

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. 2006-2 (SOUTH COUNTY AREA – OVERLAY)
DISTRICT))**

Resolution No. 07-08

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 Overlay District," 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, or reimbursing prior amounts advanced to finance, various public improvements (the "Facilities"), as further provided in said Resolution; and

WHEREAS, this Board of Directors estimates the amount required for the financing of, or reimbursement of advances to finance, the portion of costs of the Facilities or such reimbursements to be funded by the District (as defined below), including an allowance for contingencies, to be approximately \$18,000,000; and

WHEREAS, in order to finance said portion of the costs of the Facilities or such reimbursements, 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 \$25,000,000.

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. 2006-2 (South County Area – Overlay District) (the "District") in the amount of not to exceed \$25,000,000 to finance a portion of the costs of the Facilities and/or to reimburse prior advances made for such purpose.

Section 2. The bonded indebtedness is proposed to be incurred for the purpose of financing a portion of the costs of the Facilities and/or to reimburse prior advances made for such purpose, including costs incidental to or connected with the accomplishment of said purposes and of the financing thereof, funding reserve funds and paying the costs related to the issuance of the bonded indebtedness 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 \$25,000,000, 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 27th 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

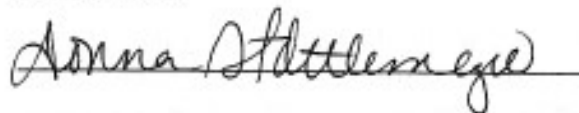
NOES: None

ABSENT: Director Crippen

ABSTAIN: None


Chairperson

ATTEST: DONNA STOTTEMEYER,
SECRETARY



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

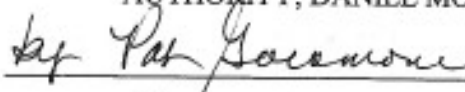

Deputy

EXHIBIT A

THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2006-2
(SOUTH COUNTY AREA – OVERLAY DISTRICT)

NOTICE OF PUBLIC HEARING

Notice is hereby given that on February 27, 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. 2006-2 (South County Area – Overlay District)." 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 Overlay DISTRICT," 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, or reimbursing prior amounts advanced to finance, various public improvements (the "Facilities"), as further provided in said Resolution; and

WHEREAS, this Board of Directors estimates the amount required for the financing of, or reimbursement of advances to finance, the portion of costs of the Facilities or such reimbursements to be funded by the District (as defined below), including an allowance for contingencies, to be approximately \$18,000,000; and

WHEREAS, in order to finance said portion of the costs of the Facilities or such reimbursements, 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 \$25,000,000.

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. 2006-2 (South County Area – Overlay District) (the "District") in the amount of not to exceed \$25,000,000 to finance a portion of the costs of the Facilities and/or to reimburse prior advances made for such purpose.

Section 2. The bonded indebtedness is proposed to be incurred for the purpose of financing a portion of the costs of the Facilities and/or to reimburse prior advances made for such purpose, including costs incidental to or connected with the accomplishment of said purposes and of the financing thereof, funding reserve funds and paying the costs related to the issuance of the bonded indebtedness 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 \$25,000,000, 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.

B. The hearing referred to in the aforesaid Resolution shall be at the time and place specified in the Resolution.

C. At that time and place any person interested, including persons owning property in the area of the proposed community facilities district, will be heard upon the proposed debt issue.

Dated: March __, 2007

_____/s/ Donna Stottlemeyer

Secretary,

Three Rivers Levee Improvement Authority

The foregoing instrument is a Correct Copy
of the original on file in this office
ATTEST: DONNA STOTTEMEYER
Clerk of the Board of Supervisors of the
County of Yuba, State of California

By Donna Stottlemeyer
Date: 4-25-07