

February 26, 2020

Boards of Directors
 County Sanitation District No. 27 and
 Newhall Ranch Sanitation District
 of Los Angeles County

Directors:

The enclosed consolidated agenda includes the following items for the regular meetings of the Boards of Directors of District No. 27 and Newhall Ranch Sanitation District meeting Tuesday, March 10, 2020.

1. Minutes. (3 and 5) Copies of the minutes have been provided to each of the Directors.

2. District Expenses. (3 and 5) Local Districts' expenses represent costs incurred for operations, maintenance, and capital projects that are the sole responsibility of the individual District. Each District's share of allocated expenses represents its proportionate share of expenditures made by District No. 2, the Administrative District, on behalf of the individual districts that are parties to the Joint Administration Agreement. That agreement provides for the joint administration and technical support of the 24 County Sanitation Districts of Los Angeles County (the "Districts"), and requires District No. 27 and Newhall Ranch Sanitation District to each pay 0.01 percent of the joint administration costs. This item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

District No. 27 –

Local District Expenses:	
Operations & Maintenance (O & M)	\$18,770.67
Capital	7,124.00
Allocated Expenses:	
Joint Administration	<u>1,258.71</u>
Total Expenses	<u>\$27,153.38</u>

Newhall Ranch Sanitation District –

Local District Expenses:	
Operations & Maintenance (O & M)	\$ 32,363.31
Capital	108,762.95
Allocated Expenses:	
Joint Administration	<u>1,258.71</u>
Total Expenses	<u>\$142,384.97</u>

3. Bond Defeasance (3). In 1993, 22 Districts issued bonds to finance capital improvements to sewage treatment and disposal facilities. The bonds were subsequently refinanced, most recently into Series 2011 and Series 2013 Bonds. The total outstanding principal on these bonds are \$48.8 million through October 2023 and \$6.8 million through October 2021, respectively. The ongoing financial and other legal requirements in these bonds are substantively similar to the 1993 bonds, and even though some of these requirements are no longer relevant, they have led to difficulties in the drafting of subsequent financing agreements, including several that are in progress. As a result, staff is proposing to pre-pay or defease both bond series, which means that cash will be set aside in an escrow fund for the sole purpose of making the remaining principal and interest payments. Defeasing the bonds will release the Districts from pledges, obligations, and unfavorable covenants of the bonds. Without the restrictions imposed by the bonds, future project financing will be streamlined and will specifically benefit financing agreements being negotiated for the Clearwater Tunnel. In addition, due to current low interest rates, this action would result in an estimated \$1 million in savings across all Districts.

In order to defease the bonds, each District and the Financing Authority will need to adopt resolutions authorizing the defeasance of the Bonds and the execution of certain documents in connection with such defeasance. The Financing Authority, the 22 participating Districts, where applicable, and a Bond Trustee will enter into escrow agreements whereby the Financing Authority will transfer the necessary cash provided by the Districts to the Bond Trustee on or about April 30, 2020. The Bond Trustee will use this cash to purchase escrow securities, as permitted by the respective bond indentures, in amounts sufficient to pay the scheduled debt service and/or redemption price on the bonds.

Very truly yours,



Robert C. Ferrante

RCF:drs
Enclosures

Notice and Agenda

REGULAR MEETING — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICT NO. 27/
NEWHALL RANCH SANITATION DISTRICT

To be held in the HEARING ROOM
OF THE BOARD OF SUPERVISORS
Kenneth Hahn Hall of Administration, Los Angeles, California

TUESDAY		March 10, 2020		At 9:30 A.M.
HAHN	KUEHL	BARGER (Chairperson)	RIDLEY-THOMAS	SOLIS

1. Recommendation: Approve minutes of the regular meetings held December 10, 2019 (both Districts)
2. Recommendation: Approve October, November and December 2019 expenses in total amounts of \$27,153.38 (District No. 27) (3) and \$142,384.97 (NRSD) (5)
3. Recommendation: Action to Approve and Adopt *Resolution of the Board of Directors of County Sanitation District No. 27 of Los Angeles County Authorizing the Defeasance of the Los Angeles County Sanitation Districts Financing Authority Capital Projects Revenue Bonds, 2011 Series A (Senior Ad Valorem Obligation Bonds) and the Los Angeles County Sanitation Districts Financing Authority Capital Projects Revenue Bonds, 2013 Series A (Senior Ad Valorem Obligation Bonds), and Authorizing the Execution and Delivery of Necessary Documents and Certificates and Related Actions*

Adjourn

RESOLUTION OF THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 27 OF LOS ANGELES COUNTY AUTHORIZING THE DEFEASANCE OF THE LOS ANGELES COUNTY SANITATION DISTRICTS FINANCING AUTHORITY CAPITAL PROJECTS REVENUE BONDS, 2011 SERIES A (SENIOR AD VALOREM OBLIGATION BONDS) AND THE LOS ANGELES COUNTY SANITATION DISTRICTS FINANCING AUTHORITY CAPITAL PROJECTS REVENUE BONDS, 2013 SERIES A (SENIOR AD VALOREM OBLIGATION BONDS), AND AUTHORIZING THE EXECUTION AND DELIVERY OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, the Los Angeles County Sanitation Districts Financing Authority (the “Authority”) previously issued its Los Angeles County Sanitation Districts Financing Authority Capital Projects Revenue Bonds, 2011 Series A (Senior Ad Valorem Obligation Bonds) (the “Series 2011 Bonds”), which are presently outstanding in the aggregate principal amount of \$48,760,000;

WHEREAS, the Series 2011 Bonds were issued pursuant to the Indenture, dated as of July 1, 2011 (the “2011 Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “2011 Trustee”);

WHEREAS, pursuant to the Joint Acquisition Agreement, dated as of July 1, 2011 (the “2011 Joint Acquisition Agreement”), by and among the County Sanitation Districts of Los Angeles County (the “Districts”), including County Sanitation District No. 27 of Los Angeles County (the “District”), and the Authority, the Districts agreed to make installment payments (the “2011 Installment Payments”) for the purchase of certain property described therein;

WHEREAS, the Series 2011 Bonds are payable from and secured by the 2011 Installment Payments;

WHEREAS, pursuant to the 2011 Joint Acquisition Agreement, the Districts have the right to cause the Series 2011 Bonds maturing on or after October 1, 2022 to be redeemed in accordance with the 2011 Indenture;

WHEREAS, the Districts, including the District, desire to exercise such right and, in connection therewith, provide to the Authority funds in an amount sufficient to defease all of the outstanding Series 2011 Bonds pursuant to the 2011 Indenture (the “2011 Defeasance Cost”), each District providing an amount equal to such District’s Proportionate Share (as defined in the 2011 Joint Acquisition Agreement) of the 2011 Defeasance Cost, and to have the Authority apply such funds to such defeasance of the Series 2011 Bonds;

WHEREAS, the funds to defease the Series 2011 Bonds will be applied to such purpose pursuant to an Escrow Agreement to be entered into by the Authority, the 2011 Trustee and the Districts (such Escrow Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “2011 Escrow Agreement”);

WHEREAS, the Authority previously issued its Los Angeles County Sanitation Districts Financing Authority Capital Projects Revenue Bonds, 2013 Series A (Senior Ad Valorem Obligation Bonds) (the “Series 2013 Bonds” and, together with the Series 2011 Bonds, the “Bonds”), which are presently outstanding in the aggregate principal amount of \$6,830,000;

WHEREAS, the Series 2013 Bonds were issued pursuant to the Indenture, dated as of July 1, 2013 (the “2013 Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “2013 Trustee”);

WHEREAS, pursuant to the Joint Acquisition Agreement, dated as of July 1, 2013, by and among the Districts and the Authority, the Districts agreed to make installment payments (the “2013 Installment Payments”) for the purchase of certain property described therein;

WHEREAS, the Series 2013 Bonds are payable from and secured by the 2013 Installment Payments;

WHEREAS, the Districts, including the District, desire to provide to the Authority funds in an amount sufficient to defease all of the outstanding Series 2013 Bonds pursuant to the 2013 Indenture (the “2013 Defeasance Cost”), each District providing an amount equal to such District’s Proportionate Share (as defined in the 2013 Joint Acquisition Agreement) of the 2013 Defeasance Cost, and to have the Authority apply such funds to such defeasance of the Series 2013 Bonds;

WHEREAS, the funds to defease the Series 2013 Bonds will be applied to such purpose pursuant to an Escrow Agreement to be entered into by the Authority and the 2013 Trustee (such Escrow Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “2013 Escrow Agreement”);

WHEREAS, there have been prepared and submitted to this meeting forms of;

- (a) the 2011 Escrow Agreement; and
- (b) the 2013 Escrow Agreement; and

WHEREAS, the Board of Directors of the District (the “Board”) desires to authorize and approve the application of available funds to the defeasance of the execution and delivery of such documents and the performance of such acts as may be necessary or desirable to effect the defeasance of the Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of County Sanitation District No. 27 of Los Angeles County, as follows:

Section 1. All of the recitals herein contained are true and correct and the Board so finds.

Section 2. Providing available funds of the District to the Authority, in an amount equal to the District’s Proportionate Share of the 2011 Defeasance Cost, to be applied, pursuant to the 2011 Escrow Agreement, to the defeasance of the Series 2011 Bonds is hereby approved; provided, however, that the funds so provided shall not exceed \$98,000.

Section 3. The form of 2011 Escrow Agreement, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, is hereby approved, and each of the Chairperson of the Board, the Chairperson *Pro Tem* of the Board, or such other member of the Board as the Chairperson may designate, the Chief Engineer and General Manager of the District and the Assistant Chief Engineer and Assistant General Manager of the District (collectively, the “Authorized Officers”) is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name and on behalf of the District, to execute and deliver the 2011 Escrow Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. Providing available funds of the District to the Authority, in an amount equal to the District’s Proportionate Share of the 2013 Defeasance Cost, to be applied, pursuant to the 2013 Escrow Agreement, to the defeasance of the Series 2013 Bonds is hereby approved; provided, however, that the funds so provided shall not exceed \$14,000.

Section 5. The form of 2013 Escrow Agreement, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, is hereby approved, and each of the Authorized Officers is hereby authorized, for and in the name and on behalf of the District, to approve of such changes, insertions and omissions therein as any such Authorized Officer may require or approve.

Section 6. The Chief Engineer and General Manager of the District, and his or her designees, are hereby authorized and directed, jointly and severally, for and in the name of the District, to do any and all things and to execute and deliver any and all documents which they or any of them may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 7. All actions heretofore taken by the Chief Engineer and General Manager of the District, the designees of the Chief Engineer and General Manager of the District and the authorized agents of the District with respect to the transactions herein authorized above are hereby approved, confirmed and ratified.

Section 8. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Directors of County Sanitation District No. 27 of Los Angeles County on _____, 2020.

Chairperson

ATTEST:

Secretary

ESCROW AGREEMENT

by and among

**LOS ANGELES COUNTY SANITATION DISTRICTS
FINANCING AUTHORITY,**

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
AS TRUSTEE AND AS ESCROW BANK**

and

**COUNTY SANITATION DISTRICTS
OF LOS ANGELES COUNTY**

named herein

Dated as of _____, 2020

**Los Angeles County Sanitation Districts Financing Authority
Capital Projects Revenue Bonds
2011 Series A
(Senior Ad Valorem Obligation Bonds)**

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this “Escrow Agreement”), dated as of _____, 2020, is by and among the LOS ANGELES COUNTY SANITATION DISTRICTS FINANCING AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the “Authority”), THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as Trustee (as defined herein) and as escrow bank (the “Escrow Bank”), and COUNTY SANITATION DISTRICT NO. 1 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 3 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 4 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 5 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 8 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 9 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 14 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 15 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 16 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 17 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 18 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 19 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 20 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 21 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 22 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 23 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 27 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 28 OF LOS ANGELES COUNTY, COUNTY SANITATION DISTRICT NO. 29 OF LOS ANGELES COUNTY, SOUTH BAY CITIES SANITATION DISTRICT OF LOS ANGELES COUNTY and SANTA CLARITA VALLEY SANITATION DISTRICT OF LOS ANGELES COUNTY (collectively, the “Districts”), each, a sanitation district organized and existing under the laws of the State of California.

WITNESSETH:

WHEREAS, the Authority previously issued its Los Angeles County Sanitation Districts Financing Authority Capital Projects Revenue Bonds, 2011 Series A (Senior Ad Valorem Obligation Bonds) (the “Series 2011 Bonds”), which are presently outstanding in the aggregate principal amount of \$48,760,000;

WHEREAS, the Series 2011 Bonds were issued pursuant to the Indenture, dated as of July 1, 2011 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”);

WHEREAS, pursuant to the Joint Acquisition Agreement, dated as of July 1, 2011 (the “Joint Acquisition Agreement”), by and among the Districts and the Authority, the Districts agreed to make installment payments (the “Installment Payments”) for the purchase of certain property described therein;

WHEREAS, the Series 2011 Bonds are payable from and secured by the Installment Payments;

WHEREAS, pursuant to Section 8.01 of the Joint Acquisition Agreement, the Districts have the right to cause the Series 2011 Bonds maturing on or after October 1, 2022, to be redeemed in accordance with Section 3.01 of the Indenture, and the Districts have determined to exercise such right;

WHEREAS, the Authority has determined to cause to be paid, in accordance with Article X of the Indenture, the interest on and principal of all outstanding Series 2011 Bonds at the times and in the manner stipulated in the Indenture and herein, by causing to be deposited with the Trustee [moneys and] securities in such amounts as will be sufficient to pay, when due, the interest on and principal of the Series 2011 Bonds to and including October 1, 2021, and to redeem the Series 2011 Bonds maturing on or after October 1, 2022 (the “Redeemed Series 2011 Bonds”), on October 1, 2021 (the “Redemption Date”), at a redemption price (the “Redemption Price”) equal to 100% of the principal amount of the Redeemed Series 2011 Bonds being so redeemed, without premium;

WHEREAS, the Redeemed Series 2011 Bonds are subject to redemption on the Redemption Date and the Districts have determined to exercise their right to cause the redemption of the Redeemed Series 2011 Bonds on the Redemption Date; and

WHEREAS, in order to provide for such deposit and payment of the Series 2011 Bonds, the Authority, the Trustee and the Districts are entering into this Escrow Agreement;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

Section 1. Definitions. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to such terms in the Indenture.

Section 2. The Escrow Fund. (a) There is hereby established a fund (the “Escrow Fund”) to be held as an irrevocably pledged escrow by the Escrow Bank, which the Escrow Bank shall keep separate and apart from all other funds of the Authority and the Escrow Bank and to be applied solely as provided in this Escrow Agreement.

Pending application as provided in this Escrow Agreement, amounts on deposit in the Escrow Fund are hereby pledged and assigned solely to the payment of (i) the interest on and principal of the Series 2011 Bonds, as and when due, to and including the Redemption Date, and (ii) the Redemption Price on the Redemption Date, which amounts shall be held in trust by the Escrow Bank for the Owners of the Series 2011 Bonds.

(b) On or by the date hereof (the “Deposit Date”), the Authority has caused to be transferred to the Escrow Bank the amount of \$_____, which the Escrow Bank has deposited in the Escrow Fund.

(c) Upon the deposit of moneys pursuant to Section 2(b) hereof, the moneys on deposit in the Escrow Fund, as verified by an independent firm of nationally recognized certified

public accountants, will be at least equal to an amount sufficient to purchase the aggregate principal amount of Defeasance Securities set forth in Exhibit A hereto (the “Exhibit A Securities”), which principal, together with all interest due or to become due on such Exhibit A Securities, and any uninvested cash held by the Escrow Bank in the Escrow Fund, will be sufficient to make the payments required by Section 4 hereof.

Section 3. Use and Investment of Moneys. (a) The Escrow Bank hereby acknowledges deposit of the moneys described in Section 2(b) hereof and agrees to invest \$_____ of such moneys in the Exhibit A Securities upon receipt of a report of an independent firm of nationally recognized certified public accountants that the Exhibit A Securities will mature in such principal amounts and earn interest in such amounts and, in each case, at such times, so that sufficient moneys will be available from maturing principal and interest on the Exhibit A Securities, together with any uninvested moneys then held by the Escrow Bank in the Escrow Fund, to make all payments required by Section 4 hereof. Except as provided in Section 3(b) hereof or Section 3(c) hereof, the balance of the moneys in the Escrow Fund shall be held uninvested.

(b) Upon the Written Request of the Authority, but subject to the conditions and limitations herein set forth, the Escrow Bank shall purchase substitute Defeasance Securities for the Defeasance Securities then held in the Escrow Fund with the proceeds derived from the sale, transfer, redemption or other disposition of Defeasance Securities then on deposit in the Escrow Fund and any uninvested money then held by the Escrow Bank hereunder in accordance with the provisions of this Section. Such sale, transfer, redemption or other disposition of Defeasance Securities then on deposit in the Escrow Fund and substitution of other Defeasance Securities shall be effected by the Escrow Bank upon the Written Request of the Authority but only by a simultaneous transaction and only upon (i) receipt of certification by an independent firm of nationally recognized certified public accountants that the Defeasance Securities to be substituted, together with the Defeasance Securities which will continue to be held in the Escrow Fund, will mature in such principal amounts and earn interest in such amounts and, in each case, at such times so that sufficient moneys will be available from maturing principal and interest on such Defeasance Securities held in the Escrow Fund, together with any uninvested moneys, to make all payments required by Section 4 hereof which have not previously been made, and (ii) receipt by the Escrow Bank of an opinion of counsel of recognized standing in the field of law relating to municipal bonds to the effect that the sale, transfer, redemption or other disposition and substitution of Defeasance Securities will not adversely affect the exclusion of interest on any Series 2011 Bonds from gross income for purposes of federal income taxation.

(c) Upon the Written Request of the Authority, but subject to the conditions and limitations herein set forth, the Escrow Bank shall apply any moneys received from the maturing principal of or interest or other investment income on any Defeasance Securities held in the Escrow Fund, or the proceeds from any sale, transfer, redemption or other disposition of Defeasance Securities pursuant to Section 3(b) hereof not required for the purposes of said Section (i) to the extent such moneys will not be required at any time for the purpose of making a payment required by Section 4 hereof, as certified by an independent firm of nationally recognized certified public accountants delivered to the Escrow Bank, such moneys shall be transferred as directed by the Authority upon the Written Request of the Authority as received by the Escrow Bank, free and clear of any trust, lien, pledge or assignment securing the Series 2011 Bonds or otherwise existing

hereunder, and (ii) to the extent such moneys will be required for such purpose at a later date, such moneys shall, to the extent practicable, be invested or reinvested in Defeasance Securities maturing at times and in amounts sufficient, as certified by an independent certified public accountant delivered to the Escrow Bank, to make such payment required by Section 4 hereof.

(d) All Defeasance Securities purchased pursuant to this Escrow Agreement shall be deposited in and held for the credit of the Escrow Fund. Except as provided in this Section, no moneys or Defeasance Securities deposited with the Escrow Bank pursuant to this Escrow Agreement nor principal of, or interest payments or other investment income on, any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Series 2011 Bonds as provided in Section 4 hereof.

(e) The Owners of the Series 2011 Bonds shall have a first and exclusive lien on the moneys and Defeasance Securities in the Escrow Fund until such moneys and Defeasance Securities are used and applied as provided in this Escrow Agreement.

(f) The Escrow Bank shall not be held liable for investment losses resulting from compliance with the provisions of this Escrow Agreement.

Section 4. Payment of Series 2011 Bonds. From the maturing principal of the Defeasance Securities held in the Escrow Fund and the investment income and other earnings thereon and any uninvested money then held in the Escrow Fund, the Escrow Bank, as the Trustee, shall apply such amounts as follows:

(a) on each Interest Payment Date to and including the Redemption Date, the Escrow Bank, as the Trustee, shall pay the accrued interest on the Series 2011 Bonds in accordance with the terms of the Indenture;

(b) on each October 1 to and including the Redemption Date, the Escrow Bank, as the Trustee, shall pay the principal of the Series 2011 Bonds in accordance with the terms of the Indenture; and

(c) on the Redemption Date, the Escrow Bank, as the Trustee, shall pay the Redemption Price in accordance with the terms of the Indenture.

To the extent that the amount on deposit in the Escrow Fund on the Redemption Date is in excess of the amount necessary to make the required payments with respect to the Series 2011 Bonds, as shown in the then applicable escrow verification of the independent firm of nationally recognized certified public accountants, such excess shall be transferred to the Authority or as otherwise directed by the Authority in writing.

Section 5. Exercise and Notice of Redemption Right; Irrevocable Instructions to Mail Notice. (a) The Districts hereby irrevocably exercise their right to cause the Redeemed Series 2011 Bonds to be redeemed in accordance with Section 3.01 of the Indenture on the Redemption Date, and hereby provide notice to the Trustee regarding the same.

(b) The Authority hereby irrevocably instructs the Escrow Bank, as the Trustee (i) to mail, on a date in accordance with the provisions of Section 3.02 of the Indenture, notice of

redemption of the Redeemed Series 2011 Bonds on the Redemption Date, substantially in the form attached hereto as Exhibit B, said notice to be given in accordance with Section 3.02 of the Indenture, (ii) to mail, as soon as practicable, to the Owners of the Series 2011 Bonds a notice substantially in the form attached hereto as Exhibit C (the “Notice of Defeasance”), to the effect that the deposit required by clause (ii) of subsection (b) of Section 10.01 of the Indenture has been made with the Trustee and that the Series 2011 Bonds are deemed to have been paid in accordance with Section 10.01 of the Indenture, and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and redemption premiums, if any, on such Series 2011 Bonds, and (iii) to file a copy of the Notice of Defeasance with the Electronic Municipal Market Access (EMMA) website of the Municipal Securities Rulemaking Board in accordance with the Continuing Disclosure Agreement.

Section 6. Performance of Duties; Acknowledgement with Respect to Notice and Irrevocable Instructions. The Escrow Bank agrees to perform the duties set forth herein and agrees that the notice and the irrevocable instructions to the Escrow Bank, as the Trustee, herein provided are in a form satisfactory to it.

Section 7. Transfer of Amounts Remaining Under Indenture. On the business day next succeeding the date the Escrow Bank deposits moneys in the Escrow Fund pursuant to Section 2 hereof, the Escrow Bank, as the Trustee, shall transfer any amounts remaining in the funds and accounts established under the Indenture to the Authority or as otherwise directed by the Authority in writing.

Section 8. Authority to Make Investments. The Escrow Bank shall have no power or duty to invest any funds held under this Escrow Agreement except as provided in Section 3 hereof. The Escrow Bank shall have no power or duty to transfer or otherwise dispose of the moneys held hereunder except as provided in this Escrow Agreement.

Section 9. Indemnity. To the extent permitted by law, the Authority hereby assumes liability for, and hereby agrees to indemnify, protect, save and keep harmless the Escrow Bank and its respective successors, assigns, agents, employees, officers, directors and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees, expenses and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Bank at any time in any way relating to or arising out of the execution, delivery and performance of this Escrow Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds and securities deposited therein, the purchase of any securities to be purchased pursuant thereto, the retention of such securities or the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Escrow Agreement; provided, however, that the Authority shall not be required to indemnify the Escrow Bank against the Escrow Bank’s own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Bank’s respective successors, assigns, agents and employees or the material breach by the Escrow Bank of the terms of this Escrow Agreement. The indemnities contained in this Section shall survive the termination of this Escrow Agreement and the resignation or removal of the Escrow Bank.

Section 10. Responsibilities of Escrow Bank. The Escrow Bank makes no representation as to the sufficiency of the securities to be purchased pursuant hereto and any uninvested moneys to accomplish the defeasance of the Series 2011 Bonds pursuant to the Indenture or to the validity of this Escrow Agreement as to the Authority and, except as otherwise provided herein, the Escrow Bank shall incur no liability in respect thereof. The Escrow Bank shall not be liable in connection with the performance of its duties under this Escrow Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Escrow Agreement. The Escrow Bank may consult with counsel, who may or may not be counsel to the Authority but who shall not be in-house counsel to the Escrow Bank, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Escrow Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of an independent firm of nationally recognized certified public accountants or an opinion of counsel of recognized standing in the field of law relating to municipal bonds) may be deemed to be conclusively established by a written certification of the Authority. Whenever the Escrow Bank shall deem it necessary or desirable that a matter specifically requiring a certificate of an independent firm of nationally recognized certified public accountants or an opinion of counsel of recognized standing in the field of law relating to municipal bonds be proved or established prior to taking, suffering, or omitting any such action, such matter may be established only by a certificate signed by an independent firm of nationally recognized certified public accountants or such opinion of counsel of recognized standing in the field of law relating to municipal bonds.

The Escrow Bank undertakes to perform only such duties as are expressly set forth in this Escrow Agreement and no implied duties, covenants or obligations shall be read into this Escrow Agreement against the Escrow Bank.

The Escrow Bank shall have the right to accept and act upon a Written Request of the Authority delivered pursuant to this Escrow Agreement using Electronic Means (as defined herein). If the Authority elects to deliver a Written Request of the Authority to the Escrow Bank using Electronic Means and the Escrow Bank acts upon such Written Request, the Escrow Bank's reasonable understanding of such Written Request shall be deemed controlling. The Authority understands and agrees that the Escrow Bank cannot determine the identity of the actual sender of such Written Request and that the Escrow Bank shall conclusively presume that Written Requests of the Authority that purport to have been sent by an Authorized Representative of the Authority have been sent by such Authorized Representative. The Authority shall be responsible for ensuring that only Authorized Representatives transmit such Written Requests of the Authority to the Escrow Bank and that the Authority is solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt thereof by the Authority. The Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Written Requests of the Authority delivered using Electronic Means notwithstanding such directions conflict or are inconsistent with a subsequent Written Request of the Authority. The Authority agrees (a) to assume all risks arising out of the use of Electronic Means to submit Written Requests of the Authority to the Escrow

Bank, including without limitation the risk of the Escrow Bank acting on unauthorized Written Requests of the Authority, and the risk of interception and misuse by third parties, (b) that it is fully informed of the protections and risks associated with the various methods of transmitting Written Requests of the Authority to the Escrow Bank and that there may be more secure methods of transmitting Written Requests of the Authority than the method selected by the Authority, (c) that the security procedures, if any, to be followed in connection with its transmission of Written Requests of the Authority provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances, and (d) to notify the Escrow Bank immediately upon learning of any compromise or unauthorized use of the security procedures. Notwithstanding the foregoing, the provisions of this paragraph, and the Escrow Bank's actions pursuant hereto, are subject to the Escrow Bank's standard of care set forth in this Section.

“Electronic Means” means e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Bank, or another method or system specified by the Escrow Bank as available for use in connection with its services hereunder.

If the Escrow Bank learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a subscription of Defeasance Securities that is to be submitted pursuant to this Agreement, the Escrow Bank shall promptly request alternative written investment instructions from the Authority with respect to escrowed funds which were to be invested in such Defeasance Securities. The Escrow Bank shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Bank shall hold funds uninvested and without liability for interest until receipt of further written instructions from the Authority. In the absence of investment instructions from the Authority, the Escrow Bank shall not be responsible for the investment of such funds or interest thereon. The Escrow Bank may conclusively rely upon the Authority's selection of an alternative investment in Defeasance Securities as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Bank will furnish the Authority periodic cash transaction statements which include detail for all investment transactions made by the Escrow Bank hereunder.

The Escrow Bank shall not be responsible for any of the recitals or representations contained herein.

Any bank, national banking association or trust company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any bank, national banking association or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, national banking association or trust company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business shall be the

successor to the Escrow Bank without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

No provision of this Escrow Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Bank may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent or attorney so appointed.

Section 11. Resignation and Removal. The Escrow Bank may resign by giving written notice to the Authority, and upon receipt of such notice the Authority shall promptly appoint a successor Escrow Bank. If the Authority does not appoint a successor Escrow Bank within 60 days of receipt of such notice, the resigning Escrow Bank may petition a court of competent jurisdiction for the appointment of a successor Escrow Bank, which court may thereupon, upon such notice as it shall deem proper, appoint a successor Escrow Bank. Upon acceptance of appointment by a successor Escrow Bank, the resigning Escrow Bank shall transfer all securities and moneys held by it in the Escrow Fund to such successor Escrow Bank and be discharged of any further obligation or responsibility hereunder.

The Authority may remove the Escrow Bank at any time by giving written notice of such removal to the Escrow Bank, and thereupon shall appoint a successor Escrow Bank by an instrument in writing. If the Authority does not appoint a successor Escrow Bank within 60 days of giving such notice of removal, the Escrow Bank to be removed may petition a court of competent jurisdiction for the appointment of a successor Escrow Bank, which court may thereupon, upon such notice as it shall deem proper, appoint a successor Escrow Bank. Upon acceptance of appointment by a successor Escrow Bank, the removed Escrow Bank shall transfer all securities and moneys held by it in the Escrow Fund to such successor Escrow Bank and be discharged of any further obligation or responsibility hereunder.

Any successor Escrow Bank appointed under the provisions hereof shall be a trust company or bank having trust powers, having a corporate trust office in California, having a combined capital and surplus of at least \$50,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this paragraph the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Section 12. Amendments. The Authority and the Escrow Bank may amend this Escrow Agreement or enter into agreements supplemental to this Escrow Agreement; provided, however, that no such amendment or supplement shall have a material adverse effect on the Owners of the Series 2011 Bonds.

Section 13. Term. This Escrow Agreement shall commence upon its execution and delivery on the Deposit Date and shall terminate on the date upon which the Series 2011 Bonds have been paid in accordance with this Escrow Agreement.

Section 14. Compensation. The Authority shall from time to time pay or cause to be paid to the Escrow Bank the agreed upon compensation for its services to be rendered hereunder, and reimburse the Escrow Bank for all of its reasonable expenses (including, without limitation, legal fees and expenses) in the exercise and performance of its duties hereunder; provided, however, that under no circumstances shall the Escrow Bank be entitled to any lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered or expenses incurred by the Escrow Bank under this Escrow Agreement or otherwise.

Section 15. Severability. If any one or more of the covenants or agreements provided in this Escrow Agreement on the part of the Authority or the Escrow Bank to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

Section 16. Counterparts. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original but all of which shall constitute and be but one and the same instrument.

Section 17. Governing Law. This Escrow Agreement shall be construed under the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the date first above written.

**LOS ANGELES COUNTY
SANITATION DISTRICTS
FINANCING AUTHORITY**

By: _____

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., AS TRUSTEE
AND AS ESCROW BANK**

By: _____
Authorized Officer

**COUNTY SANITATION DISTRICT NO. 1
OF LOS ANGELES COUNTY**

By: _____

**COUNTY SANITATION DISTRICT NO. 2
OF LOS ANGELES COUNTY**

By: _____

**COUNTY SANITATION DISTRICT NO. 3
OF LOS ANGELES COUNTY**

By: _____

**COUNTY SANITATION DISTRICT NO. 4
OF LOS ANGELES COUNTY**

By: _____

**COUNTY SANITATION DISTRICT NO. 5
OF LOS ANGELES COUNTY**

By: _____

**COUNTY SANITATION DISTRICT NO. 8
OF LOS ANGELES COUNTY**

By: _____

**COUNTY SANITATION DISTRICT NO. 9
OF LOS ANGELES COUNTY**

By: _____

**COUNTY SANITATION DISTRICT NO. 14
OF LOS ANGELES COUNTY**

By: _____

**COUNTY SANITATION DISTRICT NO. 15
LOS ANGELES COUNTY**

By: _____

**COUNTY SANITATION DISTRICT NO. 16
OF LOS ANGELES COUNTY**

By: _____

**COUNTY SANITATION DISTRICT NO. 17
OF LOS ANGELES COUNTY**

By: _____

**COUNTY SANITATION DISTRICT NO. 18
OF LOS ANGELES COUNTY**

By: _____

**COUNTY SANITATION DISTRICT NO. 19
OF LOS ANGELES COUNTY**

By: _____

**COUNTY SANITATION DISTRICT NO. 20
OF LOS ANGELES COUNTY**

By: _____

**COUNTY SANITATION DISTRICT NO. 21
OF LOS ANGELES COUNTY**

By: _____

**COUNTY SANITATION DISTRICT NO. 22
OF LOS ANGELES COUNTY**

By: _____

**COUNTY SANITATION DISTRICT NO. 23
OF LOS ANGELES COUNTY**

By: _____

**COUNTY SANITATION DISTRICT NO. 27
OF LOS ANGELES COUNTY**

By: _____

**COUNTY SANITATION DISTRICT NO. 28
OF LOS ANGELES COUNTY**

By: _____

**COUNTY SANITATION DISTRICT NO. 29
OF LOS ANGELES COUNTY**

By: _____

**SOUTH BAY CITIES SANITATION
DISTRICT OF LOS ANGELES COUNTY**

By: _____

**SANTA CLARITA VALLEY SANITATION
DISTRICT OF LOS ANGELES COUNTY**

By: _____

EXHIBIT A

DEFEASANCE SECURITIES

<u>Type</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>Total Cost</u>
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EXHIBIT B

FORM OF NOTICE OF REDEMPTION

NOTICE OF REDEMPTION

**LOS ANGELES COUNTY SANITATION DISTRICTS FINANCING AUTHORITY
CAPITAL PROJECTS REVENUE BONDS
2011 SERIES A
(SENIOR AD VALOREM OBLIGATION BONDS)**

<u>Bond Number</u>	<u>Maturity Date (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.*</u>
	2022	\$5,285,000	5.00%	545149HG4
	2022	2,010,000	4.00	545149HA7
	2023	5,750,000	5.00	545149HB5
	2023	1,895,000	4.00	545149HH2

NOTICE IS HEREBY GIVEN to the registered owners of the above-captioned bonds (the “Series 2011 Bonds”) that, pursuant to the Indenture, dated as of July 1, 2011 (the “Indenture”), by and between the Los Angeles County Sanitation Districts Financing Authority (the “Authority”) and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), pursuant to which the Series 2011 Bonds were issued, the Series 2011 Bonds maturing on or after October 1, 2022, as identified above, will be redeemed on October 1, 2021 (the “Redemption Date”), at a redemption price (the “Redemption Price”) equal to 100% of the principal amount of the Series 2011 Bonds to be redeemed, plus accrued interest thereon to the Redemption Date, without premium. The Districts have exercised their right to cause such redemption of such Series 2011 Bonds in accordance with the Section 8.01 of the Joint Acquisition Agreement, and there has been deposited with the Trustee, pursuant to an escrow agreement, [moneys and] Defeasance Securities in such amounts as will be sufficient to pay the Redemption Price on the Redemption Date. Capitalized undefined terms used herein have the meanings ascribed thereto in the Indenture.

On the Redemption Date, the Redemption Price will become due and payable upon the Series 2011 Bonds to be redeemed, and interest with respect thereto shall cease to accrue from and after the Redemption Date.

The Series 2011 Bonds must be surrendered at the Office of the Trustee for payment of the Redemption Price at the following address(es):

* CUSIP® numbers are provided for convenience of reference only. Neither the Authority, the Districts nor the Trustee assumes responsibility for the accuracy of such numbers.

First Class/Registered/Certified

The Bank of New York Mellon
Global Corporate Trust
P.O. Box 396
East Syracuse, NY 13057

Express Delivery Only

The Bank of New York Mellon
Global Corporate Trust
111 Sanders Creek Parkway
East Syracuse, NY 13057

By Hand Only

The Bank of New York Mellon
Global Corporate Trust
Corporate Trust Window
101 Barclay Street, 1st Floor East
New York, New York 10286

Additional information regarding the foregoing actions may be obtained from The Bank of New York Mellon Trust Company, N.A., Corporate Trust Department, Bondholder Relations, telephone number (800) 254-2826.

IMPORTANT NOTICE REGARDING TAX CERTIFICATION DOCUMENTATION AND POTENTIAL WITHHOLDING: *A form W-9 must be submitted with the Series 2011 Bonds. Failure to provide a completed form W-9 will result in 31% backup withholding pursuant to the Interest and Dividend Tax Compliance Act of 1983. Under the Tax Cuts and Jobs Act of 2017, 24% will be withheld if the tax identification number is not properly certified.*

Dated: _____, 2021

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., AS TRUSTEE**

By: _____
Authorized Officer

EXHIBIT C

FORM OF NOTICE

**NOTICE OF DEFEASANCE
AND TERMINATION OF REPORTING OBLIGATION**

**LOS ANGELES COUNTY SANITATION DISTRICTS FINANCING AUTHORITY
CAPITAL PROJECTS REVENUE BONDS
2011 SERIES A
(SENIOR AD VALOREM OBLIGATION BONDS)**

The Los Angeles County Sanitation Districts Financing Authority Capital Projects Revenue Bonds, 2011 Series A (Senior Ad Valorem Obligation Bonds) (the “Series 2011 Bonds”) were issued pursuant to the Indenture, dated as of July 1, 2011 (the “Indenture”), by and between the Los Angeles County Sanitation Districts Financing Authority (the “Authority”) and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Capitalized undefined terms used herein have the meanings ascribed thereto in the Indenture.

Each outstanding maturity of the Series 2011 Bonds is further identified as follows:

<u>Maturity Date (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.[†]</u>
2020	\$25,245,000	5.00%	545149HF6
2020	1,625,000	3.50	545149GY6
2021	6,950,000	5.00	545149GZ3
2022	5,285,000	5.00	545149HG4
2022	2,010,000	4.00	545149HA7
2023	5,750,000	5.00	545149HB5
2023	1,895,000	4.00	545149HH2

Defeasance of Series 2011 Bonds. On _____, 2020, pursuant to an Escrow Agreement, dated as of _____, 2020 (the “Escrow Agreement”), by and among the Authority, the Trustee and the Districts, there has been deposited with the Trustee Defeasance Securities, the interest on and principal of which when paid will provide money which[, together with the money deposited with the Trustee at the same time,] will, as verified by an independent certified public accountant, be sufficient to pay, when due, the interest on and principal of the Series 2011 Bonds to and including October 1, 2021, and to redeem the Series 2011 Bonds maturing on or after October 1, 2022, on October 1, 2021 (the “Redemption Date”), at a

[†] CUSIP® numbers are provided for convenience of reference only. Neither the Authority, the Districts nor the Trustee assumes responsibility for the accuracy of such numbers.

redemption price (the “Redemption Price”) equal to 100% of the principal amount of the Series 2011 Bonds being so redeemed, without premium.

The Owners of the Series 2011 Bonds are hereby notified that the deposit required by clause (ii) of subsection (b) of Section 10.01 of the Indenture has been made with the Trustee and that the Series 2011 Bonds are deemed to have been paid in accordance with Section 10.01 of the Indenture. The maturity dates and Redemption Date, as the case may be, upon which money is to be available for the payment of the principal and Redemption Price of such Series 2011 Bonds are identified above.

Termination of Reporting Obligation. As a result of such defeasance of the Series 2011 Bonds, the Authority’s obligations under the Continuing Disclosure Agreement entered into by the Authority relating to the Series 2011 Bonds has terminated.

This notice is provided pursuant to the Indenture and the Continuing Disclosure Agreement entered into by the Authority relating to the Series 2011 Bonds. The mailing or filing of this notice does not constitute or imply any representation regarding any other financial or operating information about the Authority or any of the Districts or any representation that no other circumstances or events have occurred which may have a bearing on the financial conditions of the Authority or any of the Districts or any investor’s decision to buy, sell or hold any of the Series 2011 Bonds.

Dated: _____, 2020

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., AS TRUSTEE**

By: _____
Authorized Officer

ESCROW AGREEMENT

by and between

**LOS ANGELES COUNTY SANITATION DISTRICTS
FINANCING AUTHORITY**

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
AS TRUSTEE AND AS ESCROW BANK**

Dated as of _____, 2020

**Los Angeles County Sanitation Districts Financing Authority
Capital Projects Revenue Bonds
2013 Series A
(Senior Ad Valorem Obligation Bonds)**

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this “Escrow Agreement”), dated as of _____, 2020, is by and between the LOS ANGELES COUNTY SANITATION DISTRICTS FINANCING AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the “Authority”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as Trustee (as defined herein) and as escrow bank (the “Escrow Bank”).

WITNESSETH:

WHEREAS, the Authority previously issued its Los Angeles County Sanitation Districts Financing Authority Capital Projects Revenue Bonds, 2013 Series A (Senior Ad Valorem Obligation Bonds) (the “Series 2013 Bonds”), which are presently outstanding in the aggregate principal amount of \$6,830,000;

WHEREAS, the Series 2013 Bonds were issued pursuant to the Indenture, dated as of July 1, 2013 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”);

WHEREAS, pursuant to the Joint Acquisition Agreement, dated as of July 1, 2013, by and among the County Sanitation Districts of Los Angeles County (the “Districts”) and the Authority, the Districts agreed to make installment payments (the “Installment Payments”) for the purchase of certain property described therein;

WHEREAS, the Series 2013 Bonds are payable from and secured by the Installment Payments;

WHEREAS, the Authority has determined to cause to be paid, in accordance with Article X of the Indenture, the interest on and principal of all outstanding Series 2013 Bonds at the times and in the manner stipulated in the Indenture and herein, by causing to be deposited with the Trustee [moneys and] securities in such amounts as will be sufficient to pay, when due, such interest on and principal of the Series 2013 Bonds;

WHEREAS, in order to provide for such deposit and payment of the Series 2013 Bonds, the Authority and the Trustee are entering into this Escrow Agreement;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

Section 1. Definitions. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to such terms in the Indenture.

Section 2. The Escrow Fund. (a) There is hereby established a fund (the “Escrow Fund”) to be held as an irrevocably pledged escrow by the Escrow Bank, which the Escrow Bank shall keep separate and apart from all other funds of the Authority and the Escrow Bank and to be applied solely as provided in this Escrow Agreement.

Pending application as provided in this Escrow Agreement, amounts on deposit in the Escrow Fund are hereby pledged and assigned solely to the payment of the interest on and principal of the Series 2013 Bonds, as and when due, which amounts shall be held in trust by the Escrow Bank for the Owners of the Series 2013 Bonds.

(b) On or by the date hereof (the “Deposit Date”), the Authority has caused to be transferred to the Escrow Bank the amount of \$_____, which the Escrow Bank has deposited in the Escrow Fund.

(c) Upon the deposit of moneys pursuant to Section 2(b) hereof, the moneys on deposit in the Escrow Fund, as verified by an independent firm of nationally recognized certified public accountants, will be at least equal to an amount sufficient to purchase the aggregate principal amount of Defeasance Securities set forth in Exhibit A hereto (the “Exhibit A Securities”), which principal, together with all interest due or to become due on such Exhibit A Securities, and any uninvested cash held by the Escrow Bank in the Escrow Fund, will be sufficient to make the payments required by Section 4 hereof.

Section 3. Use and Investment of Moneys. (a) The Escrow Bank hereby acknowledges deposit of the moneys described in Section 2(b) hereof and agrees to invest \$_____ of such moneys in the Exhibit A Securities upon receipt of a report of an independent firm of nationally recognized certified public accountants that the Exhibit A Securities will mature in such principal amounts and earn interest in such amounts and, in each case, at such times, so that sufficient moneys will be available from maturing principal and interest on the Exhibit A Securities, together with any uninvested moneys then held by the Escrow Bank in the Escrow Fund, to make all payments required by Section 4 hereof. Except as provided in Section 3(b) hereof or Section 3(c) hereof, the balance of the moneys in the Escrow Fund shall be held uninvested.

(b) Upon the Written Request of the Authority, but subject to the conditions and limitations herein set forth, the Escrow Bank shall purchase substitute Defeasance Securities for the Defeasance Securities then held in the Escrow Fund with the proceeds derived from the sale, transfer, redemption or other disposition of Defeasance Securities then on deposit in the Escrow Fund and any uninvested money then held by the Escrow Bank hereunder in accordance with the provisions of this Section. Such sale, transfer, redemption or other disposition of Defeasance Securities then on deposit in the Escrow Fund and substitution of other Defeasance Securities shall be effected by the Escrow Bank upon the Written Request of the Authority but only by a simultaneous transaction and only upon (i) receipt of certification by an independent firm of nationally recognized certified public accountants that the Defeasance Securities to be substituted, together with the Defeasance Securities which will continue to be held in the Escrow Fund, will mature in such principal amounts and earn interest in such amounts and, in each case, at such times so that sufficient moneys will be available from maturing principal and interest on such Defeasance Securities held in the Escrow Fund, together with any uninvested moneys, to make all payments required by Section 4 hereof which have not previously been made, and (ii) receipt by the Escrow Bank of an opinion of counsel of recognized standing in the field of law relating to municipal bonds to the effect that the sale, transfer, redemption or other disposition and substitution of Defeasance Securities will not adversely affect the exclusion of interest on any Series 2013 Bonds from gross income for purposes of federal income taxation.

(c) Upon the Written Request of the Authority, but subject to the conditions and limitations herein set forth, the Escrow Bank shall apply any moneys received from the maturing principal of or interest or other investment income on any Defeasance Securities held in the Escrow Fund, or the proceeds from any sale, transfer, redemption or other disposition of Defeasance Securities pursuant to Section 3(b) hereof not required for the purposes of said Section (i) to the extent such moneys will not be required at any time for the purpose of making a payment required by Section 4 hereof, as certified by an independent firm of nationally recognized certified public accountants delivered to the Escrow Bank, such moneys shall be transferred as directed by the Authority upon the Written Request of the Authority as received by the Escrow Bank, free and clear of any trust, lien, pledge or assignment securing the Series 2013 Bonds or otherwise existing hereunder, and (ii) to the extent such moneys will be required for such purpose at a later date, such moneys shall, to the extent practicable, be invested or reinvested in Defeasance Securities maturing at times and in amounts sufficient, as certified by an independent certified public accountant delivered to the Escrow Bank, to make such payment required by Section 4 hereof.

(d) All Defeasance Securities purchased pursuant to this Escrow Agreement shall be deposited in and held for the credit of the Escrow Fund. Except as provided in this Section, no moneys or Defeasance Securities deposited with the Escrow Bank pursuant to this Escrow Agreement nor principal of, or interest payments or other investment income on, any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Series 2013 Bonds as provided in Section 4 hereof.

(e) The Owners of the Series 2013 Bonds shall have a first and exclusive lien on the moneys and Defeasance Securities in the Escrow Fund until such moneys and Defeasance Securities are used and applied as provided in this Escrow Agreement.

(f) The Escrow Bank shall not be held liable for investment losses resulting from compliance with the provisions of this Escrow Agreement.

Section 4. Payment of Series 2013 Bonds. From the maturing principal of the Defeasance Securities held in the Escrow Fund and the investment income and other earnings thereon and any uninvested money then held in the Escrow Fund, the Escrow Bank, as the Trustee, shall apply such amounts as follows:

(a) on each Interest Payment Date to and including October 1, 2021 (the “Final Maturity Date”), the Escrow Bank, as the Trustee, shall pay the accrued interest on the Series 2013 Bonds in accordance with the terms of the Indenture; and

(b) on each October 1 to and including the Final Maturity Date, the Escrow Bank, as the Trustee, shall pay the principal of the Series 2013 Bonds in accordance with the terms of the Indenture.

To the extent that the amount on deposit in the Escrow Fund on the Final Maturity Date is in excess of the amount necessary to make the required payments with respect to the Series 2013 Bonds, as shown in the then applicable escrow verification of the independent firm of nationally recognized certified public accountants, such excess shall be transferred to the Authority or as otherwise directed by the Authority in writing.

Section 5. Irrevocable Instructions to Mail Notice. The Authority hereby irrevocably instructs the Escrow Bank, as the Trustee (a) to mail, as soon as practicable, to the Owners of the Series 2013 Bonds a notice substantially in the form attached hereto as Exhibit B (the “Notice of Defeasance”), to the effect that the deposit required by clause (i) of subsection (b) of Section 10.01 of the Indenture has been made with the Trustee and that the Series 2013 Bonds are deemed to have been paid in accordance with Section 10.01 of the Indenture, and stating the maturity date upon which money is to be available for the payment of the principal of such Series 2013 Bonds, and (b) to file a copy of the Notice of Defeasance with the Electronic Municipal Market Access (EMMA) website of the Municipal Securities Rulemaking Board in accordance with the Continuing Disclosure Agreement.

Section 6. Performance of Duties; Acknowledgement with Respect to Irrevocable Instructions. The Escrow Bank agrees to perform the duties set forth herein and agrees that the irrevocable instructions to the Escrow Bank, as the Trustee, herein provided are in a form satisfactory to it.

Section 7. Transfer of Amounts Remaining Under Indenture. On the business day next succeeding the date the Escrow Bank deposits moneys in the Escrow Fund pursuant to Section 2 hereof, the Escrow Bank, as the Trustee, shall transfer any amounts remaining in the funds and accounts established under the Indenture to the Authority or as otherwise directed by the Authority in writing.

Section 8. Authority to Make Investments. The Escrow Bank shall have no power or duty to invest any funds held under this Escrow Agreement except as provided in Section 3 hereof. The Escrow Bank shall have no power or duty to transfer or otherwise dispose of the moneys held hereunder except as provided in this Escrow Agreement.

Section 9. Indemnity. To the extent permitted by law, the Authority hereby assumes liability for, and hereby agrees to indemnify, protect, save and keep harmless the Escrow Bank and its respective successors, assigns, agents, employees, officers, directors and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees, expenses and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Bank at any time in any way relating to or arising out of the execution, delivery and performance of this Escrow Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds and securities deposited therein, the purchase of any securities to be purchased pursuant thereto, the retention of such securities or the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Escrow Agreement; provided, however, that the Authority shall not be required to indemnify the Escrow Bank against the Escrow Bank’s own negligence or willful misconduct or the negligence or willful misconduct of the Escrow Bank’s respective successors, assigns, agents and employees or the material breach by the Escrow Bank of the terms of this Escrow Agreement. The indemnities contained in this Section shall survive the termination of this Escrow Agreement and the resignation or removal of the Escrow Bank.

Section 10. Responsibilities of Escrow Bank. The Escrow Bank makes no representation as to the sufficiency of the securities to be purchased pursuant hereto and any uninvested moneys to accomplish the defeasance of the Series 2013 Bonds pursuant to the Indenture or to the validity of this Escrow Agreement as to the Authority and, except as otherwise provided herein, the Escrow Bank shall incur no liability in respect thereof. The Escrow Bank shall not be liable in connection with the performance of its duties under this Escrow Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Bank shall be determined by the express provisions of this Escrow Agreement. The Escrow Bank may consult with counsel, who may or may not be counsel to the Authority but who shall not be in-house counsel to the Escrow Bank, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Bank shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Escrow Agreement, such matter (except the matters set forth herein as specifically requiring a certificate of an independent firm of nationally recognized certified public accountants or an opinion of counsel of recognized standing in the field of law relating to municipal bonds) may be deemed to be conclusively established by a written certification of the Authority. Whenever the Escrow Bank shall deem it necessary or desirable that a matter specifically requiring a certificate of an independent firm of nationally recognized certified public accountants or an opinion of counsel of recognized standing in the field of law relating to municipal bonds be proved or established prior to taking, suffering, or omitting any such action, such matter may be established only by a certificate signed by an independent firm of nationally recognized certified public accountants or such opinion of counsel of recognized standing in the field of law relating to municipal bonds.

The Escrow Bank undertakes to perform only such duties as are expressly set forth in this Escrow Agreement and no implied duties, covenants or obligations shall be read into this Escrow Agreement against the Escrow Bank.

The Escrow Bank shall have the right to accept and act upon a Written Request of the Authority delivered pursuant to this Escrow Agreement using Electronic Means (as defined herein). If the Authority elects to deliver a Written Request of the Authority to the Escrow Bank using Electronic Means and the Escrow Bank acts upon such Written Request, the Escrow Bank's reasonable understanding of such Written Request shall be deemed controlling. The Authority understands and agrees that the Escrow Bank cannot determine the identity of the actual sender of such Written Request and that the Escrow Bank shall conclusively presume that Written Requests of the Authority that purport to have been sent by an Authorized Representative of the Authority have been sent by such Authorized Representative. The Authority shall be responsible for ensuring that only Authorized Representatives transmit such Written Requests of the Authority to the Escrow Bank and that the Authority is solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt thereof by the Authority. The Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Written Requests of the Authority delivered using Electronic Means notwithstanding such directions conflict or are inconsistent with a subsequent Written Request of the Authority. The Authority agrees (a) to assume all risks arising out of the use of Electronic Means to submit Written Requests of the Authority to the Escrow

Bank, including without limitation the risk of the Escrow Bank acting on unauthorized Written Requests of the Authority, and the risk of interception and misuse by third parties, (b) that it is fully informed of the protections and risks associated with the various methods of transmitting Written Requests of the Authority to the Escrow Bank and that there may be more secure methods of transmitting Written Requests of the Authority than the method selected by the Authority, (c) that the security procedures, if any, to be followed in connection with its transmission of Written Requests of the Authority provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances, and (d) to notify the Escrow Bank immediately upon learning of any compromise or unauthorized use of the security procedures. Notwithstanding the foregoing, the provisions of this paragraph, and the Escrow Bank's actions pursuant hereto, are subject to the Escrow Bank's standard of care set forth in this Section.

“Electronic Means” means e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Bank, or another method or system specified by the Escrow Bank as available for use in connection with its services hereunder.

If the Escrow Bank learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a subscription of Defeasance Securities that is to be submitted pursuant to this Agreement, the Escrow Bank shall promptly request alternative written investment instructions from the Authority with respect to escrowed funds which were to be invested in such Defeasance Securities. The Escrow Bank shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Bank shall hold funds uninvested and without liability for interest until receipt of further written instructions from the Authority. In the absence of investment instructions from the Authority, the Escrow Bank shall not be responsible for the investment of such funds or interest thereon. The Escrow Bank may conclusively rely upon the Authority's selection of an alternative investment in Defeasance Securities as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Bank will furnish the Authority periodic cash transaction statements which include detail for all investment transactions made by the Escrow Bank hereunder.

The Escrow Bank shall not be responsible for any of the recitals or representations contained herein.

Any bank, national banking association or trust company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any bank, national banking association or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, national banking association or trust company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business shall be the

successor to the Escrow Bank without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

No provision of this Escrow Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Bank may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent or attorney so appointed.

Section 11. Resignation and Removal. The Escrow Bank may resign by giving written notice to the Authority, and upon receipt of such notice the Authority shall promptly appoint a successor Escrow Bank. If the Authority does not appoint a successor Escrow Bank within 60 days of receipt of such notice, the resigning Escrow Bank may petition a court of competent jurisdiction for the appointment of a successor Escrow Bank, which court may thereupon, upon such notice as it shall deem proper, appoint a successor Escrow Bank. Upon acceptance of appointment by a successor Escrow Bank, the resigning Escrow Bank shall transfer all securities and moneys held by it in the Escrow Fund to such successor Escrow Bank and be discharged of any further obligation or responsibility hereunder.

The Authority may remove the Escrow Bank at any time by giving written notice of such removal to the Escrow Bank, and thereupon shall appoint a successor Escrow Bank by an instrument in writing. If the Authority does not appoint a successor Escrow Bank within 60 days of giving such notice of removal, the Escrow Bank to be removed may petition a court of competent jurisdiction for the appointment of a successor Escrow Bank, which court may thereupon, upon such notice as it shall deem proper, appoint a successor Escrow Bank. Upon acceptance of appointment by a successor Escrow Bank, the removed Escrow Bank shall transfer all securities and moneys held by it in the Escrow Fund to such successor Escrow Bank and be discharged of any further obligation or responsibility hereunder.

Any successor Escrow Bank appointed under the provisions hereof shall be a trust company or bank having trust powers, having a corporate trust office in California, having a combined capital and surplus of at least \$50,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this paragraph the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Section 12. Amendments. The Authority and the Escrow Bank may amend this Escrow Agreement or enter into agreements supplemental to this Escrow Agreement; provided, however, that no such amendment or supplement shall have a material adverse effect on the Owners of the Series 2013 Bonds.

Section 13. Term. This Escrow Agreement shall commence upon its execution and delivery on the Deposit Date and shall terminate on the date upon which the Series 2013 Bonds have been paid in accordance with this Escrow Agreement.

Section 14. Compensation. The Authority shall from time to time pay or cause to be paid to the Escrow Bank the agreed upon compensation for its services to be rendered hereunder, and reimburse the Escrow Bank for all of its reasonable expenses (including, without limitation, legal fees and expenses) in the exercise and performance of its duties hereunder; provided, however, that under no circumstances shall the Escrow Bank be entitled to any lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered or expenses incurred by the Escrow Bank under this Escrow Agreement or otherwise.

Section 15. Severability. If any one or more of the covenants or agreements provided in this Escrow Agreement on the part of the Authority or the Escrow Bank to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

Section 16. Counterparts. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original but all of which shall constitute and be but one and the same instrument.

Section 17. Governing Law. This Escrow Agreement shall be construed under the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the date first above written.

**LOS ANGELES COUNTY
SANITATION DISTRICTS
FINANCING AUTHORITY**

By: _____

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., AS TRUSTEE
AND AS ESCROW BANK**

By: _____
Authorized Officer

EXHIBIT A

DEFEASANCE SECURITIES

<u>Type</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>Total Cost</u>
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EXHIBIT B

FORM OF NOTICE

**NOTICE OF DEFEASANCE
AND TERMINATION OF REPORTING OBLIGATION**

**LOS ANGELES COUNTY SANITATION DISTRICTS FINANCING AUTHORITY
CAPITAL PROJECTS REVENUE BONDS
2013 SERIES A
(SENIOR AD VALOREM OBLIGATION BONDS)**

The Los Angeles County Sanitation Districts Financing Authority Capital Projects Revenue Bonds, 2013 Series A (Senior Ad Valorem Obligation Bonds) (the “Series 2013 Bonds”) were issued pursuant to the Indenture, dated as of July 1, 2013 (the “Indenture”), by and between the Los Angeles County Sanitation Districts Financing Authority (the “Authority”) and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Capitalized undefined terms used herein have the meanings ascribed thereto in the Indenture.

Each outstanding maturity of the Series 2013 Bonds is further identified as follows:

<u>Maturity Date (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.*</u>
2020	\$4,035,000	5.00%	545149HR0
2021	2,795,000	5.00	545149HS8

Defeasance of Series 2013 Bonds. On _____, 2020, pursuant to an Escrow Agreement, dated as of _____, 2020 (the “Escrow Agreement”), by and between the Authority and the Trustee, there has been deposited with the Trustee Defeasance Securities, the interest on and principal of which when paid will provide money which[, together with the money deposited with the Trustee at the same time,] will, as verified by an independent certified public accountant, be sufficient to pay, when due, the interest on and principal of the Series 2013 Bonds at the times and in the manner stipulated in the Indenture and the Escrow Agreement.

The Owners of the Series 2013 Bonds are hereby notified that the deposit required by clause (i) of subsection (b) of Section 10.01 of the Indenture has been made with the Trustee and that the Series 2013 Bonds are deemed to have been paid in accordance with Section 10.01 of the Indenture. The maturity dates upon which money is to be available for the payment of the principal of such Series 2013 Bonds are identified above.

* CUSIP® numbers are provided for convenience of reference only. Neither the Authority, the Districts nor the Trustee assumes responsibility for the accuracy of such numbers.

Termination of Reporting Obligation. As a result of such defeasance of the Series 2013 Bonds, the Authority's obligations under the Continuing Disclosure Agreement entered into by the Authority relating to the Series 2013 Bonds has terminated.

This notice is provided pursuant to the Indenture and the Continuing Disclosure Agreement entered into by the Authority relating to the Series 2013 Bonds. The mailing or filing of this notice does not constitute or imply any representation regarding any other financial or operating information about the Authority or any of the Districts or any representation that no other circumstances or events have occurred which may have a bearing on the financial conditions of the Authority or any of the Districts or any investor's decision to buy, sell or hold any of the Series 2013 Bonds.

Dated: _____, 2020

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., AS TRUSTEE**

By: _____
Authorized Officer