

**SUPPLEMENT TO FUNDAMENTAL CHANGE COMPANY NOTICE, NOTICE OF RIGHT TO
CONVERT, NOTICE OF ENTRY INTO SUPPLEMENTAL INDENTURE AND OFFER TO
REPURCHASE**

AV HOMES, INC.

**TO THE HOLDERS OF
AV HOMES, INC.
6.00% CONVERTIBLE SENIOR NOTES DUE 2020 (CUSIP No. 00234P AG7)**

NOTICE IS HEREBY GIVEN, that the Fundamental Change Company Notice, Notice of Right to Convert, Notice of Entry into Supplemental Indenture and Offer to Repurchase, issued on October 2, 2018 to holders of the 6.00% Convertible Senior Notes due 2020 of AV Homes, Inc. with respect to the Non-Stock Change of Control that occurred on October 2, 2018 (the “*Original Notice*”), is supplemented and amended by this this supplement (this “*Supplemental Notice*”). Capitalized terms used and not otherwise defined in this Supplemental Notice shall have the meanings ascribed to them in the Original Notice.

Pursuant to the Original Indenture, the Conversion Rate for the Notes is 50.200800 shares of Common Stock for each \$1,000 principal amount of the Notes. Holders electing to convert their Notes in connection with the Non-Stock Change of Control are entitled to the Additional Shares (as defined in the Third Supplemental Indenture) of 5.506281 shares of Common Stock as described in Section 7.01(b) of the Third Supplemental Indenture. Accordingly, for conversion of Notes made in connection with the Non-Stock Change of Control, each \$1,000 principal amount of the Notes is convertible into approximately \$1,197.70, which is equal to the Conversion Rate (50.200800) plus the Additional Shares (5.506281), multiplied by the Plurality Elected Per Share Merger Consideration (\$21.50 per share). For the avoidance of doubt, Holders who choose to convert their Notes will receive only cash and will not receive any shares of Common Stock upon conversion.

In order to reflect the information in the preceding paragraph, the Original Notice is hereby amended as follows:

- all references to “5.015004” are replaced with “5.506281”; and
- all references to “\$1,187.14” are replaced with “\$1,197.70.”

Except as stated in this Supplemental Notice, the Original Notice is unchanged and remains in full force and effect.

Neither the Company nor the Parent or any of their respective affiliates, or any of its or their respective boards of directors, employees, advisors or representatives, or Wilmington Trust, National Association, in its role as Trustee, Paying Agent and Conversion Agent, is making any representation or recommendation to any Holder as to whether or not to surrender or convert (if at all) such Holder’s Notes. You should consult your own financial and tax advisors and must make your own decision as to whether or not to surrender your Notes for repurchase or to exercise your conversion rights and, if you choose to exercise either of these rights, the amount of Notes to surrender or convert.