

AVATAR HOLDINGS INC  
Form 8-K  
May 30, 2006

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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):

May 25, 2006

**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 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

On May 25, 2006, the Company (as Guarantor) entered into a First Amendment to Credit Agreement to amend the four-year senior unsecured revolving credit facility (the "Credit Facility") by and among its wholly-owned subsidiary, Avatar Properties Inc. (as Borrower), Wachovia Bank, National Association (as Administrative Agent and Lender), and certain financial institutions as lenders, entered into as of September 20, 2005, to clarify the timing of applicable interest rate adjustments, if any, and to increase from \$10 million to \$50 million the amount of the Credit Facility available for letters of credit.

Other than the matters described herein, and an increase in the principal amount on October 21, 2005, the terms and conditions of the Credit Facility remain as described in the Company's Form 8-K and Exhibits thereto, filed on September 23, 2005.

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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.

*May 30, 2006*

By: *JUANITA I. KERRIGAN*

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*Name: JUANITA I. KERRIGAN*  
*Title: Vice President and Secretary*