possible transaction were discussed. During the meeting, Mr. Cregg conveyed that, although AV Homes was not conducting a process with respect to any potential strategic transaction involving AV Homes, the AV Homes Board and AV Homes' management team regularly review and assess AV Homes' strategic direction. The chief executive officer of Company D indicated that Company D had significant interest in a potential combination and that Company D was working with investment bankers.

During the month of November 2017, in light of TPG's investment in AV Homes and TPG's investment in Taylor Morrison, at the direction of Mr. Nash and Mr. Cregg, representatives of Wachtell, Lipton, Rosen & Katz, counsel to AV Homes, which we refer to as Wachtell Lipton, engaged in discussions with representatives of Kirkland & Ellis LLP, counsel to TPG, which we refer to as Kirkland, regarding the possibility of forming a special committee of the AV Homes Board, which committee would consist only of members of the AV Homes Board that were not affiliated with TPG. During this period, representatives of Wachtell Lipton and Kirkland exchanged drafts of a unanimous written consent of the members of the AV Homes Board that would authorize the creation of such a committee.

On December 6, 2017, the AV Homes Board conducted a regularly scheduled meeting. At that meeting, among other things, the AV Homes Board met in executive session and discussed generally potential strategic alternatives for AV Homes and whether, in light of TPG's investment in AV Homes and TPG's investment in Taylor Morrison, it would be advisable to form a special committee.

On December 8, 2017, Mr. Cregg received a non-binding proposal letter from Company D. The non-binding proposal letter contemplated an all-stock business combination transaction in which Company D would acquire AV Homes, with the fully diluted stockholders of AV Homes (including, for purposes of Company D's proposal, equity issuable upon conversion of the AV Homes outstanding convertible notes) receiving consideration representing less than 50% of the combined company (the December 8 Proposal). The December 8 Proposal represented a 9% premium to the price of AV Homes Common Stock based on Company D's and AV Homes' respective closing stock prices as of December 8, 2017.

On December 12, 2017, in light of the conditions in the homebuilding market and in view of AV Homes having received the third-party expressions of interest described above with respect to a possible strategic transaction with AV Homes, the AV Homes Board determined to form a special committee, which we refer to as the Special Committee, consisting of Mr. Nash (as chairman), Paul D. Barnett, Jonathan M. Pertchik, Roger W. Einiger, Michael F. Profenius and Joel M. Simon, each of whom is an independent member of the AV Homes Board. The AV Homes Board authorized the Special Committee to review the advisability of a potential strategic transaction involving AV Homes and to oversee and direct the process for considering, evaluating and negotiating any such transaction, as well as other matters appurtenant thereto. The Special Committee was also instructed to review on a continuing basis the likelihood of an actual or perceived conflict of interest on the part of the TPG nominees to the AV Homes Board, and

in light of such review, to determine whether or not the Special Committee remained necessary in the future.

Table of Contents

On December 14, 2017, the Special Committee held a telephonic meeting to discuss its mandate and to review and consider the December 8 Proposal. To support and advise the Special Committee in this review, and in the evaluation of the advisability of a potential strategic transaction involving AV Homes more generally, the Special Committee determined to evaluate investment bankers for a possible engagement, and to invite several investment bankers with experience in the homebuilding sector to present their qualifications to the Special Committee at its next meeting.

On December 19, 2017, the Special Committee held an in-person meeting with representatives from AV Homes management and a representative of Wachtell Lipton to evaluate prospective investment bankers. During this meeting, representatives of J.P. Morgan, Moelis and Citi presented their qualifications and experience generally. Following review and discussion, including consideration of the qualifications, reputation and experience of the various investment banks (and their respective representatives), the Special Committee determined to engage both Moelis and J.P. Morgan as its financial advisors in connection with AV Homes' review of its strategic alternatives.

Both J.P. Morgan and Moelis subsequently entered into engagement letters with AV Homes to formalize their engagement as financial advisors to AV Homes. Citi subsequently entered into an engagement with Taylor Morrison to serve as Taylor Morrison's financial advisor.

On December 26, 2017, Ms. Palmer called Mr. Cregg to inform him that Taylor Morrison remained interested in a potential business combination and that Ms. Palmer intended to send a draft confidentiality agreement to facilitate conversations and due diligence between AV Homes and Taylor Morrison. On December 27, 2017, Ms. Palmer emailed Mr. Cregg a draft confidentiality agreement and preliminary due diligence request list. Mr. Cregg acknowledged Ms. Palmer's request to negotiate a confidentiality agreement and commence due diligence with respect to a potential transaction, but declined to do so at that time.

On January 10, 2018, at the direction of the Special Committee, a representative of Moelis informed Company C that AV Homes would be willing to explore the possibility of an acquisition by Company C, and proposed that Company C enter into a confidentiality agreement with customary terms including standstill with AV Homes to permit due diligence and potential discussions between the parties.

On January 11, 2018, the Special Committee met to receive an update from representatives of J.P. Morgan and Moelis on recent inbound inquiries about AV Homes and next steps. During this meeting, AV Homes' financial advisors offered their view that further engaging with Company C could present the possibility of an offer to acquire AV Homes at an attractive valuation of the AV Homes Common Stock. Based on this advice and the other considerations reviewed by the AV Homes Board during this meeting, including the view of the AV Homes Board that Company C was likely to require a lengthy diligence process, the AV Homes Board determined to seek to discuss the possibility of a strategic transaction with Company C before determining whether to conduct a process involving other potential counterparties.

On January 16, 2018, Company C entered into a customary mutual confidentiality agreement with AV Homes, which included a customary standstill provision.

On January 17, 2018, pursuant to an offering that Taylor Morrison publicly disclosed in a Form 8-K filed with the SEC on January 17, 2018, TPG completed a disposition of all of its equity interest in Taylor Morrison and TPG's designees to the board of directors of Taylor Morrison resigned from the Taylor Morrison board of directors, effective as of such date.

On January 17, 2018, the Chief Executive Officer of a U.S. homebuilding company, which we refer to as Company E, contacted Mr. Cregg to express interest in participating in any potential strategic process with respect to AV Homes.

Mr. Cregg informed the representative of Company E that AV Homes was not presently conducting a sale process.

Table of Contents

On January 19, 2018, the Special Committee, after consulting with Wachtell Lipton and AV Homes' financial advisors, determined that, in light of TPG's disposition of its entire interest in Taylor Morrison and the resignation of the TPG designees to the Taylor Morrison Board, no actual or perceived conflict of interest continued to exist with respect to the TPG nominees on the AV Homes Board. As a result, and in consideration of the benefits to AV Homes of the expertise of TPG's nominees on the AV Homes Board and TPG's perspective as a significant shareholder of AV Homes, the Special Committee was dissolved and transferred its responsibilities to the AV Homes Board.

On the same day, Mr. Cregg and representatives of J.P. Morgan and Moelis met with the Chief Executive Officer, the Chief Financial Officer and other representatives of Company C, during which they discussed the homebuilding industry, the AV Homes business, the AV Homes Management Forecasts and the possibility of an acquisition of AV Homes by Company C.

The AV Homes Board met as regularly scheduled on January 30, 2018, with representatives from AV Homes management, J.P. Morgan, Moelis and Wachtell Lipton in attendance. Among other business conducted at the meeting, Mr. Nash asked representatives from J.P. Morgan and Moelis to provide an update on the latest developments relating to the ongoing strategic discussions. Following a presentation from J.P. Morgan and Moelis, the AV Homes Board reviewed and discussed the December 8 Proposal, and received an update with respect to prior contacts with Ms. Palmer and representatives of Taylor Morrison, as well as other possible third parties with whom AV Homes could engage. The AV Homes Board determined that the December 8 Proposal did not present a compelling value for AV Homes and instructed Mr. Cregg to communicate to Company D that AV Homes was not interested in proceeding with Company D at that time. The AV Homes Board also determined to wait for Company C to proceed with its internal evaluation in order to make a complete proposal, which, based on prior interactions with Company C, the AV Homes Board believed could be ready by mid-February.

On February 2, 2018, at the direction of AV Homes, a representative of Moelis met with the Chief Financial Officer of Company C to discuss Company C's due diligence requests and the due diligence process. On February 5, 2018, the AV Homes' financial advisors provided Company C with certain requested financial analysis with respect to AV Homes, including an analysis of AV Homes' management plan and a synergies analysis to assist Company C in quantifying sources of incremental value, both of which were approved by AV Homes management.

Also on February 5, 2018, Mr. Cregg informed the Chief Executive Officer of Company D that the AV Homes Board had determined not to move forward with a strategic transaction with Company D based on the December 8 Proposal.

On February 16, 2018, Mr. Cregg received a non-binding indication of interest from Taylor Morrison (the February 16 Proposal), which proposed an acquisition of AV Homes by Taylor Morrison, in which AV Homes stockholders would receive a mix of cash and Taylor Morrison Common Stock valued at \$20.25 per share of AV Homes Common Stock. The February 16 Proposal represented a 19% premium to the preceding one-month volume weighted average price of the AV Homes Common Stock on the Nasdaq. Ms. Palmer further indicated to Mr. Cregg, in a conversation, that Taylor Morrison intended the mix of consideration in the proposed transaction to be approximately 50% cash and 50% stock, but that there may be some flexibility in the mix of consideration.

Also on February 16, 2018, at the direction of the AV Homes Board, a representative of Moelis spoke to a representative of Company C and was informed that Company C would be unable to submit a formal proposal to AV Homes for at least another 30 days.

On February 21, 2018, the AV Homes Board held a telephonic meeting, with the participation of representatives of AV Homes management, J.P. Morgan, Moelis and Wachtell Lipton. The purpose of the meeting was to receive a presentation and update from J.P. Morgan and Moelis regarding their work on the

Table of Contents

possible strategic alternatives, discuss the February 16 Proposal and to allow the AV Homes Board to decide what, if any, next steps should be taken. During the meeting, the representatives of J.P. Morgan and Moelis updated the AV Homes Board on their respective work regarding AV Homes' strategic alternatives and the ongoing discussions with third parties. After delivering presentations and responding to follow-up questions from the members of the AV Homes Board, the representatives from J.P. Morgan and Moelis left the call. During the remainder of the call, the AV Homes Board discussed the potential counterparties, including why certain counterparties may be more disposed to a transaction on potentially more favorable terms to AV Homes. Based on this discussion, the AV Homes Board determined that the price reflected in the February 16 Proposal was not compelling at this time, and instructed management and representatives of AV Homes' financial advisors to communicate the message to Taylor Morrison. The AV Homes Board also determined that it was not interested in actively assessing the interest of other potential counterparties at such time, and that it would reconsider the situation at a future meeting, depending on how circumstances evolved, in particular with respect to Company C.

On February 22, 2018, Mr. Cregg communicated to Ms. Palmer that the AV Homes Board did not find the February 16 Proposal sufficiently compelling to authorize AV Homes' management to engage in discussions. As follow up, the representatives of Taylor Morrison inquired about the possibility of receiving additional information about AV Homes in order to improve Taylor Morrison's proposal.

On February 23, 2018, Mr. Cregg had lunch with a senior executive of a U.S. homebuilding company, which we refer to as Company F. During this meeting, the representative of Company F and Mr. Cregg discussed the homebuilding industry and the recent corporate history of AV Homes. The representative from Company F also indicated a strong interest in exploring a potential acquisition of AV Homes by Company F. In response, Mr. Cregg noted that AV Homes was not for sale, but that Company F could submit a transaction proposal if it so desired.

On February 28, 2018, AV Homes received a non-binding indication of interest from Company F, which provided that Company F would acquire AV Homes in an all-cash transaction at a premium of 30% to 40% to AV Homes' 30-day volume weighted average stock price of \$16.64, implying a share price of \$21.63 to \$23.30 (the February 28 Proposal). The February 28 Proposal also requested that AV Homes enter into a 45-day exclusivity agreement under which AV Homes would be restricted from engaging with other parties or participating in another sale process while Company F completed its due diligence and negotiated definitive transaction documentation. The February 28 Proposal was subject to completion of due diligence, TPG's entry into a voting agreement and other conditions.

Also on February 28, 2018, at the direction of the AV Homes Board, a representative of J.P. Morgan met with Ms. Palmer, who reaffirmed Taylor Morrison's interest in AV Homes and requested access to due diligence information to improve its proposal.

On March 2, 2018, the Finance Committee of the AV Homes Board (the Finance Committee) held a telephonic meeting, with representatives from AV Homes management, Wachtell Lipton, J.P. Morgan and Moelis. The purpose of the meeting was to discuss the February 28 Proposal from Company F and to discuss a potential targeted sale process with respect to AV Homes, given the coalescence of recent interest in AV Homes from potential counterparties. J.P. Morgan and Moelis advised that a targeted process, rather than a broad one, had the advantages of providing useful indications about what value third parties might ascribe to AV Homes, while mitigating risks that a process could harm AV Homes by taking up management time and attention or general distraction to the business. J.P. Morgan and Moelis advised that were AV Homes to commence a targeted sale process, it would be appropriate for the Company to explore interest from other potential counterparties, in particular as it seemed unlikely that Company C would submit a proposal in a timely manner. With the assistance of J.P. Morgan and Moelis, the AV Homes Board reviewed which potential counterparties would be a strategic fit for the Company and would be realistic participants in a targeted sale process. The Finance Committee determined, and instructed J.P. Morgan and Moelis, that it would like

the financial advisors to run a targeted sale process, which would include Company C, Taylor Morrison, Company E, Company F and a U.S. homebuilding company that we refer to as Company G.

Table of Contents

On March 7, 2018, AV Homes entered into a customary confidentiality agreement with Taylor Morrison, which included a standstill provision, and, on March 8, 2018, AV Homes entered into a customary confidentiality agreement with Company F, which included a customary standstill provision. On March 9, 2018, AV Homes entered into a customary confidentiality agreement with Company G, which included a customary standstill provision. Also during March 2018, Company E declined to execute a confidentiality agreement.

Between March 12, 2018 and March 19, 2018, members of the AV Homes management team and representatives of J.P. Morgan and Moelis participated in separate presentations with respect to AV Homes and its business with representatives of Taylor Morrison, representatives of Company F and representatives of Company G. These management presentations addressed AV Homes' business and prospects, AV Homes' management's business plan and the assumptions underlying that plan, and other matters customary in business diligence.

Following the management presentations, at the direction of the AV Homes Board, J.P. Morgan and Moelis requested that each of Taylor Morrison, Company F and Company G provide updated proposals during the week of March 26, 2018. As such, between March 12, 2018 and March 26, 2018, the representatives of J.P. Morgan and Moelis received and addressed follow-up due diligence requests from Taylor Morrison, Company F and Company G. Such requested information generally consisted of forward-looking projections, including community-level operating and margin data, selling, general and administrative expense detail, additional balance sheet information, non-core assets detail and appraisals and corporate-level employment and operating agreements.

On March 29, 2018, AV Homes received an updated non-binding indication of interest from Taylor Morrison, which proposed an acquisition of AV Homes by Taylor Morrison, in which Taylor Morrison would acquire all of the outstanding shares of AV Homes Common Stock for \$22.00 per share, payable in a mix of cash and Taylor Morrison Common Stock (the March 29 Proposal). The offer represented a 19% premium to the closing price of AV Homes Common Stock on the Nasdaq on March 29, 2018. The March 29 Proposal was subject to completion of customary due diligence, Taylor Morrison Board approval and negotiation of mutually acceptable definitive transaction documents that contained customary terms and conditions.

On March 30, 2018, AV Homes received an updated non-binding indication of interest from Company F, which proposed a business combination in which Company F would acquire all of the outstanding shares of AV Homes Common Stock for \$22.00 per share, payable in cash (the March 30 Proposal). The March 30 Proposal represented a 19% premium to the closing price of AV Homes Common Stock on the Nasdaq on March 29, 2018. The March 30 Proposal was subject to completion of due diligence, TPG's entry into a voting agreement and entry by AV Homes into a 30-day exclusivity agreement pursuant to which AV Homes could not participate in discussions with any other third parties. In addition, in a discussion among representatives of J.P. Morgan, Moelis and representatives of Company F's financial advisor to clarify certain aspects of Company F's proposal, representatives of Company F's financial advisor noted that Company F would be unwilling to proceed with due diligence and further evaluation of a transaction without entering into an exclusivity agreement.

Also on March 30, 2018, representatives of Company G informed a representative of Moelis that Company G declined to submit a proposal.

On April 4, 2018, the AV Homes Board held a telephonic meeting, with representatives from AV Homes management, J.P. Morgan, Moelis and Wachtell Lipton in attendance. During this meeting, the AV Homes Board received an update from J.P. Morgan and Moelis regarding AV Homes' strategic alternatives and ongoing communications with Taylor Morrison and Company F, as well as feedback received from other potential counterparties that were no longer participating in the targeted sale process. The AV Homes Board also received an update about AV Homes' current performance and the performance of the U.S. homebuilding market. The AV Homes

Board reviewed and discussed the March 29 Proposal from Taylor Morrison and the March 30 Proposal from Company F, including the fact that the stock component of Taylor Morrison's proposal could provide

Table of Contents

upside to the March 29 Proposal and the fact the Company F continued to insist on a period of contractual exclusivity before engaging in a detailed due diligence investigation. After discussions between the members of the AV Homes Board and with AV Homes management and advisors, the AV Homes Board instructed representatives of J.P. Morgan and Moelis to communicate to Taylor Morrison and Company F that each potential counterparty would be given access to additional due diligence information in order to improve their proposals.

On April 5, 2018, at the direction of the AV Homes Board, representatives of J.P. Morgan and Moelis separately contacted representatives of the financial advisor to Company F and representatives of Citi, the financial advisor to Taylor Morrison, to convey the view of AV Homes Board that each potential counterparty should seek to increase the value of its proposal, and provide updated proposals by April 13, 2018. The representatives of J.P. Morgan and Moelis communicated to Citi and the financial advisor to Company F that additional due diligence information would be provided in order to support improved proposals, and that each bidder should submit any additional supplemental due diligence requests.

Between April 6, 2018 and April 12, 2018, representatives from AV Homes management, J.P. Morgan and Moelis provided representatives from each of Taylor Morrison and Company F access to additional due diligence information. Each of Taylor Morrison and Company F provided supplemental due diligence information request lists, which were primarily focused on first quarter performance, the Dallas market operations and ongoing litigation with respect to certain of AV Homes' assets. AV Homes provided additional information through its electronic data room and participated in a number of due diligence calls with each of Taylor Morrison and Company F.

On April 13, 2018, AV Homes received an updated non-binding indication of interest from Taylor Morrison, which proposed an acquisition of AV Homes by Taylor Morrison, in which Taylor Morrison would acquire all outstanding shares of AV Homes Common Stock for \$22.50 per share assuming an approximately equal mix of cash and Taylor Morrison Common Stock (the exact mix to be determined at a later date), representing a \$0.50 per share increase in value from the March 29 Proposal (the April 13 Proposal). The April 13 Proposal represented a premium of 16% to the closing price of AV Homes Common Stock on the Nasdaq on April 13, 2018 and remained subject to customary completion conditions.

Later on April 13, 2018, representatives from J.P. Morgan and Moelis contacted a representative of the financial advisor to Company F, to inquire about the status of Company F's revised proposal and to note that the failure to observe process deadlines would be taken into consideration by the AV Homes Board in evaluating the proposals of potential counterparties. The representative of Company F's financial advisor informed J.P. Morgan and Moelis that Company F would be unable to submit its revised written proposal before April 15, 2018.

On April 15, 2018, representatives of J.P. Morgan and Moelis had a telephone call with representatives of the financial advisor to Company F, during which the financial advisor to Company F verbally indicated that Company F had updated its proposed purchase price to an all-cash offer of \$22.75 per share of AV Homes Common Stock.

On April 16, 2018, a representative of Citi provided to representatives of J.P. Morgan and Moelis a supplementary due diligence request list for confirmatory due diligence.

On April 17, 2018, Company F submitted an updated written non-binding indication of interest, which proposed a business combination in which Company F would acquire all of the outstanding shares of AV Homes Common Stock for \$22.75 per share, payable in cash (the April 17 Proposal). The April 17 Proposal represented a 15% premium to the closing price of AV Homes Common Stock on the Nasdaq on April 17, 2018. The April 17 Proposal was subject to completion of due diligence, TPG's entry into a voting agreement and entry by AV Homes into a 30-day exclusivity agreement pursuant to which AV Homes could not participate in discussions with any other potential counterparties.

Table of Contents

On April 17, 2018, the AV Homes Board held a telephonic meeting, with the participation of representatives from AV Homes management, J.P. Morgan, Moelis and Wachtell Lipton. The AV Homes Board discussed the April 13 Proposal from Taylor Morrison and the April 17 Proposal from Company F, including the fact that the stock component of Taylor Morrison's proposal continued to provide the possibility of upside to Taylor Morrison's April 13 Proposal and the fact the Company F continued to request contractual exclusivity. Given the relative lack of differentiation in the headline financial terms of the bids, the AV Homes Board instructed the Company's advisors to provide both potential counterparties with a term sheet describing key proposed terms with respect to a potential acquisition of AV Homes, including that AV Homes would be permitted to terminate the merger agreement to accept a superior proposal, subject to customary procedural restrictions, that the termination fee payable by AV Homes would be equal to 2.75% of the equity valuation of AV Homes in the transaction, that TPG's voting agreement would terminate upon a change in recommendation by the AV Homes Board and that the targeted announcement date for the potential transaction would be May 14, 2018. The AV Homes Board also instructed its financial advisors to request that both potential counterparties improve the financial terms of their proposals.

On April 18, 2018, a representative of Moelis sent a proposed term sheet to the financial advisor to Company F and, on April 19, 2018, a representative of J.P. Morgan sent a proposed term sheet to representatives of Citi. Both Company F and Taylor Morrison were asked to respond to the term sheets by April 20, 2018. The representatives of J.P. Morgan and Moelis informed both potential counterparties that best and final proposals were due the afternoon of April 20, 2018.

On April 20, a financial advisor to Company F informed Moelis that Company F would not be able to respond to the term sheet by April 20, 2018.

On April 20, 2018, Ms. Palmer delivered to Mr. Cregg an updated non-binding indication of interest from Taylor Morrison, which included a markup of the term sheet and provided for a business combination in which Taylor Morrison would acquire all outstanding shares of AV Homes for \$23.00 per share, of which 70% would be comprised of cash and the remaining 30% comprised of Taylor Morrison Common Stock (the April 20 Proposal). The April 20 Proposal also indicated that Taylor Morrison was prepared to quickly complete its due diligence and sign definitive agreements by May 14, 2018. Taylor Morrison's mark-up of the term sheet provided for contractual exclusivity through May 14, proposed to prevent AV Homes from terminating the merger agreement to accept a superior proposal (a so-called force the vote provision), proposed to prevent TPG from terminating the voting agreement in the event of a change in recommendation by the AV Homes Board, proposed to increase the termination fee to 4.0% of the equity valuation of AV Homes in the transaction and provided for expense reimbursement in the event that AV Homes stockholders voted down the transaction without a change in the recommendation of the AV Homes Board (a so-called naked no vote fee).

On April 22, 2018, representatives of J.P. Morgan, Moelis and Wachtell Lipton, had a call with representatives of Paul, Weiss, Rifkind, Wharton & Garrison LLP, which we refer to as Paul, Weiss, legal counsel to Taylor Morrison, and representatives of Citi. During this call AV Homes' advisors delivered feedback on the term sheet which comprised part of the April 20 Proposal, including the view of AV Homes' advisory team that, although AV Homes would be willing to work with Taylor Morrison to agree on a mutually acceptable termination fee, AV Homes would not be willing to accept a deal structure that would result in locking up the potential transaction. AV Homes' advisors encouraged Taylor Morrison's advisors to revise their bid to include provisions that more closely reflected the deal structure set forth in AV Homes draft term sheet.

On April 23, 2018, Ms. Palmer emailed Mr. Cregg a revised term sheet (together with the price proposal of \$23.00 per share, of which 70% would be comprised of cash and the remaining 30% comprised of Taylor Morrison Common Stock, from the April 20 Proposal, the April 23 Taylor Morrison Proposal). The revised term sheet no longer included

contractual exclusivity and no longer locked-up TPG shares in the event of a change of recommendation by the AV Homes Board, but retained the naked no vote break fee.

Table of Contents

Also on April 23, 2018, Company F sent a revised non-binding proposal, which proposed a business combination in which Company F would acquire all outstanding shares of AV Homes Common Stock for \$23.00 per share in cash and a contingent value right, which Company F estimated to be worth at least an approximate \$0.50 per share of AV Homes Common Stock (a CVR) (the April 23 Company F Proposal). The CVR would have entitled its holders to cash payments equal to a percentage of the after-tax gain from the sale or sales of specified non-core plots of land owned by AV Homes. The proposal from Company F also included a draft exclusivity agreement that Company F required AV Homes to enter into as a condition of entering into negotiations with respect to its proposal, a supplemental due diligence request list and a revised term sheet. The revised term sheet proposed that TPG would be prevented from terminating its voting obligation in the event of a change of recommendation by the AV Homes Board and proposed a termination fee of \$21 million or approximately 3.4% of the AV Homes equity value implied by the April 23 Company F Proposal.

On April 23, 2018, after receiving the April 23 Taylor Morrison Proposal and the April 23 Company F Proposal, the AV Homes Board held a meeting, with representatives from AV Homes management, J.P. Morgan, Moelis and Wachtell Lipton in attendance. The purpose of the meeting was for the AV Homes Board to receive an update on the current stage of AV Homes' strategic alternatives and related negotiations and to select a bidder with which to proceed. The representatives from J.P. Morgan and Moelis updated the AV Homes Board on the revised bids and summarized the status of negotiations. The representative from Wachtell Lipton provided an overview of the directors' fiduciary duties under Delaware law. The AV Homes Board then considered a number of factors including the extent to which the two potential counterparties had improved their bids in previous rounds and the degree of differentiation of the bids, including with respect to the consideration proposed and the contractual terms contained in the potential counterparties' respective term sheets, particularly with regard to AV Homes' freedom of action going forward. The AV Homes Board discussed each potential counterparty's interactions with AV Homes and its advisors and the perceived likelihood that a transaction could be successfully negotiated with each counterparty. The AV Homes Board discussed Company F's insistence on entering an exclusivity agreement before undertaking further due diligence. The AV Homes Board also discussed the value attributed to the CVR proposed by Company F, including the difficulty of valuing the CVR, the high degree of complication entailed in structuring and managing the incentives of parties to such financial instruments, the likelihood that, based on the assets underlying the CVR, the payouts under the CVR would have been significantly delayed and, ultimately, the consensus of the AV Homes Board, after discussing the matter with the representatives of J.P. Morgan and Moelis in attendance at the meeting, that little value should be attributed to the proposed CVR. The AV Homes Board noted that Taylor Morrison offered consideration that was comparably certain, had observed process deadlines and had responded to requests from the Company in a timely and satisfactory manner. Based on the foregoing factors, the AV Homes Board determined to proceed with negotiations with Taylor Morrison so long as Taylor Morrison increased its proposed purchase price, as doing so would maximize the likelihood of successfully negotiating and consummating a transaction, and directed that representatives of J.P. Morgan and Moelis contact Citi to discuss improving Taylor Morrison's proposed purchase price.

Later on April 23, 2018, at the direction of the AV Homes Board, representatives from J.P. Morgan and Moelis informed representatives from Taylor Morrison that AV Homes was prepared to work with Taylor Morrison and its advisors, rather than other bidders, to focus on reaching a definitive agreement with respect to the potential transaction as expeditiously as possible, if Taylor Morrison agreed to increase the headline value of the aggregate consideration offered in the proposal to \$23.50 per share of AV Homes Common Stock.

On April 24, 2018, at the direction of Taylor Morrison, representatives of Citi rejected AV Homes' proposal to increase the value of the aggregate consideration to \$23.50 per share of AV Homes Common Stock and reiterated Taylor Morrison's previous \$23.00 per share offer. Representatives from J.P. Morgan and Moelis informed representatives of Citi that AV Homes would not be prepared to proceed with Taylor Morrison unless the headline value of the aggregate consideration proposed exceeded \$23.00 per share of AV Homes Common Stock.

Table of Contents

On April 25, 2018, at the direction of Taylor Morrison, representatives from Citi informed representatives from J.P. Morgan and Moelis that Taylor Morrison was prepared to offer a headline purchase price of \$23.05 per share of AV Homes Common Stock. The representatives from J.P. Morgan and Moelis verbally affirmed that AV Homes would proceed to negotiate with Taylor Morrison on this basis.

On April 26, 2018, at the direction of the AV Homes Board, representatives of J.P. Morgan and Moelis informed representatives from Company F that AV Homes had determined to proceed with a different bidder.

On April 27, 2018, Wachtell Lipton delivered an initial draft of the merger agreement to Paul, Weiss.

Throughout the month of May, representatives of Wachtell Lipton and representatives of Paul, Weiss advanced the negotiation of the definitive merger agreement, and, together with Kirkland, advanced the negotiation of the TPG voting agreement. The negotiation of the merger agreement between Wachtell Lipton and Paul, Weiss primarily focused on the size of the termination fee, the procedural limitations with respect to the ability of the AV Homes Board to change its recommendation and terminate the merger agreement in accordance with its fiduciary duties and the conditions to closing, as well as the interim operating covenants to be imposed on AV Homes between signing and closing of the potential transaction. In particular, Taylor Morrison agreed to forego the proposed naked no vote termination fee and AV Homes agreed to matching rights in favor of Taylor Morrison in the event of an intervening event and a 3.75% termination fee.

On May 8, 2018, Mr. Cregg and Ms. Palmer met and discussed the status of Taylor Morrison's due diligence and the timing of the potential acquisition of AV Homes by Taylor Morrison.

On May 10, 2018, Mr. Cregg reached out to Ms. Palmer for an update on Taylor Morrison's due diligence. Ms. Palmer informed him that based on a variety of factors it would make sense to get approval of the potential transaction from the Taylor Morrison Board at its regularly scheduled board meeting on May 30 and 31, 2018.

On May 12, 2018, at the request of Mr. Nash, a representative of TPG had a call with Ms. Palmer to discuss the timing of the process with respect to the potential transaction, including AV Homes' view that Taylor Morrison's due diligence investigation should be accelerated. In response, Ms. Palmer confirmed Taylor Morrison's interest in a potential transaction with AV Homes, but insisted that, in order to make a complete proposal, Taylor Morrison would require sufficient time to complete its due diligence review.

On May 14, 2018, representatives of J.P. Morgan met with Ms. Palmer and discussed the status of due diligence and timing of the potential transaction between Taylor Morrison and AV Homes.

On May 17, 2018, following a meeting of the Taylor Morrison Board, representatives of Citi communicated that AV Homes would receive a revised proposal at a lower share price due to diligence findings, higher than expected transaction costs and recent declines of Taylor Morrison's stock price.

On May 23, 2018, at the direction of Taylor Morrison, representatives from Citi communicated to representatives of J.P. Morgan and Moelis that Taylor Morrison was prepared to move forward with a deal at \$21.00 per share (the May 23 Proposal). At that time the representatives reiterated that Taylor Morrison was committed to announcing a deal after its May 30 and 31 board meeting. Taylor Morrison said that the key drivers of the reduced offer price were its community-level underwriting, its more conservative view on the gross margins of certain AV Homes' properties, estimated one-time transaction costs and decreases in Taylor Morrison's stock price.

On May 24, 2018, the AV Homes Board held a telephonic meeting, with representatives from AV Homes management, J.P. Morgan, Moelis and Wachtell Lipton. The purpose of the meeting was to update the AV Homes Board on the negotiations between AV Homes and Taylor Morrison. Representatives from J.P. Morgan and Moelis updated the AV Homes Board on the state of negotiations, including the extensive diligence

Table of Contents

conducted by Taylor Morrison and the May 23 Proposal. After engaging in discussions with the financial and legal advisors and each other, the AV Homes Board unanimously determined that it would not transact at the price of the May 23 Proposal because it did not provide sufficient value to AV Homes and its stockholders. During its discussion, the AV Homes Board considered options for moving forward, including informing Taylor Morrison that a transaction could not be agreed upon on the basis of the May 23 Proposal, re-engaging with Company F or abandoning negotiations with both potential counterparties to permit AV Homes' management team to return its focus to executing its business plan. The AV Homes Board considered factors including the course of negotiation and interaction with Company F, the financial advisors' views that there was a possibility that Taylor Morrison's bid could be improved, whether a transaction could be reached with Company F without jeopardizing the advanced status of negotiations with Taylor Morrison and the overall conditions in the homebuilding market and the disruption caused to AV Homes business by continuing negotiations. After further discussion, the AV Homes Board decided to reject the May 23 Proposal and suspend Taylor Morrison's access to the data room.

Later that day, the representatives of J.P. Morgan and Moelis communicated to representatives of Citi that AV Homes was not prepared to transact with Taylor Morrison on the terms set forth in its May 23 Proposal.

On May 26, 2018, Ms. Palmer and Mr. Nash spoke by telephone, during which conversation Ms. Palmer conveyed to Mr. Nash that Taylor Morrison had completed its due diligence and was committed to pursuing the potential transaction. Representatives of J.P. Morgan and Moelis spoke separately with Citi, to understand the factors that had resulted in the reduction in the proposed value of Taylor Morrison's bid and to convey the view of the AV Homes Board that greater value would be required for the parties to successfully reach an agreement.

On May 29, 2018, representatives of Citi communicated a revised proposal on behalf of Taylor Morrison to representatives of J.P. Morgan and Moelis, which proposal consisted of cash consideration of \$21.50 per share and stock consideration valued at \$21.00 per share (based on a fixed exchange ratio set at the time of the transaction announcement) (the May 29 Proposal). The cash consideration was to represent approximately 62.5% of the total consideration, and the stock consideration was to represent approximately 37.5% of the total consideration, implying a blended purchase price of \$21.31 per share of AV Homes Common Stock, which represented a 15% premium to the closing price of the AV Homes Common Stock on the Nasdaq on May 29, 2018. The May 29 Proposal also requested an agreement from TPG to elect 100% stock consideration for its shares, representing the entirety of the stock component of the proposed consideration. In addition, Taylor Morrison proposed a targeted announcement date of June 4, 2018 and noted that there were no meaningful outstanding diligence items.

Separately on May 29, 2018, representatives of the financial advisor to Company F reached out to Mr. Cregg, which they do in the ordinary course of business, to generally inquire about the AV Homes business. During the course of this call, Mr. Cregg inquired as to whether Company F had provided any further information to its financial advisor with respect to Company F's interest in a transaction with AV Homes. In response, Company F's financial advisor noted that Company F remained interested in an acquisition of AV Homes.

On May 31, 2018, the AV Homes Board held a meeting, with representatives from AV Homes management, J.P. Morgan, Moelis and Wachtell Lipton in attendance. In addition to regular business, the representatives of J.P. Morgan and Moelis updated the directors on the status of negotiations between AV Homes and Taylor Morrison and discussed the May 29 Proposal. The representative from Wachtell Lipton outlined the current open items in the draft transaction documentation and responded to questions from the members of the AV Homes Board. The members of the AV Homes Board then discussed Company F's continued interest in a transaction with AV Homes, including whether, in light of the price offered by Taylor Morrison, a better price could be achieved by re-engaging with Company F. During the course of this discussion, members of the AV Homes Board noted that Company F had previously refused to engage without a contractual period of exclusivity, the high likelihood that Company F would require a meaningful

period of time to complete its due diligence

Table of Contents

investigation with respect to AV Homes, the risk that Company F could determine to terminate discussions or significantly reduce the price it would be willing to pay in a potential transaction, the difficulty of valuing the CVR and the likelihood that Taylor Morrison would be unwilling to delay execution of definitive documentation for a significant period of time. Following this discussion, the AV Homes Board concluded that re-engaging with Company F presented a meaningful risk that a transaction would not be reached with either potential counterparty and, as a result, that AV Homes should not seek to re-engage with Company F at that time. However, in light of the recent confirmation of continued interest from Company F and the reduction in value represented by the May 29 Proposal as compared to the \$23.05 proposed on April 25, 2018, which had formed the basis for proceeding with Taylor Morrison, the AV Homes Board instructed management and its advisors that definitive documentation with respect to the proposed transaction should include an initial period during which a competing potential acquirer could submit a topping bid with Taylor Morrison entitled only to a lower termination fee, with the termination fee increasing only following the initial period. Although the AV Homes Board determined that the May 29 Proposal did not provide adequate value, the AV Homes Board determined that it would propose to Taylor Morrison a transaction involving total consideration of \$21.50 per share of AV Homes Common Stock, with the AV Homes stockholders permitted to elect between cash, Taylor Morrison Common Stock or mixed consideration (at a fixed exchange ratio), together with the bifurcated termination fee structure designed to increase the potentiality of a competing potential acquirer (whether Company F or any other) proposing to acquire AV Homes following the execution of definitive transaction documents with Taylor Morrison (the Board's May 31 Counter Proposal). The AV Homes Board and its advisors prepared a term sheet reflecting the Board's May 31 Counter Proposal, to be shared with Taylor Morrison.

Later that day, representatives of J.P. Morgan and Moelis communicated the view of the AV Board and sent to representatives of Citi the Board's May 31 Counter Proposal, including the term sheet.

Later on May 31, 2018, at the direction of Taylor Morrison, representatives of Citi sent representatives of J.P. Morgan and Moelis a revised term sheet that accepted AV Homes' proposed price of \$21.50 per share of AV Homes Common Stock, but reverted to a single tier termination fee structure.

Early on June 1, 2018, representatives of J.P. Morgan and Moelis delivered a further revised term sheet to representatives of Citi, which reiterated AV Homes' requirement that any transaction include a bifurcated termination fee, allowing qualified bidders to pay a lower termination fee of approximately 2.0% of the equity value of AV Homes implied in the proposed transaction during an initial period post-signing, with non-qualified bidders and all bidders after the initial period required to pay a 3.75% termination fee. Following further discussion between representatives of Citi and representatives of J.P. Morgan and Moelis, Taylor Morrison agreed to proceed on this basis.

During the period between June 1, 2018 and through June 6, 2018, representatives of Wachtell Lipton and representatives of Paul, Weiss negotiated the final outstanding points in the merger agreement and, together with representatives of Kirkland, advanced the negotiation of the TPG voting agreement. Negotiations with respect to the merger agreement focused on the financing structure and Taylor Morrison's and AV Homes' covenants with respect to financing matters, including with respect to the structure of the marketing period, the mechanical terms of the bifurcated termination fee, the amount of the termination fees payable by AV Homes in the event of a termination (both during the initial period post-signing and following the initial post-signing period), the removal of the cap on Taylor Morrison's matching rights in the event of a superior proposal and the treatment of AV Homes stock awards in the proposed transaction. With respect to the TPG voting agreement, the legal advisors agreed, after discussion, that the TPG voting agreement would permit TPG to participate in solicitation activities with respect to alternative transactions in the event that AV Homes was permitted to do so pursuant to the merger agreement.

On June 4, 2018, AV Homes' representatives from J.P. Morgan, Moelis and Wachtell Lipton conducted a reverse diligence session with Taylor Morrison management and representatives from Citi and Paul Weiss.

Table of Contents

On June 5, 2018, at the direction of AV Homes, representatives of Moelis returned a call to Company F's financial advisor and, during the course of this conversation, explained to Company F's financial advisor that AV Homes was close to announcing a transaction. In response, Company F's financial advisor indicated that Company F continued to be interested in a potential transaction. Although the specific terms of Company F's continued interest were not discussed during the conversation, and the financial advisor to Company F did not take the opportunity to confirm the price at which Company F remained interested in a potential transaction, the financial advisor to Company F did indicate that Company F was not prepared to increase its offer price at this time.

On June 6, 2018, the AV Homes Board convened and held a telephonic meeting, with representatives from AV Homes management, J.P. Morgan, Moelis and Wachtell Lipton. Representatives of J.P. Morgan and Moelis summarized the interaction with Taylor Morrison to date. Representatives of J.P. Morgan and Moelis then reviewed with the AV Homes Board their respective financial analyses relating to the consideration proposed in the potential merger. Also at this meeting, a representative from Wachtell Lipton discussed key terms of the proposed merger agreement and reviewed with members of the AV Homes Board their fiduciary duties in the context of the proposed transaction. The Wachtell Lipton representative also reviewed the proposed resolutions with the AV Homes Board. The AV Homes Board also discussed the recent conversation between representatives of Moelis and Company F's financial advisor and Company F's continued interest in a potential transaction. The AV Homes Board again reviewed the advantages and disadvantages of re-engaging with Company F, including those discussed at the AV Homes Board's May 31, 2018 meeting, as well as Taylor Morrison's agreement to the concept of a bifurcated termination fee structure. After discussing these considerations, the AV Homes Board concluded that the path of finalizing the Merger Agreement with Taylor Morrison presented greater certainty that a transaction could be agreed than re-engaging with Company F and, therefore, the Merger represented a better overall value for AV Homes' stockholders. The AV Homes Board determined to reconvene later in the afternoon after receiving confirmation that the Taylor Morrison Board had approved the transaction.

Also on June 6, 2018, the Taylor Morrison Board convened and held a telephonic meeting, with representatives from Taylor Morrison management, Citi and Paul, Weiss. Ms. Palmer updated the Taylor Morrison Board and reviewed the status of discussions with AV Homes. A representative from Paul, Weiss reviewed with members of the Taylor Morrison Board their fiduciary duties in the context of the proposed transaction and the material terms of the merger agreement. After considering and discussing the foregoing and the proposed terms of the merger agreement, the members of the Taylor Morrison Board unanimously (i) determined that the Merger Agreement, the TPG voting agreement and the other transactions contemplated thereby were fair and in the best interests of Taylor Morrison and its stockholders and (ii) declared it advisable that Taylor Morrison enter into the Merger Agreement and the TPG voting agreement.

Later on June 6, 2018, the AV Homes Board reconvened and held a telephonic meeting, with representatives from AV Homes management, J.P. Morgan, Moelis and Wachtell Lipton. Representatives from J.P. Morgan delivered to the AV Homes Board an oral opinion, which was confirmed by delivery of a written opinion dated June 6, 2018, to the effect that, as of such date and based upon and subject to the factors and assumptions set forth in its opinion, the consideration to be paid to the holders of AV Homes Common Stock in the proposed Merger was fair, from a financial point of view, to such holders, as more fully described under the heading *Opinions of AV Homes' Financial Advisors' Opinion of AV Homes' Financial Advisor, J.P. Morgan*. Also at this meeting, representatives of Moelis delivered to the AV Homes Board an oral opinion, which was confirmed by delivery of a written opinion dated June 6, 2018, to the effect that, as of the date of the opinion and based upon and subject to the conditions and limitations set forth in the opinion, the merger consideration to be received in the Merger by holders of AV Homes Common Stock (other than TPG), is fair, from a financial point of view, to such holders as more fully described below under the heading *Opinions of AV Homes' Financial Advisors' Opinion of AV Homes' Financial Advisor, Moelis*.

Following the conclusion of the final AV Homes board meeting, AV Homes, Taylor Morrison, TPG and their respective counsel finalized the transaction documentation. On June 7, 2018, Taylor Morrison executed its

Table of Contents

debt commitment papers with Citi; AV Homes and Taylor Morrison executed the merger agreement; and Taylor Morrison and TPG executed the TPG voting agreement.

AV Homes and Taylor Morrison jointly announced the transactions on the morning of June 7, 2018.

AV Homes Reasons for the Merger; Recommendation of the AV Homes Board of Directors

In evaluating the Merger and other transactions contemplated by the Merger Agreement, the AV Homes Board consulted with AV Homes senior management and AV Homes outside legal and financial advisors and, in the course of reaching its unanimous determination to approve the Merger Agreement and to recommend that AV Homes stockholders vote **FOR** the proposal to adopt the Merger Agreement, the AV Homes Board considered a wide and complex range of factors, including the following factors that weighed positively in favor of its decision, among others and not necessarily in order of relative importance:

Strategic Considerations. The AV Homes Board believes that the Merger presented and is expected to provide a number of significant strategic opportunities and benefits to AV Homes and its stockholders, including:

the advantages of entering into the Merger Agreement and consummating the Merger in comparison to the risks associated with remaining independent as a standalone company and pursuing AV Homes strategic plan, including (i) the fact that AV Homes business is cyclical and significantly affected by changes in general and local economic conditions and any slowing or reversal of the present ongoing housing recovery may materially and adversely affect AV Homes business and results of operations, (ii) potential future competition, including from larger and better funded companies that might have competitive advantages from their broader commercial scope and economies of scale, (iii) the risks inherent in the homebuilding sector for AV Homes, (iv) the challenges and risks associated with growing AV Homes organically or through strategic acquisitions and (v) the various additional risk factors pertaining to AV Homes that are listed in Item 1A of Part I of its most recent Annual Report filed on Form 10-K and, consequently, the belief of the AV Homes Board that an acquisition by Taylor Morrison provided more value for AV Homes stockholders on a risk-adjusted basis than executing AV Homes strategic business plan;

the belief of the AV Homes Board that the homebuilding industry is currently experiencing a combination of positive macroeconomic factors, including strong demand, favorable demographics and low supply, in combination with a constructive capital markets environment where homebuilders are able to access equity and debt capital at attractive rates;

that AV Homes currently has a growth profile, management team and geographic footprint that makes it an attractive acquisition target;

the other strategic alternatives reasonably available to AV Homes, including pursuing its stand-alone business plan, potentially making acquisitions of other businesses, potentially monetizing certain assets, and seeking other potential acquirers, which the AV Homes Board evaluated with the assistance of AV Homes management and legal and financial advisors in a thorough process to explore AV Homes strategic alternatives during which representatives of AV Homes sought offers from various potential buyers, none of

whom made offers providing a combination of value and transaction certainty equivalent to Taylor Morrison's offers, and the belief of the AV Homes board that the Merger creates the best reasonably available opportunity to enhance value for AV Homes stockholders given the potential risks, rewards and uncertainties associated with other alternatives, including the risk that an agreement could be reached with respect to a transaction, execution risk and risks related to the achievement of anticipated synergies;

that remaining an independent small cap homebuilder presents certain risks and additional costs, including the size of AV Homes' market capitalization and relatively lower trading liquidity, higher costs of capital and higher administrative costs;

Table of Contents

that methods for disposing of non-core assets outside of a merger such as the one contemplated by the Merger Agreement introduce additional uncertainty and potentially achieve lower value for AV Homes stockholders;

that Taylor Morrison has a history of utilizing mergers and acquisitions to drive growth with the acquisition of four private homebuilders over the past five years;

that the Merger would result in a combined company that would be the sixth largest homebuilder in the United States based on closings and homebuilding revenue;

that over the past twelve months liquidity in Taylor Morrison Common Stock has increased meaningfully;

the AV Homes Board's knowledge of AV Homes' and Taylor Morrison's respective business, operations, financial condition, earnings and prospects;

the current and prospective business climate in the industry in which AV Homes and Taylor Morrison operate, including the position of current and likely competitors of AV Homes and Taylor Morrison;

for the combined company, increased presence in certain markets, diversification across all markets and diversification in product offerings; and

the financial strength of the combined company and its ability to take advantage of that strength, including a potential rerating of its stock, to enhance future growth prospects.

Value of the Merger Consideration. The AV Homes Board also believes that the Merger is attractive to AV Homes stockholders, based on a number of valuation-related factors, including:

the value of the Merger Consideration to be received by AV Homes stockholders in relation to (1) the market price of AV Homes Common Stock prior to the AV Homes Board's approval of the Merger Agreement; and (2) the value that could potentially be obtained through other strategic alternatives available to AV Homes. In connection with these considerations, the AV Homes Board considered the attendant risk that if AV Homes remained independent, AV Homes Common Stock may not trade at levels equal to or greater than the value of the Merger Consideration in the near term, over an extended period of time or at all;

that the Merger Consideration, comprised of a combination of cash and stock, provides immediate liquidity and value to AV Homes stockholders and also provides AV Homes stockholders with the opportunity to participate, through ownership in the combined company, in the value that the AV Homes Board believes will be created as a result of the Merger;

the fact that the Cash Consideration of \$21.50 per share (before giving effect to any proration adjustment), the implied value of the Stock Consideration of \$21.58 per share (before giving effect to any proration adjustment), based on the \$22.04 closing price per share of Taylor Morrison Common Stock on June 6, 2018, the last full trading day before the announcement of the Merger Agreement, and the implied value of the Mixed Consideration of \$21.53, based on the \$22.04 closing price per share of Taylor Morrison Common Stock on June 6, 2018, the last full trading day before the announcement of the Merger Agreement, were all higher than the closing price per share of AV Homes Common Stock in the previous 52 weeks and represented a significant premium over the market prices at which AV Homes Common Stock had previously traded, including a premium on the value of the Cash Consideration (before giving effect to any proration adjustment) of approximately 30% over the closing price per share of AV Homes Common Stock on June 6, 2018;

the fact that because the stock portion of the Merger Consideration is a fixed number of shares of Taylor Morrison Common Stock, AV Homes stockholders will have the opportunity to benefit from any potential increase in the trading price of Taylor Morrison Common Stock pending the completion of the Merger;

Table of Contents

the fact that a large portion of the aggregate Merger Consideration will be paid in cash, giving AV Homes stockholders the opportunity to immediately realize liquidity and certain value for a significant portion of their investment;

the fact that AV Homes stockholders would be able to reinvest the cash consideration received in the Merger in Taylor Morrison Common Stock if they desired to do so;

the fact that AV Homes stockholders will benefit from the increased liquidity of Taylor Morrison Common Stock;

the fact that the large cash component of the Merger Consideration will reduce any impact of a decline in the trading price of Taylor Morrison Common Stock on the value of the Merger Consideration;

the financial analysis reviewed and discussed with the AV Homes Board by representatives of J.P. Morgan, as well as the oral opinion of J.P. Morgan rendered to the AV Homes Board on June 6, 2018 (which was subsequently confirmed in writing by delivery of J.P. Morgan's written opinion delivered to the AV Homes Board on the same date) the fairness, from a financial point of view, of the Merger Consideration to be received by holders of AV Homes Common Stock pursuant to the Merger Agreement as more fully described in the section entitled *Opinion of AV Homes Financial Advisors* ;

the financial analysis reviewed and discussed with the AV Homes Board by representatives of Moelis, as well as the oral opinion of Moelis rendered to the AV Homes Board on June 6, 2018 (which was subsequently confirmed in writing by delivery of Moelis' written opinion delivered to the AV Homes Board on the same date) to the fairness, from a financial point of view, of the Merger Consideration to be received by holders of AV Homes Common Stock (other than TPG) pursuant to the Merger Agreement as more fully described in the section entitled *Opinion of AV Homes Financial Advisors* ; and

the fact that the AV Homes Board's negotiations with Taylor Morrison resulted in increased closing certainty, as well as the AV Homes Board's belief, based on Taylor Morrison's positions during negotiations, that the final Merger Consideration provided by the Merger Agreement represented the maximum amount Taylor Morrison would be willing to pay and the best price and overall deal terms that were reasonably attainable by AV Homes under the circumstances, in particular in light of the fact that Company F's nominally higher conditional preliminary proposal, which it submitted on April 23, 2018, provided for uncertain value attributable to the CVR included in that proposal and was conditioned on the receipt of a contractual period of exclusivity, and the view of the AV Homes Board that Company F would likely have required a meaningful period of time to complete its due diligence investigation, during which period Company F could determine to terminate discussions or reduce the price it would be willing to pay in a potential transaction.

Other Factors Considered by the AV Homes Board. In addition to considering the strategic and economic factors described above, the AV Homes Board considered the following additional factors, all of which it viewed as supporting its decision to approve the Merger Agreement:

the fact that TPG, which beneficially owns approximately 40% of AV Homes Common Stock, entered into a voting agreement with Taylor Morrison pursuant to which it agreed to support the Merger contemplated by the Merger Agreement, as more fully described under the heading *The Voting Agreement* . Furthermore, the fact that TPG, as a result of its election to receive the Stock Consideration in exchange for its shares of AV Homes Common Stock means that TPG disproportionately bears the risk of Taylor Morrison Common Stock losing value between the announcement of the Merger and the effective time of the Merger, as compared to other holders of AV Homes Common Stock who have the option of electing the Cash Consideration;

Table of Contents

the terms and conditions of the Merger Agreement, including:

the AV Homes Board's right to terminate the Merger Agreement in order to enter into a definitive agreement with respect to a superior proposal upon payment of a \$10,000,000 termination fee (with regard to a transaction proposed by a qualified bidder prior to the later of July 22, 2018 and one day after the end of a required notice period with respect to a superior proposal) or a \$18,472,000 million termination fee (with regard to a transaction proposed after such time or by a non-qualified bidder) to Taylor Morrison, which the AV Homes Board was advised were within the customary range of termination fees payable in similar transactions;

the AV Homes Board's ability under certain circumstances to change its recommendation;

AV Homes' ability under certain circumstances to respond and become fully informed with respect to unsolicited acquisition or business combination proposals from third parties and to provide such third parties with confidential information;

AV Homes' ability to seek specific performance to prevent breaches of the Merger Agreement by Taylor Morrison and to enforce specifically the terms of the Merger Agreement; and

that the Merger Agreement contains terms that, taken as a whole, the AV Homes Board believed provided a significant degree of certainty that the Merger will be completed as quickly as possible;

the fact that the adoption of the Merger Agreement will be subject to approval by the holders of a majority of the voting power of the outstanding shares of AV Homes Common Stock and the fact that there would not be any fee payable solely as a result of an unsuccessful vote by AV Homes stockholders to approve the merger proposal; and

the fact that appraisal rights under Section 262 of the DGCL are available to holders of AV Homes Common Stock that comply with the required procedures under the DGCL, which allows such holders to seek appraisal of the fair value of their shares of AV Homes Common Stock as determined by the Delaware Court of Chancery in lieu of accepting the Merger Consideration.

The AV Homes Board also considered a number of potential risks and uncertainties in its deliberations concerning the Merger and the other transactions contemplated by the Merger Agreement, including, but not limited to, the following (not necessarily in order of relative importance):

the risk that changes in the regulatory and legislative landscape or new industry developments, including changes in consumer preferences, may adversely affect the business benefits anticipated to result from the Merger;

the risks and costs to AV Homes if the Merger is not completed, including the potential diversion of management and employee attention, potential employee attrition, the potential effects on business and customer and supplier relationships, diversion of resources from other strategic opportunities, the possibility that the trading price of AV Homes Common Stock could be adversely affected, and possibility that the market's perception of AV Homes' prospects could be adversely affected;

the fact that AV Homes has incurred and will continue to incur significant transaction costs and expenses in connection with the Merger and the other transactions contemplated by the Merger Agreement, regardless of whether they are consummated, and if the Merger and other transactions are not consummated, AV Homes will be required to pay its own expenses associated with the Merger and the other transactions contemplated by the Merger Agreement;

the costs associated with the completion of the Merger and the realization of the anticipated benefits expected to be obtained in connection with the Merger, including management's time, energy and attention and potential opportunity cost;

the fact that Company F previously submitted a conditional preliminary indication of interest that was nominally for a price per share of AV Homes Common Stock greater than the aggregate implied value

Table of Contents

of the Merger Consideration to be paid pursuant to the Merger Agreement, albeit with significant uncertainty attached to the economic and non-economic terms of such proposal and with no assurance that an agreement could ever be reached with Company F with respect to a transaction;

the fact that, because approximately 41.2% of the Merger Consideration will be in the form of Taylor Morrison Common Stock, AV Homes stockholders will have a smaller opportunity to participate in potential earnings or growth of Taylor Morrison and the potential appreciation in the value of Taylor Morrison Common Stock following the Merger than they currently have in AV Homes;

the fact that the stock portion of the Merger Consideration is a fixed exchange ratio of shares of Taylor Morrison Common Stock to AV Homes Common Stock, so AV Homes stockholders could be adversely affected by a decrease in the trading price of Taylor Morrison Common Stock during the pendency of the Merger and the fact that the Merger Agreement does not provide AV Homes with a price-based termination right or similar protection;

the fact that following the Merger, the existing directors of Taylor Morrison will constitute all of the members of the combined company's board of directors;

the risk that the potential benefits of the Merger may not be fully or partially achieved, or may not be achieved within the expected timeframe;

the potential challenges and difficulties relating to integrating the operations of AV Homes and Taylor Morrison after consummation of the Merger, including the cost to achieve synergies, which will require consolidating certain businesses and functions, integrating organizations, procedures, policies and operations, addressing differences in the business cultures of the two companies and retaining key personnel, and may disrupt each company's ongoing business operations or adversely affect relationships with customers, suppliers, employees and others;

certain provisions of the Merger Agreement could have the effect of discouraging third party offers for AV Homes, including the restriction on AV Homes' ability to solicit third party proposals for alternative transactions involving AV Homes and the applicable termination fee AV Homes would be required to pay Taylor Morrison to terminate the Merger Agreement in order to accept a superior proposal from a third party;

the interim restrictions on the conduct of AV Homes' business prior to the completion of the Merger, which restrictions generally require AV Homes to operate its businesses in the ordinary course of business consistent with past practice with certain exceptions, which may delay or prevent AV Homes from undertaking business opportunities that may arise prior to the completion of the Merger;

the fact that certain executive officers of AV Homes have, and the possibility that other executive officers and directors of AV Homes could have, interests in the transactions contemplated by the Merger Agreement that are different from, or in addition to, those of AV Homes stockholders;

the risk that, despite the efforts of AV Homes and Taylor Morrison prior to the consummation of the Merger, AV Homes may lose key personnel, and the potential resulting negative effects on AV Homes and, ultimately, Taylor Morrison's businesses;

the potential for litigation challenging the Merger, and the possibility that an adverse judgment for monetary damages could have a material adverse effect on the operations of the combined company after the Merger or that an adverse judgment granting permanent injunctive relief could indefinitely enjoin completion of the Merger; and

various other risks associated with the combination of the businesses of AV Homes and Taylor Morrison described under *Risk Factors*.

The AV Homes Board concluded that these potential risks and uncertainties were outweighed by the benefits that the AV Homes Board expected AV Homes and its stockholders to achieve as a result of the Merger. The AV Homes Board realized that there can be no assurance about future results, including results considered or expected as disclosed in the foregoing reasons.

Table of Contents

The foregoing discussion of information and material factors considered by the AV Homes Board is not intended to be exhaustive, but it does describe the principal factors considered by the AV Homes Board as aforementioned herein. In view of the variety of factors and substantial amount of information considered in connection with its evaluation of the Merger Agreement and the Merger, the AV Homes Board did not find it practicable to, and did not, seek to quantify or otherwise assign relative weights to the factors summarized above in reaching its conclusions and in making its recommendation to AV Homes stockholders to affirmatively vote for the adoption of the Merger Agreement. In addition, each individual member of the AV Homes Board applied his or her own personal business judgment to the process and may have given different weight to different factors. Except as specifically described above, the AV Homes Board did not reach any collective view that any individual factor described above either supported or did not support the overall recommendation of the AV Homes Board. The factors, potential risks and uncertainties contained in this explanation of the AV Homes Board's reasons for the Merger and other information presented in this section contain information that is forward-looking in nature and, therefore, should be read in light of the factors discussed in *Cautionary Information Regarding Forward-Looking Statements*.

In considering the recommendation of the AV Homes Board that AV Homes stockholders vote **FOR** the adoption of the Merger Agreement, **FOR** the proposal to approve Merger-related executive compensation and **FOR** the adjournment proposal, AV Homes stockholders should be aware and take into account the fact that certain AV Homes directors and executive officers have interests in the Merger that may be different from, or in addition to, the interests of AV Homes stockholders generally and that may create potential conflicts of interest. The AV Homes Board was aware of and carefully considered these interests, among other matters, in evaluating the terms and structure, and overseeing the negotiation, of the Merger, in approving the Merger Agreement and in recommending that AV Homes stockholders vote **FOR** the adoption of the Merger Agreement, **FOR** the proposal to approve Merger-related executive compensation and **FOR** the adjournment proposal. For more information on the interests of certain AV Homes directors and executive officers, see *Interests of Certain AV Homes Directors and Officers in the Merger*.

Opinions of AV Homes Financial Advisors***Opinion of AV Homes Financial Advisor, J.P. Morgan Securities LLC***

Pursuant to an engagement letter dated February 22, 2018, AV Homes retained J.P. Morgan as its financial advisor in connection with the proposed Merger.

At the meeting of the AV Homes Board on June 6, 2018, J.P. Morgan rendered its oral opinion to the AV Homes Board, later confirmed by the delivery of a written opinion, dated June 6, 2018, that, as of such date and based upon and subject to the factors and assumptions set forth in its opinion, the consideration to be paid to the holders of AV Homes Common Stock in the proposed Merger was fair, from a financial point of view, to such holders. The full text of the written opinion of J.P. Morgan, which sets forth the assumptions made, matters considered and limits on the review undertaken, is attached as Annex C to this proxy statement/prospectus and is incorporated herein by reference. The summary of the opinion of J.P. Morgan set forth in this proxy statement/prospectus is qualified in its entirety by reference to the full text of such opinion. AV Homes stockholders are urged to read the opinion in its entirety.

J.P. Morgan's written opinion was addressed to the AV Homes Board (in its capacity as such) in connection with and for the purposes of its evaluation of the proposed Merger, was directed only to the consideration to be paid in the Merger and did not address any other aspect of the Merger. J.P. Morgan expressed no opinion as to the fairness of the consideration to the holders of any other class of securities, creditors or other constituencies of AV Homes or as to the underlying decision by AV Homes to engage in the proposed Merger. The issuance of J.P. Morgan's opinion was approved by a fairness committee of J.P. Morgan. The opinion does not constitute a recommendation to any stockholder of AV Homes as to how such stockholder should vote with respect to the proposed Merger or any other

matter, including, without limitation, whether any stockholder should elect to receive Stock Consideration, Cash Consideration or Mixed Consideration or to make no election in the Merger.

Table of Contents

In arriving at its opinions, J.P. Morgan, among other things:

reviewed a draft of the Merger Agreement dated June 6, 2018 ;

reviewed certain publicly available business and financial information concerning AV Homes and the industries in which it operates;

compared the proposed financial terms of the Merger with the publicly available financial terms of certain transactions involving companies J.P. Morgan deemed relevant and the consideration received for such companies;

compared the financial and operating performance of AV Homes with publicly available information concerning certain other companies J.P. Morgan deemed relevant and reviewed the current and historical market prices of the AV Homes Common Stock and certain publicly traded securities of such other companies;

reviewed certain internal financial analyses and forecasts prepared by the management of AV Homes relating to the business of AV Homes; and

performed such other financial studies and analyses and considered such other information as J.P. Morgan deemed appropriate for the purposes of its opinion.

In addition, J.P. Morgan held discussions with certain members of the management of AV Homes with respect to certain aspects of the Merger, and the past and current business operations of AV Homes, the financial condition and future prospects and operations of AV Homes, the effects of the Merger on the financial condition and future prospects of AV Homes, and certain other matters J.P. Morgan believed necessary or appropriate to its inquiry.

In giving its opinion, J.P. Morgan relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to or discussed with J.P. Morgan by AV Homes or otherwise reviewed by or for J.P. Morgan. J.P. Morgan did not independently verify any such information or its accuracy or completeness and, pursuant to its engagement letter with AV Homes, J.P. Morgan did not assume any obligation to undertake such independent verification. J.P. Morgan did not conduct and was not provided with any valuation or appraisal of any assets or liabilities, nor did J.P. Morgan evaluate the solvency of AV Homes or Taylor Morrison under any state or federal laws relating to bankruptcy, insolvency or similar matters. In relying on financial analyses and forecasts provided to J.P. Morgan or derived therefrom, J.P. Morgan assumed that they were reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of AV Homes to which such analyses or forecasts relate. J.P. Morgan expressed no view as to such analyses or forecasts or the assumptions on which they were based. J.P. Morgan also assumed that the Merger and the other transactions contemplated by the Merger Agreement will have the tax consequences described in materials furnished to J.P. Morgan by representatives of AV Homes and would be consummated as described in the Merger Agreement, and that the definitive Merger Agreement will not differ in any material respect from the draft thereof furnished to J.P. Morgan. J.P. Morgan also assumed that the representations

and warranties made by AV Homes, Taylor Morrison and Merger Sub in the Merger Agreement and the related agreements were and will be true and correct in all respects material to its analysis. J.P Morgan is not a legal, regulatory or tax expert and relied on the assessments made by advisors to AV Homes with respect to such issues. J.P. Morgan further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Merger will be obtained without any adverse effect on AV Homes or Taylor Morrison or on the contemplated benefits of the Merger.

J.P. Morgan's opinion was necessarily based on economic, market and other conditions as in effect on, and the information made available to J.P. Morgan as of, the date of such opinion. J.P. Morgan's opinion noted that subsequent developments may affect J.P. Morgan's opinion and that J.P. Morgan does not have any obligation to update, revise, or reaffirm such opinion. J.P. Morgan's opinion is limited to the fairness, from a financial point of

Table of Contents

view, of the consideration to be received by the holders of AV Homes Common Stock in the proposed Merger, and J.P. Morgan expressed no opinion as to the fairness of any consideration to the holders of any other class of securities, creditors or other constituencies of AV Homes or the underlying decision by AV Homes to engage in the Merger. Furthermore, J.P. Morgan expressed no opinion with respect to the amount or nature of any compensation to any officers, directors or employees of any party to the proposed Merger, or any class of such persons relative to the consideration to be paid to the holders of AV Homes Common Stock in the proposed Merger or with respect to the fairness of any such compensation. J.P. Morgan's opinion did not address (i) the allocation of the consideration as between holders of AV Homes Common Stock who receive the Stock Consideration, the Cash Consideration or the Mixed Consideration or (ii) the relative fairness of the Stock Consideration, the Cash Consideration and the Mixed Consideration. J.P. Morgan expressed no opinion as to the price at which the AV Homes Common Stock or Taylor Morrison Common Stock will trade at any future time.

The terms of the Merger Agreement, including the consideration, were determined through arm's length negotiations between AV Homes and Taylor Morrison, and the decision to enter into the Merger Agreement was solely that of the AV Homes Board and the Taylor Morrison Board. J.P. Morgan's opinion and financial analyses were only one of the many factors considered by the AV Homes Board in its evaluation of the proposed Merger and should not be viewed as determinative of the views of the AV Homes Board or management with respect to the proposed Merger or the Merger Consideration.

In accordance with customary investment banking practice, J.P. Morgan employed generally accepted valuation methodology in rendering its opinion to the AV Homes Board on June 6, 2018 and contained in the presentation delivered to the AV Homes Board on such date in connection with the rendering of such opinion and does not purport to be a complete description of the analyses or data presented by J.P. Morgan. Some of the summaries of the financial analyses include information presented in tabular format. The tables are not intended to stand alone, and in order to more fully understand the financial analyses used by J.P. Morgan, the tables must be read together with the full text of each summary. Considering the data set forth below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of J.P. Morgan's analyses.

Public Trading Multiples. J.P. Morgan compared selected publicly available financial data of AV Homes with similar publicly available data for selected publicly traded companies engaged in businesses which J.P. Morgan judged to be analogous to AV Homes. The companies selected by J.P. Morgan were: William Lyon Homes, Beazer Homes, Century Communities, M/I Homes, Green Brick Partners and New Home Company. These companies were selected, among other reasons, because they were publicly traded companies engaged in the homebuilding business with operations that, for purposes of J.P. Morgan's analysis, may be considered similar to those of AV Homes. For each comparable company, J.P. Morgan calculated and compared the multiple of equity market price per share (i) to research analysts' consensus estimates for earnings for fiscal year 2018 (P/E 2018E) and (ii) to such company's tangible book value as at March 31, 2018 (P/TBV), in each case based on publicly available information. In addition, J.P. Morgan also reviewed and compared research analysts' consensus estimates and AV Homes management forecasts for AV Homes' P/E 2018E and P/TBV.

Table of Contents

Results of the analysis are as follows:

	P/E 2018E	P/TBV
William Lyons Homes	8.0x	1.4x
Beazer Homes	9.6x	0.9x
Century Communities	7.6x	1.2x
M/I Homes	6.9x	1.1x
Green Brick Partners	10.8x	1.4x
New Home Company	9.8x	0.8x
Trading Multiples Average	8.8x	1.1x
Trading Multiples Median	8.8x	1.1x
AV Homes (consensus)	11.7x	1.0x
AV Homes (management)	8.8x	1.0x

Based on the results of this analysis, J.P. Morgan derived a multiple reference range for P/E 2018E earnings per share of 7.0x – 11.75x and a multiple reference range of 0.8x – 1.4x for P/TBV for AV Homes.

These multiples were then applied to AV Homes estimated tangible book value as of March 31, 2018 and 2018E earnings per share based on AV Homes management forecasts, yielding implied equity values for the AV Homes common stock of approximately \$13.75 to \$24.25 per share for tangible book value and \$13.25 to \$22.25 for 2018E EPS, as compared to the AV Homes closing share price of \$16.65 on June 5, 2018 and the implied value of the Merger Consideration of \$21.50.

Selected Transaction Analysis. Using publicly available information, J.P. Morgan examined selected transactions with respect to homebuilder transactions. Specifically, J.P. Morgan reviewed the following transactions:

Acquirer	Target	Month/Year Announced
<i>Public/Public Transactions</i>		
Century Communities	UCP, Inc.	April 2017
Lennar	WCI Communities	September 2016
<i>Public/Private Transactions</i>		
William Lyon Homes	RSI Communities	February 2018
<i>Foreign buyer / Sponsor Transactions</i>		
TPG/Oaktree	Taylor Morrison	March 2011
<i>For Reference Only</i>		
Daiwa	Stanley Martin Homes	October 2016
William Lyon Homes	Polygon Northwest Homes	June 2014

Using publicly available information, J.P. Morgan calculated, for each selected transaction, the ratio of the equity purchase price to the target company's tangible book equity. This analysis resulted in, with respect to the selected transactions other than the for reference only transactions, with the following equity purchase price to tangible book equity multiples of: 0.9x for Century Communications/UCP, Inc.; 1.3x for Lennar/WCI Communications; 1.5x for William Lyon Homes/RSI Communities; and 0.9x for TPG/Oaktree/Taylor Morrison. Based on the foregoing analysis

J.P. Morgan derived a multiple reference range of 0.9x to 1.5x.

J.P. Morgan applied this range of multiples derived from such analysis to the AV Homes P/TBV as of March 31, 2018 and arrived at an estimated range of implied equity values for AV Homes common stock of between \$15.50 and \$26.00 per share, as compared to the AV Homes closing share price of \$16.65 on June 5, 2018 and the implied value of the Merger Consideration of \$21.50.

Table of Contents

Discounted Cash Flow Analysis. J.P. Morgan conducted a discounted cash flow analysis for the purpose of determining an implied standalone equity present value per share for the AV Homes common stock based on forecasts provided by management of AV Homes, adjusted by AV Homes management on June 5, 2018, to reflect updated information regarding AV Homes' estimated cash balance at June 30, 2018, and projected real estate inventory spend for the second half of 2018.

A discounted cash flow analysis is a method of evaluating an asset using estimates of the future unlevered free cash flows generated by the asset and taking into consideration the time value of money with respect to those future cash flows by calculating their present value. The unlevered free cash flows refer to a calculation of the future cash flows of an asset without including in such calculation any debt servicing costs. Present value refers to the current value of one or more future cash payments from the asset, which is referred to as that asset's cash flows, and is obtained by discounting those cash flows back to the present using a discount rate that takes into account macro-economic assumptions and estimates of risk, the opportunity cost of capital, capitalized returns and other appropriate factors.

Terminal value refers to the capitalized value of all cash flows from an asset for periods beyond the final forecast period.

J.P. Morgan calculated the present value of the unlevered free cash flows that AV Homes is expected to generate during fiscal years 2018 through 2022 based upon financial forecasts prepared by the management of AV Homes, adjusted by AV Homes management on June 5, 2018, to reflect updated information regarding AV Homes' estimated cash balance at June 30, 2018, and projected real estate inventory spend for the second half of 2018, as reflected below in *Unaudited Projected Financial Information*.

J.P. Morgan also calculated a range of terminal values of AV Homes at the end of the 5-year period ending 2022 by applying a terminal value growth rate ranging from (0.5)% to 0.5% to the unlevered free cash flow of AV Homes during the final year of the 5-year period. The unlevered free cash flows for the second half of 2018 and 2019-22 and the range of terminal values were then discounted to present values using a range of discount rates from 8.75% to 9.75%, which were chosen by J.P. Morgan based upon an analysis of the weighted average cost of capital of AV Homes performed by J.P. Morgan (taking into consideration capitalization and market data for AV Homes and the other selected public companies referred to above). Based on the management forecasts, including forecasts provided by management of AV Homes, adjusted by AV Homes management on June 5, 2018, to reflect updated information regarding AV Homes' estimated cash balance at June 30, 2018, and projected real estate inventory spend for the second half of 2018, the discounted cash flow analysis indicated a range of implied equity values per share of AV Homes Common Stock of between \$18.75 and \$28.25, as compared to the AV Homes closing share price of \$16.65 on June 5, 2018 and the implied value of the Merger Consideration of \$21.50.

Other Information.

Analyst Price Target

J.P. Morgan reviewed the price target for AV Homes published by an equity research analyst following AV Homes. The analyst price target of \$19.00 per share was compared to AV Homes closing share price of \$16.65 on June 5, 2018, and the implied value of the Merger Consideration of \$21.50 per share.

The analyst price target was presented merely for reference purposes only and was not relied upon for valuation purposes.

52-Week Trading Range

J.P. Morgan reviewed the trading range of AV Homes common stock for the 52-week period ended June 5, 2018, which was \$14.65 per share to \$20.50 per share and compared that to AV Homes closing share price of \$16.65 on June 5, 2018 and the implied value of the Merger Consideration of \$21.50.

Table of Contents

The 52-week trading range was presented merely for reference purposes only, and was not relied upon for valuation purposes.

Miscellaneous

The foregoing summary of certain material financial analyses does not purport to be a complete description of the analyses or data presented by J.P. Morgan. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. J.P. Morgan believes that the foregoing summary and its analyses must be considered as a whole and that selecting portions of the foregoing summary and these analyses, without considering all of its analyses as a whole, could create an incomplete view of the processes underlying the analyses and its opinion. As a result, the ranges of valuations resulting from any particular analysis or combination of analyses described above were merely utilized to create points of reference for analytical purposes and should not be taken to be the view of J.P. Morgan with respect to the actual value of AV Homes. The order of analyses described does not represent the relative importance or weight given to those analyses by J.P. Morgan. In arriving at its opinion, J.P. Morgan did not attribute any particular weight to any analyses or factors considered by it and did not form an opinion as to whether any individual analysis or factor (positive or negative), considered in isolation, supported or failed to support its opinion. Rather, J.P. Morgan considered the totality of the factors and analyses performed in determining its opinion.

Analyses based upon forecasts of future results are inherently uncertain, as they are subject to numerous factors or events beyond the control of the parties and their advisors. Accordingly, forecasts and analyses used or made by J.P. Morgan are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by those analyses. Moreover, J.P. Morgan's analyses are not and do not purport to be appraisals or otherwise reflective of the prices at which businesses actually could be acquired or sold. None of the selected companies reviewed as described in the above summary is identical to AV Homes, and none of the selected transactions reviewed was identical to the Merger. However, the companies selected were chosen because they are publicly traded companies with operations and businesses that, for purposes of J.P. Morgan's analysis, may be considered similar to those of AV Homes. The transactions selected were similarly chosen because their participants, size and other factors, for purposes of J.P. Morgan's analysis, may be considered similar to the Merger. The analyses necessarily involve complex considerations and judgments concerning differences in financial and operational characteristics of the companies involved and other factors that could affect the companies compared to AV Homes and the transactions compared to the Merger.

As a part of its investment banking business, J.P. Morgan and its affiliates are continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements, and valuations for corporate and other purposes. J.P. Morgan was selected to advise AV Homes with respect to the Merger and deliver an opinion to the AV Homes Board with respect to the Merger on the basis of, among other things, such experience and its qualifications and reputation in connection with such matters and its familiarity with AV Homes and the industries in which it operates.

J.P. Morgan received from AV Homes a retainer fee of \$175,000 and a fee of \$1.50 million for the delivery of its opinion. AV Homes has agreed to pay J.P. Morgan a transaction fee of approximately \$6.8 million, against which the retainer fee and the opinion fee will be credited, upon the consummation of the Merger. In addition, AV Homes has agreed to reimburse J.P. Morgan for certain of its expenses incurred in connection with its services, including the fees and disbursements of counsel, and will indemnify J.P. Morgan against certain liabilities arising out of J.P. Morgan's engagement. During the two years preceding the date of J.P. Morgan's opinion, J.P. Morgan and its affiliates have had commercial or investment banking relationships with AV Homes, Taylor Morrison and TPG and certain of TPG's

affiliates, for which J.P. Morgan and J.P. Morgan affiliates have received customary compensation. Such services during such period have included acting as joint lead arranger and bookrunner on the AV Homes revolving credit facility which closed in May 2017, joint lead bookrunner on the AV Homes offering of securities which closed in May 2017, joint lead bookrunner on the Taylor Morrison

Table of Contents

offerings of equity securities which closed in January 2017, March 2017 and May 2017, joint lead arranger and bookrunner on the TPG revolving credit facility which closed in May 2018, joint lead bookrunner on an affiliate of TPG's offering of equity securities which closed in March 2018, joint lead bookrunner on an affiliate of TPG's offering of debt securities which closed in January 2018 and joint lead bookrunner on an affiliate of TPG's offering of equity securities which closed in June 2017. In addition, J.P. Morgan's commercial banking affiliate is an agent bank and a lender under outstanding credit facilities of AV Homes and certain affiliates of TPG, for which J.P. Morgan receives customary compensation or other financial benefits. In addition, J.P. Morgan and its affiliates hold, on a proprietary basis, less than 1% of the outstanding common stock of each of AV Homes and Taylor Morrison. During the two year period preceding delivery of its opinion, the aggregate fees received by J.P. Morgan from AV Homes were \$3.1 million and from Taylor Morrison were \$2.7 million. In the ordinary course of their businesses, J.P. Morgan and its affiliates may actively trade the debt and equity securities of AV Homes or Taylor Morrison for their own accounts or for the accounts of customers and, accordingly, they may at any time hold long or short positions in such securities or other financial instruments.

Opinion of AV Homes' Financial Advisor, Moelis & Company LLC

At the meeting of the AV Homes Board on June 6, 2018, Moelis delivered an oral opinion, which was confirmed by delivery of a written opinion, dated June 6, 2018, addressed to the AV Homes Board to the effect that, as of the date of the opinion and based upon and subject to the conditions and limitations set forth in the opinion, the merger consideration to be received in the Merger by holders of AV Homes Common Stock (other than TPG Aviator, L.P.), is fair, from a financial point of view, to such holders. The shares of AV Homes Common Stock held by TPG Aviator, L.P., although identical to the shares held by other holders, were not considered as part of Moelis' analysis and were excluded from the Moelis opinion because TPG Aviator, L.P. entered into a voting agreement with Taylor Morrison, pursuant to which and subject to the terms and conditions thereof, among other things, TPG Aviator, L.P. agreed to vote all Subject Shares (as defined in the voting agreement) in favor of the Merger and make an election to receive the Stock Consideration in accordance with the Merger Agreement. TPG Aviator, L.P. was excluded from Moelis' opinion pursuant to Moelis' established policies and procedures, whereby Moelis excludes significant stockholders from its fairness opinions in certain circumstances, including where a significant stockholder enters into a voting agreement.

The full text of Moelis' written opinion dated June 6, 2018, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex D to this joint proxy statement/prospectus and is incorporated herein by reference. Moelis opinion was provided for the use and benefit of the AV Homes Board (solely in its capacity as such) in its evaluation of the Merger. Holders of AV Homes Common Stock are urged to read Moelis' written opinion carefully and in its entirety. Moelis' opinion is limited solely to the fairness, from a financial point of view, of the Merger Consideration and does not address AV Homes' underlying business decision to effect the Merger or the relative merits of the Merger as compared to any alternative business strategies or transactions that might be available to AV Homes. Moelis' opinion does not constitute a recommendation as to how any stockholder of AV Homes should vote or act with respect to the Merger or any other matter. Moelis' opinion was approved by a Moelis fairness opinion committee.

In arriving at its opinion, Moelis, among other things:

reviewed certain publicly available business and financial information relating to AV Homes and Taylor Morrison, including publicly available research analysts' financial forecasts for AV Homes and Taylor Morrison;

reviewed certain internal information relating to the business, earnings, cash flow, assets, liabilities and prospects of AV Homes furnished to Moelis by AV Homes, including financial forecasts provided to or discussed with Moelis by the management of AV Homes (the Management Forecasts);

reviewed certain internal information relating to the business, earnings, cash flow, assets, liabilities and prospects of Taylor Morrison furnished to Moelis by Taylor Morrison;

Table of Contents

reviewed certain internal information relating to cost savings, synergies and related expenses expected to result from the Merger (the Expected Synergies) furnished to Moelis by Taylor Morrison;

conducted discussions with members of the senior managements and representatives of AV Homes and Taylor Morrison concerning the information described in the foregoing, as well as the businesses and prospects of AV Homes and Taylor Morrison generally;

reviewed publicly available financial and stock market data of certain other companies in lines of business that Moelis deemed relevant;

reviewed the financial terms of certain other transactions that Moelis deemed relevant;

reviewed a draft, dated June 6, 2018, of the Merger Agreement;

participated in certain discussions and negotiations among representatives of AV Homes and Taylor Morrison and their advisors;

considered the results of efforts by or on behalf of AV Homes, including by Moelis at AV Homes direction, to solicit indications of interest from third parties with respect to a possible acquisition of all or part of AV Homes; and

conducted such other financial studies and analyses and took into account such other information as Moelis deemed appropriate.

In connection with its review, Moelis, with the consent of the AV Homes Board, relied on the information supplied to, discussed with or reviewed by it for purposes of its opinion being complete and accurate in all respects material to its opinion. Moelis did not assume any responsibility for independent verification of any such information. With the consent of the AV Homes Board, Moelis relied upon, without independent verification, the assessment of AV Homes and its legal, tax, regulatory and accounting advisors with respect to legal, tax, regulatory and accounting matters. With respect to the financial forecasts and other information relating to AV Homes and the Expected Synergies referred to above, Moelis assumed, at the direction of the AV Homes Board, that they were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of AV Homes as to the future performance of AV Homes and the best currently available estimates and judgments of the management of Taylor Morrison as to such Expected Synergies. Moelis expressed no views as to the reasonableness of any financial forecasts or the assumptions on which they were based. In addition, with the consent of the AV Homes Board, Moelis did not make any independent evaluation or appraisal of any of the assets or liabilities (contingent, derivative, off-balance-sheet, or otherwise) of AV Homes or Taylor Morrison, nor was Moelis furnished with any such evaluation or appraisal.

Moelis opinion did not address AV Homes underlying business decision to effect the Merger or the relative merits of the Merger as compared to any alternative business strategies or transactions that might be available to AV Homes

and did not address any legal, regulatory, tax or accounting matters. At the direction of the AV Homes Board, Moelis was not asked to, nor did it, offer any opinion as to any terms of the Merger Agreement or any aspect or implication of the Merger, except for the fairness of the Merger Consideration from a financial point of view to the holders of AV Homes Common Stock (other than TPG Aviator, L.P.). With the consent of the AV Homes Board, Moelis expressed no opinion as to what the value of Taylor Morrison Common Stock actually would be when issued pursuant to the Merger or the prices at which AV Homes Common Stock or Taylor Morrison Common Stock may trade at any time. In rendering its opinion, Moelis assumed, with the consent of the AV Homes Board, that the final executed form of the Merger Agreement would not differ in any material respect from the draft that Moelis reviewed, that the Merger would be consummated in accordance with its terms without any waiver or modification that could be material to Moelis' analysis, and that the parties to the Merger Agreement would comply with all the material terms of the Merger Agreement. Moelis assumed, with the consent of the AV Homes Board, that all governmental, regulatory or other consents or approvals necessary for the completion of the Merger would be obtained, except to the extent that could not be material to Moelis' analysis. Except as described in this summary, AV Homes and the AV Homes Board imposed no other

Table of Contents

instructions or limitations on Moelis with respect to the investigations made or procedures followed by Moelis in rendering its opinion.

Moelis' opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Moelis as of, the date of the opinion, and Moelis assumed no responsibility to update the opinion for developments after the date of the opinion.

Moelis' opinion did not address the fairness of the Merger or any aspect or implication of the Merger to, or any other consideration of or relating to, the holders of any class of securities, creditors or other constituencies of AV Homes (including the AV Homes Convertible Notes), other than the fairness of the Merger Consideration from a financial point of view to the holders of AV Homes Common Stock (other than TPG Aviator, L.P.). In addition, Moelis did not express any opinion as to the fairness of the amount or nature of any compensation to be received by any officers, directors or employees of any parties to the Merger, or any class of such persons, relative to the Merger Consideration or otherwise. Moelis' opinion was approved by a Moelis fairness opinion committee.

The following is a summary of the material financial analyses presented by Moelis to the AV Homes Board at its meeting held on June 6, 2018, in connection with its opinion.

Some of the summaries of financial analyses below include information presented in tabular format. In order to fully understand Moelis' analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the analyses. Considering the data described below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Moelis' analyses.

Unless the context indicates otherwise, for purposes of, among other things, deriving per share implied equity value, per share amounts for AV Homes were based on diluted shares outstanding as of June 5, 2018, of 26.9 million shares as provided by AV Homes' management, using the treasury stock method, assuming conversion of the AV Homes Convertible Notes but not including the effect of the make-whole provision associated with a change of control under the AV Homes Convertible Notes.

Financial Analyses of AV Homes

For purposes of the financial analyses described in this section *Opinion of AV Homes' Financial Advisor, Moelis & Company LLC*, the term "implied Merger Consideration" refers to the implied value of the per share consideration provided for in the Merger of \$21.50 consisting of (i) the implied value of the consideration of 0.9793 shares of Taylor Morrison Common Stock based on the volume-weighted average trading price of the Taylor Morrison Common Stock on the New York Stock Exchange during the ten trading days ending June 5, 2018, or (ii) \$21.50 in cash, or (iii) \$12.64 in cash plus the implied value of 0.4034 shares of Taylor Morrison Common Stock based on the volume-weighted average trading price of the Taylor Morrison Common Stock on the New York Stock Exchange during the ten trading days ending June 5, 2018.

Selected Public Companies Analysis. Moelis reviewed financial and stock market information of selected U.S. publicly traded small cap homebuilding companies that Moelis deemed generally relevant to AV. Moelis reviewed (i) the closing fully diluted equity value on June 5, 2018 of each of the selected public companies as a multiple of tangible book value ("Tangible Book Value") of the relevant company (calculated as the book value of the relevant company's common equity less goodwill as of the relevant company's most recently reported quarter end) and (ii) the closing stock price on June 5, 2018 of each of the selected public companies as a multiple of estimated 2018 fiscal year ("2018E") earnings per share ("EPS"). Moelis also reviewed corresponding information for AV Homes based on

(i) AV Homes Common Stock closing stock price on June 5, 2018, and (ii) the implied Merger Consideration. Financial data for the selected public companies was based on publicly available median consensus research analysts estimates, public filings and other publicly available

Table of Contents

information. 2018E EPS data for AV Homes was derived from the Management Forecasts. Moelis focused on multiples of Tangible Book Value but also considered multiples of 2018E EPS as a relevant metric.

The results of this analysis are summarized in the following table:

	Price Tangible Book Value	2018E EPS
Selected Public Companies		
William Lyon Homes	1.42x	8.0x
Century Communities, Inc.	1.23x	8.0x
M/I Homes, Inc.	1.06x	6.9x
Green Brick Partners, Inc.	1.42x	10.8x
Beazer Homes USA, Inc.	0.89x	9.6x
The New Home Company Inc.	0.83x	9.8x
Mean	1.14x	8.8x
Median	1.15x	8.8x
AV Homes at June 5, 2018 (Management Forecasts)	0.97x	8.8x
AV Homes at June 5, 2018 (consensus)	0.97x	11.7x
AV Homes at Implied Merger Consideration (Management Forecasts)	1.23x ⁽¹⁾	11.3x
AV Homes at Implied Merger Consideration (consensus)	1.23x ⁽¹⁾	15.1x

(1) Does not include effect of the make-whole provision associated with a change of control under the AV Homes Convertible Notes.

Based on the foregoing and using its professional judgment, Moelis selected reference range multiples of (i) 1.0x – 1.3x Price / Tangible Book Value, and (ii) 7.5x – 10.5x Price / 2018E EPS. Moelis then applied such multiple ranges to corresponding financial data for AV Homes (based on the Tangible Book Value of AV Homes at March 31, 2018, of \$389.6 million, assuming no conversion of the AV Homes Convertible Notes and \$469.6 million, assuming conversion of the AV Homes Convertible Notes but excluding the effect of any make-whole provision, and management's estimate of 2018E EPS of \$1.90 per share as set forth in the Management Forecasts). This analysis indicated the following implied per share reference ranges for AV Homes, rounded to the nearest \$0.05, as compared to the implied Merger Consideration:

Implied Per Share Reference Range		Implied Merger Consideration
Price / Tangible Book Value	Price / 2018E EPS	
\$17.10-\$22.65	\$14.20-\$19.90	\$21.50

In connection with its selected public companies analysis, Moelis noted that: the universe of selected public companies differs from AV Homes in that William Lyon Homes, M/I Homes, Inc., Century Communities, Inc. and Beazer Homes USA, Inc. each have greater scale, geographic diversity and are more liquid stocks than AV Homes,

factors which typically warrant higher valuations; AV Homes has more concentrated ownership than its peers, with TPG owning an approximately 38% common ownership stake; like AV Homes, Green Brick Partners, Inc. and The New Home Company Inc. are less liquid with limited research coverage; Green Brick Partners, Inc. has a different business model, being a third party land developer with majority interests in several home builders, but is of a similar size to AV Homes and also has a concentrated equity holder; and as a proportion of total product offering, AV Homes serves active adult customers, which are typically viewed as a more attractive market, more than any of the selected public peers. Moelis also reviewed the selected public companies' multiples of estimated fiscal year 2019 (2019E) EPS, but did not rely on them in its analysis. Moelis believed that, at the time of its analysis, the market generally recognized that there was limited visibility into 2019E EPS,

Table of Contents

particularly for smaller homebuilders like AV Homes and the selected public companies. However, Moelis noted, for reference purposes, that applying the current 2019E EPS multiple range for the selected public companies to AV Homes management's current 2019E EPS estimates would result in a range of \$22.05 to \$32.20, rounded to the nearest \$0.05.

Selected Precedent Transactions Analysis. Moelis reviewed financial information of certain selected transactions in the U.S. homebuilding industry announced since January 1, 2009, with a purchase price of equity greater than \$200 million and less than \$1 billion. Moelis reviewed implied transaction values of the selected transactions as a multiple of implied equity value to Tangible Book Value as of the target company's most recently reported quarter end for which financial information was publicly available immediately preceding announcement of the relevant transaction. Implied transaction values for the target companies were calculated using the implied purchase prices paid for the common equity of the target companies.

The results of this analysis are summarized in the following table:

Announcement Date	Target	Acquiror	Purchase Price of Equity / Tangible Book Value
February 20, 2018	RSI Communities LLC	William Lyon Homes	1.54x
April 11, 2017	UCP, Inc.	Century Communities, Inc.	0.95x
October 26, 2016	Stanley Martin Communities, LLC	Daiwa House Industry Co., Ltd.	1.62x
September 22, 2016	WCI Communities, Inc.	Lennar Corp.	1.29x
June 23, 2014	Polygon Northwest Company LLC	William Lyon Homes	1.69x
March 31, 2011	Taylor Woodrow Holdings (USA), Inc. / Monarch Corporation	TMM Holdings Limited Partnership	0.87x
Mean			1.33x
Median			1.42x

Based on the foregoing and using its professional judgment, Moelis selected reference range multiples of 1.0x to 1.5x Tangible Book Value. Moelis then applied such multiple range to the Tangible Book Value of AV Homes at March 31, 2018 of (x) \$389.6 million assuming no conversion of the AV Homes Convertible Notes and (y) \$469.6 million assuming conversion of the AV Homes Convertible Notes but excluding the effect of any make-whole provision. This analysis indicated the following implied per share reference range for AV Homes, rounded to the nearest \$0.05, as compared to the implied transaction consideration:

Implied Per Share Reference Range

\$17.10-\$26.10

Implied Merger Consideration

\$21.50

In reviewing the characteristics of the selected precedent transactions for purposes of determining a reference range, Moelis noted that five of the six transactions were outside Moelis' selected multiple range. Moelis believed that AV Homes' valuation multiple fell within the range taking into account that: WCI Communities, Inc. transacted at a multiple within the selected range and was similar to AV Homes as it was a public company with a focus on active adult product in the Florida market; Taylor Woodrow Holdings (USA), Inc. / Monarch Corporation was sold early in the current market cycle when overall valuations were lower; Stanley Martin Communities, LLC held leading market share in an attractive Washington, D.C. market and had a long operating history, leading to an enhanced multiple;

Polygon Northwest Company LLC held leading market share in highly attractive and high barrier-to-entry markets in Seattle and Portland, driving a premium to other precedents; and Moelis believed that UCP, Inc. and RSI Communities LLC represented less relevant transactions due to their limited operating history. Moelis also noted that certain data underlying the selected precedent transactions pre-dated and/or does not reflect the impact of the federal tax legislation enacted in December 2017, which generally would be expected to drive an increase in transaction values.

Table of Contents

Discounted Cash Flow Analysis. Moelis performed a discounted cash flow (DCF) analysis of AV Homes using the Management Forecasts and other information and data provided by management of AV Homes for the period beginning with the last two quarters of 2018 through the year ending 2022 to calculate the standalone present value as of June 30, 2018, of the estimated future unlevered free cash flows projected to be generated by AV Homes. Unlevered free cash flow estimates for the last two quarters of 2018 were based on estimated full year 2018 forecasts provided by management of AV Homes, adjusted by AV Homes management on June 5, 2018, to reflect updated information regarding AV Homes estimated cash balance at June 30, 2018, and projected real estate inventory spend for the second half of 2018. The unlevered free cash flow figures utilized by Moelis are reflected below in *Unaudited Projected Financial Information*.

In performing the DCF analysis of AV Homes, Moelis used a range of discount rates of 8.0% to 10.0% based on an estimate of AV Homes weighted average cost of capital (WACC) using the mid-year convention. The estimated WACC range was derived using the capital asset pricing model (taking into consideration capitalization and market data for AV Homes and the other selected public companies referred to above), including a size premium. Moelis noted that certain data underlying the WACC calculations was primarily based on data prior to the enactment of federal tax legislation in December 2017. In performing the DCF analysis of AV Homes, Moelis used a range of estimated terminal values derived by applying a range of multiples of 0.95x to 1.15x to AV Homes estimated real estate inventory value (excluding capitalized interest in inventory) at December 31, 2022, of \$1,360 million. Moelis then derived an implied per share reference range from the resulting implied enterprise value reference range, assuming net debt at June 30, 2018, of \$375 million if the AV Homes Convertible Notes were out of the money and net debt of \$295 million if the AV Homes Convertible Notes were in the money and using the diluted share information described above. This analysis indicated the following implied per share reference range for AV Homes, rounded to the nearest \$0.05, as compared to the implied Merger Consideration:

Implied Per Share Reference Range	Implied Merger Consideration
\$19.25-\$29.20	\$21.50

Moelis noted for the consideration of the AV Homes Board certain material limitations of its DCF analysis: (i) the limited trading volumes and research coverage of the selected public companies, which make the beta, which is necessary to calculate WACC, less informative; (ii) the terminal value represents approximately 104% of enterprise value, which implies that none of the DCF value is attributable to the interim cash flows during the period covered by the Management Forecasts; and (iii) AV Homes financial forecasts for the outer years included in the Management Forecasts are based on projects that AV Homes may not yet own or have identified.

Other Information

Moelis noted for the AV Homes Board the following additional factors that were not considered part of Moelis financial analyses with respect to its opinion, but were referenced for informational purposes:

the historical closing trading prices for AV Homes Common Stock during the 52-week period ended June 5, 2018, which reflected low and high stock prices during such period of \$14.65 and \$20.50 per share compared to the implied merger consideration of \$21.50 per share;

the historical closing trading prices for AV Homes Common Stock during the five-year period ended June 5, 2018, which reflected low and high stock prices during such period of \$8.75 and \$20.70 per share compared to the implied merger consideration of \$21.50; and

a one-year forward stock price target for AV Homes Common Stock in a recently published, publicly available Wall Street research analyst's report, which indicated an undiscounted stock price target of \$19.00 per share.

Table of Contents

Miscellaneous

This summary of the analyses is not a complete description of Moelis' opinion or the analyses underlying, and factors considered in connection with, Moelis' opinion. The preparation of a fairness opinion is a complex analytical process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Moelis' opinion. In arriving at its fairness determination, Moelis considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis. Rather, Moelis made its fairness determination on the basis of its experience and professional judgment after considering the results of all of its analyses.

No company or transaction used in the analyses described above is identical to AV Homes, Taylor Morrison or the Merger. In addition, such analyses do not purport to be appraisals, nor do they necessarily reflect the prices at which businesses or securities may actually be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by such analyses. Because the analyses described above are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, neither AV Homes, nor Moelis or any other person assumes responsibility if future results are materially different from those forecast.

The merger consideration was determined through arms-length negotiations between AV Homes and Taylor Morrison and was approved by the AV Homes Board. Moelis did not recommend any specific consideration to AV Homes or the AV Homes Board, or that any specific amount or type of consideration constituted the only appropriate consideration for the Merger.

Pursuant to the engagement letter dated February 19, 2018, Moelis acted as financial advisor to the AV Homes Board in connection with the Merger. Moelis received a retainer of \$175,000 upon execution of the engagement letter, which will be credited against its transaction fee, and will receive a fee for its services estimated to be \$6,100,000, \$1,000,000 of which became payable in connection with the delivery of its opinion, regardless of the conclusion reached therein, and the remainder of which is contingent upon completion of the Merger. Furthermore, AV Homes has agreed to reimburse Moelis for certain expenses and to indemnify Moelis for certain liabilities, including liabilities under the federal securities laws, arising out of its engagement.

Moelis' affiliates, employees, officers and partners may at any time own securities (long or short) of AV Homes and Taylor Morrison. Moelis has provided investment banking and other services to AV Homes unrelated to the Merger and in the future may provide such services to AV Homes and has received and may receive compensation for such services.

The AV Homes Board selected Moelis as its financial advisor in connection with the Merger because Moelis has substantial experience in similar transactions and familiarity with AV Homes. Moelis is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, strategic transactions, corporate restructurings, and valuations for corporate and other purposes.

Unaudited Projected Financial Information

AV Homes' senior management does not as a matter of course make public projections as to future performance or earnings beyond the current fiscal year due to, among other reasons, the uncertainty, unpredictability and subjectivity of the underlying assumptions and estimates. AV Homes is especially reluctant to disclose projections for extended periods due to the increasing uncertainty, unpredictability and subjectivity of such assumptions and estimates when

applied to time periods further in the future. However, in connection with its evaluation of a potential transaction AV Homes management prepared financial projections for fiscal years 2018-2022, including projections provided by management of AV Homes, adjusted by AV Homes management on June 5, 2018, to reflect updated information regarding AV Homes estimated cash balance at June 30, 2018,

Table of Contents

and projected real estate inventory spend for the second half of 2018. These projections were made available to the AV Homes Board in connection with its consideration and evaluation of the Merger and to AV Homes financial advisors in connection with their financial analyses and opinions.

A summary of these projections (the Projections) is included below solely because it was among the financial information made available to our financial advisors for use in connection with their financial analyses and opinions. The inclusion of these Projections in this joint proxy statement / prospectus should not be regarded as an indication that any of AV Homes, Taylor Morrison or their respective affiliates, advisors or representatives considered the Projections to be predictive of actual future events, and the Projections should not be relied upon as such. None of AV Homes, Taylor Morrison or their respective affiliates, advisors, officers, directors, partners or representatives can give you any assurance that actual results will not differ from these Projections, and none of them undertake any obligation to update or otherwise revise or reconcile these Projections to reflect circumstances existing after the date the Projections were generated or to reflect the occurrence of future events even in the event that any or all of the assumptions underlying the Projections are shown to be in error, in each case, except as may be required under applicable law. AV Homes advised the recipients of the Projections that its internal financial forecasts upon which the Projections were based are subjective in many respects. While presented with numerical specificity, these Projections were based on numerous variables and assumptions known to AV Homes at the time of preparation. These variables and assumptions are inherently uncertain and many are beyond the control of AV Homes. Important factors that may affect actual results and cause these internal financial forecasts to not be achieved include, but are not limited to, risks and uncertainties relating to AV Homes business (including its ability to achieve strategic goals, objectives and targets over applicable periods), industry performance, the regulatory and competitive environment, changes in technology and consumer preferences, general business and economic conditions and other factors described or referenced under *Risk Factors* and *Cautionary Statement Regarding Forward-Looking Statements*. Various assumptions underlying the Projections may not prove to have been, or may no longer be, accurate. The Projections may not be realized, and actual results may be significantly higher or lower than projected in the Projections. The Projections summarized below do not give effect to the combination. The Projections also reflect assumptions as to certain business strategies or plans that are subject to change. The Projections do not take into account any circumstances or events occurring after the date they were prepared. The Projections cover multiple years, and such information by its nature becomes less predictive with each successive year. As a result, the inclusion of the Projections in this proxy statement/prospectus should not be relied on as necessarily predictive of actual future events and actual results may differ materially (and will differ materially if the Merger and the other transactions contemplated by the Merger Agreement are completed) from the Projections. For all of these reasons, the internal financial forecasts, and the assumptions upon which they are based, (i) are not guarantees of future results, (ii) are inherently speculative, and (iii) are subject to a number of risks and uncertainties. As a result, actual results may differ materially from those contained in these internal financial forecasts. Accordingly, there can be no assurance that the Projections will be realized.

The Projections were prepared for internal use and to assist AV Homes financial advisors with their financial analyses and opinions and the AV Homes Board with its consideration and evaluation of the merger, and although they were prepared on an accounting basis consistent with AV Homes financial statements, they were not prepared with a view toward public disclosure or toward complying with the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. The Projections included herein have been prepared by or at the direction of, and are the responsibility of, AV Homes and in the view of AV Homes management, were prepared on a reasonable basis and reflect the best available estimates and judgments at the time they were prepared. Neither the Company's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the projection information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the projection information. The Deloitte & Touche LLP

report incorporated by reference in this proxy statement relates to AV Homes historical financial information. It does not extend to the Projections and should not be read to do so.

Table of Contents

For the foregoing reasons, as well as the basis and assumptions on which the Projections were compiled, the inclusion of specific portions of the Projections in this proxy statement should not be regarded as an indication that such Projections will be an accurate prediction of future events, and they should not be relied on as such. This summary of these internal financial forecasts is not being included in this proxy statement / prospectus to influence your decision whether to vote in favor of any proposal, but because these internal financial forecasts were considered by the AV Homes Board and its financial advisors for the purposes of evaluating this transaction. Except as required by applicable securities laws, AV Homes does not intend to update, or otherwise revise the Projections or the specific portions presented to reflect circumstances existing after the date when made or to reflect the occurrence of future events, even in the event that any or all of the assumptions are shown to be in error. Therefore, readers of this proxy statement are cautioned not to place undue reliance on the specific portions of the Projections set forth below.

AV Homes does not intend to make publicly available any update or other revision to these Projections. None of AV Homes or its respective affiliates, advisors, officers, directors, partners or representatives has made, makes or is authorized in the future to make any representation to any shareholder or other person regarding AV Homes' ultimate performance compared to the information contained in these Projections or that forecasts results will be achieved, and any statements to the contrary should be disregarded. AV Homes has made no representation to Taylor Morrison, in the merger agreement or otherwise, concerning these Projections.

The following is a summary of the Projections (dollars in millions):

	FY 2018E	FY 2019E	FY 2020E	FY 2021E	FY 2022E
Homebuilding Revenue	\$ 1,042.3	\$ 1,316.2	\$ 1,617.1	\$ 1,778.8	\$ 1,867.7
Adjusted Homebuilding Gross Profit ⁽¹⁾	\$ 214.0	\$ 276.2	\$ 357.3	\$ 391.3	\$ 407.2
Adjusted EBITDA ⁽²⁾	\$ 100.5	\$ 149.1	\$ 207.9	\$ 224.9	\$ 232.6
Pre-Tax Income	\$ 57.1	\$ 105.7	\$ 164.6	\$ 179.5	\$ 188.9

(1) Excludes capitalized interest and purchase price accounting.

(2) Adds back amortization of share-based compensation.

In connection with its opinion to the AV Homes Board, J.P. Morgan calculated, based on the Projections provided by AV Homes management to J.P. Morgan, unlevered projected free cash flows for the third and fourth quarters of fiscal year 2018, and fiscal years 2019-22:

	H2				
	2018E	2019E	2020E	2021E	2022E
Unlevered Free Cash Flow (millions) ⁽¹⁾	\$ (39)	\$ (94)	\$ (68)	\$ 34	\$ 96

(1) The unlevered free cash flow figures for AV Homes utilized by J.P. Morgan represent estimated net operating profit after tax of AV Homes for the last two fiscal quarters of 2018 and the fiscal years 2019-22, plus depreciation and amortization, less capital expenditures, less acquisitions, less change in land and other inventories, less change in working capital, in each case derived from the Projections.

Edgar Filing: Taylor Morrison Home Corp - Form S-4/A

In connection with its opinion to the AV Homes Board, Moelis calculated, based on the Projections provided by AV Homes management to Moelis, unlevered projected free cash flows for the third and fourth quarters of fiscal year 2018, and fiscal years 2019-22:

	H2				
	2018E	2019E	2020E	2021E	2022E
Unlevered Free Cash Flow (millions) ⁽¹⁾	\$ (27)	\$ (73)	\$ (58)	\$ 43	\$ 106

- (1) The unlevered projected free cash flow figures for AV Homes utilized by Moelis represent estimated net operating profit after tax of AV Homes for the last two fiscal quarters of 2018 and the fiscal years 2019-22, plus depreciation and amortization, less capital expenditures, less acquisitions, less change in land and other

Table of Contents

inventories, less change in working capital, plus share-based compensation and plus deferred tax assets utilized, in each case derived from the Projections.

Interests of Certain AV Homes Directors and Officers in the Merger

In considering the recommendations of the AV Homes Board with respect to the Merger, AV Homes stockholders should be aware that AV Homes directors and executive officers have certain interests, including financial interests, in the Merger that may be different from, or in addition to, the interests of AV Homes stockholders generally. The AV Homes Board was aware of these interests and considered them, among other matters, in approving the Merger Agreement, and in making its recommendation that AV Homes stockholders approve the Merger. See the sections entitled *Proposal I: Adoption of the Merger Agreement Background of the Merger* and *Proposal I: Adoption of the Merger Agreement AV Homes Reasons for the Merger; Recommendation of the AV Homes Board of Directors*. These interests are described in more detail below, and certain of them are quantified in the narrative and the table below.

Treatment of AV Homes Equity Awards

AV Homes Options. At the effective time of the Merger, each outstanding option to purchase shares of AV Homes Common Stock will be converted into the right to receive a cash payment equal to the product of (i) the excess, if any, of the Cash Consideration (before giving effect to any proration adjustment) over the exercise price per share of such option and (ii) the number of shares subject to such option.

AV Homes Restricted Stock Awards. At the effective time of the Merger, each outstanding AV Homes restricted stock award will be substituted with a Taylor Morrison restricted stock award corresponding to a number of whole shares of Taylor Morrison Common Stock (rounded to the nearest whole share) equal to the product of (i) the number of shares of AV Homes Common Stock subject to the AV Homes restricted stock award (assuming that any performance-based vesting conditions applicable to such award are fully achieved) and (ii) the Stock Consideration (before giving effect to any proration adjustment). Except as set forth in the immediately preceding sentence, each Taylor Morrison restricted stock award will continue to have the same vesting and acceleration of vesting terms and conditions (other than any performance-based vesting conditions) as, and other terms and conditions that are substantially similar to, those that applied to the corresponding AV Homes restricted stock award. If the holder of a Taylor Morrison restricted stock award experiences a termination without cause or resigns with good reason, in each case, within 24 months following a change in control (including the Merger) (referred to as a qualifying termination), the Taylor Morrison restricted stock award will fully vest.

AV Homes RSU Awards. At the effective time of the Merger, each outstanding restricted stock unit award in respect of shares of AV Homes Common Stock (referred to as an AV Homes RSU award) that is held by an employee of AV Homes or its subsidiaries will be substituted with a Taylor Morrison restricted stock unit corresponding to a number of whole shares of Taylor Morrison Common Stock (rounded to the nearest whole share) equal to the product of (i) the number of shares of AV Homes Common Stock subject to the AV Homes award (assuming that any performance-based vesting conditions applicable to such award are achieved at target levels) and (ii) the Stock Consideration (before giving effect to any proration adjustment). Except as set forth in the immediately preceding sentence, each Taylor Morrison restricted stock unit as applicable, will continue to have the same vesting and acceleration of vesting terms and conditions (other than any performance-based vesting conditions) as, and other terms and conditions that are substantially similar to, those that applied to the corresponding AV Homes RSU award. If the holder of a Taylor Morrison restricted stock unit experiences a qualifying termination, the Taylor Morrison award will fully vest.

At the effective time of the Merger, each AV Homes RSU award held by a non-employee director of AV Homes will be converted into the right to receive the Cash Consideration (before giving effect to any proration adjustment) in

respect of each share of AV Homes Common Stock underlying such award.

Table of Contents

Quantification of Payments. For an estimate of the amounts that would be payable to each of AV Homes' named executive officers on settlement of their unvested AV Homes equity awards, see *Quantification of Payments and Benefits to AV Homes' Named Executive Officers* below. We estimate that the aggregate amount that would be payable to AV Homes' six non-employee directors who are eligible for equity grants for their unvested AV Homes equity awards if the effective time occurred on July 9, 2018 is \$2,408,227. The amounts specified in this paragraph are determined using a price per share of AV Homes Common Stock of \$21.44, the average closing price per share over the first five business days following the announcement of the Merger Agreement.

Employment Agreements with Named Executive Officers

Each of AV Homes' named executive officers is a party to an employment agreement with AV Homes that provides for enhanced severance benefits in the event of a qualifying termination. The employment agreements provide that, upon a qualifying termination, the officer will be entitled to:

continuation of the officer's annual base salary for 24 months (36 months, in the case of Roger A. Cregg, the Company's President and Chief Executive Officer), payable in installments in accordance with AV Homes' normal payroll practices;

a lump sum cash payment equal to two times (three times, in the case of Mr. Cregg) the officer's target annual bonus;

full vesting of any outstanding equity awards; and

continued health insurance benefits for 24 months (36 months, in the case of Mr. Cregg).

Payments and benefits under the employment agreement are subject to the officer's execution and non-revocation of a general release of claims in favor of AV Homes. Each of the employment agreements also provides that, if any payments or benefits due to the officer become subject to the excise tax under Sections 280G and 4999 of the Code, the payments and benefits will be reduced such that no payments or benefits are subject to the excise tax, unless the officer would be better off on an after-tax basis receiving all such payments and benefits.

The employment agreements include restrictive covenants in favor of AV Homes, including 12-month (24-month, in the case of Mr. Cregg) post-termination restrictions on competitive activities and on solicitation of AV Homes customers and employees, as well as customary confidentiality and nondisparagement covenants of perpetual duration.

In connection with its execution of the Merger Agreement, Taylor Morrison entered into a letter agreement with each of the AV Homes named executive officers under which Taylor Morrison acknowledged that each officer will have good reason to resign upon consummation of the Merger and receive the enhanced severance benefits described above. In addition, under the letter agreement, each officer agreed that, if requested no later than ten days prior to the effective time of the Merger, the officer would provide post-closing integration services to Taylor Morrison as a consultant on terms reasonably acceptable to the parties, including (i) a monthly consulting fee at the rate that would have been paid as base salary had the officer's employment continued following the consummation of the Merger, and (ii) a one-month term of service, renewable for up to a total term of three months.

For an estimate of the value of the payments and benefits described above that would be payable to AV Homes named executive officers upon a qualifying termination in connection with the Merger, see *Quantification of Payments and Benefits to AV Homes Named Executive Officers* below.

Table of Contents***Indemnification; Directors and Officers Insurance***

AV Homes is party to indemnification agreements with each of its directors and executive officers that require AV Homes, among other things, to indemnify the directors and executive officers against certain liabilities that may arise by reason of their status or service as directors or officers.

Pursuant to the Merger Agreement, from and after the effective time of the Merger, Taylor Morrison will be obligated to cause the Surviving Corporation to indemnify certain persons, including AV Homes directors and executive officers. In addition, for a period of not less than six years from the effective time of the Merger, AV Homes will maintain an insurance and indemnification policy for the benefit of certain persons, including AV Homes directors and executive officers. For additional information, see *The Merger Agreement Other Covenants and Agreements*.

Quantification of Payments and Benefits to AV Homes Named Executive Officers

The table below sets forth the amount of payments and benefits that each of AV Homes named executive officers would receive in connection with the Merger, assuming that the Merger were consummated and each such named executive officer experienced a qualifying termination on July 9, 2018. The amounts below are determined using a price per share of AV Homes Common Stock of \$21.44, the average closing price per share of AV Homes Common Stock over the first five business days following the announcement of the Merger Agreement, and are based on multiple other assumptions that may or may not actually occur or be accurate on the relevant date, including the assumptions described in the footnotes to the table. As a result of the foregoing assumptions, the actual amounts, if any, to be received by a named executive officer may materially differ from the amounts set forth below.

Golden Parachute Compensation

Name	Cash (\$)⁽¹⁾	Equity (\$)⁽²⁾	Perquisites / Benefits (\$)⁽³⁾	Total (\$)
Roger A. Cregg	5,250,000	4,884,839	50,036	10,184,875
Michael S. Burnett	1,350,000	1,406,772	51,752	2,808,524
S. Gary Shullaw	960,000	910,754	51,495	1,922,249

- (1) The cash payments payable to each named executive officer consist of a severance payment equal to the sum of (a) 24 months (36 months, in the case of Mr. Cregg) of base salary (which amount is payable in installments in accordance with AV Homes normal payroll practices) and (b) two times (three times, in the case of Mr. Cregg) the officer's target annual bonus (which amount is payable in a lump sum). The severance payments are double-trigger (i.e., payable upon a qualifying termination following the occurrence of a change in control).
- (2) As described above, all unvested AV Homes options will be settled as of the effective time of the Merger, and all unvested AV Homes restricted stock awards and AV Homes RSU awards will be converted into substantially similar Taylor Morrison awards and continue to vest in accordance with their ordinary schedules, or if earlier, upon a qualifying termination following the Merger. The vesting of AV Homes options is single-trigger (i.e., payable upon the occurrence of a change in control), while the vesting of AV Homes restricted stock awards and AV Homes RSU awards is double-trigger. Set forth below are the values of each type of unvested equity-based award that would be payable upon the effective time of the Merger, based on a price per share of AV Homes Common Stock of \$21.44, assuming applicable performance criteria with respect to performance-based AV

Homes restricted stock awards are fully satisfied, applicable performance criteria with respect to performance-based AV Homes RSU awards are achieved at target levels, and less the applicable exercise price in the case of unvested AV Homes options.

Table of Contents

Name	AV Homes Options (\$)	AV Homes Restricted Stock Awards (\$)	AV Homes RSU Awards (\$)
Roger A. Cregg	423,947	1,791,119	2,669,773
Michael S. Burnett	116,406	546,184	744,182
S. Gary Shullaw	75,966	353,310	481,478

- (3) The amount in the table equals the estimated value of health benefit continuation for each named executive officer for 24 months (36 months, in the case of Mr. Cregg). All such benefits are double-trigger.

Board of Directors and Management Following the Merger

The board of directors and executive officers of Taylor Morrison are not expected to change as a result of the consummation of the Merger. For information on Taylor Morrison's current directors and executive officers, please see Taylor Morrison's proxy statement for its 2018 annual meeting of stockholders filed with the SEC on May 11, 2018 and its Current Report on Form 8-K filed with the SEC on July 19, 2018. *See Where You Can Find More Information.*

Treatment of AV Homes Convertible Notes

The Merger constitutes a Fundamental Change for purposes of the indenture governing the AV Homes Convertible Notes. Upon the occurrence of a Fundamental Change, the holders of the AV Homes Convertible Notes can cause AV Homes (or its successor) to repurchase the AV Homes Convertible Notes at a price equal to 100% of their aggregate principal amount, plus accrued and unpaid interest to but not including the date of repurchase.

Holders of the AV Homes Convertible Notes may also convert them at an increased conversion rate in connection with the Merger, and if such conversion occurs with respect to all of the AV Homes Convertible Notes, such holders would be entitled to the Merger Consideration that would be paid to holders of a total of approximately 4.4 million shares of AV Homes Common Stock. The form of such Merger Consideration would be the form elected by holders of a plurality of the AV Homes Common Stock. Such Merger Consideration would consist of (i) an aggregate of approximately \$95.0 million in cash if holders of a plurality of AV Homes Common Stock elect to receive all of the Merger Consideration in cash, (ii) an aggregate of approximately 4.3 million shares of Taylor Morrison Common Stock if holders of a plurality of such AV Homes Common Stock elect to receive all of the Merger Consideration in Taylor Morrison Common Stock and (iii) an aggregate of approximately \$55.8 million in cash and approximately 1.8 million shares of Taylor Morrison Common Stock if holders of a plurality of such AV Homes Common Stock elect to receive mixed cash and stock consideration. The combined company expects to fund any required additional cash payments from additional borrowings under its revolving credit facility.

The consideration deliverable upon conversion of AV Homes Convertible Notes as described in the preceding paragraph assumes that the Merger closes on October 1, 2018, and the average closing price of the AV Homes Common Stock on the last five trading days preceding the closing date is \$21.50. Pursuant to the terms of the indenture governing the AV Homes Convertible Notes, the number of shares of AV Homes Common Stock issuable upon conversion of the AV Homes Convertible Notes will vary based on the date of closing of the Merger and such average closing price. Any AV Homes Convertible Notes that are not repurchased or converted will remain outstanding.

Material U.S. Federal Income Tax Consequences of the Merger

Edgar Filing: Taylor Morrison Home Corp - Form S-4/A

The following is a summary of the material U.S. federal income tax consequences of the Merger to U.S. holders and non-U.S. holders (in each case, as defined below) of AV Homes Common Stock whose shares of

Table of Contents

common stock are converted into the right to receive Taylor Morrison Common Stock and/or cash in the Merger. This summary is based on the current provisions of the Code, applicable Treasury Regulations, judicial authority, and administrative rulings, all of which are subject to change, possibly with retroactive effect. Any such change could alter the tax consequences to the holders as described herein. This summary is general in nature and does not purport to be a complete analysis of all potential tax effects of the Merger. For example, it does not consider the effect of the Medicare tax on net investment income, federal alternative minimum tax, or any applicable state, local or non-U.S. income tax laws, or federal estate and gift taxes or other non-income tax laws. Furthermore, this summary applies only to holders that hold their AV Homes Common Stock as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment). In addition, this discussion does not address all aspects of U.S. federal income tax consequences that may be relevant to a holder in light of the holder's particular circumstances or to holders subject to special rules, such as:

a bank, insurance company, or other financial institution;

a tax-exempt organization;

a retirement plan or other tax-deferred account;

an entity or arrangement treated for U.S. federal income tax purposes as a partnership, S corporation or other pass-through entity (or an investor in such an entity or arrangement);

a mutual fund;

a real estate investment trust or regulated investment company;

a dealer or broker in stocks and securities or currencies;

a trader in securities that elects mark-to-market treatment;

a holder of shares that received the shares through the exercise of an employee stock option, through a tax qualified retirement plan or otherwise as compensation;

a holder that has a functional currency other than the U.S. dollar;

a controlled foreign corporation, passive foreign investment company, or corporation that accumulates earnings to avoid U.S. federal income tax;

a person that is required to report income no later than when such income is reported on an applicable financial statement ;

a holder that holds shares as part of a hedge, straddle, constructive sale, conversion or other integrated transaction; or

a U.S. expatriate.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds AV Homes Common Stock, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding AV Homes Common Stock and partners in such partnerships are urged consult their tax advisors as to the particular U.S. federal income tax consequences of the Merger to them.

For purposes of this discussion, the term U.S. holder means a beneficial owner of AV Homes Common Stock that is:

an individual citizen or resident of the United States as determined for U.S. federal income tax purposes;

a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized under the laws of the United States, any state thereof or the District of Columbia;

Table of Contents

an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

A non-U.S. holder means a beneficial owner of AV Homes Common Stock that is not a U.S. holder or a partnership (or any other entity classified as a partnership for U.S. federal income tax purposes).

U.S. Holders

Consequences of the Merger Generally

The receipt of cash, Taylor Morrison Common Stock or both in the Merger generally will be a taxable transaction for U.S. federal income tax purposes. In general, a U.S. holder that receives cash, Taylor Morrison Common Stock or both in the Merger will recognize gain or loss equal to the difference, if any, between (1) the sum of the amount of cash (including any cash received in lieu of fractional shares of Taylor Morrison Common Stock received in the Merger) and the fair market value of Taylor Morrison Common Stock received and (2) such U.S. holder's adjusted tax basis in its shares of AV Homes Common Stock exchanged. A U.S. holder's adjusted tax basis in AV Homes Common Stock generally will equal the price the U.S. holder paid for such shares. Gain or loss and the holding period will be determined separately for each block of shares of AV Homes Common Stock (i.e., shares of AV Homes Common Stock acquired at the same cost in a single transaction). Such gain or loss will be capital gain or loss and generally will be treated as long-term capital gain or loss if the U.S. holder has held the shares of AV Homes Common Stock for more than one year at the effective time of the Merger. Long-term capital gains of non-corporate U.S. holders (including individuals) are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to significant limitations.

A U.S. holder's aggregate tax basis in its Taylor Morrison Common Stock received in the merger will equal the fair market value of such shares at the effective time of the Merger, and the U.S. holder's holding period for such shares will begin on the day after the Merger.

Information Reporting and Backup Withholding

Information reporting and backup withholding may apply to payments made in connection with the Merger. Backup withholding will not apply, however, to a holder of AV Homes Common Stock that (1) furnishes a correct taxpayer identification number, certifies that such holder is not subject to backup withholding on IRS Form W-9 (or appropriate successor form), and otherwise complies with all applicable requirements of the backup withholding rules; or (2) provides proof that such holder is otherwise exempt from backup withholding. Backup withholding is not an additional tax, and any amounts withheld under the backup withholding rules may be refunded or credited against a holder's United States federal income tax liability, if any, provided that such holder furnishes the required information to the IRS in a timely manner. The IRS may impose a penalty upon any taxpayer that fails to provide the correct taxpayer identification number.

Non-U.S. Holders

Consequences of the Merger Generally

Edgar Filing: Taylor Morrison Home Corp - Form S-4/A

A non-U.S. holder's receipt of cash, Taylor Morrison Common Stock or both in exchange for shares of AV Homes Common Stock pursuant to the merger generally will not be subject to U.S. federal income tax unless:

the gain, if any, on such shares is effectively connected with a trade or business of the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, is attributable to the non-U.S. holder's permanent establishment in the United States);

Table of Contents

the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of the exchange of shares of AV Homes Common Stock for cash and/or Taylor Morrison Common Stock pursuant to the Merger and certain other conditions are met; or

AV Homes is or has been a United States real property holding corporation as such term is defined in Section 897(c) of the Code (a USRPHC), during the shorter of the five-year period preceding the Merger and the non-U.S. holder's holding period in the AV Homes common stock; *provided*, that so long as the AV Homes Common Stock is regularly traded on an established securities market, a non-U.S. holder generally would be subject to taxation only if at any time during the five-year or shorter period, such non-U.S. holder owned more than 5%, directly or by attribution, of AV Homes common stock.

A non-U.S. holder described in the first bullet point immediately above will generally be subject to regular U.S. federal income tax on any gain realized as if the non-U.S. holder were a U.S. holder, as described above. If such non-U.S. holder is a corporation, it may also be subject to a branch profits tax imposed at a rate of 30% (or a lower treaty rate) on its effectively connected earnings and profits. A non-U.S. holder described in the second bullet point immediately above will be subject to tax at a rate of 30% (or a lower treaty rate) on any gain realized, which may be offset by U.S.-source capital losses recognized in the same taxable year, even though the individual is not considered a resident of the United States.

United States real property holding company

AV Homes believes that it is, and has been at points during the five-year period described above, a USRPHC. Accordingly, the exchange of AV Homes Common Stock for cash in the Merger by a non-U.S. holder will be subject to U.S. federal income tax at rates generally applicable to U.S. persons (except that the branch profits tax will not apply); *provided*, that, so long as AV Homes Common Stock is regularly traded on an established securities market, AV Homes' treatment as a USRPHC would cause only a non-U.S. holder who holds or held, directly or by attribution, more than 5% of AV Homes Common Stock (at any time during the shorter of the five-year period preceding the Merger or the period that the non-U.S. holder held AV Homes common stock), and is not eligible for a treaty exemption.

Information Reporting and Backup Withholding

Information reporting and backup withholding will generally apply to payments made pursuant to the Merger to a non-U.S. holder effected by or through the U.S. office of any broker, U.S. or foreign, unless the holder certifies its status as a non-U.S. holder and satisfies certain other requirements, or otherwise establishes an exemption. Copies of applicable information returns reporting such payments and any withholding may also be made available to the tax authorities in the non-U.S. holder's country in which such holder resides under the provisions of an applicable treaty or agreement. Generally, information reporting and backup withholding will not apply to a payment of disposition proceeds to a non-U.S. holder where the transaction is effected outside the United States through a non-U.S. office of a broker. However, for information reporting purposes, dispositions effected through a non-U.S. office of a U.S. broker or a non-U.S. broker with substantial U.S. ownership or operations generally will be treated in a manner similar to dispositions effected through a U.S. office of a broker.

A non-U.S. holder must generally submit an IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable IRS Form W-8) attesting to its exempt foreign status in order to qualify as an exempt recipient. Notwithstanding the foregoing, backup withholding and information reporting may apply if we, the paying agent or Taylor Morrison has actual knowledge, or reason to know, that a non-U.S. holder is a U.S. person. Backup withholding is not an additional tax. Rather, any amounts withheld under the backup withholding rules from a payment to a non-U.S. holder can be

refunded or credited against the non-U.S. holder's U.S. federal income tax liability, if any; *provided*, that an appropriate claim is timely filed with the IRS.

Table of Contents***Consequences of holding Taylor Morrison Common Stock for non-U.S. holders******Dividends***

Distributions of cash or property that are paid in respect of Taylor Morrison Common Stock will constitute dividends for U.S. federal income tax purposes to the extent paid from current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Except as described below under *Effectively Connected Income*, a non-U.S. holder generally will be subject to U.S. federal withholding tax at a 30% rate, or at a reduced rate prescribed by an applicable income tax treaty, on any dividends received in respect of Taylor Morrison Common Stock. If the amount of the distribution exceeds Taylor Morrison's current and accumulated earnings and profits, such excess first will be treated as a return of capital to the extent of the non-U.S. holder's tax basis in Taylor Morrison Common Stock, and thereafter will be treated as capital gain. However, except to the extent that we elect (or the paying agent or other intermediary through which a non-U.S. holder holds Taylor Morrison Common Stock elects) otherwise, we (or the intermediary) must generally withhold on the entire distribution, in which case the non-U.S. holder would be entitled to a refund from the IRS for the withholding tax on the portion of the distribution that exceeded our current and accumulated earnings and profits. In order to obtain a reduced rate of U.S. federal withholding tax under an applicable income tax treaty, a non-U.S. holder will be required to provide a properly executed IRS Form W-8BEN or Form W-8BEN-E (or successor form) certifying such stockholder's entitlement to benefits under the treaty. If a non-U.S. holder is eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty, the non-U.S. holder may obtain a refund or credit of any excess amounts withheld by filing an appropriate claim for a refund with the IRS. Non-U.S. holders are urged to consult their own tax advisors regarding possible entitlement to benefits under an income tax treaty.

Gain on disposition of Taylor Morrison Common Stock

Subject to the discussion below under *Information reporting and backup withholding and FATCA*, the consequences to a non-U.S. holder on the disposition of Taylor Morrison Common Stock will generally be the same as discussed above in *Non-U.S. Holders' Consequences of the Merger Generally*.

Effectively connected income

If a dividend received on Taylor Morrison Common Stock, or gain from a sale or other taxable disposition of Taylor Morrison Common Stock, is treated as effectively connected with a non-U.S. holder's conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to such non-U.S. holder's U.S. permanent establishment), such non-U.S. holder will generally be exempt from withholding tax on any such dividend and any gain realized on such a disposition, provided such non-U.S. holder complies with certain certification requirements (generally on IRS Form W-8ECI). Instead, such non-U.S. holder will generally be subject to U.S. federal income tax on a net income basis on any such gains or dividends in the same manner as if such holder were a U.S. person (as defined in the Code) unless an applicable income tax treaty provides otherwise. In addition, a non-U.S. holder that is a foreign corporation may be subject to a branch profits tax at a rate of 30% (or a lower rate provided by an applicable income tax treaty) on such holder's earnings and profits for the taxable year that are effectively connected with such holder's conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, are attributable to such holder's U.S. permanent establishment), subject to adjustments.

Information reporting and backup withholding

Generally, we must report to our non-U.S. holders and the IRS the amount of dividends paid during each calendar year, if any, and the amount of any tax withheld. These information reporting requirements apply even if no

withholding is required (e.g., because the distributions are effectively connected with the non-U.S. holder's conduct of a United States trade or business, or withholding is eliminated by an applicable income tax treaty). This information may also be made available under a specific treaty or agreement with the tax authorities in the country in which the non-U.S. holder resides or is established.

Table of Contents

Backup withholding, however, generally will not apply to distributions payable to a non-U.S. holder of shares of Taylor Morrison Common Stock provided the non-U.S. holder furnishes to us or our paying agent the required certification as to its non-U.S. status, such as by providing a valid IRS Form W-8BEN, Form W-8BEN-E or Form W-8ECI, or certain other requirements are met. Notwithstanding the foregoing, backup withholding may apply if either we or our paying agent has actual knowledge, or reason to know, that the non-U.S. holder is a U.S. person (as defined in the Code) that is not an exempt recipient.

Payments on the sale or other taxable disposition of Taylor Morrison Common Stock made to or through a foreign office of a foreign broker generally will not be subject to backup withholding or information reporting. However, if such broker is, for U.S. federal income tax purposes: a U.S. person, a controlled foreign corporation, a foreign person 50% or more of whose gross income is effectively connected with a U.S. trade or business for a specified three-year period or a foreign partnership with certain connections to the United States, then information reporting will be required unless the broker has in its records documentary evidence that the non-U.S. holder is not a U.S. person (as defined in the Code) and certain other conditions are met or the non-U.S. holder otherwise establishes an exemption. Backup withholding may apply to any payment that such broker is required to report if the broker has actual knowledge, or reason to know, that the payee is a U.S. person. Payments to or through the U.S. office of a broker will be subject to backup withholding and information reporting unless the non-U.S. holder certifies, under penalties of perjury, that it is not a U.S. person, or otherwise establishes an exemption.

Backup withholding is not an additional tax but merely an advance payment, which may be credited against a non-U.S. holder's U.S. federal income tax liability or refunded to the extent it results in an overpayment of tax and the appropriate information is timely supplied by the non-U.S. holder to the IRS.

FATCA

Pursuant to Sections 1471 through 1474 of the Code and related U.S. Treasury guidance commonly referred to as the Foreign Account Tax Compliance Act, or FATCA, foreign financial institutions (which include most foreign hedge funds, private equity funds, mutual funds, securitization vehicles and any other investment vehicles) and certain other foreign entities generally must comply with information reporting rules and due diligence requirements with respect to their U.S. account holders and investors or be subject to a withholding tax on U.S.-source payments made to them (whether received as a beneficial owner or as an intermediary for another party). More specifically, a foreign financial institution or other foreign entity that does not comply with the FATCA reporting requirements and due diligence will generally be subject to a 30% withholding tax with respect to any withholdable payments. For this purpose, withholdable payments generally include U.S.-source payments otherwise subject to nonresident withholding tax (e.g., U.S.-source dividends) and also include the entire gross proceeds from the sale or other disposition of any equity or debt instruments of U.S. issuers. The FATCA withholding tax will apply even if the payment would otherwise not be subject to U.S. nonresident withholding tax (e.g., because it is capital gain). Administrative guidance from the IRS defers this withholding obligation for gross proceeds from dispositions of U.S. common stock until January 1, 2019.

Non-U.S. holders are urged to consult with their own tax advisors regarding the effect, if any, of the FATCA provisions to them based on their particular circumstances.

THIS DISCUSSION IS FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. WE URGE YOU TO CONSULT WITH YOUR TAX ADVISOR WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO YOUR PARTICULAR SITUATION, AS WELL AS ANY TAX CONSEQUENCES OF THE MERGER ARISING UNDER THE FEDERAL ESTATE OR GIFT TAX RULES OR UNDER THE LAWS OF ANY STATE, LOCAL, FOREIGN OR OTHER TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

Table of Contents

Consequences to Taylor Morrison, AV Homes, and Merger Sub

None of Taylor Morrison, AV Homes, or Merger Sub will recognize any gain or loss for U.S. federal income tax purposes as a result of the Merger.

Accounting Treatment of the Merger

In accordance with GAAP, Taylor Morrison will account for the Merger using the acquisition method of accounting, with Taylor Morrison being considered the acquirer of AV Homes for accounting purposes. This means that Taylor Morrison will allocate the purchase price to the fair value of AV Homes tangible and intangible assets and liabilities at the acquisition date, with the excess purchase price, if any, being recorded as goodwill. Under the acquisition method of accounting, goodwill is not amortized but is tested for impairment at least annually. The operating results of AV Homes will be reported as part of the combined company beginning on the closing date of the Merger. The final valuation of the tangible and identifiable intangible assets acquired and liabilities assumed has not yet been completed. The completion of the valuation upon consummation of the Merger could result in significantly different amortization expenses and balance sheet classifications than those presented in Taylor Morrison's unaudited pro forma condensed combined financial information included in this proxy statement/prospectus.

Regulatory Approvals Required to Complete the Merger

Taylor Morrison has determined that the Merger is exempt from the requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act"), as amended. At any time before or after consummation of the Merger, notwithstanding the fact that Taylor Morrison has determined the Merger to be exempt from the requirements of the HSR Act, the Federal Trade Commission or the Antitrust Division of the Department of Justice, or any state, could take such action under antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the completion of the Merger or seeking divestiture of substantial assets of Taylor Morrison or AV Homes. Private parties may also seek to take legal action under antitrust laws under certain circumstances.

No other governmental consents to the Merger are required. The Merger may require that notifications be given to governmental agencies that have issued licenses that are held by AV Homes and its subsidiaries, and other governmental agencies. The shares of Taylor Morrison Common Stock that will be issued to AV Homes stockholders as a result of the Merger must be approved for listing on the NYSE, subject to official notice of issuance.

Litigation Relating to the Merger

Two purported class action complaints related to the Merger have been filed in the United States District Court for the District of Delaware on behalf of putative classes of AV Homes' public shareholders. The two complaints are captioned: *Franchi v. AV Homes, Inc.*, Case No. 18 Civ. 01161, which was filed on August 3, 2018; and *Zucker v. AV Homes, Inc., et al.*, No. 18 Civ. 01091, which was filed on July 24, 2018. Both complaints name as defendants AV Homes and its directors, as well as Taylor Morrison, and the *Franchi* complaint also names Intermediate Parent and Merger Sub as defendants. The complaints generally allege that AV Homes and its directors and Taylor Morrison violated federal securities laws by failing to disclose material information in the version of this proxy statement/prospectus filed with the SEC on July 13, 2018. The *Franchi* complaint also alleges that the omissions constitute violations of federal securities laws by Intermediate Parent and Merger Sub. The complaints seek, among other things, injunctive relief preventing the consummation of the Merger, damages, and an award of plaintiffs' expenses and attorneys' fees. The defendants believe that the claims respectively asserted against them are wholly without merit.

Table of Contents

Exchange of Shares in the Merger

As a result of the Merger, each share of AV Homes Common Stock issued and outstanding immediately prior to the Merger (other than the Excluded Shares) will be converted into the right to receive either (i) the Cash Consideration, (ii) the Stock Consideration, or (iii) the Mixed Consideration, at the election of the holder of each such share of AV Homes Common Stock. An election to receive either the Cash Consideration or Stock Consideration is subject to the allocation and proration procedures set forth in the Merger Agreement, which are described in the section entitled *The Merger Agreement Merger Consideration*. AV Homes stockholders who make no election or an untimely election, or are otherwise deemed not to have submitted an effective form of election, will be deemed to have elected to receive the Mixed Consideration.

The Canceled Shares will be canceled and retired and will cease to exist, and no consideration will be delivered in exchange therefor.

AV Homes stockholders who would otherwise be entitled to receive a fractional share of Taylor Morrison Common Stock will receive cash in lieu of such fractional share, and will not be entitled to dividends, voting rights or any other rights in respect of such fractional share.

The precise consideration that an AV Homes stockholder will receive will not be known at the time that an election is made and, depending on the determination of the election deadline, may not be known at the time of the AV Homes special meeting, because such consideration is dependent upon the aggregate number of shares of AV Homes Common Stock in respect of which elections to receive the Cash Consideration or the Stock Consideration are made.

Neither AV Homes nor Taylor Morrison is making any recommendation as to whether an AV Homes stockholder should elect to receive the Cash Consideration or the Stock Consideration or the Mixed Consideration. If you are an AV Homes stockholder, you must make your own decision with respect to this election and you should seek the advice of your own attorneys, financial advisors and/or accountants.

Dividends and Share Repurchases

Neither Taylor Morrison nor AV Homes currently pays a quarterly dividend on their respective capital stock. Under the terms of the Merger Agreement, until the effective time of the Merger, neither Taylor Morrison nor AV Homes is permitted to declare, set aside, make or pay any dividend or other distribution (whether payable in cash, stock, property or a combination thereof) with respect to any of its capital stock or other equity interests, subject to certain exceptions, including, in the case of AV Homes, dividends paid by a wholly owned subsidiary to AV Homes or another wholly owned subsidiary of AV Homes and, in the case of Taylor Morrison, issuances of awards under, or modifications to, the Taylor Morrison equity plans, including existing awards thereunder.

Listing of Shares of Taylor Morrison Common Stock and Delisting and Deregistration of AV Homes Common Stock

Under the terms of the Merger Agreement, Taylor Morrison is required to use reasonable best efforts to cause the shares of Taylor Morrison Common Stock to be issued in the Merger to be approved for listing on the NYSE prior to the effective time of the Merger, subject to official notice of issuance. Accordingly, application will be made to have the shares of Taylor Morrison Common Stock to be issued in the Merger approved for listing on the NYSE, where shares of Taylor Morrison Common Stock are currently listed for trading under the ticker symbol TMHC.

If the Merger is completed, there will no longer be any publicly held shares of AV Homes Common Stock. Accordingly, AV Homes Common Stock will no longer be listed on Nasdaq and will be deregistered under the Exchange Act.

Table of Contents

Appraisal Rights

Under Delaware law, record holders of AV Homes Common Stock who neither vote in favor of the adoption of the Merger Agreement nor consent thereto in writing, who continuously hold their shares of AV Homes Common Stock through the effective time of the Merger and who otherwise comply with the procedures set forth in Section 262 of the DGCL, will be entitled to appraisal rights in connection with the Merger, and if the Merger is completed, subject to the provisions of Section 262 of the DGCL, obtain payment in cash of the fair value of their shares of AV Homes Common Stock as determined by the Delaware Court of Chancery, instead of receiving the Merger Consideration for their shares. Under Section 262 of the DGCL, assuming AV Homes Common Stock remains listed on a national securities exchange immediately prior to the effective time of the Merger, the Delaware Court of Chancery will dismiss any appraisal proceedings as to all stockholders who have perfected their appraisal rights unless (i) the total number of shares entitled to appraisal exceeds 1% of the outstanding shares of AV Homes Common Stock, or (ii) the value of the consideration provided in the Merger for such total number of shares entitled to appraisal exceeds \$1 million. To exercise appraisal rights, AV Homes stockholders must comply with the procedures prescribed by Section 262 of the DGCL. These procedures are summarized under *Appraisal Rights* in this proxy statement/prospectus. In addition, a copy of the full text of Section 262 of the DGCL is included as Annex E to this proxy statement/prospectus. Failure to comply with these provisions may result in a loss of the right of appraisal.

Corporate Headquarters

Taylor Morrison's principal executive offices are located at 4900 N. Scottsdale Road, Suite 2000, Scottsdale, Arizona 85251 and its telephone number is (480) 840-8100.

Table of Contents

THE MERGER AGREEMENT

The following section summarizes material provisions of the Merger Agreement, which is included in this proxy statement/prospectus as [Annex A](#), is incorporated by reference herein, and qualifies the following summary in its entirety. The rights and obligations of Taylor Morrison, Intermediate Parent, Merger Sub, and AV Homes, as parties to the Merger Agreement, are governed by the Merger Agreement and not by this summary or any other information contained in or incorporated by reference into this proxy statement/prospectus. AV Homes stockholders are urged to read the Merger Agreement carefully and in its entirety, as well as this proxy statement/prospectus and the information incorporated by reference into this proxy statement/prospectus, before making any decisions regarding the proposals.

The following summary of the Merger Agreement is included in this proxy statement/prospectus to provide you with information regarding the terms of the Merger Agreement and is not intended to provide any factual information about Taylor Morrison or AV Homes. Such information can be found elsewhere in this proxy statement/prospectus and in the other public filings Taylor Morrison and AV Homes, respectively, have made and will make with the SEC. *See Where You Can Find More Information.*

The Merger Agreement contains representations and warranties and covenants by AV Homes, Taylor Morrison and Merger Sub. These representations and warranties have been made by AV Homes solely for the benefit of Taylor Morrison, on the one hand, and by Taylor Morrison and Merger Sub, solely for the benefit of AV Homes, on the other hand, and:

may not be intended as statements of fact, but rather as a way of allocating risk between Taylor Morrison and AV Homes in the event the statements therein prove to be inaccurate;

have been qualified in important respects by confidential disclosures that were exchanged between Taylor Morrison and AV Homes at the time they entered into the Merger Agreement, which disclosures are not reflected in the Merger Agreement itself; and

may apply standards of materiality in a way that is different from the standard of materiality that is applicable to disclosures to investors.

Moreover, information concerning the subject matter of the representations and warranties in the Merger Agreement and described below may have changed since the date of the Merger Agreement, and subsequent developments or new information qualifying a representation or warranty may have been included in this proxy statement/prospectus. In addition, if specific material facts arise that contradict the representations and warranties in the Merger Agreement, each of Taylor Morrison and AV Homes, as applicable, will disclose those material facts in public filings that it makes with the SEC if it determines that it has a legal obligation to do so. Accordingly, the representations and warranties and other provisions of the Merger Agreement should not be read alone, but instead should be read together with the information provided elsewhere in this proxy statement/prospectus and in the documents incorporated by reference into this proxy statement/prospectus. *See Where You Can Find More Information.*

Structure and Effect of the Merger

The Merger Agreement provides that Taylor Morrison will acquire AV Homes, Merger Sub's separate corporate existence will cease and AV Homes will no longer be a publicly traded company. Specifically, in the Merger, Merger Sub will be merged with and into AV Homes, with AV Homes surviving the Merger as an indirect subsidiary of Taylor Morrison (the Surviving Corporation).

From and after the effective time of the Merger, all of the property, rights, privileges, immunities, powers and franchises of AV Homes and Merger Sub shall vest in the Surviving Corporation, and all of the debts, liabilities and duties of AV Homes and Merger Sub shall become the debts, liabilities and duties of the Surviving Corporation, in each case, as provided under the DGCL.

Table of Contents

From and after the effective time of the Merger, the certificate of incorporation and bylaws of Merger Sub in effect immediately prior to the effective time of the Merger will become the certificate of incorporation and bylaws, respectively, of the Surviving Corporation until changed or amended as provided in such certificate of incorporation or bylaws and by applicable law, the directors of Merger Sub immediately prior to the effective time of the Merger will be the directors of the Surviving Corporation until his or her successor has been elected and qualified, subject to his or her earlier death, resignation or removal and the officers of AV Homes immediately prior to the effective time of the Merger will be the officers of the Surviving Corporation until his or her successor has been elected and qualified, subject to his or her earlier death, resignation or removal.

Merger Consideration

At the effective time of the Merger, each share of AV Homes Common Stock issued and outstanding immediately prior to the effective time of the Merger, except for any shares (i) subject to vesting, repurchase or other lapse restriction granted under an AV Homes equity plan that is outstanding immediately prior to the effective time of the Merger, (ii) with respect to which appraisal rights have been properly demanded in accordance with Section 262 of the DGCL, which will have the rights described in *Proposal I: Adoption of the Merger Agreement Appraisal Rights*, or (iii) Canceled Shares, (together with the shares described in clauses (i) and (ii), Excluded Shares), will be converted into the right to receive, (a) 0.9793 validly issued, fully paid and non-assessable shares of Taylor Morrison Common Stock (subject to the proration procedures described in this proxy statement/prospectus), (b) \$21.50 in cash (subject to the proration procedures described in this proxy statement/prospectus), or (c) \$12.64 in cash, without any interest thereon, and 0.4034 validly issued, fully paid and non-assessable shares of Taylor Morrison Common Stock; *provided*, that AV Homes stockholders will receive cash in lieu of any fractional shares of Taylor Morrison Common Stock (which we refer to as the Fractional Shares) (we refer to each of the Stock Consideration, Cash Consideration and Mixed Consideration as Per Share Merger Consideration). As further described below in the section entitled *The Merger Agreement Election and Exchange Procedures*, and in more detail in the Merger Agreement, each AV Homes stockholder will, until the election deadline, be entitled to elect to receive either Cash Consideration (which we refer to as a Cash Election), Stock Consideration (which we refer to as a Stock Election), or Mixed Consideration (which we refer to as a Mixed Election), in exchange for each share of AV Homes Common Stock held by him or her that was issued and outstanding immediately prior to the election deadline (other than any Excluded Shares), subject to allocation and proration procedures described below and in further detail in the Merger Agreement. AV Homes stockholders (other than in their capacity as holders of Excluded Shares) who make no election or an untimely election (or who otherwise are deemed not to have submitted an effective form of election) will be deemed to have made a Mixed Election. The Exchange Agent has reasonable discretion to determine whether a Stock Election, Cash Election or Mixed Election has been made or deemed made in respect of any shares of AV Homes Common Stock. For more information regarding the election deadline, see the section entitled *The Merger Agreement Election and Exchange Procedures*.

Stock Elections, Cash Elections and Mixed Elections are subject to the allocation and proration procedures set forth in the Merger Agreement to ensure that the aggregate Per Share Merger Consideration will consist of approximately 58.8% cash and approximately 41.2% Taylor Morrison Common Stock.

Thus, proration may be applied in certain circumstances. If (i) the product of the Cash Electing Shares *multiplied* by the Cash Consideration (before giving effect to any adjustment) (as defined above, the Cash Election Amount) exceeds (ii) (a) the Available Cash Election Amount, then the following consideration will be paid in respect of each Cash Electing Share:

an amount of cash equal to the product of (i) the Cash Consideration (before giving effect to any adjustment) *multiplied by* (ii) the greater of (a) a fraction, rounded to four (4) decimal places, the numerator of which is the Available Cash Election Amount and the denominator of which is the Cash Election Amount and (b) zero (0) (as defined above, we refer to the amount calculated in clause (ii) of this paragraph as the Cash Fraction); and

Table of Contents

a number of shares of Taylor Morrison Common Stock equal to the product of (i) the Stock Consideration (before giving effect to any adjustment) *multiplied by* (ii) the result of one (1) *minus* the Cash Fraction. If the Available Cash Election Amount exceeds the Cash Election Amount, then the following consideration will be paid in respect of each share pursuant to which a Stock Election is made (the Stock Electing Shares):

an amount of cash equal to the result of (i) the amount of such excess divided by (ii) the number of Stock Electing Shares (the Prorated Cash Amount); and

a number of shares of Taylor Morrison Common Stock equal to the product of (i) the Stock Consideration (before giving effect to any adjustment) *multiplied by* (ii) a fraction, rounded to four (4) decimal places, the numerator of which is the difference between (a) the Cash Consideration (before giving effect to any adjustment) and (b) the Prorated Cash Amount and the denominator of which is the Cash Consideration (before giving effect to any adjustment).

Election and Exchange Procedures

Taylor Morrison has selected Computershare Trust Company, N.A. to serve as the Exchange Agent to handle the exchange of shares of AV Homes Common Stock for the Per Share Merger Consideration, Fractional Share Consideration and any Dividend Consideration as described above.

Prior to the closing of the Merger, AV Homes will provide a form of election to holders of record of shares of AV Homes Common Stock (other than holders of Excluded Shares) advising such holders of the procedure for exercising their right to make an election.

To be effective, a form of election must be properly completed, signed and submitted to the Exchange Agent by the election deadline. Unless otherwise agreed in advance by AV Homes and Taylor Morrison, the election deadline is 5:00 p.m. New York City time, on the date that AV Homes and Taylor Morrison agree is as near as practicable to two (2) business days preceding the closing date of the Merger. AV Homes stockholders are urged to promptly submit their properly completed and signed forms of election, together with the necessary transmittal materials, and not wait until the election deadline. Each form of election submitted to the Exchange Agent must be accompanied by:

the certificates, if any, to which such form of election relates, duly endorsed in blank or otherwise in form acceptable for transfer on the books of AV Homes (or affidavits of loss in lieu of such certificates), and

in the case of book-entry shares, any additional documents specified in the procedures set forth in the form of election.

Any AV Homes stockholder may revoke his or her Per Share Merger Consideration election before the election deadline by written notice that is sent to and received by the Exchange Agent prior to the election deadline accompanied by a properly completed and signed revised form of election or by withdrawal prior to the election deadline of such AV Homes stockholder's certificates (or affidavits of loss in lieu of such certificates), or any documents in respect of book-entry shares previously deposited with the Exchange Agent. Any AV Homes stockholder who has validly revoked his or her Per Share Merger Consideration election and has not properly submitted a new duly completed form of election will be deemed to have made a Mixed Election. After an election is

validly made, any subsequent transfer of shares shall automatically revoke such election. The Exchange Agent will determine, in its reasonable discretion, whether forms of election have been properly completed, signed and submitted or revoked, and the decision of the Exchange Agent in such matters will be conclusive and binding.

Table of Contents

Exchange Procedures

At or prior to the effective time of the Merger, Merger Sub will deposit with the Exchange Agent (i) evidence of shares of Taylor Morrison Common Stock in book-entry form equal to the aggregate number of shares of Taylor Morrison Common Stock included in the Per Share Merger Consideration, and (ii) cash in an amount sufficient to pay the aggregate amount of cash included in the Per Share Merger Consideration Fractional Share Consideration and any Dividend Consideration.

From and after the effective time of the Merger, there will be no further transfers on the stock transfer books of AV Homes of the shares of AV Homes Common Stock that were outstanding immediately prior to the effective time of the Merger. If, after the effective time of the Merger, any certificate of a share of AV Homes Common Stock is presented to the Surviving Corporation for transfer, it will be canceled and exchanged for the applicable Per Share Merger Consideration, Fractional Share Consideration and any Dividend Consideration to which the holder of the certificate is entitled pursuant to the Merger Agreement.

Any portion of the exchange fund (including any interest received with respect thereto) made available to the Exchange Agent that remains unclaimed by the holders of certificates or book-entry shares on the first (1st) anniversary of the effective time of the Merger will be returned to the Surviving Corporation, upon demand, and any such holder who has not tendered his or her certificates or book-entry shares for the Per Share Merger Consideration, Fractional Share Consideration and the Dividend Consideration (as defined below), as applicable, prior to such time shall thereafter look only to the Surviving Corporation (subject to abandoned property, escheat or other similar laws) for delivery of the Per Share Merger Consideration, Fractional Share Consideration and the Dividend Consideration, as applicable, in each case without interest and subject to any withholding of taxes required by applicable law, in respect of such holder's surrender of his or her certificates or book-entry shares. Any amounts remaining unclaimed by the holders immediately prior to such time as such amounts would otherwise escheat to, or become property of, any governmental entity will, to the extent permitted by applicable law, become the property of the Surviving Corporation free and clear of any claims or interest of any person previously entitled thereto. None of the Surviving Corporation, AV Homes, Merger Sub, Taylor Morrison or the Exchange Agent, or any employee, officer, director, agent or affiliate of any of them, shall be liable to any person in respect of any part of the amounts made available to the Exchange Agent that is delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

Dividend Consideration means dividends or other distributions with a record date after the effective time of the Merger with respect to shares of Taylor Morrison Common Stock included in the applicable AV Homes stockholder's Per Share Merger Consideration.

Lost, Stolen or Destroyed Shares

If a certificate for shares of AV Homes Common Stock has been lost, stolen or destroyed, then, before an AV Homes stockholder will be entitled to receive the Per Share Merger Consideration (and Dividend Consideration, if applicable), such holder will need to make an affidavit of that fact and, if requested by Merger Sub, post a bond as indemnity against any claim that may be made against Taylor Morrison, Merger Sub, the surviving corporation or the Exchange Agent with respect to such certificate.

Dissenting Shares

Shares of AV Homes Common Stock outstanding immediately prior to the effective time of the Merger and held by a holder who has neither voted in favor of the Merger nor consented thereto in writing and who is entitled to demand, and has properly demanded, appraisal for such shares of AV Homes Common Stock in accordance with, and who

complies in all respects with, Section 262 of the DGCL (we refer to such shares of AV Homes Common Stock as the Dissenting Shares) shall not be converted into the right to receive the Per Share Merger Consideration (and the Fractional Share Consideration or Dividend Consideration, if applicable). At the effective

Table of Contents

time of the Merger, all Dissenting Shares shall be canceled and cease to exist, and the holders of Dissenting Shares shall only be entitled to the rights granted to them under the DGCL. If any such holder of Dissenting Shares fails to perfect or otherwise waives, withdraws or loses its right to appraisal under Section 262 of the DGCL or other applicable law, then such Dissenting Shares shall be deemed to have been converted, as of the effective time of the Merger, into and shall be exchangeable solely for the right to receive the Per Share Merger Consideration (and the Fractional Share Consideration or Dividend Consideration, if applicable), without interest and subject to any withholding of taxes required by applicable law.

Representations and Warranties

The Merger Agreement contains substantially reciprocal representations and warranties of Taylor Morrison and Merger Sub, on the one hand, and AV Homes, on the other hand, regarding, among other things:

valid existence, good standing and qualification to do business, and corporate power and authority;

capitalization, and capitalization and ownership of subsidiaries;

corporate authorization of the Merger Agreement and the Merger and the valid, binding and enforceable nature of the Merger Agreement;

the absence of any conflict with or violation of (with or without notice or lapse of time or both) (i) any provision of their respective organizational or governance documents or (ii) laws applicable to them and their respective properties and assets, in each case, based on the performance of the Merger Agreement and the consummation of the transactions contemplated thereby;

the extent to which the performance of the Merger Agreement and the consummation of the transactions contemplated thereby will require any consent or approval under, violate, conflict with, result in any breach of or any loss of any benefit under, or constitute a change of control or default under, or result in termination or give to others any right of termination, vesting, amendment, acceleration or cancellation of, or result in the creation of a lien (other than permitted liens under the Merger Agreement) upon any of the respective properties or assets of the parties or their respective subsidiaries or contract or other instrument or obligation to which the parties or their respective subsidiaries are a party or by which they or any of their respective properties or assets may be bound or affected;

since January 1, 2018, the absence of any Company Material Adverse Effect or Parent Material Adverse Effect;

required consents and approvals from governmental entities;

absence of off balance sheet arrangements ;

compliance with applicable laws and governmental orders;

SEC documents and financial statements, the absence of material misstatements or omissions in such filings and documents, and compliance of such filings with legal requirements;

maintenance and effectiveness of internal controls and disclosure controls and procedures;

accuracy of information supplied or to be supplied for use in this proxy statement/prospectus;

absence of certain legal proceedings, investigations and governmental orders;

brokers fees payable in connection with the Merger; and

non-reliance on extra-contractual representations and warranties of the other party.

In addition, AV Homes has further made representations and warranties regarding, among other things:

its due organization;

Table of Contents