



COUNTY OF PLACER
 State of California
Transmittal for Developer Annual Report(s)
 Final Report Dated March 21, 2006

In Accordance with the Continuing Disclosure Certificate for
 Series 2001 Special Tax (Mello-Roos) Bonds for the
Dry Creek – West Placer Community Facilities District No. 2001-1
Issued November 15, 2001
 In the Amount of \$20,000,000

For Acquisition and Construction of Certain Public Infrastructure Facilities:

Maturity Date	Principal	CUSIP	Maturity Date	Principal	CUSIP
Sept. 1	Amount	Number	Sept. 1	Amount	Number
2003	\$ 410,000	726011 AA7	2013	\$ 695,000	726011 AL3
2004	\$ 430,000	726011 AB5	2014	\$ 735,000	726011 AM1
2005	\$ 455,000	726011 AC3	2015	\$ 780,000	726011 AN9
2006	\$ 480,000	726011 AD1	2016	\$ 825,000	726011 AP4
2007	\$ 505,000	726011 AE9	2017	\$ 875,000	726011 AQ2
2008	\$ 535,000	726011 AF6	2018	\$ 930,000	726011 AR0
2009	\$ 560,000	726011 AG4	2019	\$ 985,000	726011 AS8
2010	\$ 595,000	726011 AH2	2020	\$ 1,050,000	726011 AT6
2011	\$ 625,000	726011 AJ8	2021	\$ 1,115,000	726011 AU3
2012	\$ 660,000	726011 AK5	2026	\$ 6,755,000	726011 AV1

This transmittal of Developer Annual Report(s) is provided in accordance with Appendix E-2 of the Official Statement, Continuing Disclosure Certificate of the Developer, for the November 15, 2001 Special Tax (Mello-Roos) Bonds issued by the County of Placer in the amount of \$20,000,000 for acquisition of certain infrastructure improvements in the Dry Creek–West Placer Community Facilities District No. 2001-1 ("District"). Each of the required items in this Report is identified as set forth in Section 4 (a-f) and Section 5 (a-c) of the Appendix, if applicable.

Transmitted herein are the following Developer annual report(s):

<u>Report Date</u>	<u>Developer</u>	<u>By:</u>
3/21/06	Morgan Creek Residential, LLC	Phil L. Rush, Exec. Vice President Resmark Equity Partners, LLC

Respectfully submitted,

Date: 3/22/2006

JW:gr
Attachment (1)

Jenine Windeshausen, Treasurer-Tax Collector
 Dissemination Agent

To: Bloomberg Municipal Repository
 DPC Data Inc.
 FT Interactive Data
 Standard & Poor's J. J. Kenny Information Systems, Inc.
 Stone & Youngberg LLC, Underwriter

269

CC: Placer County Board of Supervisors ✓
Placer County Executive Office
Placer County Auditor-Controller
Placer County Public Works

MORGAN CREEK RESIDENTIAL, LLC

c/o Remark Equity Partners, LLC
10880 Wilshire Blvd., Suite 1420
Los Angeles, California 90024

March 21, 2006

Ms. Gloria Rickard
Chief Deputy Treasurer
County of Placer
2976 Richardson Drive
Auburn, California 95603-2640

**Re: Dry Creek - West Placer Community Facilities District No. 2001-1
Annual Report**

Dear Ms. Rickard:

This Annual Report is provided in accordance with the Continuing Disclosure Certificate of Morgan Creek Residential, LLC ("MCR") for the November 15, 2001 Special Tax Bonds issued by the County of Placer in the amount of Twenty Million Dollars (\$20,000,000.00) for acquisition of certain infrastructure improvements in the Dry Creek - West Placer Community Facilities District No. 2001-1. Each of the required items in this report is identified as set forth in Section 4 (a-f) of the Certificate.

SECTION 4.

- (a) Property Ownership. Since the date of MCR's previous Annual Report (January 21, 2005), certain parcels of the property that were owned by MCR were sold or otherwise transferred to other parties, as set forth in Section 4(b) below. MCR now owns no property at Morgan Creek. The ownership of MCR has not changed since the date of MCR's previous Annual Report.
- (b) Sales of Property. As described in the Official Statement, the Morgan Creek property consists of approximately 542.2 acres, which could yield 579 units. MCR's portion of the Morgan Creek property initially consisted of approximately 458.4 acres, which could yield 449 units.

In the previous Annual Reports, MCR reported that acreage for 379 units had been transferred to merchant and custom homebuilders, and that acreage had been transferred to Placer County (for open space and a potential park site) and to Morgan Creek Golf Club, LLC (for the golf course and golf course facilities).

Since the date of the previous Annual Report, MCR has transferred title to an additional 5 lots to custom homebuilders. This brings the total lots transferred to date by MCR to 449. MCR owns no additional property at Morgan Creek.

The County of Placer has approved all of the Final Maps, and has accepted as complete the subdivision improvements, for MCR's 449 unit project. Exoneration of all remaining improvement bonds is anticipated by the end of the 1st quarter 2006.

271

- (c) Intentionally left blank.
- (d) Denial of Credit. MCR has not been denied credit, lines of credit, loans or lost its source of capital. MCR has paid off its loans with Wells Fargo Bank and Farmer's and Merchants Bank. MCR continues to have the financial resources to pay Special Taxes, however, it should be noted that all tax payments are now the responsibility of the individual property owners.
- (e) Taxes and Assessments. MCR is current on general property taxes, Special Taxes and assessments.
- (f) Undisclosed Amendments. There are no undisclosed amendments to the development entitlements, environmental conditions or other government conditions that are necessary to complete the development of Morgan Creek's property as described in the Official Statement.
- (g) Other. In the 2004 and 2005 Annual Reports, MCR reported that the ownership group of Morgan Creek Golf and Country Club was considering the sale of the golf course to another party. MCR has now been advised that a sale to STEP Golf Associates, LLC was completed in June 2005. This entity is made up of the four principal partners of Lakemont Homes, Inc. Representatives of Lakemont have indicated to MCR that it is their intent to continue to develop and run the golf course as a private to semi-private membership club. They have also indicated that it is their intent to continue development of new facilities at the club including completion of the pool/cabana facility. MCR has no ownership or control of the Golf Club and therefore cannot represent that the proposed improvements will be made.

Final Annual Report by MCR

As noted in this report MCR has now completed all improvements on its 449 lots at Morgan Creek. These improvements have been accepted by Placer County. In addition, MCR has completed the sale of all 449 lots to third parties who are now responsible for payment of taxes and assessments. As such, this will be the final Annual Report filed by MCR.

In the event of any inquiries, please contact the undersigned at (310) 474-8400.

Sincerely,
MORGAN CREEK RESIDENTIAL, LLC
a Delaware limited liability company

By: OMCR Manager, LLC
a Delaware limited liability company, its manager

By: ORA Residential Investments I, L.P.
a California limited partnership

By: ORA California II, LLC
a Delaware limited liability company, its manager

By: Resmark Equity Partners, LLC
a Delaware limited liability company, its manager

By: 
Phil L. Rush, Executive Vice President