

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

In Re:

**RESOLUTION DECLARING RESULTS OF)
SPECIAL ELECTION AND DIRECTING)
RECORDING OF NOTICE OF SPECIAL TAX LIEN) Resolution No. 04-09**

WHEREAS, in proceedings heretofore conducted by this Board of Directors pursuant to the Mello-Roos Community Facilities Act of 1982, Section 53311 et seq. of the California Government Code (the "Law"), on September 28, 2004 this Board of Directors adopted a resolution entitled "Resolution Calling Special Election Within Three Rivers Levee Improvement Authority Community Facilities District No. 2004-1 (South County Area)", calling for a special election of the qualified electors within the Three Rivers Levee Improvement Authority Community Facilities District No. 2004-1 (South County Area) (the "District"); and

WHEREAS, pursuant to the terms of said resolution, which are by this reference incorporated herein, the special election was held on October 5, 2004, and the Secretary of the Three Rivers Levee Improvement Authority has on file a Canvass and Statement of Results of Election, a copy of which is attached hereto as Exhibit A; and

WHEREAS, this Board of Directors has reviewed the canvass and hereby approves it.

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

Section 1. The issues presented at the special election were the incurring of a bonded indebtedness in the maximum aggregate principal amount of \$33,000,000, the levy of a special tax within the District to be levied in accordance with the rate and method of apportionment of special taxes heretofore approved by this Board of Directors by its resolution adopted on September 28, 2004 entitled "Resolution of Formation of Three Rivers Levee Improvement Authority Community Facilities District No. 2004-1 (South County Area), Authorizing Levy of a Special Tax Within the District, Preliminarily Establishing an Appropriations Limit for the District, Submitting Levy of the Special Tax and the Establishment of the Appropriations Limit to the Qualified Electors of the District," and the approval of an appropriations limit of not to exceed \$33,000,000 pursuant to said resolution.

Section 2. Pursuant to the canvass of the special election on file with the Secretary of the Authority, the issues presented at the special election were approved by the qualified electors of the District by more than two-thirds of the votes cast at the special election.

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

PASSED AND ADOPTED this 5th day of October, 2004, by the Board of Directors of the Three Rivers Levee Improvement Authority, by the following vote:

AYES: Directors Brown, Griego, Webb

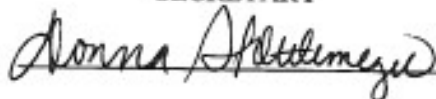
NOES: None

ABSENT: Director Logue

ABSTAIN: None


Chairperson

ATTEST: DONNA STOTTEMEYER,
SECRETARY



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



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Section 3. Pursuant to the voter approval, the District is hereby declared to be fully formed with the authority to incur bonded indebtedness and to levy special taxes as heretofore provided in these proceedings and in the Law.

Section 4. It is hereby found that all prior proceedings and actions taken by this Board of Directors with respect to the District were valid and in conformity with the Law.

Section 5. The Secretary is hereby directed to execute and cause to be recorded in the office of the County Recorder of the County of Yuba a notice of special tax lien in a form provided by Bond Counsel, said recording to occur no later than fifteen days following adoption by the Board of Directors of this Resolution.

EXHIBIT A

CANVASS AND STATEMENT OF RESULT OF ELECTION

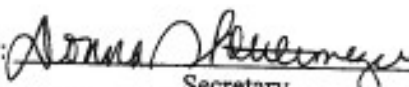
**THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(SOUTH COUNTY AREA)**

I hereby certify that on October 5, 2004, I canvassed the returns of the special election held on October 5, 2004, in the Three Rivers Levee Improvement Authority Community Facilities District No. 2004-1 (South County Area) and the total number of ballots cast in said District and the total number of votes cast for and against the measure are as follows and the totals as shown for and against the measure are full, true and correct:

	Qualified Landowner Votes	Votes Cast	YES	NO
Three Rivers Levee Improvement Authority Community Facilities District No. 2004-1 (South County Area) Special Tax and Bond Election October 5, 2004.	<u>2742</u>	<u>2742</u>	<u>2742</u>	<u>-0-</u>

BALLOT MEASURE: Shall the Three Rivers Levee Improvement Authority (the "Authority") incur an indebtedness and issue bonds in one or more series in the maximum aggregate principal amount of \$33,000,000, with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of the Three Rivers Levee Improvement Authority Community Facilities District No. 2004-1 (South County Area) (the "District"), the proceeds of which will be used only to finance the costs of certain flood control improvements as described in the Resolution of Formation of the District and the costs of issuing the bonds as well as the establishment of appropriate bond reserves; shall a special tax payable solely from lands within the District be levied annually upon lands within the District to be applied only (i) to the payment of the principal and interest upon such bonds to be issued, (ii) to replenish the reserves for the bonds, (iii) to replenish a special tax stabilization fund, (iv) to pay for the costs of flood control improvements directly, (v) to provide for reimbursements of special taxes required to be made by the District, (vi) to provide for the early retirement of the bonds, and (vii) to pay the costs of the Authority and the County of Yuba in administering the District; and shall the annual appropriations limit of the District be established in the amount of \$33,000,000?

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this 5th day of October, 2004.

By: 
Secretary,
Three Rivers Levee Improvement Authority