

AMENDED AND RESTATED AUDIT COMMITTEE CHARTER

(Effective February 15, 2012)

This Audit Committee Charter, adopted by the Board of Directors (the “Board”) of AV Homes, Inc.. (the “Company”), is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company’s Certificate of Incorporation and Bylaws, it is not intended to establish by its own force any legally binding obligations.

I. PURPOSES

The Audit Committee (the “Committee”) shall assist the Board of Directors (the “Board”) in fulfilling its responsibility to oversee management regarding: (i) the conduct and integrity of the Company’s financial reporting to any governmental or regulatory body, shareholders, other users of the Company’s financial reports and the public; (ii) the Company’s systems of internal accounting and financial and disclosure controls; (iii) the qualifications, engagement, compensation, independence and performance of the Company’s independent auditors, their conduct of the annual audit, and their engagement for any other services; (iv) the Company’s legal and regulatory compliance; (v) the application of the Company’s related person transaction policy as established by the Board; (vi) the Company’s codes of business conduct and ethics as established by management and the Board; and (vii) the preparation of the audit committee report required by the Securities and Exchange Commission (“SEC”) rules to be included in the Company’s annual proxy statement.

In discharging its role, the Committee is empowered to inquire into any matter it considers appropriate to carry out its responsibilities, with access to all books, records, facilities and personnel of the Company. In addition to retaining the Company’s independent auditor, the Committee has the power to retain outside counsel, other auditors or other advisors to assist it in carrying out its activities. The Company shall provide adequate resources to support the Committee’s activities, including compensation of the Company’s independent auditor and any counsel, other auditors and other advisors retained by the Committee. The Committee shall have the sole authority to retain, compensate, direct, oversee and terminate the Company’s independent auditor and any counsel, other auditors and other advisors hired to assist the Committee, who shall be accountable ultimately to the Committee.

II. COMMITTEE MEMBERSHIP

The Committee shall consist of three or more members of the Board, each of whom the Board has selected and determined to be “independent” in accordance with applicable rules of the SEC and The Nasdaq Stock Market or other primary exchange or market on which the Company’s shares of common stock are listed. All members of the Committee shall meet the financial literacy requirements of The Nasdaq Stock Market or other primary exchange or market on which the Company’s shares of common stock are listed. At least one member shall be an “audit

committee financial expert” as such term is defined under applicable SEC rules, as and when required by The Nasdaq Stock Market or other primary exchange or market on which the Company’s shares of common stock are listed.

Committee members shall continue to be members until their successors are elected and qualified or until their earlier resignation or removal. Any member may be removed by the Board, with or without cause, at any time. The Chairman of the Committee shall be appointed from among the Committee members by, and serve at the pleasure of, the Board to convene and chair meetings of the Committee, set agendas for meetings, and determine the Committee’s information needs. In the absence of the Chairman at a duly convened meeting, the Committee shall select from among its members an acting chairman for purposes of the meeting.

III. COMMITTEE MEETINGS

The Committee shall meet at least four times per year. The Committee shall meet at least annually with the internal auditor and the independent auditor in separate executive sessions to provide the opportunity for full and frank discussion without members of senior management present.

The Committee shall establish its own schedule and rules of procedure. Meetings of the Committee may be held telephonically. A majority of the members of the Committee shall constitute a quorum sufficient for the taking of any action by the Committee. The affirmative vote of a majority of members present at a meeting at which a quorum is present shall constitute the action of the Committee. The Committee may also take action by unanimous written consent.

IV. KEY RESPONSIBILITIES

The Committee’s role is one of oversight. The Company’s management is responsible for preparing the Company’s financial statements and the independent auditors are responsible for auditing those financial statements. The Committee recognizes that Company management, the internal auditors and the independent auditors have more time, knowledge and detailed information about the Company than do Committee members. Consequently, in carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company’s financial statements or any professional certification as to the independent auditor’s work.

The following responsibilities are set forth as a guide for fulfilling the Committee’s purposes, with the understanding that the Committee’s activities may diverge as appropriate given the circumstances. The Committee is authorized to carry out these activities and other actions reasonably related to the Committee’s purposes or assigned by the Board from time to time.

The Committee may form, and delegate any of its responsibilities to, a subcommittee so long as such subcommittee is solely comprised of one or more members of the Committee.

To fulfill its purposes, the Committee shall:

A. Supervise the Independent Audit

1. appoint, evaluate, compensate, oversee the work of, and if appropriate terminate, the independent auditor, who shall report directly to the Committee;
2. review and approve the terms of the independent auditor's retention, engagement and scope of the annual audit, and pre-approve any audit-related and permitted non-audit services (including the fees and terms thereof) to be provided by the independent auditor (with pre-approvals disclosed as appropriate in the Company's periodic public filings);
3. on an annual basis, review a formal written statement from the independent auditor delineating all relationships between the independent auditor and the Company, consistent with Public Company Accounting Oversight Board ("PCAOB") Rule 3526, "Communications with Audit Committees Concerning Independence, actively engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditor and take appropriate action in response to the independent auditor's report to satisfy itself of the auditor's independence;
4. review and resolve any disagreements between management and the independent auditor concerning financial reporting, or relating to any audit report or other audit, review or attest services provided by the independent auditor.

B. Oversee Internal Audit, Internal Controls and Risk Management

5. review and discuss with management, the internal auditor and the independent auditor:
(i) the adequacy of the Company's internal control over financial reporting and disclosure controls and procedures, (including computerized information system disclosure controls and security), including whether such controls and procedures are designed to provide reasonable assurance that transactions entered into by the Company are properly authorized, assets are safeguarded from unauthorized or improper use, and transactions by the Company are properly recorded and reported; (ii) any significant deficiencies in the design or operation of the Company's internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data; (iii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls; and (iv) related findings and recommendations of management together with the independent auditor's attestation report;
6. review and discuss with management, the internal auditor and the independent auditor any significant risks or exposures and assess the steps management has taken to minimize such risks; and discuss with management and the independent auditor, and oversee the Company's underlying policies with respect to, risk assessment and risk management;

7. establish and oversee procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and any other aspects of the Company's internal control over financial reporting, and the confidential, anonymous submission by employees of concerns regarding questionable accounting, financial reporting or auditing matters, including maintaining the Anonymous Reporting Hotline for the confidential anonymous submission by employees of the Company of concerns regarding questionable accounting, internal controls or auditing matters;
8. receive regular reports from the internal auditor and consult with management about any changes with the internal auditor and their performance evaluations and compensation.

C. Oversee Financial Reporting

9. review and discuss with management and the independent auditor: (i) all critical accounting policies and practices used by the Company; (ii) any significant changes in Company accounting policies; (iii) any material alternative accounting treatments within GAAP that have been discussed with management, including the ramifications of the use of the alternative treatments and the treatment preferred by the accounting firm; and (iv) any accounting and financial reporting proposals that may have a significant impact on the Company's financial reports;
10. inquire as to the independent auditor's view of the accounting treatment related to significant new transactions or other significant matters or events not in the ordinary course of business;
11. review and discuss with the independent auditor the matters required to be discussed with the independent auditor by: (i) Statement of Auditing Standards No. 61, including the auditor's responsibility under the standards of the PCAOB, the significant accounting policies used by the Company, accounting estimates used by the Company and the process used by management in formulating them, any consultation with other accountants and any major issues discussed with management prior to its retention; (ii) Statement of Auditing Standards No. 90, including whether Company accounting principles as applied are conservative, moderate, or aggressive from the perspective of income, asset, and liability recognition, and whether or not those principles reflect common or minority practices; and (iii) Statement of Auditing Standards No. 100, including the review of the interim financial information of the Company and any material modifications that need to be made to the interim financial information for it to conform with GAAP;
12. review and discuss with management and the independent auditor any material financial or non-financial arrangements that do not appear on the financial statements of the Company;
13. review and discuss with the independent auditor: (i) any communications between the audit team and the audit firm's national office respecting auditing or accounting issues

presented by the engagement; and (ii) any “management” or “internal control” letter issued, or proposed to be issued, by the independent auditors to the Company or any other material written communications between the accounting firm and management, such as any management letter or schedule of “unadjusted differences”;

14. review the Company’s financial statements, including: (i) prior to public release, review and discuss with management and the independent auditor the Company’s annual and quarterly financial statements to be filed with the SEC (including the Company’s disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and any certifications regarding the financial statements or the Company’s internal control over financial reporting and disclosure controls and procedures filed with the SEC by the Company’s senior executive and financial officers; and (ii) with respect to the independent auditor’s annual audit report and attestation report with respect to internal control over financial reporting, prior to release of the annual audited financial statements, meet with the independent auditor without any management member present to discuss (a) the adequacy of the preparation of the Company’s audited financial statements, of the Company’s system of internal control over financial, reporting and audit procedures applied by the independent auditor, (b) the appropriateness of the accounting principles applied and the judgments, including estimates, made in the preparation of the Company’s audited financial statements, and (c) the quality of the Company’s financial reports; (iii) meet separately periodically, with management, including the internal auditor (or other personnel responsible for the internal audit function) regarding such matters; and (iv) recommend to the Board whether to include the audited annual financial statements in the Company’s Annual Report on Form 10-K to be filed with the SEC;
15. at least annually, review a report by the independent auditor describing any material issues raised by the most recent internal quality-control review of the firm, or by any review, inquiry or investigation by governmental or professional authorities (including the PCAOB), within the preceding five years, regarding one or more independent audits carried out by the firm, and any steps taken to deal with any such issues;
16. discuss with management and the independent auditor, as appropriate, earnings press releases, financial information and earnings guidance (including non-GAAP financial measures) provided to analysts and to rating agencies;

D. Oversee Legal and Ethical Compliance

17. review periodically: (i) with the General Counsel or outside legal counsel, as appropriate, legal and regulatory matters that may have a material impact on the Company’s financial statements; and (ii) with the Disclosure Committee, the scope and effectiveness of compliance policies and programs;
18. review at least annually with management, compliance with, the adequacy of and any requests for waivers under the Company’s code(s) of business conduct and ethics (including codes that apply to all employees as well as those applicable to directors, senior officers and financial officers and the Company’s policies and procedures

concerning trading in Company securities and use in trading of proprietary or confidential information); any waiver to any executive officer or director granted by the Committee shall be reported by the Committee to the Board;

19. review and address conflicts of interest of directors and executive officers;
20. review, discuss with management and the independent auditor, and approve or ratify any transactions or courses of dealing with related parties (e.g., including significant shareholders of the Company, directors, corporate officers or other members of senior management or their family members) that (i) are significant in size or involve terms or other aspects that differ from those that would likely be negotiated with independent parties, or (ii) are otherwise required to be approved or ratified by the Committee in accordance with the Company's related person transaction policy;
21. investigate any matter brought to its attention, with full power to retain outside counsel or other experts for such purpose;

E. Report

22. oversee the preparation and approve all reports required or appropriate in the conduct of the Committee's responsibilities, including the report for inclusion in the Company's annual meeting proxy statement, required of audit committees by SEC rules;
23. review and reassess the adequacy of this Charter, and recommend to the Board amendments as the Committee deems appropriate; and
24. report regularly to the Board on Committee findings and recommendations (including on any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the independent auditors or the performance of the internal audit function), the Company's compliance with legal or regulatory requirements and its codes of business conduct and ethics, approvals and ratifications of related person transactions, and any other matters the Committee deems appropriate or the Board requests, and maintain minutes or other records of Committee meetings and activities.