

**BEFORE THE BOARD OF DIRECTORS**  
**OF THREE RIVERS LEVEE IMPROVEMENT AUTHORITY**

**In Re:**

**RESOLUTION DECLARING INTENTION TO INCUR )  
BONDED INDEBTEDNESS OF THE PROPOSED )  
THREE RIVERS LEVEE IMPROVEMENT )  
AUTHORITY COMMUNITY FACILITIES DISTRICT )  
NO. 2006-1 (SOUTH COUNTY AREA) )**

**Resolution No. 07-06**

**WHEREAS**, this Board of Directors has this date adopted its Resolution entitled "Resolution Declaring Intention to Establish a Community Facilities District and To Authorize the Levy of Special Taxes Therein – South County Area Additional Financing," stating its intention to form a community facilities district pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Law"), for the purpose of financing a portion of costs of certain levee and related improvements (the "Facilities"), as further provided in said Resolution; and

**WHEREAS**, this Board of Directors estimates the amount required for the financing of the portion of costs of the Facilities to be funded by the District (as defined below), including an allowance for contingencies, to be approximately \$135,000,000; and

**WHEREAS**, in order to finance said portion of the costs of the Facilities, and to provide the capacity to issue bonds to refund one or more of the series of bonds expected to be issued for the District, it is necessary to incur bonded indebtedness in the amount of not to exceed \$250,000,000.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Three Rivers Levee Improvement Authority as follows:

*Section 1.* It is necessary to incur bonded indebtedness within the boundaries of the proposed Three Rivers Levee Improvement Authority Community Facilities District No. 2006-1 (South County Area) (the "District") in the amount of not to exceed \$250,000,000 to finance a portion of the costs of the Facilities and to provide the capacity to issue bonds to refund one or more of the series of bonds expected to be issued for the District.

*Section 2.* The bonded indebtedness is proposed to be incurred for the purpose of financing a portion of the costs of the Facilities, including costs incidental to or connected with the accomplishment of said purposes and of the financing thereof, and for purposes of refinancing outstanding indebtedness of the District and funding reserve funds and paying the costs related to the issuance of the bonded indebtedness of and any such refinancing for the District.

*Section 3.* This Board of Directors, acting as legislative body for the District, intends to authorize the issuance and sale of bonds in one or more series the maximum aggregate principal amount of \$250,000,000, bearing interest payable semi-annually or in such other manner as this Board of Directors shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by applicable law at the time of sale of such bonds, and maturing not to exceed forty (40) years from the date of the issuance of the respective series of the bonds.

*Section 4.* Tuesday, April 3, 2007, at 3:30 p.m. or as soon thereafter as the matter may be heard, in the regular meeting place of this Board of Directors, Board of Supervisors Chambers, Government Center, 915 Eighth Street, Marysville, California, be, and the same are hereby appointed and fixed as the time and place when and where this Board of Directors, as legislative body for the District, will conduct a public hearing on the proposed debt issue and consider and finally determine whether the public interest, convenience and necessity require the issuance of bonds of the Authority for the District.

*Section 5.* The Secretary is hereby directed to cause notice of said public hearing to be given by publication one time in a newspaper of general circulation circulated within the District. The publication of said notice shall be completed at least seven (7) days before the date herein set for said public hearing. The notice shall substantially in the form of Exhibit A hereto.

*Section 6.* This Resolution shall take effect upon its adoption.

\* \* \* \* \*

**PASSED AND ADOPTED** this 27<sup>th</sup> day of February, 2007, by the Board of Directors of the Three Rivers Levee Improvement Authority, by the following vote:

AYES: Directors Brown, Griego, Logue, Webb

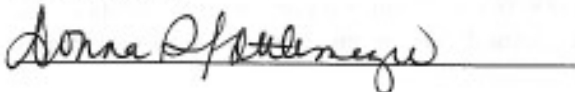
NOES: None

ABSENT: Director Crippen

ABSTAIN: None

  
Chairperson

ATTEST: DONNA STOTTLEMEYER,  
SECRETARY



APPROVED AS TO FORM: COUNSEL TO THE  
AUTHORITY, DANIEL MONTGOMERY

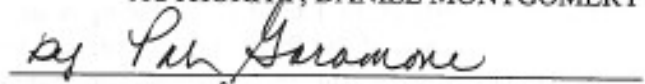
  
Deputy

EXHIBIT A

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY  
COMMUNITY FACILITIES DISTRICT NO. 2006-1  
(SOUTH COUNTY AREA)

NOTICE OF PUBLIC HEARING

Notice is hereby given that on February 20, 2007, the Board of Directors of the Three Rivers Levee Improvement Authority adopted a Resolution entitled "Resolution Declaring Intention To Incur Bonded Indebtedness of the Proposed Three Rivers Levee Improvement Authority Community Facilities District No. 2006-1 (South County Area)." Pursuant to the Mello-Roos Community Facilities Act of 1982, the Board of Directors of the Authority hereby gives notice as follows:

A. The text of said Resolution is as follows:

WHEREAS, this Board of Directors has this date adopted its Resolution entitled "Resolution Declaring Intention to Establish a Community Facilities District and To Authorize the Levy of Special Taxes Therein – South County Area Additional Financing," stating its intention to form a community facilities district pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Law"), for the purpose of financing a portion of costs of certain levee and related improvements (the "Facilities"), as further provided in said Resolution; and

WHEREAS, this Board of Directors estimates the amount required for the financing of the portion of costs of the Facilities to be funded by the District (as defined below), including an allowance for contingencies, to be approximately \$135,000,000; and

WHEREAS, in order to finance said portion of the costs of the Facilities, and to provide the capacity to issue bonds to refund one or more of the series of bonds expected to be issued for the District, it is necessary to incur bonded indebtedness in the amount of not to exceed \$250,000,000.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Three Rivers Levee Improvement Authority as follows:

*Section 1.* It is necessary to incur bonded indebtedness within the boundaries of the proposed Three Rivers Levee Improvement Authority Community Facilities District No. 2006-1 (South County Area) (the "District") in the amount of not to exceed \$250,000,000 to finance a portion of the costs of the Facilities and to provide the capacity to issue bonds to refund one or more of the series of bonds expected to be issued for the District.

*Section 2.* The bonded indebtedness is proposed to be incurred for the purpose of financing a portion of the costs of the Facilities, including costs incidental to or connected with the accomplishment of said purposes and of the financing thereof, and for purposes of refinancing outstanding indebtedness of the District and funding reserve funds and paying the costs related to the issuance of the bonded indebtedness of and any such refinancing for the District.

*Section 3.* This Board of Directors, acting as legislative body for the District, intends to authorize the issuance and sale of bonds in one or more series the maximum aggregate principal amount of \$250,000,000, bearing interest payable semi-annually or in such other

