

**\$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 December 31, 2008. 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:

The information provided herein is not intended to supplement the information provided in the Limited Offering Memorandum. This report responds to the specific requirements of the continuing disclosure agreement. No representation is made as to the materiality or completeness of the information provided herein or as to whether other relevant information exists with respect to the period covered by this report. Other matters or events may have occurred or become known during or since that period that may be material. All information is provided as of December 31, 2008, unless otherwise stated, and no representation is made that the information contained herein is indicative of information that may pertain since the end of the period covered by this report or in the future.

**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	3,704,795	4,555,668	3,143,010	69%
Surveying	\$927,810	2,407,163	3,334,973	1,761,185	53%
Compaction / const testing	\$533,750	2,258,433	2,792,183	1,574,820	56%
Clearing and brushing	\$1,064,684	2,098,228	3,162,912	1,617,950	51%
Earth balancing	\$2,950,441	17,089,136	20,039,577	11,033,426	55%
Sanitary sewer	\$2,293,800	9,610,242	11,904,042	6,446,484	54%
Storm water	\$2,267,950	8,913,757	11,181,707	5,523,583	49%
Water mains	\$1,428,364	5,969,813	7,398,177	3,808,256	51%
Paving	\$1,240,411	4,751,896	5,992,307	2,809,413	47%
Paving 2 (surface course)	\$362,764	1,667,652	2,030,416	343,087	17%
Curb & gutter	\$856,657	2,228,791	3,085,448	1,444,950	47%
Sidewalks	\$944,416	(354,168)	590,248	14,299	2%
Street lights	\$403,650	304,243	707,893	266,056	38%
Street signs	\$219,100	384,815	603,915	318,946	53%
Special structures	\$2,370,233	13,808,615	16,178,848	11,544,047	71%
Off-site sanitary	\$5,238,348	2,069,306	7,307,654	7,044,632	96%
Off-site water	\$277,770	789,417	1,067,187	779,438	73%
Off-site paving	\$750,000	(208,783)	541,217	376,967	70%
Off-site traffic signals	\$300,000	(155,289)	144,711	144,711	100%
Public library	\$1,500,000	150,881	1,650,881	1,625,489	98%
<b>Total Public Improvements:</b>	<b>\$26,781,021</b>	<b>\$77,488,943</b>	<b>\$104,269,964</b>	<b>\$61,620,749</b>	<b>59.10%</b>
<i>Less Other Funds</i>	<b>\$9,490,384</b>	<b>\$77,039,503</b>	<b>\$86,529,887</b>	<b>\$43,906,064</b>	<b>50.74%</b>
<b>Total Bond Funded Costs</b>	<b>\$17,290,637</b>	<b>*\$449,440</b>	<b>\$17,740,077</b>	<b>\$17,714,685</b>	<b>99.86%</b>

\* Budget change amount represents interest earned on bond proceeds from acquisition & construction, and library balances.

The Spent to Date figures are on an accrual basis.

## 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 the water main installations for Pods O, P, T, U, V, W, X, X2, and Z. The Pod waterlines, which are the water main and services within each pod, were not included in the original Infrastructure that designated bond proceeds.
- c) **Status of sanitary sewer infrastructure:** All sewer infrastructures, including the force main/pump station, are complete with the exception of the sewer infrastructure for Pods O, P, T, U, V, W, X, X2, and Z, none of which were included in the original Infrastructure that designated bond proceeds.
- d) **Status of storm water management systems:** All storm work infrastructure is complete with the exception of the storm water infrastructure for Pods O, P, T, U, V, W, X, X2, and Z.
- e) **Status of other infrastructure and utilities improvements not funded by bond proceeds:** All power, phone, cable and gas installations are complete with the exception of Pods O, P, T, U, V, W, X, X2, and Z.

## 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 District boundaries). 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 2,772 units. 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 Planned Development District. The developer since then has purchased the Turkey Point Land and is scheduled to precede based on schedule below. No planning, design or engineering has occurred for the Turkey Point site. The estimated 900 unit count at Turkey Point is the developer's most conservative number at this point in time. The 900 units at Turkey Point plus the 2,772 units at Sun City Carolina Lake, together totaling 3,672 units, exceeds the original proposed development count of 3,647 units. This was the basis for deferring the Mandatory Prepayment on the June 30, 2007 quarterly CID statement and now on the December 31, 2008 quarterly CID statement.

Pod (Phase)	Single-family Homes	Villas	Carriage Homes	Condos	Planned Date of Commencement	Planned Date of Completion
<b>Sun City Carolina Lakes</b>						
A	126	0	0	0	Prior to bond funding	Completed
B	105	0	0	0	Prior to bond funding	Completed
C	138	57	0	0	Prior to bond funding	Completed
Cl	0	0	78	0	Prior to bond funding	Completed
D	90	0	0	0	Prior to bond funding	Completed
E	235	0	0	0	After bond funding	Completed
F	35	0	0	0	After bond funding	Completed
G-H	110	0	0	0	After bond funding	Completed
I-J	83	0	0	0	After bond funding	Completed
K	72	0	0	0	After bond funding	Completed
L	36	0	0	0	After bond funding	Completed
M	94	0	0	0	After bond funding	Completed
N	113	0	0	0	3/1/2007	Completed
O	20	0	0	0	3/28/2009	10/1/2009
P	100	0	0	0	6/27/2009	8/1/2010
Q	48	0	0	0	4/15/2007	Completed
R	203	0	0	0	6/4/2007	Completed
S	40	0	0	0	5/21/2007	Completed
T	221	0	0	0	8/28/2008	8/28/2009
U	110	0	0	0	8/28/2008	10/1/2009
V	0	0	212	0	3/28/2010	8/25/2011
W	0	0	124	0	3/28/2010	3/28/2011
X	0	0	0	80	3/28/2009	8/25/2010
Y	0	86	0	0	7/2/2007	Completed
Z	0	116	0	0	8/28/2009	10/1/2010
X2	0	0	0	40	7/28/2010	12/25/2011
<b>Subtotal</b>	<b>1,979</b>	<b>259</b>	<b>414</b>	<b>120</b>		
<b>Turkey Point</b>						
TP 40s	120	0	0	0	7/28/2010	12/25/2012
TP 40s E	140	0	0	0	7/28/2010	12/25/2012
TP 50s	270	0	0	0	7/28/2010	12/25/2012
TP Villas	0	170	0	0	7/28/2010	12/25/2012
TP Condos	0	0	0	200	7/28/2010	12/25/2012
<b>Subtotal</b>	<b>530</b>	<b>170</b>	<b>0</b>	<b>200</b>		
<b>Total</b>	<b>2,509</b>	<b>429</b>	<b>414</b>	<b>320</b>		

In the table above, the indication that the Pod (Phase) is “completed” signifies that the horizontal development has been finished, and the lots within the phase have been turned over for construction.

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	773	414	10	2	376	\$213,785
50' Single Family	1119	601	25	41	585	\$302,061
64' Single Family	617	371	13	12	365	\$403,718
Attached Villas	429	132	6	7	126	\$182,210
Carriage Homes	414	62	11	0	51	\$215,748
Condos	320	0	0	0	0	NA
<b>Total:</b>	3,672	1,580	65	62	1,503	\$296,242

5) Government permits and approvals:

Governmental Permit/Approval	Date Submitted	Date Approved	Date Received
Subdivision Plat Approval			
Pod A	8/26/2005	10/27/2005	10/27/2005
Pod B	2/8/2006	6/5/2006	6/5/2006
Pod C	8/3/2006	8/4/2006	8/4/2006
Pod C – Villa's	9/8/2006	12/12/2006	12/12/2006
Pod D – Part 1	3/31/2006	6/5/2006	6/5/2006
Pod D – Part 2	6/1/2006	6/6/2006	6/6/2006
Pod E	6/5/2006	6/7/2006	6/7/2006
Pod F	5/13/2006	7/21/2006	7/21/2006
Pod G-H	8/22/2006	12/18/2006	12/18/2006
Pod I-J	8/22/2006	12/18/2006	12/18/2006
Pod I-J	8/22/2006	12/18/2006	12/18/2006
Pod C1	1/26/2007	2/9/2007	2/9/2007
Pod K	12/15/2006	2/28/2007	2/28/2007
Pod L	11/17/2006	1/29/2007	1/29/2007
Pod M	1/4/2007	3/15/2007	3/15/2007
Pod N	3/30/2007	5/22/2007	5/22/2007
Pod Q	4/27/2007	7/16/2007	7/16/2007
Pod Y1	9/4/2007	11/12/2007	11/12/2007
Pod Y2	9/4/2007	12/31/2007	12/31/2007
Pod R1	8/6/2007	9/26/2007	9/26/2007
Pod R2	7/17/2007	10/8/2007	10/8/2007
Pod T	7/6/2008	9/24/2008	9/24/2008
Pod U	9/26/2008	11/24/2008	11/24/2008
Pod S	4/27/2007	10/16/2007	10/16/2007

**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 12/31/2008</b>	<b>Cumulative Units Sold as of 12/31/2008</b>
Single Family	1,374	1,381
Villas	132	133
Carriage Homes	62	51
Condos	0	0
<b>Total</b>	<b>1,568</b>	<b>1,565</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: V.P. FINANCE

Date: 5-27-09