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COUNTY OF ERIE

MARK C. POLONCARZ
COUNTY EXECUTIVE

September 14, 2012

Erie County Legislature
92 Franklin Street – 4th Floor
Buffalo, New York 14202

RE: Declaration of Need for 2012 Revenue Anticipation Note
IMMEDIATE CONSIDERATION REQUESTED

Dear Honorable Members:

For your review and approval, please find enclosed a Declaration of Need request for the County's annual cash flow Revenue Anticipation Note ("RAN") requesting that the Erie County Fiscal Stability Authority issue a one year notein the aggregate principal amount of $75,000,000.

In conjunction with this request, I also respectfully request your Honorable Body's parallel approval of Comm. 13E-41, the County's 2012 RAN resolution.

If you have any questions please contact the Division of Budget and Management.

Sincerely,

Mark C. Poloncarz, Esq.
Erie County Executive

Enclosure
MCP/tc

cc: Erie County Comptroller David J. Shenk
Erie County Fiscal Stability Authority

DECLARATION OF NEED

I, Mark C. Poloncarz, County Executive of the County of Erie (the "County"), a municipal corporation of the State of New York, acting pursuant to Title 3 of Article 10-D of the New York Public Authorities Law (the "Act"), and further pursuant to the Financing Agreement dated as of May 1, 2009, as amended, between the Erie County Fiscal Stability Authority, a public benefit corporation of the State of New York (the "Authority") and the County (the "Agreement"), HEREBY DETERMINE AND CERTIFY as follows:

1. A need for financing assistance, as described in Section 3961(1) of the Act, is hereby determined and declared to exist. The amount of the Financeable Costs hereby requested to be undertaken is $75,000,000 for cash flow needs of the County.

2. The County represents and affirms that the foregoing financing of Financeable Costs by the Authority is authorized by the Act and is consistent with the current adopted County budget and that such Financeable Costs meet the requirements of Section 4.01(f) of the Agreement, as applicable.

3. The County reaffirms the provisions of the Agreement, including but not limited to each of the covenants, agreements and indemnities therein and agrees herein to provide prompt notice of any fact or circumstances which would with the passage of time or otherwise give rise to any violation or contravention of the terms of this Declaration of Need, the Agreement or any financial plan submitted to or approved by the Authority.

4. Pursuant to the Act, the financing plan reflected in this Declaration of Need and the Agreement, the Authority is hereby requested to finance, in whole or in part, the Financeable Costs set forth herein. In no event shall the amount of such financing in any fiscal year exceed the amount of the Declaration of Need for such year, as it may be amended from time to time by an amended Declaration of Need.

5. The County understands and agrees to provide the Authority with any supporting data, descriptions or materials which the Authority requests in connection with any Financeable Costs referred to in this Declaration of Need.

All terms in this Declaration of Need not otherwise defined herein shall have the meanings set forth in the Agreement.

IN WITNESS WHEREOF, I have set my hand this 14 day of September, 2012.

Mark C. Poloncarz
County Executive
County of Erie

I hereby certify that the form and substance of this Declaration of Need have been duly approved by the Erie County Legislature.

Robert Graber
Clerk of the Erie County Legislature