

**2003-2004 Annual Report for the
City of Murrieta Community Facilities District No. 2001-1 (Murrieta Highlands)
Continuing Disclosure Report - 2003 Issue Special Tax Bonds Series A and B
Information Related to: June 30, 2004
Report Due Date: January 31, 2005**

In accordance with the Continuing Disclosure Agreement ("Contents of Annual Report"), the following information is provided:

AUDITED FINANCIAL STATEMENT

The City of Murrieta has prepared an "Annual Financial Report" for the fiscal year ending June 30, 2004. A copy is on file in the City Clerks Office.

STATUS OF BONDS	June 30, 2004	<u>Minimum Balance Required</u>
1) Principal Outstanding:	\$ 2,050,000	
2) Improvement Fund Balance:	\$ -	
3) Capitalized Interest Account Balance:	\$ -	
4) Reserve Fund Balance:	\$ 137,815	\$ 137,089

SPECIAL TAX LEVY

Ownership responsible for 5% or more of the Special Tax Levy

	<u>Name</u>	<u>Special Tax Levy</u>	<u>Levy %</u>	<u>Developed</u>	<u>Undeveloped</u>
1) WL Homes (25)		\$ -	0%	100%	0%
2) WL Mapleton Associations (16)		\$ -	0%	100%	0%
3) Western Pacific Housing Inc. (5)		\$ -	0%	100%	0%
4) Others		\$ -	0%	100%	0%
	Total	<u>\$ -</u>	<u>0%</u>		

DELINQUENCY INFORMATION

- | | |
|--|----------------|
| 1) Number and dollar amount of delinquencies: | None |
| 2) Statement of whether the District has fulfilled its covenants to initiate judicial foreclosure proceedings: | Not Applicable |
| 3) Identification of all delinquent taxpayers: | Not Applicable |

LAND VALUE

Total assessed value of all parcels subject to special tax: (From Assessed Valuation as of January 1, 2004)	\$191,974,446
Total appraised value of all parcels subject to special tax: (From Appraisal of June 23, 2003)	\$ 155,011,000

OWNERSHIP

	<u>Name</u>	<u>Assessed Value</u>	<u>Percent</u>
1) Centex Homes		\$ 39,511,000	21%
2) WL Homes (25)		\$ 8,566,626	4%
3) WL Mapleton Associations (16)		\$ 6,395,785	3%
4) Western Pacific Housing Inc. (5)		\$ 5,775,584	3%
Others		\$ 171,236,451	89%
		<u>\$ 191,974,446</u>	<u>100%</u>

SUMMARY OF CONTINUING DISCLOSURE

Principal and interest payment delinquencies;	None
Non-payment related defaults;	None
Unscheduled draws on debt service reserves reflecting financial	None
Unscheduled draws on credit enhancements reflecting financial	None
Substitution of credit or liquidity providers, or their failure to	None
Adverse tax opinions or events affecting the tax-exempt status of	None
Modifications to rights of bondholders;	None
Bond calls;	None
Defeasances;	None
Release, substitution or sale of property securing repayment of	None
Rating changes.	None