

THIS AMENDMENT NO. 3 TO JOINT EXERCISE OF POWERS AGREEMENT (the "Amendment No.3") is by and between the COUNTY OF YUBA, a political subdivision of the State of California (the "County") and RECLAMATION DISTRICT NO. 784, a reclamation district, duly organized and existing under the laws of the State of California (the "District").

RECITALS:

WHEREAS, Articles 1 through 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") authorized the County and the District to create a joint exercise of powers entity which has the power to jointly exercise any powers common to the County and the District and to exercise the powers granted to it under the Act;

WHEREAS, the County and the District have entered into a revised Joint Exercise of Powers Agreement, dated as of April 6, 2004 (the "Agreement") creating the Three Rivers Levee Improvement Authority (the "Authority");

WHEREAS, the County and the District have entered into an amendment of the Agreement on May 16, 2006 (the "Amendment No. 1") for purposes of amending sections 3.01, 3.05, 4.03, and 4.06 of the Agreement;

WHEREAS, the County and the District have entered into an amendment of the Agreement on June 15, 2007 (the "Amendment No. 2") for purposes of amending section 3.05 of the Agreement;

WHEREAS, the County and the District now desire to further amend the Agreement to clarify that the Authority has the power to contract for and/or finance levee maintenance activities to the extent the Authority deems appropriate to carry out the Authority's primary purpose of protecting health and safety of Yuba County by providing flood control improvement.

AGREEMENT

NOW, THEREFORE, the County and the District, for and in consideration of the mutual promises and agreement herein contained, and for other consideration the receipt and sufficiency of which is hereby acknowledged, do hereby agree as follows:

Section 1. Amendment to the Agreement.

(a) Section 2.01 of the Agreement is hereby deleted and replaced with the following:

"This Agreement is made pursuant to the Act providing for the joint exercise of powers common to the County and the District, and for other purposes as permitted under the Act, the Bond Law and as agreed by the parties hereto. The primary

purpose of this Agreement is to provide for flood control improvements located in the County, including improvements to the levee system and related drainage improvements. The Authority may undertake any activities necessary or desirable to achieve its primary purpose including but not limited to (a) the power to study, plan for, design, develop, acquire, and construct and repair improvements, (b) the acquisition and holding of title to land by eminent domain proceedings, as necessary for levee system improvements, related drainage improvements and/or habitat mitigation incident to any such improvements; and (c) the provision of financing for improvements, maintenance of improvements, and related activities, including financing by means of the creation of one or more community facilities districts, assessment districts or other financing districts, the entering into of lease and/or installment sale obligations, the issuance of revenue or other notes, bond or evidence of indebtedness, and the imposition of appropriate impact or other fee obligations. The Authority may conduct activities alone, or in cooperation with any Member, any Associate Member, the State or California or any agency or political subdivision thereof, the United States or any department or agency thereof, or other entities. It is not contemplated that the Authority will in any way perform periodic levee maintenance activities which the District, other reclamation districts or other governmental or non-governmental entities are obligated to do or which otherwise in the past have been done by them."

Section 2. Affirmation of Agreement. Except as amended pursuant to the provisions of Section 1 above, the terms and provisions of the Agreement, as amended by Amendment No.1 and Amendment No.2 are hereby affirmed.

Section 3. Successors. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their successors.

Section 4. Execution in Counterparts. This Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 3 to be executed by their proper officers thereunto duly authorized, on the day and year first written above.

COUNTY OF YUBA

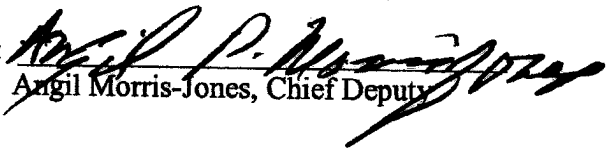
Date: March 10, 2009

By: [Signature]
Chairman of the Board of Supervisors

ATTEST:


By: [Signature]
Clerk of the Board of Supervisors

APPROVED AS TO FORM
COUNTY COUNSEL

By: 
Angil Morris-Jones, Chief Deputy

RECLAMATION DISTRICT No. 784

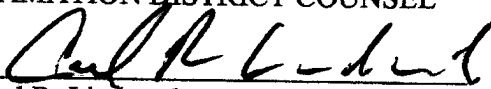
Date: March 10, 2009

By: 
President

ATTEST:

By: 
Secretary

APPROVED AS TO FORM
RECLAMATION DISTRICT COUNSEL

By: 
Carl R. Lindmark