

\$21,000,000  
CITY OF ATLANTA, GEORGIA  
TAX ALLOCATION BONDS  
SERIES 2006  
(PRINCETON LAKES PROJECT "PULTE HOMES CORPORATION")

**DEVELOPER'S CONTINUING DISCLOSURE STATEMENT**

Attn: Cheryl Strickland  
Atlanta Development Authority  
86 Pryor Street, Suite 300  
Atlanta, GA 30303

Attn: Keenan Rice  
MuniCap, Inc.  
8340 Governor Ridgely Lane  
Ellicott City, MD 21043

In accordance with the "Development Agreement" (the "Agreement") by and between the City of Atlanta (the "City"), Pulte Homes Corporation (the "Developer"), and Atlanta Development Authority, as redevelopment agent (the "Development Authority") dated as of February 20, 2006, the Developer hereby provides the following information as of December 31, 2007 in the format as requested by the Development Authority in order to comply with the reporting requirements of the Developer in the Agreement. All terms having initial capitalization and not defined herein shall have the meanings set forth in the Limited Offering Memorandum dated as of March 10, 2006. To the best of the knowledge of the undersigned:

1. Status of the public improvements financed in part with the above-referenced Bonds:

Public Improvements	Original Budget	Budget Changes	Revised Budget	Work Completed	Percent Complete
Streets (grading, curb, paving & sidewalks)	\$ 6,310,388	\$ 259,342	\$ 6,569,730	\$ 6,166,934	94%
Street Lighting and Signage	\$ 127,231	\$ (413)	\$ 126,818	\$ 112,455	89%
Sanitary Sewer	\$ 3,936,387	\$ 99,389	\$ 4,035,776	\$ 4,034,277	100%
Storm Sewer System (detention ponds, etc.)	\$ 2,565,743	\$ 169,277	\$ 2,735,020	\$ 2,647,497	97%
Water System	\$ 1,659,472	\$ 56,830	\$ 1,716,302	\$ 1,697,786	99%
Other (engineering, geotechnical/compaction)	\$ 1,234,500	\$ 108,429	\$ 1,342,929	\$ 1,330,848	99%
Total:	\$ 15,833,721	\$ 692,854	\$ 16,526,575	\$ 15,989,797	97%

Project Construction Budget	Original Budget	Budget Changes	Revised Budget	Work Completed	Percent Complete
Land	\$ 18,922,521		\$ 18,922,521	\$ 18,922,521	100%
Hard Costs:					
Site Preparation (Clearing, Grading, Erosion Control, etc.)	\$ 7,100,287	\$ 406,887	\$ 7,507,174	\$ 7,500,829	100%
Site Infrastructure	\$ 15,833,718	\$ 951,457	\$ 16,785,175	\$ 16,165,244	96%
Other Site Development (Amenity, etc.)	\$ 6,871,463	\$(2,570,812)	\$ 4,300,651	\$ 4,040,086	93%
Home Construction (Note 1)	\$ 111,116,256	\$(6,895,787)	\$ 104,220,469	\$ 88,774,903	85%
Soft Costs:					
Engineering / Consulting	\$ 1,577,972	\$ 660,461	\$ 2,238,433	\$ 2,212,157	98%
Legal / Real Estate	\$ 1,075,837	\$ 1,010,973	\$ 2,086,810	\$ 1,997,571	95%
Other	\$ 812,105	\$ 156,484	\$ 968,589	\$ 444,851	45%
Total Project Budget	\$ 163,310,159	\$(6,280,337)	\$ 157,029,822	\$ 140,058,162	89%

Note 1: Original budget assumed a 6% cost increase for units that were not closed nor under contract when Bonds were issued. Revised budget is based on homes closed to date, as well as homes yet to close at currently expected house costs.

2. Anticipated Build-out Date: The anticipated build-out date is August 31, 2008, subject to Force Majeure and other terms of the Agreement.
3. Government Permits: There have been no additional government permits obtained since the bonds were issued.
4. Closing of any Construction Loans: The Developer reports that no construction loans have been obtained at this time.
5. Amendments to any Project Financing: Not applicable.
6. Notice of Default in Construction Loan: Not applicable.
7. Notice of Default on Development Agreement: The Developer is not aware of any default under the Agreement and has not received any such notice of default.

8. Residential Marketing and Sales:

Neighborhood	Number of Units	Building Permits Issued	Number of Units Sold (Backlog as of 12/31/07)	Average Sales Price	Number of Units Closed - 2007	Average Sales Price	Number of Units Closed - 2006	Average Sales Price	Number of Units Closed - 2005	Average Sales Price
Regency Park	143	143	1	\$ 155,000	43	\$ 170,706	63	\$ 169,265	36	\$ 151,212
Glen Estates	120	120			8	\$ 186,335	72	\$ 184,740	40	\$ 162,014
Enclave	169	167	13	\$ 218,902	28	\$ 240,263	92	\$ 232,718	28	\$ 215,251
Deerwood Reserve	119	119	26	\$ 343,624	45	\$ 360,944	47	\$ 365,444		
	143	122	20	\$ 263,827	38	\$ 280,927	46	\$ 293,135		
	150	105	9	\$ 117,531	45	\$ 129,423	34	\$ 142,218		
Total:	844	776	69 (Note 2)	\$ 264,772	207	\$ 233,334	354	\$ 228,448	104	\$ 172,608

Note 2: All of these homes are projected to be delivered and closed in calendar year 2008.

9. Property Tax Collections and Delinquencies: The real property taxes billed, paid and delinquent for the property owned by the Developer in the Residential Development for the 2006 - 2007 tax year are as follows:

Real property taxes billed (2006)	\$_377,844
Real property taxes paid (2006)	\$_377,844
Refund of property taxes due to appeal	\$_191,407
Net real property taxes paid (2006)	\$_186,437
Real property taxes billed (2007)	\$_219,875
Real property taxes paid (2007)	\$_219,875
Real property taxes delinquent	\$_0

Refer to Item #10 where property taxes for the 2006 – 2007 tax years are discussed.

10. Appeal of Assessed Value: The Developer was billed and paid \$356,472 in real property taxes for the 2006 tax year and was billed and paid \$219,875 in real property taxes for the 2007 tax year for the Princeton Lakes Residential Development. For 2006, The Developer notified the Fulton County Tax Assessor that it was disputing the assessment because certain property within the Estates and Enclave communities was assessed as if all of the lots had been fully developed, which is not in fact the case, and these parcels should have been assessed as raw land. The Developer received a refund of \$191,407 and then paid \$21,372 based on the reassessment of the parcels as raw land.
11. Exemption from Taxation: The Developer has not applied for nor received an exemption from real property tax purposes for any property owned by the Developer in the Residential Development.
12. Change in Form, Organization or Ownership of the Developer: There have been no material changes to the form, organization or ownership of the Developer (as described within the Limited Offering Memorandum under the sub-caption “THE DEVELOPERS AND THE DEVELOPMENT – The Residential Development”).
13. Legislative, Administrative or Judicial Challenges: To the best knowledge of the Developer, there has been no legislative, administrative, or judicial challenges to the construction of the Residential Development.
14. The Developer has no actual knowledge of the occurrence of any Developer Significant Events, as listed below.

PULTE HOMES CORPORATION

By: Pulte Homes Corporation

By: 

Title:

PRESIDENT

Date:

1-23-08

By: 

Title:

Director of Finance

Date:

1-23-08

## DEVELOPER SIGNIFICANT EVENTS

Developer Significant Events as referenced herein include the following:

- (i) failure to pay any real property taxes (including the special taxes) levied within the district on a parcel owned by the Developer or any affiliate thereof;
- (ii) material damage to or destruction of any residential development or improvements constituting the Project within the district;
- (iii) the exercise of an option to purchase or sell or the purchase or sale of any land within the district by the Developer;
- (iv) material default by the Developer or any affiliate thereof on any loan with respect to the construction or permanent financing of the Residential Development;
- (v) material default by the Developer or any affiliate thereof on any loan secured by property within the district owned by the Developer or any affiliate of the developer;
- (vi) payment default by the Developer or any affiliate thereof on any loan to such party (whether or not such loan is secured by the property within the district);
- (vii) the filing by or against the Developer or any affiliate thereof, the general partner of the Developer or any owners of more than 25% interest in the Developer of any petition or other proceeding under any bankruptcy, insolvency or similar law or any determination that the Developer or owner of interest in the Developer or a subsidiary of the Developer or any affiliate thereof is unable to pay its debts as they become due; and
- (viii) the filing of any lawsuit with claim for damages in excess of \$1,000,000 against the Developer which may adversely affect the completion of the Project (as defined in the Development Agreement) or litigation in excess of \$1,000,000 which would materially adversely affect the financial condition of the Developer.