

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

In Re:

**RESOLUTION AUTHORIZING THE ISSUANCE)
OF SPECIAL TAX BONDS OF THE THREE)
RIVERS LEVEE IMPROVEMENT AUTHORITY)
FOR COMMUNITY FACILITIES DISTRICT NO.)
2006-1 (SOUTH COUNTY AREA), APPROVING)
AND DIRECTING THE EXECUTION OF FISCAL)
AGENT AGREEMENTS AND APPROVING OTHER)
RELATED DOCUMENTS AND ACTIONS)
)**

Resolution No. 07-13

WHEREAS, this Board of Directors has conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Law"), to form the Three Rivers Levee Improvement Authority Community Facilities District No. 2006-1 (South County Area) (the "District"), to authorize the levy of special taxes upon the land within the District, and to issue bonds secured by the special taxes the proceeds of which are to be used to finance certain flood control improvements (the "Facilities"), all as described in the Resolutions entitled "Resolution of Formation of Three Rivers Levee Improvement Authority Community Facilities District No. 2006-1 (South County Area) Authorizing the Levy of a Special Tax Within the District, Preliminarily Establishing an Appropriations Limit for the District, and Submitting Levy of the Special Tax and the Establishment of the Appropriations Limit to the Qualified Electors of the District" (the "Resolution of Formation") and "Resolution Determining the Necessity to Incur Bonded Indebtedness Within Three Rivers Levee Improvement Authority Community Facilities District No. 2006-1 (South County Area) and Submitting Proposition to the Qualified Electors of the District," which Resolutions were adopted by this Board of Directors on April 3, 2007; and

WHEREAS, pursuant to said resolutions, an election was held within the District on April 3, 2007 and the qualified electors approved the propositions of the incurrence of the bonded debt, the establishment of the appropriations limit and the levy of the special tax by more than two-thirds of the votes cast at said special election; and

WHEREAS, there have been submitted to this Board of Directors for its approval a form of Fiscal Agent Agreement (the "Fiscal Agent Agreement") providing for the issuance of the Series 2007-A Bonds (as defined in Section 1 below) and a form of bond purchase agreement to be used in connection with the sale of the Series 2007-A Bonds (the "Purchase Contract"), and this Board of Directors, with the aid of Authority staff, has reviewed said documents and found them to be in proper order; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Series 2007-A Bonds as contemplated by this

Resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Law.

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

Section 1. Subject in any event to the conduct of a public hearing by the Board of Supervisors of the County of Yuba and the approval by the Board of Supervisors of the issuance thereof (as contemplated by Section 6586.5(a)(2) of the California Government Code), pursuant to the Law, this Resolution and the Fiscal Agent Agreements, special tax bonds of the Three Rivers Levee Improvement Authority (the "Authority") for the District (the "Bonds") in an aggregate principal amount not to exceed \$250,000,000 are hereby authorized to be issued, such bonds to be designated the "Three Rivers Levee Improvement Authority Community Facilities District No. 2006-1 (South County Area) Special Tax Bonds" and the first several series of such bonds designated "Series 2007-A" followed by a reference to one of the tax zones of the District participating in the bond financing program at this time and otherwise in an aggregate principal amount not to exceed \$16,000,000 (collectively, the "Series 2007-A Bonds") are hereby authorized to be issued and sold as provided herein. The Series 2007-A Bonds shall be executed in the forms set forth in and otherwise as provided in the Fiscal Agent Agreements, as described below, with a separate series of Series 2007-A Bonds issued for each tax zone of the District participating in the bond financing program at this time.

This Board of Directors hereby finds and determines that the Series 2007-A Bonds, when issued pursuant to the Fiscal Agent Agreements, will be in compliance with the Authority's Land Secured Financing Policies applicable to the District, as modified pursuant to and otherwise referenced in Section 13 of the Resolution of Intention described in the Resolution of Formation. The Board of Directors further finds that the sale of the Series 2007-A Bonds at negotiated sale as contemplated by the Purchase Contracts described below will result in a lower overall cost.

Section 2. The Fiscal Agent Agreement with respect to the Series 2007-A Bonds, in the form presented to this Board of Directors at this meeting, is hereby approved. The Executive Director is hereby authorized and directed to execute and deliver a Fiscal Agent Agreement for each tax zone in the District participating in the bond financing program at this time (collectively, the "Fiscal Agent Agreements") in said form, with such additions thereto or changes therein as are approved by the Executive Director upon consultation with Authority Counsel and Bond Counsel, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Fiscal Agent Agreements by the Executive Director. The date, manner of payment, interest accrual rate, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Series 2007-A Bonds shall be as provided in the Fiscal Agent Agreements as finally executed.

Section 3. The Purchase Contract with respect to the Series 2007-A Bonds, in the form presented to the Board of Directors at this meeting, is hereby approved. The Executive Director is hereby authorized and directed to enter into a separate Purchase Contract for each series of the Series 2007-A Bonds to be issued (collectively, the "Purchase Contracts") and to execute and deliver the Purchase Contracts in said form, with such additions thereto or changes therein as are recommended or approved by such officer upon consultation with Authority Counsel and Bond Counsel, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Purchase Contracts by the Executive Director.

Section 4. The Series 2007-A Bonds, when executed, shall be delivered to the Treasurer of the County of Yuba, acting in the capacity of fiscal agent (the "Fiscal Agent") under the Fiscal Agent Agreements for authentication. The Fiscal Agent is hereby requested and directed to authenticate the several series of the Series 2007-A Bonds by executing the Fiscal Agent's certificate of authentication

and registration appearing thereon, and to deliver the several series of the Series 2007-A Bonds, when duly executed and authenticated, to the respective purchasers thereof identified in the Purchase Contracts in accordance with written instructions executed on behalf of the Authority by the Executive Director, which instructions such officer is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver to the Fiscal Agent.

Section 5. All actions heretofore taken by the officers and agents of the Authority with respect to the establishment of the District and the sale and issuance of the Series 2007-A Bonds are hereby approved, confirmed and ratified, and the proper officers of the Authority are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Series 2007-A Bonds in accordance with this Resolution, and any certificate, agreement or other document described in the documents herein approved. Whenever in this Resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

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

PASSED AND ADOPTED this 3rd day of April, 2007, by the Board of Directors of the Three Rivers Levee Improvement Authority, by the following vote:

AYES: Directors Brown, Crippen, Griego, Logue, Webb

NOES: None

ABSENT: None

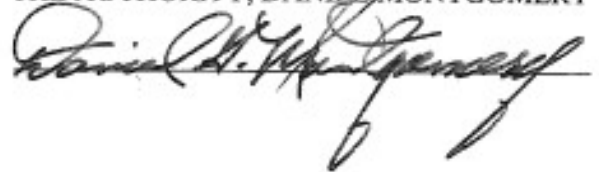
ABSTAIN: None


Chairperson

ATTEST: DONNA STOTTLEMEYER,
SECRETARY



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



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