

**PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 23, 2018****NEW ISSUE - FULL BOOK-ENTRY**

**RATINGS: Moody's: "\_\_\_"**  
**Standard & Poor's: "\_\_\_"**  
**See "RATINGS" herein.**

*In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS."*

**\$27,500,000\***

**LOS RIOS COMMUNITY COLLEGE DISTRICT**  
 (Sacramento County, California)  
**General Obligation Bonds**  
**2002 Election, Series F**

**\$65,000,000\***

**LOS RIOS COMMUNITY COLLEGE DISTRICT**  
 (Sacramento County, California)  
**General Obligation Bonds**  
**2008 Election, Series C**

**Dated: Date of Delivery****Due: August 1, as shown on inside cover**

**Cover Page.** This cover page contains information for quick reference only. It is not a summary of all the provisions of the Bonds. Investors must read the entire official statement to obtain information essential in making an informed investment decision.

**Authority and Purpose.** The captioned General Obligation Bonds (the "Series 2002F Bonds" and the "Series 2008C Bonds," together referred to herein as the "Bonds") are being issued by the Los Rios Community College District (the "District") pursuant to certain provisions of the California Government Code and two separate resolutions of the Board of Trustees of the District adopted on November 8, 2017 (together, the "Bond Resolutions"). The Series 2002F Bonds were authorized at an election of the registered voters of the District held on March 5, 2002. The Series 2008C Bonds were authorized at an election of the registered voters of the District held on November 4, 2008. See "THE BONDS – Authority for Issuance" and "THE FINANCING PLAN" herein.

**Security.** The Bonds are general obligations of the District. The Board of Supervisors of Sacramento County, being the county in which the majority of District property is located, as well as the other Boards of adjoining counties in which portions of the District are located as more particularly described herein (collectively, the "Counties") have the power and are obligated to annually levy *ad valorem* taxes upon all property subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates) for the payment of principal of and interest on the Bonds. The District has other series of general obligation bonds outstanding which are similarly secured by tax levies. See "SECURITY FOR THE BONDS."

**Bond Insurance.** The District has applied for municipal bond insurance for the Bonds, and accepting an insurance commitment, if any, will be at bidder's option pursuant to the terms of the applicable Official Notice of Sale for the applicable series of Bonds.

**Payments.** Interest on the Bonds accrues from the date of delivery and is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2018, by check, draft or wire mailed to the person in whose name the Bond is registered. Payments of principal and interest on the Bonds will be paid by the County of Sacramento, Director of Finance, Sacramento, California, as Paying Agent for the Bonds (the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS – Description of the Bonds."

**Redemption.** The Series 2002F Bonds are not subject to optional redemption prior to maturity. The Series 2008C Bonds are subject to optional redemption prior to maturity as described herein. The Bonds may be subject to mandatory sinking fund redemption prior to maturity as described herein, as bidder's option. See discussion of redemption under the heading "THE BONDS."

**Book-Entry Only.** The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers will not receive physical certificates representing their interests in the Bonds. See "APPENDIX F – Book-Entry-Only System."

**MATURITY SCHEDULES**

(See inside front cover)

*The Bonds will be sold and awarded pursuant to competitive bidding processes to be held on January 31, 2018, as set forth in two separate Official Notices of Sale with respect to the Series 2002F Bonds and the Series 2008C Bonds, respectively. The Bonds are offered when, as and if issued, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Certain legal matters also will be passed upon for the District by Jones Hall, A Professional Law Corporation, San Francisco, California, as Disclosure Counsel. It is anticipated that the Bonds in definitive form will be available for delivery to Cede & Co., as nominee of The Depository Trust Company, on or about February 14, 2018.*

The date of this Official Statement is \_\_\_\_\_, 2018.

\*Preliminary; subject to change.

## MATURITY SCHEDULES\*

**\$27,500,000\***  
**LOS RIOS COMMUNITY COLLEGE DISTRICT**  
**(Sacramento County, California)**  
**General Obligation Bonds**  
**2002 Election, Series F**

<b>Maturity Date (August 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>CUSIP<sup>†</sup></b>
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[Maturity Schedules continued on next page]

*\*Preliminary; subject to change. Identification of Term Bonds subject to mandatory sinking fund redemption is at bidder's option.*

*† CUSIP Copyright 2017, CUSIP Global Services, and a registered trademark of American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of American Bankers Association by S&P Capital IQ. Neither the District nor the Purchasers take any responsibility for the accuracy of the CUSIP data.*

[Maturity Schedules continued from prior page]

**\$65,000,000\***  
**LOS RIOS COMMUNITY COLLEGE DISTRICT**  
**(Sacramento County, California)**  
**General Obligation Bonds**  
**2008 Election, Series C**

<b>Maturity Date (August 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>CUSIP<sup>†</sup></b>
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*\*Preliminary; subject to change. Identification of Term Bonds subject to mandatory sinking fund redemption is at bidder's option.*

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## GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

**Use of Official Statement.** This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any bond owner and the District or the Purchasers.

**No Offering Except by This Official Statement.** No dealer, broker, salesperson or other person has been authorized by the District or the Purchasers to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Purchasers.

**No Unlawful Offers or Solicitations.** This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

**Information in Official Statement.** The information set forth in this Official Statement has been furnished by the District and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

**Estimates and Forecasts.** When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced herein, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the District or any other entity described or referenced herein since the date hereof.

**Involvement of Purchasers.** The following statement has been included in this Official Statement on behalf of the Purchasers of the Bonds: The Purchasers have reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities to investors under the Federal Securities Laws as applied to the facts and circumstances of this transaction, but the Purchasers do not guarantee the accuracy or completeness of such information.

**Stabilization of and Changes to Offering Prices.** The Purchasers may overallocate or take other steps that stabilize or maintain the market prices of the Bonds at levels above that which might otherwise prevail in the open market. If commenced, the Purchasers may discontinue such market stabilization at any time. The Purchasers may offer and sell the Bonds to certain securities dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Purchasers.

**Document Summaries.** All summaries of the Bond Resolution or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

**No Securities Laws Registration.** The Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

**Effective Date.** This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, the County, the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

**Website.** The District maintains a website. However, the information presented on the website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

**LOS RIOS COMMUNITY COLLEGE DISTRICT  
SACRAMENTO COUNTY\*, CALIFORNIA**

**DISTRICT BOARD OF TRUSTEES**

Ruth Scribner, President; *Area 4*  
Pamela Haynes, Vice President; *Area 5*  
Dustin Johnson, Trustee; *Area 1*  
Robert Jones, Trustee; *Area 2*  
John Knight, Trustee; *Area 3*  
Deborah Ortiz, Trustee; *Area 6*  
Tami Nelson, Trustee; *Area 7*

**DISTRICT ADMINISTRATIVE STAFF**

Dr. Brian King, *Chancellor*  
Theresa Matista, *Vice Chancellor, Finance and Administration*

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**PROFESSIONAL SERVICES**

**FINANCIAL ADVISOR**

Dale Scott & Company, Inc.  
*San Francisco, California*

**BOND AND DISCLOSURE COUNSEL**

Jones Hall, A Professional Law Corporation  
*San Francisco, California*

**BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT**

Director of Finance, County of Sacramento  
*Sacramento, California*

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\*Seventy-eight percent of the District's fiscal year 2017-18 assessed valuation is located in Sacramento County. The boundaries of the District also include property located in El Dorado, Yolo, Placer and Solano Counties. See "PROPERTY TAXATION - Assessed Valuations" herein.

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**\$27,500,000\***  
**LOS RIOS COMMUNITY COLLEGE DISTRICT**  
(Sacramento County, California)  
General Obligation Bonds  
2002 Election, Series F

**\$65,000,000\***  
**LOS RIOS COMMUNITY COLLEGE DISTRICT**  
(Sacramento County, California)  
General Obligation Bonds  
2008 Election, Series C

## **INTRODUCTION**

This Official Statement, which includes the cover page and appendices hereto, provides information in connection with the sale and delivery of the general obligation bonds captioned above (the “**Series 2002F Bonds**” and the “**Series 2008C Bonds**,” and together, the “**Bonds**”).

*This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.*

### **The District**

The District commenced operations as a community college district on July 1, 1965. The District is a public, multi-campus community college district serving the greater Sacramento region which has a population of over 2 million residents. The District provides higher education instruction for the first and second years of college, as well as vocational training, at four campuses: American River College, Consumnes River College, Folsom Lake College and Sacramento City College. The District also operates six additional educational centers which operate within its boundaries. The District’s service area includes all of Sacramento County (78.2% of the District’s fiscal year 2017-18 assessed valuation is located in Sacramento County) and portions of El Dorado, Yolo, Solano and Placer counties (each, a “**County**”; collectively, the “**Counties**”). The District’s total assessed value in fiscal year 2017-18 is over \$183 billion. *For more information regarding the District and its finances, see Appendix A and Appendix B attached hereto. See also Appendix C hereto for demographic and other information regarding the Counties of Sacramento, El Dorado and Yolo.*

### **Sources of Payment for the Bonds**

The Bonds are general obligation bonds of the District payable from *ad valorem* taxes. The Board of Supervisors of the County has the power and is obligated to annually levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation without limitation of rate or amount (except certain personal property which is taxable at limited rates). See “SECURITY FOR THE BONDS” and “PROPERTY TAXATION.”

### **Bond Insurance - Bidder’s Option**

The District has applied for municipal bond insurance for the Bonds, and obtaining an insurance policy, if any, will be at bidder's option as described in the respective Official Notices of Sale.

## **Purposes of Issues**

The net proceeds of the Bonds will be used to finance construction and improvements to District facilities, as approved by the voters at elections held in the District on March 5, 2002 and November 4, 2008, respectively (together, the “**Bond Elections**”). See “THE FINANCING PLAN” herein.

## **Authority for Issuance**

The Bonds will be issued pursuant to the authority of the Bond Elections and certain provisions of the Government Code of the State, commencing with Section 53506 thereof (the “**Bond Law**”), and pursuant to two separate resolutions adopted by the Board of Trustees of the District on November 8, 2017 (together, the “**Bond Resolutions**”). See “THE BONDS - Authority for Issuance” herein.

## **Description of the Bonds**

**Generally.** The Bonds are issued as current interest bonds which mature in the years and in the amounts as set forth on the inside cover page hereof. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Bonds. See “THE BONDS – Description of the Bonds,” “– Book-Entry Only System” and “APPENDIX F – Book-Entry Only System.”

**Redemption.** The Bonds are subject to redemption prior to maturity as described herein. The Bonds may be subject to mandatory sinking fund redemption at the option of the bidders. See discussion of redemption features under the heading “THE BONDS” herein.

## **Legal Matters**

Issuance of the Bonds is subject to the approving opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, as bond counsel (“**Bond Counsel**”), to be delivered in substantially the form attached hereto as Appendix D. Jones Hall, A Professional Law Corporation, San Francisco, California, will also serve as disclosure counsel to the District (“**Disclosure Counsel**”). See “APPENDIX D – Form of Opinions of Bond Counsel.”

## **Tax Matters**

Assuming compliance with certain covenants and provisions of the Internal Revenue Code of 1986, as amended (the “**Tax Code**”), in the opinion of Bond Counsel, interest on the Bonds will not be includable in gross income for federal income tax purposes although it may be includable in the calculation for certain taxes. Also, in the opinion of Bond Counsel, interest on the Bonds will be exempt from State of California (the “**State**”) personal income taxes. See “TAX MATTERS” herein.

## **Offering and Delivery of the Bonds**

The Bonds are offered when, as and if issued and received by the purchasers, subject to approval as to the legality by Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about February 14, 2018.



**Continuing Disclosure**

The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate is included in Appendix E hereto. See also “CONTINUING DISCLOSURE” herein.

**Other Information**

This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change. Copies of documents referred to in this Official Statement and information concerning the Bonds are available from the District from the Superintendent’s Office at 400 Parker Avenue, Rodeo, California, telephone (510) 245-4300. The District may impose a charge for copying, mailing and handling.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entirety by reference to each of such documents, statutes and constitutional provisions.

The information set forth herein has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

***END OF INTRODUCTION***

## THE FINANCING PLAN

The proceeds of the Bonds will be used to finance projects approved by more than the requisite 55 percent of District voters at the respective Bond Elections. The abbreviated forms of the ballot measures (stated in 75 words or less) are as follows

### **Purpose of Series 2002F Bonds**

Measure A. The Series 2002F Bonds were authorized pursuant to a bond measure known as “**Measure A**”. The abbreviated form of the ballot measure presented to voters with respect to Measure A is as follows:

*“Shall the Los Rios Community College District be authorized to issue \$265 million dollars in bonds at the lowest available interest rate for building and repairing classrooms and facilities; upgrading academic and vocational education programs including computer sciences, electronics, nursing and high-tech training facilities; upgrading libraries; building new classrooms to reduce overcrowding, and making building safety improvements at the American River, Cosumnes River, El Dorado, Folsom, and Sacramento City College campuses?”*

The Series 2002F Bonds described herein represent the sixth series of bonds to be issued pursuant to the authority of the Bond Election for Measure A.

### **Purpose of Series 2008C Bonds**

Measure M. The Series 2008C Bonds were authorized pursuant to a bond measure known as “**Measure M**”. The abbreviated form of the ballot measure presented to voters with respect to Measure M is as follows:

*“Shall the Los Rios Community College District be authorized to issue \$475,000,000 million in bonds at the lowest available interest rates to improve student academic performance by building classrooms, facilities and labs throughout the district including for teaching green technologies; nursing and health care programs; architecture, engineering and construction management; computer sciences; early childhood development; and fire and police public safety programs at the American River, Cosumnes River, El Dorado, Folsom, and Sacramento City College campuses?”*

The Series 2008C Bonds described herein represent the third series of bonds to be issued pursuant to the authority of the Bond Election for Measure M.

## SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Bonds are as follows:

### SOURCES AND USES OF FUNDS Los Rios Community College District

<u>Sources of Funds</u>	<u>Series 2002F</u>	<u>Series 2008C</u>
Principal Amount of Bonds		
Net Original Issue Premium		
<b>Total Sources</b>		
<u>Uses of Funds</u>		
Deposit to Building Fund		
Debt Service Fund		
Costs of Issuance <sup>(1)</sup>		
<b>Total Uses</b>		

*(1) All estimated costs of issuance including, but not limited to, Purchasers' discount, printing costs, and fees of Bond Counsel, Disclosure Counsel, Financial Advisor, Paying Agent, insurance premium (if any) and the rating agencies.*

See also "APPLICATION OF PROCEEDS OF THE BONDS" herein.

## THE BONDS

### Authority for Issuance

The Bonds will be issued pursuant to the authority of the Bond Elections, the Bond Law and the Bond Resolutions.

### Purpose of Issues

The Bonds are being issued by the District to provide funds to finance the school projects summarized herein under the heading "THE FINANCING PLAN," and related costs of issuance.

### Paying Agent

The Director of Finance, County of Sacramento, Sacramento, California, will act as the registrar, transfer agent, and paying agent for the Bonds (the "**Paying Agent**"). As long as DTC is the registered owner of the Bonds and DTC's book-entry method is used for the Bonds, the Paying Agent will send any notice of prepayment or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the prepayment of the Bonds called for prepayment or of any other action premised on such notice.

The Paying Agent, the District and the County have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for

maintaining, supervising or reviewing any records relating to beneficial ownership of interests in the Bonds.

### **Description of the Bonds**

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for The Depository Trust Company (“**DTC**”). Purchasers will not receive physical certificates representing their interest in the Bonds. See “Book-Entry Only System” below and “APPENDIX F – Book-Entry Only System.”

Interest on the Bonds accrues from the date of original delivery (the “**Dated Date**”) and is payable semiannually on February 1 and August 1 of each year (each, an “**Interest Payment Date**”) commencing August 1, 2018. Each Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is registered and authenticated as of an Interest Payment Date, in which event it shall bear interest from such date, or (ii) it is registered and authenticated prior to an Interest Payment Date and after the close of business on the 15<sup>th</sup> day of the month preceding such Interest Payment Date (each, a “**Record Date**”), in which event it shall bear interest from such Interest Payment Date, or (iii) it is registered and authenticated prior to July 15, 2018, in which event it will bear interest from the date of original delivery; *provided, however*, that if at the time of authentication of a Bond, interest is in default thereon, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Bonds, including the final interest payment upon maturity, is payable by check, draft or wire of the Paying Agent mailed on the Interest Payment Date by first-class mail to the Owner thereof at such Owner’s address as it appears on the bond register maintained by the Paying Agent at the close of business on the preceding Record Date, or at such other address as the Owner may have filed with the Paying Agent for that purpose, or upon written request filed with the Paying Agent as of the Record Date by an Owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer.

The Bonds will be issued in denominations of \$5,000 principal amount or any integral multiple thereof. The Bonds mature on August 1 in the years and amounts set forth on the inside cover page hereof.

### **Redemption**

#### ***Optional Redemption***

Series 2002F Bonds. The Series 2002F Bonds are not subject to optional redemption prior to maturity.

Series 2008C Bonds. The Series 2008C Bonds maturing on or before August 1, 2027, are not subject to redemption prior to their respective stated maturities. The Series 2008C Bonds maturing on or after August 1, 2028, are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 2027, and on any date thereafter, at a redemption price equal to 100% of the principal amount of the Series 2008C Bonds to be redeemed together with accrued interest thereon to the date fixed for redemption, without premium.

**Mandatory Sinking Fund Redemption\***

The Bonds maturing on August 1, 20\_\_, (the “**Term Bonds**”), are subject to mandatory sinking fund redemption in part by lot, on August 1 of each year in accordance with the schedules set forth below. The Term Bonds so called for mandatory sinking fund redemption shall be redeemed at the principal amount of such Bonds to be redeemed, plus accrued but unpaid interest, without premium.

**Term Series 2002F Bonds  
Maturing August 1, 20\_\_**

Redemption Date (August 1)	Sinking Fund Redemption
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**Term Series 2008C Bonds  
Maturing August 1, 20\_\_**

Redemption Date (August 1)	Sinking Fund Redemption
-------------------------------	----------------------------

If some but not all of the Term Bonds have been redeemed pursuant to the optional redemption provisions described above, the aggregate principal amount of Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be reduced on a pro rata basis in integral multiples of \$5,000, or on such other basis as designated pursuant to written notice filed by the District with the Paying Agent.

**Selection of Bonds for Redemption**

Whenever provision is made for the redemption of Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds for redemption by lot within a maturity. Redemption by lot shall be in such a manner as the Paying Agent may determine; provided, however, that the portion of any Bond to be redeemed in part will be in the principal amount of \$5,000 or any integral multiple thereof.

**Notice of Redemption**

The Paying Agent is required to give notice of the redemption of the Bonds, at the expense of the District, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the respective owners of any Bonds designated for redemption, at their

*\*Designation of term bonds subject to mandatory sinking fund redemption is at bidder's option.*

addresses appearing on the Registration Books maintained by the Paying Agent. Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, shall designate the serial numbers of the Bonds to be redeemed by giving the individual number of each Bond or by stating that all Bonds between two stated numbers, both inclusive, or by stating that all of the Bonds of one or more maturities have been called for redemption, and shall require that such Bonds be then surrendered at the Office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

Neither failure to receive or failure to send any notice of redemption nor any defect in any such redemption notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds.

**Partial Redemption of Bonds**

Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of the same series, tenor and maturity and of authorized denominations equal in transfer amounts to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the County and the District shall be released and discharged thereupon from all liability to the extent of such payment.

**Right to Rescind Notice of Redemption**

The District has the right to rescind any notice of the optional redemption of Bonds by written notice to the Paying Agent on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption. The District and the Paying Agent have no liability to the Bond owners or any other party related to or arising from such rescission of redemption. The Paying Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under the Bond Resolutions.

**Registration, Transfer and Exchange of Bonds**

If the book entry system is discontinued, the District shall cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of the Bonds.

If the book entry system is discontinued, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond. Payment of the principal of and interest on any Bond shall be made only to or upon the order of that person; neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in the Bond Resolutions.

Bonds may be exchanged for Bonds of the same series, tenor, maturity and principal amount upon presentation and surrender at the principal corporate trust office of the Paying Agent in San Francisco, California. Any Bond may, in accordance with its terms, but only if (i) the District determines to no longer maintain the book entry only status of the Bonds, (ii) DTC determines to discontinue providing such services and no successor securities depository is

named or (iii) DTC requests the District to deliver Bond certificates to particular DTC Participants, be transferred, upon the books required to be kept pursuant to the provisions of the Bond Resolutions, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

No exchanges of Bonds shall be required to be made (a) fifteen days prior to an Interest Payment Date or the date established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond after such Bond has been selected for redemption.

### **Defeasance**

The Bonds may be paid by the District, in whole or in part, in any one or more of the following ways:

- (a) by paying or causing to be paid the principal or redemption price of and interest on such Bonds, as and when the same become due and payable;
- (b) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Bond Resolutions) to pay or redeem such Bonds; or
- (c) by delivering such Bonds to the Paying Agent for cancellation by it.

Whenever in a Bond Resolutions it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may be held by the Paying Agent or by any other fiduciary. Such money or securities may include money or securities held by the Paying Agent in the funds and accounts established under such Bond Resolutions and will be:

- (i) lawful money of the United States of America in an amount equal to the Principal Amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption is given as provided in such Bond Resolutions or provision satisfactory to the Paying Agent is made for the giving of such notice, the amount to be deposited or held will be the Principal Amount or redemption price of such Bonds and all unpaid interest thereon to the redemption date; or
- (ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption is given as provided in the Bond Resolutions or provision satisfactory to the Paying Agent is made for the giving of such notice.

Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as described above) to pay or redeem any outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), then all liability of the County and the District in respect of such Bond will cease and be completely discharged, except only that thereafter the owner thereof will be entitled only to payment of the principal of and interest on such Bond by the District, and the District will remain liable for such payment, but only out of such money or securities deposited with the Paying Agent for such payment.

As defined in the respective Bond Resolutions, the term “**Federal Securities**” means United States Treasury notes, bonds, bills or certificates of indebtedness, or any other obligations the timely payment of which is directly or indirectly guaranteed by the faith and credit of the United States of America.

**Book-Entry-Only System**

The Bonds will be issued in fully registered form only and, when initially issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive physical certificates representing their beneficial ownership interests in the Bonds purchased. Payments of principal and interest on the Bonds will be paid by the Trustee to DTC, which is obligated in turn to remit such principal and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. See “APPENDIX F – Book-Entry Only System” herein.

**APPLICATION OF PROCEEDS OF THE BONDS**

**Building Fund for the Series 2002F Bonds**

Pursuant to the Bond Resolutions, the net proceeds from the sale of the Series 2002F Bonds will be paid and credited to a fund established and held by the Sacramento County Auditor-Controller (the “**County Auditor-Controller**”) and designated as the “Los Rios Community College District, 2002 Election, Series 2002F Building Fund” (the “**Series 2002F Building Fund**”).

Amounts credited to the Series 2002F Building Fund will be expended by the District for the purpose of financing any of the projects for which the Series 2002F Bond proceeds are authorized to be expended under the ballot measure which was approved at the 2016 Election for Measure A, including all incidental expenses and related costs of issuance. All interest and other gain arising from the investment of proceeds of the Series 2002F Bonds will be retained in the Series 2002F Building Fund and used for the purposes thereof. All moneys held in the Series 2002F Building Fund will be invested in accordance with the investment policies of the County, as such policies exist at the time of investment. Pursuant to the Bond Resolutions and applicable provisions of the Education Code, a portion of the proceeds of the Series 2002F Bonds may be deposited with a fiscal agent for the purpose of paying costs of issuance. See also “APPENDIX G - SACRAMENTO COUNTY INVESTMENT POLICY AND INVESTMENT REPORT” herein.



**Building Fund for the Series 2008C Bonds**

Pursuant to the Bond Resolutions, the net proceeds from the sale of the Series 2008C Bonds will be paid and credited to a fund established and held by the County Auditor-Controller and designated as the “Los Rios Community College District, 2008 Election, Series C Building Fund” (the “**Series 2008C Building Fund**”).

Amounts credited to the Series 2008C Building Fund will be expended by the District for the purpose of financing any of the projects for which the Series 2008C Bond proceeds are authorized to be expended under the ballot measure which was approved at the 2016 Election for Measure M, including all incidental expenses and related costs of issuance. All interest and other gain arising from the investment of proceeds of the Series 2008C Bonds will be retained in the Series 2008C Building Fund and used for the purposes thereof. All moneys held in the Series 2008C Building Fund will be invested in accordance with the investment policies of the County, as such policies exist at the time of investment. Pursuant to the Bond Resolutions and applicable provisions of the Education Code, a portion of the proceeds of the Series 2008C Bonds may be deposited with a fiscal agent for the purpose of paying costs of issuance. See also “APPENDIX G - SACRAMENTO COUNTY INVESTMENT POLICY AND INVESTMENT REPORT” herein.

**Debt Service Funds**

Pursuant to the Bond Resolutions, the amount of premium, if any, received by the County from the sale of the Bonds, will be deposited and kept separate and apart in the respective funds established and held by the County Auditor-Controller and designated as the “Los Rios Community College District 2002 Election, Series F General Obligation Bonds Debt Service Fund” and the “Los Rios Community College District 2008 Election, Series C General Obligation Bonds Debt Service Fund,” respectively (together, the “**Debt Service Funds**”), which are pledged for the payment of the principal of and interest on the applicable series of Bonds when and as the same become due. All taxes levied by the County for the payment of the principal of and interest and premium (if any) on the respective series of Bonds will be deposited in the applicable Debt Service Fund by the County promptly upon apportionment of said levy.

Any moneys remaining in a Debt Service Fund after the related series of Bonds and the interest thereon have been paid, shall be transferred to any other interest and sinking fund or account for general obligation bond indebtedness of the District, including refunding bonds, and in the event there is no such debt outstanding, shall be transferred to the District’s general fund upon the order of the County Auditor, as provided in Section 15234 of the Education Code.

**Investment of Proceeds of Bonds**

All moneys held in any of the funds or accounts established with the County under the Bond Resolutions will be invested in Authorized Investments (as defined in the Bond Resolutions) in accordance with the investment policies of the County, as such policies exist at the time of investment. Obligations purchased as an investment of moneys in any fund or account will be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts established under the Bond Resolutions will be deposited in the fund or account from which such investment was made, and will be expended for the purposes thereof.

In accordance with Government Code Section 53600 *et seq.*, the Sacramento County Treasurer (the “**County Treasurer**”) manages funds deposited with it by the District. The County is required to invest such funds in accordance with California Government Code Sections 53601 *et seq.* In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the Government Code. See “APPENDIX G - SACRAMENTO COUNTY INVESTMENT POLICY AND INVESTMENT REPORT.”

**SECURITY FOR THE BONDS**

***Ad Valorem Taxes***

***Bonds Payable from Ad Valorem Property Taxes.*** The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied and collected by the Counties. The Counties are empowered and is obligated to annually levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates). In no event is the District obligated to pay principal of and interest and redemption premium, if any, on the Bonds out of any funds or properties of the District other than *ad valorem* taxes levied upon all taxable property in the District; provided, however, nothing in the Bond Resolution prevents the District from making advances of its own moneys howsoever derived to any of the uses or purposes permitted by law.

***Other Bonds Payable from Ad Valorem Property Taxes.*** The District has previously issued other general obligation bonds, which are payable from *ad valorem* taxes on a parity basis. In addition to the general obligation bonds issued by the District, there is other debt issued by entities with jurisdiction in the District, which is payable from *ad valorem* taxes levied on parcels in the District. See “PROPERTY TAXATION – Direct and Overlapping Debt” below.

***Levy and Collection.*** The Counties will levy and collect such *ad valorem* taxes in such amounts and at such times as is necessary to ensure the timely payment of debt service. Such taxes, when collected, will be deposited into a debt service fund for the Bonds, which is maintained by Sacramento County and which is irrevocably pledged for the payment of principal of and interest on the Bonds when due.

District property taxes are assessed and collected by the Counties in the same manner and at the same time, and in the same installments as other *ad valorem* taxes on real property, and will have the same priority, become delinquent at the same times and in the same proportionate amounts, and bear the same proportionate penalties and interest after delinquency, as do the other *ad valorem* taxes on real property. See “-Teeter Plan; Property Tax Collections” below.

***Statutory Lien on Ad Valorem Tax Revenues.*** Pursuant to Senate Bill 222 effective January 1, 2016, voter approved general obligation bonds which are secured by *ad valorem* tax collections, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Said lien attaches automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the school district or community college district, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act.

**Annual Tax Rates.** The amount of the annual *ad valorem* tax levied by the Counties to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate.

Economic and other factors beyond the District's control, such as economic recession, deflation of land values, a relocation out of the District or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, fire, earthquake, flood or other natural disaster, could cause a reduction in the assessed value within the District and necessitate a corresponding increase in the annual tax rate.

**Debt Service Fund**

Sacramento County will establish a Debt Service Fund (the "**Debt Service Fund**") for the Bonds, which will be established as a separate fund to be maintained distinct from all other funds of Sacramento County. All taxes levied by the Counties for the payment of the principal of and interest and premium (if any) on the Bonds will be deposited in the Debt Service Fund by Sacramento County promptly upon the receipt. The Debt Service Fund is pledged for the payment of the principal of and interest and premium (if any) on the Bonds when and as the same become due. The District will cause the transfer of amounts in the Debt Service Fund to the Paying Agent to the extent necessary to pay the principal of and interest and premium (if any) on the Bonds as the same becomes due and payable.

If, after payment in full of the Bonds, any amounts remain on deposit in a Debt Service Fund, the District shall transfer such amounts to its General Fund, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

**Not an Obligation of the Counties**

The Bonds are payable solely from the proceeds of an *ad valorem* tax levied and collected by the Counties, for the payment of principal and interest on the Bonds. Although the Counties are obligated to collect the *ad valorem* tax for the payment of the Bonds, the Bonds are not a debt of the Counties.

## DEBT SERVICE SCHEDULE

*Debt Service for the Bonds.* The following table shows the debt service schedules with respect to the Bonds, assuming no optional redemptions.

### LOS RIOS COMMUNITY COLLEGE DISTRICT Bonds Debt Service Schedule

Bond Year Ending August 1	Series 2002F Principal	Series 2002F Interest	Series 2008C Principal	Series 2008C Interest	Total Debt Service
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
Total					

**Combined General Obligation Bonds Debt Service.** The following table shows the combined debt service schedule with respect to all outstanding general obligation bonds of the District (the “**Outstanding Bonds**”), together with the Bonds. See “APPENDIX B - GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT - DISTRICT FINANCIAL INFORMATION - Indebtedness of the District” for the remaining debt service due on each series of Outstanding Refunding Bonds.

**LOS RIOS COMMUNITY COLLEGE DISTRICT  
Combined Debt Service Schedule**

<b>Period Ending (Aug. 1)</b>	<b>Outstanding Bonds Annual Debt Service</b>	<b>Bonds Annual Debt Service</b>	<b>Aggregate Annual Debt Service</b>
2018	\$29,688,612.50		
2019	30,192,262.50		
2020	28,188,362.50		
2021	28,822,987.50		
2022	29,418,387.50		
2023	30,266,937.50		
2024	30,888,837.50		
2025	31,616,287.50		
2026	31,776,287.50		
2027	27,030,537.50		
2028	25,655,787.50		
2029	21,878,037.50		
2030	22,147,925.00		
2031	17,979,562.50		
2032	18,622,300.00		
2033	18,968,625.00		
2034	19,407,750.00		
2035	20,065,750.00		
2036	5,842,750.00		
2037	5,873,875.00		
2038	5,994,375.00		
<b>TOTAL</b>	<b>\$480,326,237.50</b>		

## PROPERTY TAXATION

### Property Tax Collection Procedures

In California, property which is subject to *ad valorem* taxes is classified as “secured” or “unsecured.” The “secured roll” is that part of the assessment roll containing (1) state assessed public utilities’ property and (2) property the taxes on which are a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against such unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens arising pursuant to State law on such secured property, regardless of the time of the creation of the other liens. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1-1/2% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the Counties.

Property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction as of the preceding January 1. A bill enacted in 1983, SB813 (Statutes of 1983, Chapter 498), however, provided for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Thus, this legislation eliminated delays in the realization of increased property taxes from new assessments. As amended, SB813 provided increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date and result in increased assessed value.

Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent, if unpaid on the following August 31. A 10% penalty is also attached to delinquent taxes in respect of property on the unsecured roll, and further, an additional penalty of 1-1/2% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder’s office, in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes in respect of property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

**Taxation of State-Assessed Utility Property**

The State Constitution provides that most classes of property owned or used by regulated utilities be assessed by the State Board of Equalization (“**SBE**”) and taxed locally. Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as “unitary property”, a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and “operating nonunitary” property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Except for unitary property of regulated railways and certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and tax proceeds are distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

**Assessed Valuations**

**Historic Assessed Valuations.** The assessed valuation of property in the District is established by the County Assessors, except for public utility property which is assessed by the State Board of Equalization, as described above. Assessed valuations are reported at 100% of the “full value” of the property, as defined in Article XIII A of the California Constitution. For a discussion of how properties currently are assessed, see Appendix B under the heading “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS.”

Certain classes of property, such as churches, Colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls. No reimbursement is made by the State for such exemptions.

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The following table sets forth a recent history of the total assessed value in the District.

**LOS RIOS COMMUNITY COLLEGE DISTRICT  
Assessed Valuations of All Taxable Property  
Fiscal Years 1998-99 to 2017-18**

Fiscal Year	Total District Assessed Valuation	Annual % Change
1998-99	\$65,789,548,817	--
1999-00	69,925,152,927	6.3%
2000-01	75,575,857,134	8.1
2001-02	82,025,940,419	8.5
2002-03	90,450,990,841	10.3
2003-04	99,036,845,696	9.5
2004-05	111,002,046,502	12.1
2005-06	127,136,612,507	14.5
2006-07	146,073,098,133	14.9
2007-08	159,072,744,969	8.9
2008-09	162,099,904,433	1.9
2009-10	152,635,441,060	(5.8)
2010-11	148,772,252,362	(2.5)
2011-12	144,543,110,465	(2.8)
2012-13	141,501,079,781	(2.1)
2013-14	147,391,985,921	4.2
2014-15	156,423,111,776	6.1
2015-16	163,898,770,566	4.8
2016-17	172,786,786,876	5.4
2017-18	183,348,159,670	6.1

*Source: California Municipal Statistics, Inc.*

**Factors Relating to Increases/Decreases in Assessed Value.** As indicated in the previous table, assessed valuations are subject to change in each year. Increases or decreases in assessed valuation result from a variety of factors including but not limited to general economic conditions, supply and demand for real property in the area, government regulations such as zoning, and natural disasters such as earthquakes, fires, floods and droughts. Notable natural disasters in recent years include drought conditions throughout the State, which ended in 2017 due to record-level precipitation in late 2016 and early 2017, with the exception of Fresno, Kings, Tulare and Tuolumne counties, where emergency drinking water projects are currently in place to address diminished groundwater supplies. In addition, wildfires have occurred in recent years in different regions of the State and a number of fires recently resulted in a declaration by Governor Jerry Brown on October 12, 2017 of a state of emergency for Napa, Sonoma and Yuba counties because of wildfires which threatened thousands of homes. The District cannot predict or make any representations regarding the effects that natural disasters and related conditions have or may have on the value of taxable property within the District, or to what extent the effects said disasters might have had on economic activity in the District or throughout the State.



**Assessed Valuation by County.** Shown below is information regarding the 2017-18 assessed valuation in the District, by the five Counties in which portions of the District are located. As shown, over 78 percent of the District's assessed valuation is in Sacramento County, with under one percent of assessed valuation in Placer and Solano Counties.

**LOS RIOS COMMUNITY COLLEGE DISTRICT  
2017-18 Assessed Valuation by County**

	<b>Local Secured</b>	<b>Utility</b>	<b>Unsecured</b>	<b>Total</b>	<b>% of Total</b>
Sacramento County	\$138,111,842,625	\$26,958,509	\$5,408,399,785	\$143,547,200,919	78.29%
El Dorado County	22,997,388,886	1,950,514	408,298,746	23,407,638,146	12.77
Yolo County	15,484,896,707	3,859,365	798,762,018	16,287,518,090	8.88
Placer County	78,779,206	0	219,090	78,998,296	0.04
Solano County	26,605,893	0	198,326	26,804,219	0.01
<b>Total District</b>	<b>\$176,699,513,317</b>	<b>\$32,768,388</b>	<b>\$6,615,877,965</b>	<b>\$183,348,159,670</b>	<b>100.00%</b>

*Source: California Municipal Statistics, Inc.*

**Assessed Valuation by Jurisdiction.** Shown below is the 2017-18 assessed valuation in the District by the different jurisdictions located within the District.

**LOS RIOS COMMUNITY COLLEGE DISTRICT  
2017-18 Assessed Valuation by Jurisdiction**

<b>Jurisdiction</b>	<b>Assessed Valuation in District</b>	<b>% of School District</b>	<b>Assessed Valuation of Jurisdiction</b>	<b>% of Jurisdiction in District</b>
City of Citrus Heights	\$6,691,484,243	3.65%	\$6,691,484,243	100.00%
City of Davis	8,144,627,749	4.44	8,144,627,749	100.00
City of Elk Grove	19,094,454,503	10.41	19,094,454,503	100.00
City of Folsom	12,952,312,733	7.06	12,952,312,733	100.00
City of Placerville	1,068,409,954	0.58	1,068,409,954	100.00
City of Rancho Cordova	8,060,680,161	4.40	8,060,680,161	100.00
City of Sacramento	47,091,022,683	25.68	47,091,022,683	100.00
City of West Sacramento	6,714,994,092	3.66	6,714,994,092	100.00
Unincorporated El Dorado County	22,339,228,192	12.18	25,803,294,630	86.58
Unincorporated Placer County	78,998,296	0.04	30,313,826,855	0.26
Unincorporated Sacramento County	49,657,246,596	27.08	54,903,412,215	90.44
Unincorporated Solano County	26,804,219	0.01	5,078,151,345	0.53
Unincorporated Yolo County	1,427,896,249	0.78	4,805,919,102	29.71
<b>Total District</b>	<b>\$183,348,159,670</b>	<b>100.00%</b>		

**Summary by County:**

Sacramento County	\$143,547,200,919	78.29%	\$150,782,862,434	95.20%
El Dorado County	23,407,638,146	12.77	31,432,433,818	74.47
Yolo County	16,287,518,090	8.88	25,951,884,405	62.76
Placer County	78,998,296	0.04	71,193,508,060	0.11
Solano County	26,804,219	0.01	52,178,500,165	0.05
<b>Total District</b>	<b>\$183,348,159,670</b>	<b>100.00%</b>		

*Source: California Municipal Statistics, Inc.*

**Assessed Valuation by Land Use.** The following table gives a distribution of taxable property located in the District on the fiscal year 2017-18 tax roll by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

**LOS RIOS COMMUNITY COLLEGE DISTRICT  
2017-18 Assessed Valuation and Parcels by Land Use**

	2017-18 Assessed Valuation <sup>(1)</sup>	% of Total	No. of Parcels	% of Total
<b>Non-Residential:</b>				
Agricultural/Rural	\$922,508,573	0.52%	1,914	0.36%
Commercial/Office Buildings	24,649,024,238	13.95	12,056	2.29
Vacant Commercial	1,021,759,250	0.58	2,817	0.54
Industrial	14,990,778,078	8.48	6,930	1.32
Vacant Industrial	1,238,280,775	0.70	3,381	0.64
Recreational	998,962,178	0.57	757	0.14
Government/Social/Institutional	481,332,581	0.27	9,811	1.87
Miscellaneous	43,543,787	0.02	5,315	1.01
Subtotal Non-Residential	<u>\$44,346,189,460</u>	25.10%	42,981	8.17%
<b>Residential:</b>				
Single-Family Residence	\$113,913,455,948	64.47%	417,222	79.35%
Condominium/Townhouse	1,890,676,827	1.07	13,528	2.57
Mobile Home	371,417,505	0.21	6,314	1.20
Mobile Home Park	242,981,547	0.14	119	0.02
2-4 Residential Units	3,124,205,246	1.77	18,891	3.59
5+ Residential Units/Apartments	9,360,288,581	5.30	399	0.08
Miscellaneous Residential Improvements	481,843,533	0.27	3,217	0.61
Vacant Residential	2,968,454,670	1.68	23,125	4.40
Subtotal Residential	<u>\$132,353,323,857</u>	74.90%	482,815	91.83%
<b>Total</b>	<b>\$176,699,513,317</b>	<b>100.00%</b>	<b>525,796</b>	<b>100.00%</b>

(1) Local secured assessed valuation, excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

**Per Parcel Assessed Valuation of Single-Family Homes**

The following table shows the assessed valuation of single-family homes in the District for fiscal year 2017-18.

**LOS RIOS COMMUNITY COLLEGE DISTRICT  
2017-18 Per Parcel Assessed Valuation of Single Family Homes**

	<u>No. of Parcels</u>	<u>2017-18 Assessed Valuation</u>	<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>
Single-Family Residential	417,222	\$113,913,455,948	\$273,028	\$236,001

<u>2017-18 Assessed Valuation</u>	<u>No. of Parcels<sup>(1)</sup></u>	<u>% of Total</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
\$0 - \$24,999	1,140	0.273%	0.273%	\$20,053,207	0.018%	0.018%
\$25,000 - \$49,999	11,182	2.680	2.953	453,812,563	0.398	0.416
\$50,000 - \$74,999	19,687	4.719	7.672	1,238,185,773	1.087	1.503
\$75,000 - \$99,999	22,208	5.323	12.995	1,947,373,391	1.710	3.212
\$100,000 - \$124,999	25,639	6.145	19.140	2,891,830,818	2.539	5.751
\$125,000 - \$149,999	28,892	6.925	26.065	3,976,738,494	3.491	9.242
\$150,000 - \$174,999	30,186	7.235	33.300	4,903,053,001	4.304	13.546
\$175,000 - \$199,999	29,746	7.130	40.429	5,571,751,928	4.891	18.438
\$200,000 - \$224,999	28,079	6.730	47.159	5,962,589,745	5.234	23.672
\$225,000 - \$249,999	27,171	6.512	53.672	6,455,498,665	5.667	29.339
\$250,000 - \$274,999	24,584	5.892	59.564	6,447,153,248	5.660	34.999
\$275,000 - \$299,999	22,620	5.422	64.986	6,494,591,831	5.701	40.700
\$300,000 - \$324,999	20,260	4.856	69.841	6,324,173,756	5.552	46.252
\$325,000 - \$349,999	18,217	4.366	74.208	6,141,112,869	5.391	51.643
\$350,000 - \$374,999	16,361	3.921	78.129	5,923,781,975	5.200	56.843
\$375,000 - \$399,999	13,876	3.326	81.455	5,372,125,218	4.716	61.559
\$400,000 - \$424,999	12,301	2.948	84.403	5,070,334,523	4.451	66.010
\$425,000 - \$449,999	10,383	2.489	86.892	4,538,870,190	3.984	69.994
\$450,000 - \$474,999	8,557	2.051	88.943	3,952,295,019	3.470	73.464
\$475,000 - \$499,999	7,282	1.745	90.688	3,546,251,210	3.113	76.577
\$500,000 and greater	<u>38,851</u>	<u>9.312</u>	<u>100.000</u>	<u>26,681,878,524</u>	<u>23.423</u>	<u>100.000</u>
Total	417,222	100.000%		\$113,913,455,948	100.000%	

(1) Improved single-family residential parcels. Excludes condominiums and parcels with multiple family units.  
Source: California Municipal Statistics, Inc.

**Appeals of Assessed Value**

There are two types of appeals of assessed values that could adversely impact property tax revenues within the District.

Appeals may be based on Proposition 8 of November 1978, which requires that for each January 1 lien date, the taxable value of real property must be the lesser of its base year value, annually adjusted by the inflation factor pursuant to Article XIII A of the State Constitution, or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" in Appendix B.

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization,

with the County board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Proposition 8 reductions may also be unilaterally applied by a County Assessor.

Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. These reductions are subject to yearly reappraisals and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" in Appendix B.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

The District cannot predict the changes in assessed values that might result from pending or future appeals by taxpayers. Any reduction in aggregate District assessed valuation due to appeals, as with any reduction in assessed valuation due to other causes, will cause the tax rate levied to repay the Bonds to increase accordingly, so that the fixed debt service on the Bonds (and other outstanding general obligation bonds, if any) may be paid.

## Tax Rates

Contained within the District's boundaries are numerous overlapping local agencies. The following tables present a total tax rate for typical property owners within the District, in each of the five Counties, for the last five fiscal years.

### LOS RIOS COMMUNITY COLLEGE DISTRICT TYPICAL TOTAL TAX RATE<sup>(1)</sup>

#### Sacramento County Portion (TRA 3-005)

	2013-14	2014-15	2015-16	2016-17	2017-18
General	1.0000	1.0000	1.0000	1.0000	1.0000
Sacramento Unified School District	.0181	.0113	.0091	.1277	.1235
Los Rios Community College District	.1225	.1212	.1335	.0141	.0130
Total	1.1406	1.1325	1.1426	1.1418	1.1365

#### El Dorado County Portion (TRA 54-135)

	2013-14	2014-15	2015-16	2016-17	2017-18
General	1.0000	1.0000	1.0000	1.0000	1.0000
Buckeye Union School District	.0286	.0271	.0255	.0207	.0205
El Dorado Union High School District	.0214	.0199	.0196	.0183	.0164
Los Rios Community College District	.0181	.0113	.0091	.0141	.0130
Total	1.0681	1.0583	1.0542	1.0531	1.0499
El Dorado Irrigation District (Land Only)	.0108	.0102	.0093	.0089	.0038

#### Yolo County Portion (TRA 4-039)

	2013-14	2014-15	2015-16	2016-17	2017-18
General	1.0000	1.0000	1.0000	1.0000	1.0000
Washington Unified School District	.0695	.0695	.1083	.1082	.1038
Los Rios Community College District	.0181	.0113	.0091	.0141	.0130
Total	1.0876	1.0808	1.1174	1.1223	1.1168

#### Placer County Portion (TRA 67-004)

	2013-14	2014-15	2015-16	2016-17	2017-18
General	1.0000	1.0000	1.0000	1.0000	1.0000
Elverta Joint Unified School District	.0271	.0348	.0044	.0344	.0207
Twin Rivers Unified School District	.0728	.0950	.0622	.1014	.0867
Los Rios Community College District	.0181	.0113	.0091	.0141	.0130
Total	1.1180	1.1411	1.0757	1.1499	1.1204

#### Solano County Portion (TRA 62-000)

	2013-14	2014-15	2015-16	2016-17	2017-18
General	1.0000	1.0000	1.0000	1.0000	1.0000
Davis Joint Unified School District	.0220	.0200	.0200	.0192	.0170
Solano County Flood Control District	.0200	.0200	.0200	.0200	.0200
Los Rios Community College District	.0181	.0113	.0091	.0141	.0130
Total	1.0601	1.0513	1.0491	1.0533	1.0500

(1) Per \$100 of assessed valuation.  
Source: California Municipal Statistics, Inc.

**Teeter Plan; Property Tax Collections**

The Boards of Supervisors of the Counties have adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “**Teeter Plan**”), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code. Under the Teeter Plan, each entity levying property taxes in a County may draw on the amount of uncollected secured taxes credited to its fund, in the same manner as if the amount credited had been collected. However, as a result of such participation, it is not entitled to delinquency penalties or interest.

Each of the Counties include in its Teeter Plan the one percent general fund apportionment, and the District participates in each of the Teeter Plans with respect to its share of the one percent general fund apportionment. Sacramento County, Yolo County and Solano County include the District’s *ad valorem* tax levies in its Teeter Plan as well. Placer County and El Dorado County do not include the District’s *ad valorem* levies for general obligation bonds in its Teeter Plans, so the District is subject to delinquencies in those Counties, and entitled to penalties and interest.

Under the statute creating the Teeter Plan, a Board of Supervisors can under certain circumstances terminate the Teeter Plan in part or in its entirety with respect to an entire County and, in addition, a Board of Supervisors can terminate the Teeter Plan with respect to the District if the delinquency rate for all *ad valorem* property taxes levied within the District in any year exceeds 3%. In the event that a Teeter Plan were terminated, the receipt of the levy of *ad valorem* property taxes in the District would depend upon actual collections with respect to the portions of the District within that County.

The following table shows a history of secured tax charges and delinquencies in the portion of the District located in Sacramento County.

**LOS RIOS COMMUNITY COLLEGE DISTRICT  
Secured Tax Charges and Delinquencies  
(Sacramento County Portion of the District)**

Fiscal Year	Secured Tax Charge <sup>(1)</sup>	Amount Delinquent	% Delinquent
		June 30	June 30
2005-06	\$3,073,755	\$68,096	2.22%
2006-07	8,006,287	297,387	3.71
2007-08	7,895,817	366,727	4.64
2008-09	8,934,394	336,685	3.77
2009-10	13,828,588	382,536	2.77
2010-11	9,850,702	222,466	2.26
2011-12	20,272,816	345,403	1.70
2012-13	19,827,084	265,911	1.34
2013-14	19,715,669	230,323	1.17
2014-15	13,109,867	136,067	1.04
2015-16	11,040,726	93,884	0.85
2016-17	18,033,065	142,327	0.79

(1) Debt service levy only for the Sacramento County portion of the District’s debt service levy (the Sacramento portion of District assessed valuation representing 78% of total District assessed valuation). The District issued its first general obligation bonds in August 2002. See “Assessed Valuation” below for more information about the relative contribution of the counties of Sacramento, El Dorado, Yolo, Placer and Solano to the District’s total assessed valuation.

Source: California Municipal Statistics, Inc.

**Top Twenty Property Taxpayers**

The top twenty taxpayers in the District with the greatest combined assessed valuation of taxable property on the fiscal year 2017-18 tax roll, and the assessed valuations thereof, are shown below.

The more property (by assessed value) which is owned by a single taxpayer in the District, the greater amount of tax collections is exposed to weaknesses in the taxpayer’s financial situation and ability or willingness to pay property taxes. Each taxpayer listed below is a unique name listed on the tax rolls. The District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

**LOS RIOS COMMUNITY COLLEGE DISTRICT  
Top Twenty 2017-18 Local Secured Taxpayers**

<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2017-18 Assessed Valuation</u>	<u>Percent of Total<sup>(1)</sup></u>
1. Intel Corporation	Office Building	\$ 684,238,570	0.39%
2. City of Sacramento and The Sacramento Kings	Sports Arena	411,221,200	0.23
3. Oakmont Properties	Apartments	283,312,473	0.16
4. Donahue Schriber Realty Group LP	Shopping Center	258,879,046	0.15
5. Target Corporation	Commercial Stores	226,623,882	0.13
6. Wal Mart Real Estate Business Trust	Commercial Stores	220,272,627	0.12
7. Apple Computer Inc.	Industrial	214,893,313	0.12
8. GPT Properties Trust	Office Building	193,772,582	0.11
9. Harsch Investment Corp.	Office Building	177,569,240	0.10
10. MP Holdings LLC	Office Building	177,374,652	0.10
11. Pac West Office Equities LP	Office Building	177,075,962	0.10
12. Aerojet General Corp.	Industrial	176,005,929	0.10
13. 400 Capitol Mall Owner LP	Office Building	175,630,000	0.10
14. Arden Fair Associates	Shopping Center	144,348,158	0.08
15. Home Depot USA Inc.	Commercial Stores	141,035,297	0.08
16. 500 Capitol Mall LLC	Office Building	138,357,052	0.08
17. 621 Capitol Mall LLC	Office Building	132,505,827	0.07
18. Buzz Oates LLC	Office Building	125,875,020	0.07
19. MSHQ LLC	Office Building	122,068,413	0.07
20. Realty Income Properties	Office Building	<u>121,823,428</u>	<u>0.07</u>
		<b>\$4,302,882,671</b>	<b>2.44%</b>

(1) 2017-18 local secured assessed valuation: \$176,699,513,317.  
Source: California Municipal Statistics, Inc.

**Direct and Overlapping Debt Obligations**

Set forth below is a direct and overlapping debt report (the “**Debt Report**”) prepared by California Municipal Statistics, Inc. and dated November 1, 2017. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

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**LOS RIOS COMMUNITY COLLEGE DISTRICT**  
**Statement of Direct and Overlapping Bonded Debt**  
**Dated as of November 1, 2017**

2017-18 Assessed Valuation: \$183,348,159,670

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable<sup>(1)</sup></u>	<u>Debt 11/1/17</u>
<b>Los Rios Community College District</b>	<b>100.000%</b>	<b>\$324,380,000<sup>(2)</sup></b>
Folsom-Cordova Unified School District School Facilities Improvement Districts	100.000	289,343,695
Natomas Unified School District	100.000	242,103,301
Sacramento Unified School District	100.000	502,412,966
San Juan Unified School District	100.000	441,659,706
Twin Rivers Unified School District	100.000	282,258,590 <sup>(3)</sup>
Other Unified School Districts	Various	181,703,015
High School and School Districts	Various	171,303,245
El Dorado Irrigation District	100.000	485,000
Cameron Community Services District	100.000	7,283,000
Elk Grove Unified School District Community Facilities District No. 1	100.000	205,377,561
City of Folsom Community Facilities Districts	100.000	113,502,251
City of Sacramento Community Facilities Districts	100.000	157,370,000
City of West Sacramento Community Facilities Districts	100.000	131,453,034
Other Community Facilities Districts	100.000	619,848,990
1915 Act and Benefit Assessment Bonds (Estimate)	100.000	390,763,331
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$4,061,247,685</b>
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Sacramento County General Fund Obligations	95.199%	\$ 218,858,597
Sacramento County Pension Obligation Bonds	95.199	881,257,193
Other County Obligations	Various	34,358,920
<b>Los Rios Community College District Certificates of Participation</b>	<b>100.000</b>	<b>700,000</b>
Sacramento Unified School District Certificates of Participation and Pension Obligations	100.000	67,920,000
Twin Rivers Unified School District Certificates of Participation	100.000	66,440,000
Other Unified School District General Fund Obligations	Various	136,045,051
High School District and School District General Fund Obligations	Various	42,251,733
City of Sacramento General Fund Obligations	100.000	762,180,000
Other City General Fund Obligations	100.000	61,908,621
Sacramento Metropolitan Fire District General Fund and Pension Obligation Bonds	94.297	58,151,994
Special District General Fund Obligations	Various	24,832,113
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<b>\$2,354,904,222</b>
Less: City of Elk Grove supported obligations		9,410,000
City of Sacramento supported obligations		528,795,961
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<b>\$1,816,698,261</b>
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>		 <b>\$412,677,780</b>
 GROSS COMBINED TOTAL DEBT		 <b>\$6,828,829,687<sup>(4)</sup></b>
NET COMBINED TOTAL DEBT		<b>\$6,290,623,726</b>

Ratios to 2017-18 Assessed Valuation:

<b>Direct Debt (\$324,380,000)</b> .....	<b>0.18%</b>
Total Direct and Overlapping Tax and Assessment Debt .....	2.22%
<b>Total Direct Debt (\$325,080,000)</b> .....	<b>0.18%</b>
Gross Combined Total Debt .....	3.72%
Net Combined Total Debt .....	3.43%

Ratios to Redevelopment Incremental Valuation (\$13,825,520,465):

Total Overlapping Tax Increment Debt .....	2.98%
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(1) 2016-17 ratios.

(2) Excludes the Bonds described herein and 2018 Refunding Bonds.

(3) Former High School and Elementary School bonds.

(4) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

## SACRAMENTO COUNTY INVESTMENT POOL

Under the California Education Code, the District is required to pay all monies received from any source into the Sacramento County Treasury to be held on behalf of the District. Therefore, the District's funds, including monies on deposit in the District's building funds and debt service funds, are held by the County Auditor-Controller. The County's current investment policy and most recent available investment report are shown in Appendix G.

### CONTINUING DISCLOSURE

The District will execute a Continuing Disclosure Certificate in connection with the issuance of the Bonds in the form attached hereto as Appendix E. The District has covenanted therein, for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District (an "**Annual Report**") to the Municipal Securities Rulemaking Board not later than nine months after the end of the District's fiscal year (which currently would be March 31), commencing March 31, 2018 with the report for the 2016-17 Fiscal Year, and to provide notices of the occurrence of certain enumerated events. This Official Statement shall satisfy the initial Annual Report filing. Such notices will be filed by the District with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in an Annual Report or the notices of enumerated events is set forth in "APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriter of the Refunding Bonds in complying with S.E.C. Rule 15c2-12(b)(5) (the "**Rule**").

*[TO BE UPDATED]* The District has existing disclosure undertakings that have been made pursuant to the Rule in connection with the issuance of other outstanding general obligation bonds and refunding general obligation bonds. See "APPENDIX B - GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT - DISTRICT FINANCIAL INFORMATION - Indebtedness of the District." During the previous five years, instances of non-compliance with prior undertakings are the failure to timely file notices of insured rating downgrades. Although such downgrades were widely known in the bond marketplace, notice of ratings changes may not have been timely made in accordance with the Rule, although such notices were made. These instances of non-compliance have subsequently been remedied.

In order to assist it in complying with its disclosure undertakings for its outstanding bonds and the Bonds, the District has engaged Dale Scott & Company, Inc., its Financial Advisor, to serve as its dissemination agent with respect to its each of its disclosure undertakings, including the Continuing Disclosure Certificate to be executed in connection with the Bonds.

Neither the Counties nor any other entity other than the District shall have any obligation or incur any liability whatsoever with respect to the performance of the District's duties regarding continuing disclosure.

## CERTAIN LEGAL MATTERS

### Absence of Material Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect, executed by an authorized officer of the District, will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened that (i) questions the political existence of the District, (ii) contests the District's ability to receive *ad valorem* taxes or to collect other revenues or (iii) contests the District's ability to issue and retire the Bonds.

The District is routinely subject to lawsuits and claims in the regular course of administering the District. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District.

### Legal Opinions

The proceedings in connection with the issuance of the Bonds are subject to the approval as to their legality by Bond Counsel. The opinions of Bond Counsel with respect to the Bonds will be delivered in substantially the respective forms attached hereto as Appendix D. Certain legal matters will also be passed upon for the District by Disclosure Counsel. The fees of Bond Counsel and Disclosure Counsel are contingent upon the issuance and delivery of the Bonds.

## TAX MATTERS

**Federal Tax Status.** In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") that must be satisfied subsequent to the issuance of the Bonds. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

**Tax Treatment of Original Issue Discount and Premium.** If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "**original issue discount**" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "**original**

**issue premium"** for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium is disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual and corporate alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

**California Tax Status.** In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

**Other Tax Considerations.** Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Bonds other than as expressly described above, including any opinion regarding federal tax consequences arising with respect to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

In addition, future legislation, if enacted into law, or clarification of the Tax Code may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislation or clarification of the Tax Code may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation, as to which Bond Counsel expresses no opinion.

**Form of Opinions.** A copy of the proposed form of the opinion of Bond Counsel is attached hereto as Appendix D.

## RATING

Moody's Investors Services ("**Moody's**") and S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("**S&P**") have assigned ratings of "\_\_\_" and "\_\_\_," respectively, to the Bonds. The District has provided certain additional information and materials to Moody's and S&P (some of which does not appear in this Official Statement). Such ratings reflect only the views of Moody's and S&P, and an explanation of the significance of such ratings and outlooks may be obtained only from Moody's and S&P. There is no assurance that any credit ratings given to the Refunding Bonds will be maintained for any period of time or that the rating may not be lowered or withdrawn entirely by Moody's or S&P if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Refunding Bonds.

## COMPETITIVE SALE OF BONDS

The Bonds were sold following two separate competitive bidding processes, and were awarded to the separate purchasers identified in the following paragraphs, whose proposals represented the lowest true interest cost for the applicable Bonds as determined in accordance with the Official Notices of Sale. The following are the purchase prices for the Series 2002F Bonds and Series 2008C Bonds, respectively:

**Series 2002F Bonds.** \_\_\_\_\_, the Series 2002F Bond Purchaser, has agreed to purchase the Series 2002F Bonds at a price of \$\_\_\_\_\_, which is equal to the initial principal amount of the Series 2002F Bonds of \$\_\_\_\_\_ plus a net original issue premium of \$\_\_\_\_\_, less a purchaser's discount of \$\_\_\_\_\_.

**Series 2008C Bonds.** \_\_\_\_\_, the Series 2008C Bond Purchaser, has agreed to purchase the Series 2008C Bonds at a price of \$\_\_\_\_\_, which is equal to the initial principal amount of the Series 2008C Bonds of \$\_\_\_\_\_ plus a net original issue premium of \$\_\_\_\_\_, less a purchaser's discount of \$\_\_\_\_\_.

The Bond Purchasers intend to offer the Bonds to the public at the respective offering prices set forth on the inside cover page of this Official Statement. The Bond Purchasers may offer and sell to certain dealers and others at a price lower than the offering prices stated on the inside cover page hereof. The offering price may be changed from time to time by the Bond Purchasers.

## COMPENSATION OF PROFESSIONALS

Payment of the fees and expenses of Bond Counsel, Disclosure Counsel and Dale Scott & Co., Inc., as financial advisor to the District, is contingent upon issuance of the Bonds.

## **ADDITIONAL INFORMATION**

The discussions herein about the Bond Resolutions and the Continuing Disclosure Certificate are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and for full and complete statements of such provisions reference is made to such documents. Copies of these documents mentioned are available from the District and following delivery of the Bonds will be on file at the offices of the Paying Agent in San Francisco, California.

References are also made herein to certain documents and reports relating to the District; such references are brief summaries and do not purport to be complete or definitive. Copies of such documents are available upon written request to the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Bonds.

## **EXECUTION**

The execution and delivery of this Official Statement have been duly authorized by the District.

### **LOS RIOS COMMUNITY COLLEGE DISTRICT**

By: \_\_\_\_\_  
Vice Chancellor,  
Finance and Administration

**APPENDIX A**

**AUDITED FINANCIAL STATEMENTS OF THE DISTRICT  
FOR FISCAL YEAR ENDING JUNE 30, 2016**

**APPENDIX B**

**GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT**

*--DATA WILL BE INSERTED WHEN COMPLETED IN POS FOR REFUNDING BONDS--*



**APPENDIX C**

**GENERAL INFORMATION ABOUT SACRAMENTO COUNTY, YOLO COUNTY  
AND EL DORADO COUNTY,**

*--DATA WILL BE INSERTED WHEN COMPLETED IN POS FOR REFUNDING BONDS--*

**APPENDIX D**  
**FORMS OF OPINIONS OF BOND COUNSEL**

**SERIES 2002F BONDS**

[LETTERHEAD OF JONES HALL]

January \_\_, 2018

Board of Trustees  
Los Rios Community College District  
1919 Spanos Court  
Sacramento, California 95825

**OPINION:**    \$\_\_\_\_\_ Los Rios Community College District  
                  (Sacramento County, California)  
                  General Obligation Bonds, 2002 Election, Series F

Members of the Board of Trustees:

We have acted as bond counsel to the Los Rios Community College District (the "District") in connection with the issuance by the District of its Los Rios Community College District (Sacramento County, California) General Obligation Bonds, 2002 Election, Series F, dated the date hereof (together, the "Bonds"), under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code and under a resolution adopted by the Board of Trustees of the District on November 8, 2017 (the "Bond Resolution"). We have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the District contained in the Bond Resolution and in the certified proceedings and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The District is duly established and validly existing as a community college district with the power to issue the Bonds and to perform its obligations under the Bond Resolution.
2. The Bond Resolution has been duly adopted by the Board of Trustees of the District and constitutes a valid and binding obligation of the District enforceable against the District in accordance with its terms.

3. The Bonds have been duly issued and sold by the District and are valid and binding general obligations of the District, and the County of Sacramento is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation as to rate or amount.

4. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on such corporations (as defined for federal income tax purposes), such interest is required to be taken into account in determining certain income and earnings. The opinions set forth in the preceding sentence are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

5. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Bond Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

A Professional Law Corporation

## SERIES 2008C BONDS

[LETTERHEAD OF JONES HALL]

January \_\_, 2018

Board of Trustees  
Los Rios Community College District  
1919 Spanos Court  
Sacramento, California 95825

**OPINION:** \$\_\_\_\_\_ Los Rios Community College District  
(Sacramento County, California)  
General Obligation Bonds, 2008 Election, Series C

Members of the Board of Trustees:

We have acted as bond counsel to the Los Rios Community College District (the "District") in connection with the issuance by the District of its Los Rios Community College District (Sacramento County, California) General Obligation Bonds, 2008 Election, Series C, dated the date hereof (together, the "Bonds"), under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code and under a resolution adopted by the Board of Trustees of the District on November 8, 2017 (the "Bond Resolution"). We have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the District contained in the Bond Resolution and in the certified proceedings and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The District is duly established and validly existing as a community college district with the power to issue the Bonds and to perform its obligations under the Bond Resolution.
2. The Bond Resolution has been duly adopted by the Board of Trustees of the District and constitutes a valid and binding obligation of the District enforceable against the District in accordance with its terms.

3. The Bonds have been duly issued and sold by the District and are valid and binding general obligations of the District, and the County of Sacramento is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation as to rate or amount.

4. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on such corporations (as defined for federal income tax purposes), such interest is required to be taken into account in determining certain income and earnings. The opinions set forth in the preceding sentence are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

5. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Bond Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

A Professional Law Corporation

## APPENDIX E

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$ \_\_\_\_\_  
LOS RIOS COMMUNITY COLLEGE DISTRICT  
(Sacramento County, California)  
General Obligation Bonds  
2002 Election, Series F

\$ \_\_\_\_\_  
LOS RIOS COMMUNITY COLLEGE DISTRICT  
(Sacramento County, California)  
General Obligation Bonds  
2008 Election, Series C

### CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the Los Rios Community College District (the “District”) in connection with the issuance of the above-captioned bonds (together, the “Bonds”). The Bonds are being issued under resolutions adopted by the Board of Trustees of the District on November 8, 2017 (the “Bond Resolution”). The District covenants and agrees as follows:

**Section 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

**Section 2. Definitions.** In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4.

“*Dissemination Agent*” means, initially Dale Scott & Company, Inc., or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“*Listed Events*” means any of the events listed in Section 5(a).

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Participating Underwriter*” means any of the original purchasers of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### **Section 3. Provision of Annual Reports.**

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2018 with the report for the 2016-17 fiscal year, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A, with a copy to the Paying Agent and Participating Underwriter.

(c) With respect to each Annual Report, the Dissemination Agent shall:

- (i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and
- (ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

**Section 4. Content of Annual Reports.** The District's Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, the following information with respect to the most recently completed fiscal year, as follows:

- (i) total assessed valuation of taxable properties in the District;
- (ii) assessed valuation of top twenty secured property taxpayers in the District; and
- (iii) property tax collection delinquencies for the District, but only if *ad valorem* taxes for general obligation bonds are not collected on the County of Sacramento's Teeter Plan and such information is available from the County at the time of filing the Annual Report.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission.

#### **Section 5. Reporting of Significant Events.**

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the District.



- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Bond Resolution.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), and (a)(14) of this Section 5 contain the qualifier “if material” and that subparagraph (a)(6) also contains the qualifier “material” with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that District determines the event’s occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

**Section 6. Identifying Information for Filings with the MSRB.** All documents provided to the MSRB under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

**Section 7. Termination of Reporting Obligation.** The District’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

**Section 8. Dissemination Agent.** The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure

Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

**Section 9. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Bond Resolution for amendments to the Bond Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(b).

**Section 10. Additional Information.** Nothing herein prevents the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**Section 11. Default.** In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions

as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

**Section 12. Duties, Immunities and Liabilities of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

**Section 13. Beneficiaries.** This Disclosure Certificate inures solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and holders and beneficial owners from time to time of the Bonds, and creates no rights in any other person or entity.

Date: February \_\_, 2018

**LOS RIOS COMMUNITY COLLEGE  
DISTRICT**

By: \_\_\_\_\_  
Vice Chancellor,  
Finance and Administration

**DISSEMINATION AGENT  
ACCEPTANCE OF DUTIES**

By: \_\_\_\_\_  
Authorized Officer of  
Dale Scott & Company, Inc.

**EXHIBIT A**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

**Name of Obligor:** Los Rios Community College District

**Name of Bond Issue:** \$\_\_\_\_\_ Los Rios Community College District  
(Sacramento County, California)  
General Obligation Bonds, 2002 Election, Series F

and

\$\_\_\_\_\_ Los Rios Community College District  
(Sacramento County, California)  
General Obligation Bonds, 2008 Election, Series C

**Date of Issuance:** \_\_\_\_\_, 2017

**NOTICE IS HEREBY GIVEN** that the District has not provided an Annual Report with respect to the above-named Bonds as required by the resolution adopted by the Board of Trustees of the District authorizing the issuance of the Bonds. The District anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

**DALE SCOTT & CO., INC., as  
Dissemination Agent**

By: \_\_\_\_\_  
Authorized Officer

cc: Los Rios Community College District

## APPENDIX F

### BOOK-ENTRY ONLY SYSTEM

*The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.*

*Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.*

*No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.*

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (in this Appendix, the “Bonds”). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and

dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com). *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI

Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from District or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to District or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

**APPENDIX G**

**SACRAMENTO COUNTY INVESTMENT POLICY AND INVESTMENT REPORT**