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October 29, 2018

**VIA ELECTRONIC MAIL & OVERNIGHT MAIL**

Poinciana Community Development District  
Attn: George Flint, District Manager  
Vice-President  
Governmental Management Services -  
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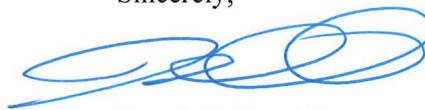
Re: Asset Sale and Purchase Agreement dated December 5, 2016, as amended from time to time (collectively, the "Agreement"), by and between Avatar Properties Inc. ("Seller") and Poinciana Community Development District ("Buyer"), pertaining to the proposed purchase and sale of certain facilities located in Polk County, Florida.  
Client-Matter No. 376463-1

Gentlemen:

As you are aware, we are counsel to Seller in connection with the above-referenced Agreement and are authorized to provide this letter on its behalf. All capitalized terms not defined herein shall have the meaning set forth in the Agreement. Pursuant to that certain Fourteenth Amendment to the Agreement dated September 21, 2018, Seller elected to extend the Validation Date to November 15, 2018. Unfortunately, as you are aware, given the current status of this matter, it is presently not feasible for the Buyer to obtain the Bond Validation on or before November 15, 2018 and the Seller does not wish to further extend the Validation Date. Accordingly, Seller hereby elects to terminate the Agreement pursuant to Section 4.2(v) of the Agreement. Although we regret that the parties were not able to consummate the transaction contemplated by the Agreement, we do believe Seller's election to terminate the Agreement is in the best interest of the Solivita community at this time and we appreciate all of the time and effort that was put into the transaction.

If you have any questions or require any additional information, please do not hesitate to contact the undersigned.

Sincerely,



Joseph P. Covelli

cc: Todd Merrill (via email)  
Kristy Boss (via email)  
Jan Albanese Carpenter, Esq. (via email)