

\$20,000,000
LANCASTER COUNTY,
SOUTH CAROLINA
ASSESSMENT REVENUE BONDS
(SUN CITY CAROLINA LAKES IMPROVEMENT DISTRICT)
SERIES 2006

DEVELOPER'S CONTINUING DISCLOSURE STATEMENT

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

In accordance with the "Continuing Disclosure Agreement" (the "Disclosure Agreement") by and between the undersigned, Pulte Homes Corporation (the "Developer") and MuniCap, Inc. (the "Administrator"), dated as of February 1, 2006, the Developer hereby provides the following information as of March 31, 2007. All terms having initial capitalization and not defined herein shall have the meanings set forth in the Limited Offering Memorandum dated February 1, 2006. To the best of the knowledge of the undersigned:

- 1) **Status of completion of construction of the public improvements funded with bond proceeds for the Sun City Carolina Lakes Improvement District:**

Public Improvement Budget

Public Improvement	Original Budget	Budget Changes	Revised Budget	Spent to Date	Percent Complete
Final engineering / design	\$850,873	\$2,362,829	\$3,213,702	\$1,940,167	60%
Surveying	\$927,810	\$1,988,592	\$2,916,402	\$1,008,774	35%
Compaction / const testing	\$533,750	\$1,603,402	\$2,137,152	\$789,116	37%
Clearing and brushing	\$1,064,684	\$1,932,582	\$2,997,266	\$915,733	31%
Earth balancing	\$2,950,441	\$13,342,365	\$16,292,806	\$5,226,471	32%
Sanitary sewer	\$2,293,800	\$9,055,169	\$11,348,969	\$3,586,600	32%
Storm water	\$2,267,950	\$7,411,922	\$9,679,872	\$3,009,863	31%
Water mains	\$1,428,364	\$5,660,188	\$7,088,552	\$1,926,456	27%
Paving	\$1,240,411	\$4,234,078	\$5,474,489	\$1,383,184	25%
Paving 2 (surface course)	\$362,764	\$1,460,886	\$1,823,650	\$13,365	1%
Curb & gutter	\$856,657	\$1,667,528	\$2,524,185	\$784,273	31%
Sidewalks	\$944,416	(\$921,996)	\$22,420	\$9,160	41%
Street lights	\$403,650	\$325,450	\$729,100	\$249,774	34%
Street signs	\$219,100	\$288,810	\$507,910	\$146,889	29%
Special structures	\$2,370,233	\$8,620,563	\$10,990,796	\$7,692,408	70%
Off-site sanitary	\$5,238,348	(\$568,643)	\$4,669,705	\$6,980,605	100%
Off-site water	\$277,770	\$478,600	\$756,370	\$664,014	88%
Off-site paving	\$750,000	(\$413,050)	\$336,950	\$339,151	100%
Off-site traffic signals	\$300,000	(\$155,289)	\$144,711	\$144,711	100%
Public library	\$1,500,000	\$0	\$1,500,000	\$2,425	0%
Total Public Improvements:	\$26,781,021	\$58,374,006	\$85,155,027	\$36,813,139	43.23%
<i>Less Other Funds</i>	\$9,490,384	\$58,196,950	\$67,687,334	\$20,843,021	31.8%
Total Bond Funded Costs	\$17,290,637	\$177,056	\$17,467,693	\$15,970,118	91.4%

2) **Status of Development:**

- a) **Status of road improvements:** All widening of Hwy 521 and Van Wyck is complete as well as the signal installation on Hwy 521.
- b) **Status of water infrastructure:** All water main installations are complete with the exception of future pods and N-Z. The Pod waterline is not included in Initial Infrastructure.
- c) **Status of sanitary sewer infrastructure:** All sewer infrastructures, including the force main/pump station, are complete. The sewer for Pods K2, J2, and N-Z is not complete and is not included in the Initial Infrastructure.
- d) **Status of storm water management systems:** The storm work in Pods K2, J2, and N-Z has not been completed.
- e) **Status of other infrastructure and private utilities improvements:** With the exception of Pods K2, J2, and N-Z the installation of power, phone, cable and gas are complete.

3) **Material changes in the phases, the type and number of units to be built in each phase, and the planned dates of commencement and completion of each phase:**

The developer has purchased additional property (known as Turkey Point) adjacent to Sun City Carolina Lakes and is in process of annexing this new property into the PPD. At this time, the developer anticipates the estimated total number of units to be developed on both the Sun City Carolina Lakes and the additional Turkey Point property to be approximately 3,668 units. Information regarding the estimated total number of units to be developed will be updated as the annexation of the Turkey Point property is completed, and planning and plat subdivision works commence.

Phase	Single-family Homes	Villas	Carriage Homes	Planned Date of Commencement	Planned Date of Completion
Sun City Carolina Lakes					
A	130	0	0	Prior to bond funding	Completed
B	105	0	0	Prior to bond funding	Completed
C	138	57	0	Prior to bond funding	Completed
C1	0	0	78	Prior to bond funding	02/15/07
D	90	0	0	Prior to bond funding	Completed
E	235	0	0	After bond funding	Completed
F	35	0	0	After bond funding	Completed
G-H	110	0	0	After bond funding	04/01/07
I-J	83	0	0	After bond funding	01/01/07
K	72	0	0	After bond funding	03/01/07
L	36	0	0	After bond funding	02/01/07
M	92	0	0	After bond funding	04/01/07
N	113	0	0	02/01/07	07/01/07
O	20	0	0	07/17/07	10/01/07

P	131	0	0	01/27/08	08/01/08
Q	48	0	0	02/21/07	02/01/07
R	203	0	0	06/04/07	12/01/07
S	40	0	0	05/21/07	11/01/07
T	221	0	0	08/28/07	04/01/08
U	89	0	0	06/29/07	04/01/08
V	0	0	212	10/15/07	06/15/08
W	0	0	132	06/29/07	04/01/08
X	0	10	80	10/15/07	06/15/08
Y	0	95	0	07/02/07	09/15/07
Z	0	113	0	08/27/07	06/15/08
Subtotal	1,991	275	502		
Turkey Point property					
TP 40s	120	0	0	7/28/08	12/25/08
TP 40s E	140	0	0	9/29/07	3/15/08
TP 50s	495	0	0	7/28/08	12/25/08
TP Villas	0	145	0	7/28/08	12/25/08
Subtotal	755	145	0		
Total	2,746	420	502		

4) Sales and closings with homebuyers:

Product Type	No. of Units	Building Permits Issued	Homes under Construction	Contract for Sale	Homes Closed and Settled	Average Sales Price
40' Single Family	348	260	78	100	171	\$206,938
50' Single Family	1118	258	99	218	137	\$277,336
64' Single Family	525	190	58	108	126	\$360,863
Attached Villas	275	57	28	38	14	\$186,177
Carriage Homes	502	12	8	3	0	0
Total:	2,768	545	271	467	448	\$271,109

5) **Government permits and approvals:**

Governmental Permit or Approval	Date Submitted	Date Approved	Date Received	Remark
Subdivision Plat Approval				
Pod A	08/26/05	10/27/05	10/27/05	
Pod B	02/08/06	06/05/06	06/05/06	
Pod C	08/03/06	08/04/06	08/04/06	
Pod C – Villa's	09/08/06	12/12/06	12/12/06	
Pod D – Part 1	03/31/06	06/05/06	06/05/06	
Pod D – Part 2	06/01/06	06/06/06	06/06/06	
Pod E	06/05/06	06/07/06	06/07/06	
Pod F	05/13/06	07/21/06	07/21/06	
Pod G-H	08/22/06	12/18/06	12/18/06	
Pod I-J	08/22/06	12/18/06	12/18/06	
Pod I-J	08/22/06	12/18/06	12/18/06	
Pod C1	1/26/07	2/9/07	2/9/07	
Pod K	12/15/06	2/28/07	2/28/07	
Pod L	11/17/06	1/29/07	1/29/07	
Pod M	1/4/07	3/15/07	3/15/07	

6) **Status of Home Construction and Home Sales:** Development and absorption of homes in the district is anticipated to be completed by June 2013.

Product Type	Cumulative Units Constructed as of 3/31/2007	Cumulative Units Sold as of 3/31/2007
Single Family	479	860
Villas	18	52
Carriage Homes	0	3
Total	497	915

7) **Material changes to the form of ownership of the Developer:** The developer reports that there have been no material changes in the form, organization or ownership of the developer of the district as described in the Limited Offering Memorandum.

8) **Legislative, administrative or judicial challenges:** The developer reports that there have been no legislative, administrative, or judicial challenges to the construction of the improvements within the district or the validity of the duly recorded plat or other public approvals for any section of the development within the district.

9) **Significant amendments to land use entitlement or legal challenges to the construction of the development or the District:** The developer reports that there

have been no significant amendments to land use entitlement or legal challenges to the construction of the development or the district.

- 10) **Material amendment to the development agreement:** The developer reports that there have been no material amendments to the development agreement.

11) **Changes approved by the County to the Project:**

The developer reports that there have been no changes approved by the county to the project to be constructed from those stated in the Limited Offering Memorandum and the status of the development to the district.

The developer has purchased additional property (known as Turkey Point) adjacent to Sun City Carolina Lakes and is in process of annexing this new property into the PPD.

- 12) **Notice of default:** The developer has not received formal written notice and is not aware of any default on any construction loan that finances any portion of the project.

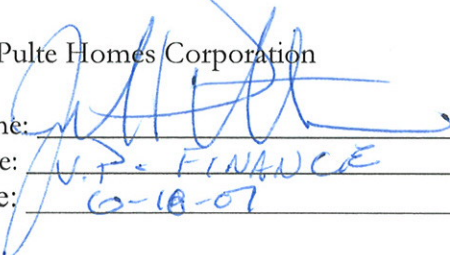
- 13) **Reporting of significant events:** The developer has not obtained actual knowledge of the occurrence of any significant events, as described below.

SIGNIFICANT EVENTS

- i. failure to pay any real property taxes (including the special assessments) levied within the development on a parcel owned by the development owner, the developer, the landowner or any affiliate thereof;
- ii. material damage to or destruction of any development or improvements within the development;
- iii. material default by the development owner, the developer or any affiliate thereof on any loan with respect to the construction or permanent financing of the development;
- iv. material default by the development owner, the developer, or any affiliate thereof on any loan secured by property within the development owned or leased by the development owner and the developer or any affiliate thereof;
- v. the filing in bankruptcy by the development owner, the developer or any affiliate thereof, or by any owner of more than 25% in interest in the development owner or the developer, or any determination that the development owner, the developer or any affiliate thereof, or an owner of more than 25% in interest in the development owner or the developer is unable to pay its debts as they become due;
- vi. the filing of any lawsuit with claim for damages in excess of \$1,000,000 against the development owner, the developer or the landowner which may adversely affect the completion of the development or litigation in excess of \$1,000,000 which would materially adversely affect the financial condition of the development owner, the developer or the landowner;
- vii. to the extent that the developer is obligated to pay assessments, failure by the developer to pay such assessments in full when due; or
- viii. a default or event of default occurs under any agreement or instrument evidencing indebtedness of the developer or Pulte Homes Corporation.

PULTE HOMES CORPORATION

By: Pulte Homes Corporation

Name: 
Title: V.P. FINANCE
Date: 6-18-07