

**\$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, 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	\$2,277,451	3,128,324	2,692,539	86%
Surveying	\$927,810	\$1,941,697	2,869,507	1,341,395	47%
Compaction / const testing	\$533,750	\$1,339,953	1,873,703	1,104,452	59%
Clearing and brushing	\$1,064,684	\$1,546,989	2,611,673	1,222,785	47%
Earth balancing	\$2,950,441	\$12,213,486	15,163,927	7,855,935	52%
Sanitary sewer	\$2,293,800	\$8,025,399	10,319,199	4,940,794	48%
Storm water	\$2,267,950	\$6,832,854	9,100,804	4,099,607	45%
Water mains	\$1,428,364	\$5,046,102	6,474,466	2,667,682	41%
Paving	\$1,240,411	\$3,772,783	5,013,194	2,002,630	40%
Paving 2 (surface course)	\$362,764	\$1,326,655	1,689,419	127,420	8%
Curb & gutter -	\$856,657	\$1,678,636	2,535,293	1,120,844	44%
Sidewalks	\$944,416	(\$238,018)	706,398	9,332	1%
Street lights	\$403,650	\$315,322	718,972	266,056	37%
Street signs	\$219,100	\$241,180	460,280	209,591	46%
Special structures	\$2,370,233	\$13,321,788	15,692,021	10,453,494	67%
Off-site sanitary	\$5,238,348	\$2,702,609	7,940,957	7,013,620	88%
Off-site water	\$277,770	\$952,958	1,230,728	756,393	61%
Off-site paving	\$750,000	(\$302,525)	447,475	341,225	76%
Off-site traffic signals	\$300,000	(\$155,289)	144,711	144,711	100%
Public library	\$1,500,000	\$0	\$1,500,000	7,610	.5%
<b>Total Public Improvements:</b>	<b>\$26,781,021</b>	<b>\$62,840,029</b>	<b>\$89,621,050</b>	<b>\$48,378,116</b>	<b>53.98%</b>
<i>Less Other Funds</i>	<b>\$9,490,384</b>	<b>\$62,537,780</b>	<b>\$72,028,164</b>	<b>\$32,402,813</b>	<b>44.99%</b>
<b>Total Bond Funded Costs</b>	<b>\$17,290,637</b>	<b>*\$302,249</b>	<b>\$17,592,886</b>	<b>\$15,975,303</b>	<b>90.80%</b>

\* Budget change amount represents interest earned on bond proceeds from acquisition & construction balance.

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 J2, and M-Z with the exception of Pods Q&S 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 reduced the aggregate number of units from 3,647 as shown in the Limited Offering Memorandum to 2,768 (original SCCL) as shown in the Current District Sun City Carolina Lakes table below. At the time of feasibility, it was determined that the developer could develop up to 3,647 units. As of June 30, 2007, the developer is planning on developing 2,768 units and utilized the remainder of the land for common areas. Per the Limited Offering Memorandum, Appendix B, The decrease in unit count will result into a Mandatory Prepayment of assessments for the number of units below the original proposed development of 3,647 units. At the time of Bond issuance, the developer was under contract to purchase additional land (Turkey Point) adjacent to Sun City Carolina Lakes with the expectation to annex the new units into the overall PDD. The developer since then has purchased the Turkey Point Land and is scheduled to precede based on schedule below. No planning design or engineering have occurred for the Turkey Point site. The estimate 900 unit count is the developer's most conservative number at this point in time. The 900 units at Turkey Point with the new 2,768 units at Sun City Carolina Lake totaling 3,668 units will exceed the original proposed development count of 3,647 units. This was the basis for deferring the Mandatory Prepayment on the June 30, 2007 quarterly CD statement and now on the September 30, 2007 quarterly CD statement.

## Current District Sun City Carolina Lakes

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	78	Prior to bond funding	Completed
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	Completed
I-J	83	0	0	After bond funding	Completed
K	72	0	0	After bond funding	Completed
L	36	0	0	After bond funding	Completed
M	92	0	0	After bond funding	Completed
N	113	0	0	03/01/07	Completed
O	20	0	0	03/28/08	10/01/09
P	131	0	0	01/27/08	08/01/09
Q	48	0	0	04/15/07	Completed
R	203	0	0	06/04/07	Completed
S	40	0	0	05/21/07	Completed
T	221	0	0	08/28/07	08/01/08
U	89	0	0	08/28/07	10/01/08
V	0	0	212	03/28/08	08/25/09
W	0	0	132	03/28/08	12/01/08
X	0	10	80	03/28/08	8/25/09
Y	0	95	0	07/02/07	12/15/07
Z	0	113	0	08/28/07	10/1/08
X2	0	0	0	7/28/07	12/25/08
Subtotal	1,991	275	502		

## Turkey Point

Phase	Single-family Homes	Villas	Carriage Homes	Planned Date of Commencement	Planned Date of Completion
TP 40s	120	0	0	7/28/08	12/25/08
TP 40s E	140	0	0	6/29/08	12/15/08
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	2746	420	502		

4) Sales and closings with homebuyers current district only:

Product Type	No. of Units	Building Permits Issued	Homes under Construction	Contract for Sale	Homes Closed and Settled	Average Sales Price
40' Single Family	625	319	32	33	276	\$213,787
50' Single Family	1639	452	97	156	301	\$299,677
64' Single Family	482	273	37	79	208	\$396,022
Attached Villas	420	57	5	5	52	\$184,213
Carriage Homes	502	40	12	9	16	\$234,568
<b>Total:</b>	3,668	1141	183	282	853	\$287,119

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	
Pod N	3/30/07	5/22/07	5/22/07	
Pod Q	4/27/07	7/16/07	7/16/07	
Pod Y	9/15/07			

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

<b>Product Type</b>	<b>Cumulative Units Constructed as of 9/30/2007</b>	<b>Cumulative Units Sold as of 9/30/2007</b>
Single Family	821	1065
Villas	54	57
Carriage Homes	20	28
<b>Total</b>	<b>895</b>	<b>1,150</b>

- 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: \_\_\_\_\_

Title: VP FINANCE

Date: 11-15-07