

AVATAR HOLDINGS INC
Form 8-K
July 29, 2008

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

July 25, 2008

Avatar Holdings Inc.

(Exact name of registrant as specified in its charter)

Delaware

001-07395

231739078

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

201 Alhambra Circle, Coral Gables, Florida

33134

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

1-305-442-7000

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 1.01 Entry into a Material Definitive Agreement.

Avatar Properties Inc. ("Owner"), a wholly-owned subsidiary of Avatar Holdings Inc. ("Avatar"), entered into a First Amended and Restated Poinciana Parkway Regulatory Agreement, dated as of July 25, 2008, with Osceola County, Florida (the "First Amended Osceola Agreement"), amending and restating the Poinciana Parkway Regulatory Agreement, dated as of December 15, 2006 (the "Original Osceola Agreement"). As of July 25, 2008, Owner entered into an Amendment to Transportation Concurrency Agreement with Osceola County.

Pursuant to the Original Osceola Agreement, Owner has acquired the rights-of-way for development and construction of the Poinciana Parkway (the "Parkway"), a four-lane road traversing a distance of 9.66 miles in Osceola and Polk counties in Florida (the "Counties"). The Parkway will include a 4.15 mile segment to be operated as a private toll road (the "Toll Road"). Except for the Toll Road, the Parkway will be owned, maintained and operated by the Counties upon completion. Owner has agreed to toll rates (including maximum increases over time) that may be charged for use of the Toll Road. The Original Osceola Agreement provided that the Parkway be substantially complete and open to traffic by October 31, 2008, subject to delays beyond our control.

The principal amendments contained in the First Amended Osceola Agreement and Amendment to Transportation Concurrency Agreement are:

* Requirement that Owner (i) complete financing for the acquisition, development and construction of the Parkway and commence actual construction not later than February 14, 2011 and (ii) then complete the Parkway by December 31, 2011 (the completion date is subject to extension for delays beyond Owner's control). If Owner fails to commence and complete the Parkway as required, it must pay Osceola County \$1,900,000 and Owner will become subject to concurrency requirements for future development on the same basis as other developers in Osceola County.

* Elimination of Owner's affirmation of availability of all funds necessary to construct the Parkway and addition of provisions regarding Owner's ability to obtain lender financing under commercially reasonable terms.

* Allowing Owner to enter into agreement(s) with a governmental or other service provider for operation and/or enforcement of the toll facilities.

Avatar and its subsidiaries have a relationship with Osceola County in connection with real estate development and other business operations conducted by Avatar in such County. Zoning, permitting and other approvals are obtained from the County in connection with Avatar's development activities. In addition, from time to time Avatar has contributed or sold parcels of land to Osceola County for public purposes, such as the construction of schools, and has contributed roads, which have been developed by Avatar within its communities.

Item 9.01 Financial Statements and Exhibits.

Exhibits

10.1 First Amended and Restated Poinciana Parkway Regulatory Agreement, dated as of July 25, 2008, by and between Avatar Properties Inc. and Osceola County, Florida.

10.2 Transportation Concurrency Agreement, dated December 15, 2006, by and between Avatar Properties Inc. and Osceola County, Florida.

10.3 Amendment to Transportation Concurrency Agreement, dated as of July 25, 2008, by and between Avatar Properties Inc. and Osceola County, Florida.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Avatar Holdings Inc.

July 29, 2008

By: *Juanita I. Kerrigan*

Name: Juanita I. Kerrigan

Title: Vice President and Secretary

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Exhibit Index

| Exhibit No. | Description |
|--------------------|---|
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