

**\$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 September 30, 2006. 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	\$2,117,857	\$2,968,730	\$1,349,714	45%
Surveying	\$927,810	\$1,127,183	\$2,054,993	\$831,594	40%
Compaction / const testing	\$533,750	\$2,340,481	\$2,874,231	\$659,598	23%
Clearing and brushing	\$1,064,684	\$1,851,762	\$2,916,446	\$917,003	31%
Earth balancing	\$2,950,441	\$19,267,951	\$22,218,392	\$4,590,102	21%
Sanitary sewer	\$2,293,800	\$11,267,811	\$13,561,611	\$3,186,015	23%
Storm water	\$2,267,950	\$9,188,592	\$11,456,542	\$2,556,762	22%
Water mains	\$1,428,364	\$6,571,386	\$7,999,750	\$1,433,780	18%
Paving	\$1,240,411	\$20,125,919	\$21,336,330	\$1,102,633	5%
Paving 2 (surface course)	\$362,764	\$683,496	\$1,046,260	\$13,365	1%
Curb & gutter	\$856,657	\$23,546,056	\$24,402,713	\$595,378	2%
Sidewalks	\$944,416	\$2,027,582	\$2,971,998	\$10,611	0%
Street lights	\$403,650	\$1,536,764	\$1,940,414	\$246,667	13%
Street signs	\$219,100	\$465,875	\$684,975	\$124,423	18%
Special structures	\$2,370,233	\$13,200,336	\$15,570,569	\$7,350,537	47%
Off-site sanitary	\$5,238,348	\$3,137,609	\$8,375,957	\$7,016,500	84%
Off-site water	\$277,770	\$1,003,958	\$1,281,728	\$664,014	52%
Off-site paving	\$750,000	(\$376,441)	\$373,559	\$373,559	100%
Off-site traffic signals	\$300,000	(\$141,708)	\$158,292	\$158,292	100%
Public library	\$1,500,000	\$0	\$1,500,000	\$0	0%
<b>Total Public Improvements:</b>	<b>\$26,781,021</b>	<b>\$118,942,469</b>	<b>\$145,723,490</b>	<b>\$33,180,547</b>	<b>23%</b>
<i>Less Other Funds</i>	<b>\$9,490,384</b>	<b>\$120,265,413</b>	<b>\$129,755,797</b>	<b>\$17,212,854</b>	<b>13%</b>
<b>Total Bond Funded Costs</b>	<b>\$17,290,637</b>	<b>(\$1,322,944)</b>	<b>\$15,967,693</b>	<b>\$15,967,693</b>	<b>100%</b>

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 installation is complete with the exception of future pods C1 and G-Z. The Pod waterline is not included in Initial Infrastructure.
- c) **Status of sanitary sewer infrastructure:** All sewer infrastructure, including the force main/pump station, is complete. The sewer for Pods C1 and G-Z is not complete and is not included in the Initial Infrastructure.
- d) **Status of storm water management systems:** The storm work in Pods C1 and G-Z has not been completed and is currently being installed in Pods C1 and G-M.
- e) **Status of other infrastructure and private utilities improvements:** With the exception of Pods C1 and G-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 reduced the aggregate number of units from 3,647 as shown in the Limited Offering Memorandum to 2,934 as shown in the table below. At the time of feasibility, it was determined that the developer could develop up to 3,647 units. At this time, the developer is only planning on developing 2,934 units and utilize the remainder of the land for common areas.

Phase	Single-family Homes	Villas	Carriage Homes	Planned Date of Commencement	Planned Date of Completion
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	42	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	108	0	0	After bond funding	04/01/07
I-J	90	0	0	After bond funding	01/01/07
K	76	0	0	After bond funding	03/01/07
L	37	0	0	After bond funding	02/01/07
M	94	0	0	After bond funding	04/01/07
N	119	0	0	02/01/07	07/01/07
O	25	0	0	07/17/07	10/01/07
P	131	0	0	01/27/08	08/01/08
Q	43	0	0	02/21/07	02/01/07
R	307	0	0	06/04/07	12/01/07
S	42	0	0	05/21/07	11/01/07

T	185	0	0	08/28/07	04/01/08
U	107	0	0	06/29/07	04/01/08
V	0	0	273	10/15/07	06/15/08
W	0	0	224	06/29/07	04/01/08
X	0	114	0	10/15/07	06/15/08
Y	32	0	0	07/02/07	09/15/07
Z	0	95	0	08/27/07	06/15/08
<b>Total</b>	<b>2,129</b>	<b>266</b>	<b>539</b>		

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	803	225	70	120	117	\$205,774
50' Single Family	758	166	77	250	89	\$293,538
64' Single Family	568	137	45	77	90	\$357,509
Attached Villas	266	17	17	41	0	0
Carriage Homes	539	0	0	0	0	0
<b>Total:</b>	<b>2,934</b>	<b>545</b>	<b>209</b>	<b>488</b>	<b>296</b>	<b>\$278,298</b>

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	

- 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 in 2006	Cumulative Units Sold in 2006
Single Family	309	743
Villas	0	41
Carriage Homes	0	0
<b>Total</b>	309	784

- 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.
- 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: JOHN PATTERSON

Title: VICE PRESIDENT OF FINANCE

Date: 2-7-2007