

CERTIFICATE OF DETERMINATION BY THE COUNTY COMPTROLLER  
RELATIVE TO THE TERMS, FORM AND DETAILS OF SALE AND  
ISSUANCE OF \$16,810,000 PUBLIC IMPROVEMENT SERIAL BONDS -  
SERIES 2011B OF THE COUNTY OF ERIE, NEW YORK AND PROVIDING  
FOR THEIR PRIVATE SALE.

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I, MARK POLONCARZ, County Comptroller of the County of Erie, New York (the "County"), HEREBY CERTIFY that pursuant to the powers and duties delegated to me as the chief fiscal officer of the County pursuant to the Bond Resolutions duly adopted and amended and referred to in Section 1 hereof and subject to the limitations prescribed in said resolutions, which resolutions are in full force and effect and have not been modified, amended or revoked, and subject to the limitations prescribed in said resolutions and pursuant to the Financing Agreement dated as of May 1, 2009, as amended (the "Agreement") between the Erie County Fiscal Stability Authority (hereinafter referred to as "ECFSA") and the County, I have made the following determinations:

1. Authorization, Principal Amount, Maturity Schedule, Issue Date and Designation: (a) Bonds of the County (the "Bonds") in the respective principal amounts as set forth in row K in the attached Appendix A, for each purpose as set forth in row A of such Appendix, shall be issued pursuant to the bond resolutions duly adopted and amended by the County Legislature on their respective dates as set forth in row B of such Appendix, and shall mature in the respective principal amounts on December 1 in each of the years as set forth in row J of such Appendices.

(b) All of said serial bonds hereinabove referred to in Appendix A (the "2011B Bonds") shall be combined for the purpose of sale into a single issue of serial bonds in the aggregate principal amount of \$16,810,000, and shall be designated "PUBLIC IMPROVEMENT SERIAL BONDS - SERIES 2011B." The 2011B Bonds shall be dated

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August 11, 2011, and shall mature, with substantially level or declining debt service, on December 1 in the aggregate principal amounts and in each of the years as reflected in the total column set forth in Appendix A. The weighted average period of probable usefulness for said serial bonds is hereby determined to be 12.34248469 years. The date of each bond shall appear on the face thereof under the caption "Date of Original Issue," and each bond shall bear interest from such date.

2. Interest Rate, Dates and Medium of Payment. The Bonds shall bear interest from their date at the rates per annum set forth in the attached Appendix B, payable June 1, 2012, December 1, 2012, and semi-annually thereafter on June 1 and December 1 in each year until maturity, payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest thereon shall be paid by wire transfer or in clearinghouse funds on each interest payment date, payable to the person in whose name the Bond is registered at his address shown upon the books of the County kept for that purpose at the corporate trust offices of Manufacturers & Traders Trust Company, Buffalo, New York, as the fiscal agent (the "Fiscal Agent"), as of the close of business on the fifteenth day of the month preceding each interest payment date. For so long as ECFSA shall be the registered owner of the Bonds, ECFSA may by written instruction to the County instruct the County to pay any principal due on the Bonds to any bank acting as custodian for ECFSA.

3. Bonds Subject to Prior Redemption. The Bonds maturing on or after December 1, 2013, will be subject to redemption prior to maturity at the option of the County on December 1, 2012, and thereafter on any date, as a whole or in part, at par plus accrued interest to the date of redemption. The County may select the amount of the Bonds to be redeemed as

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the County shall determine to be in the best interest of the County at the time of such redemption. Notwithstanding the foregoing, no Bond or portion of a Bond shall be subject to redemption at the option of the County without the express written consent of the ECFSA.

Any such redemption, either as a whole or in part, shall be made upon at least sixty (60) days and no more than seventy-five (75) days prior to written notice to (i) the ECFSA and to the Trustee for the ECFSA's Sales Tax and State Aid Secured Bonds, Series 2011B during any period when the Bonds are held by or for the benefit of the ECFSA or (ii) any successor holder of this Bond at any time thereafter. If notice of redemption shall have been given as aforesaid, the Bonds so called for redemption shall become due and payable at par on the given redemption date designated in such notice, and interest on such Bonds shall cease to accrue from and after such redemption date.

If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the County by lot in any customary manner of selection as determined by the County Comptroller.

5. Denominations, Numbers and Letters. The Bonds maturing in each year shall be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof not exceeding the aggregate principal amount of Bonds of each series maturing in such year.

The Bonds shall be lettered BR, and shall be numbered separately from one (1) consecutively upward in the order of their issuance. All of the Bonds shall be transferable and exchangeable as provided herein.

6. Fiscal Agent. Manufacturers & Traders Trust Company, Buffalo, New York is hereby appointed as Fiscal Agent for the Bonds pursuant to, and to act in accordance with, applicable provisions of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State of New York.

7. Execution of Bonds. The Bonds shall be executed in the name of the County by the manual signature of the County Comptroller, and shall have the corporate seal of the County, or a facsimile thereof, affixed, impressed, imprinted, engraved or otherwise reproduced thereon.

8. Transfer of Bonds. Each Bond shall be transferable, only upon the books of the County, which shall be kept for such purpose at the office of the Fiscal Agent, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer or exchange satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Upon transfer of any such Bond, the County shall issue in the name of the transferee or the registered owner a new Bond or Bonds of the same aggregate principal amount and maturity as the surrendered Bond. The Fiscal Agent may deem and treat the person in whose name any Bond shall be registered upon the books of the County as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the County nor the Fiscal Agent shall be affected by any notice to the contrary.

9. Regulations With Respect to the Exchanges and Transfers. In all cases in which the privilege of exchanging or transferring Bonds is exercised, the County shall execute and deliver Bonds in accordance with the provisions hereof. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Fiscal Agent. For every such exchange or transfer of bonds, the Fiscal Agent may make a charge sufficient to reimburse the County for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, and may charge a sum sufficient to pay the cost of preparing each new bond issued upon such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The County shall not be obliged to make any such exchange or transfer of Bonds between the fifteenth day of the month preceding an interest payment date and such interest payment date.

10. Sale of Bonds. The Bonds are hereby sold at private sale to ECFSA for the purchase price of \$18,785,271.80 plus accrued interest, if any, from the date of the Bonds (August 11, 2011) to the date of delivery of and payment for the Bonds.

Pursuant to Section 54.50 of the Local Finance Law, constituting Chapter 33-A of the Consolidated Laws for the State of New York, as amended, the terms and conditions of such sale are subject to the approval of the State Comptroller. Delivery of the Bonds to the purchasers thereof shall be effected on or about August 11, 2011, upon (i) receipt by the County of the purchase price of the Bonds, and (ii) deposit of the Bonds with ECFSA.

11. Form of Bonds. Said Bonds shall be in substantially the form set forth in Appendix C hereto.

I HEREBY FURTHER CERTIFY that the powers and duties delegated to me to issue and sell the Bonds hereinabove described and referred to are in full force and effect and have not been modified, amended or revoked.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 28th day of  
July, 2011.

  
County Comptroller

**INSERT APPENDIX A**

2011 Bond Sale

	1	2	3	4	5	6	7	8	9	10	11
	A.11002	A.11003	A.11004	A.11005	A.11006	B.11005 / B.11006 / B.11007 / B.11008 / B.11009	B.11010 / B.11011 / B.11012 / B.11013 / B.11014 / B.11015	B.11016 / B.11017 / B.11018 / B.11019 / B.11020 / B.11021	B.11022	B.11023	B.11024
	2011 Rehabilitation of Ralph Wilson Stadium (Orchard Park)	2011 Countywide Code and Environmental Compliance (Countywide)	2011 Countywide Roof Replacement & Exterior Waterproofing (Countywide)	2011 Countywide Building & Facility Improvements (Countywide)	2011 Countywide Mechanical Electrical & Plumbing Improvement (Countywide)	2011 Bridge and Road Reconstruction Projects-Federal Aid Program (Countywide)	2011 Federal Aid Projects-Design (Countywide)	2011 Federal Aid Projects-ROW (Countywide)	2011 FEMA, FHWA and EWP Match/Road Reconstruction (Countywide)	2011 FEMA Projects/Road Design (Countywide)	2011 FEMA Projects/Road Right-of-Way (Countywide)
	4/28/11	4/28/11	4/28/11	4/28/11	4/28/11	4/28/11	4/28/11	4/28/11	4/28/11	4/28/11	4/28/11
as listed	Reso. No. 78-2011, Line 1	Reso. No. 78-2011, Line 2	Reso. No. 78-2011, Line 3	Reso. No. 78-2011, Line 4	Reso. No. 78-2011, Line 5	Reso. No. 78-2011, Line 6	Reso. No. 78-2011, Line 7	Reso. No. 78-2011, Line 8	Reso. No. 78-2011, Line 9	Reso. No. 78-2011, Line 10	Reso. No. 78-2011, Line 11
	\$ 2,800,000	\$ 1,250,000	\$ 1,000,000	\$ 750,000	\$ 500,000	\$ -	\$ 214,700	\$ 49,100	\$ -	\$ 100,000	\$ 10,000
	\$ 2,800,000	\$ 1,250,000	\$ 1,000,000	\$ 750,000	\$ 500,000	\$ -	\$ 214,700	\$ 49,100	\$ -	\$ 100,000	\$ 10,000
avings	-	-	-	-	-	-	-	-	-	-	-
	2,512,557.99	1,121,677.67	897,342.14	673,006.60	448,671.07	-	192,659.36	44,059.50	-	89,734.21	8,973.42
	\$ 2,800,000	\$ 1,250,000	\$ 1,000,000	\$ 750,000	\$ 500,000	\$ -	\$ 214,700	\$ 49,100	\$ -	\$ 100,000	\$ 10,000
2012	\$ 138,258	\$ 61,722	\$ 49,378	\$ 37,033	\$ 24,689	\$ -	\$ 10,601	\$ 2,424	\$ -	\$ 4,938	\$ 494
2013	\$ 175,625	\$ 78,404	\$ 62,723	\$ 47,042	\$ 31,362	\$ -	\$ 13,467	\$ 3,080	\$ -	\$ 6,272	\$ 627
2014	\$ 181,604	\$ 81,073	\$ 64,858	\$ 48,644	\$ 32,429	\$ -	\$ 13,925	\$ 3,185	\$ -	\$ 6,486	\$ 649
2015	\$ 186,835	\$ 83,409	\$ 66,727	\$ 50,045	\$ 33,363	\$ -	\$ 14,326	\$ 3,276	\$ -	\$ 6,673	\$ 667
2016	\$ 193,561	\$ 86,411	\$ 69,129	\$ 51,847	\$ 34,564	\$ -	\$ 14,842	\$ 3,394	\$ -	\$ 6,913	\$ 691
2017	\$ 202,529	\$ 90,415	\$ 72,332	\$ 54,249	\$ 36,166	\$ -	\$ 15,530	\$ 3,551	\$ -	\$ 7,233	\$ 723
2018	\$ 212,245	\$ 94,752	\$ 75,802	\$ 56,851	\$ 37,901	\$ -	\$ 16,275	\$ 3,722	\$ -	\$ 7,580	\$ 758
2019	\$ 221,960	\$ 99,089	\$ 79,271	\$ 59,454	\$ 39,636	\$ -	\$ 17,020	\$ 3,892	\$ -	\$ 7,927	\$ 793
2020	\$ 233,170	\$ 104,094	\$ 83,275	\$ 62,456	\$ 41,638	\$ -	\$ 17,879	\$ 4,089	\$ -	\$ 8,328	\$ 833
2021	\$ 244,380	\$ 109,098	\$ 87,279	\$ 65,459	\$ 43,639	\$ -	\$ 18,739	\$ 4,285	\$ -	\$ 8,728	\$ 873
2022	\$ 254,843	\$ 113,769	\$ 91,015	\$ 68,262	\$ 45,508	\$ -	\$ 19,541	\$ 4,489	\$ -	\$ 9,102	\$ 910
2023	\$ 267,548	\$ 119,441	\$ 95,553	\$ 71,665	\$ 47,776	\$ -	\$ 20,515	\$ 4,692	\$ -	\$ 9,555	\$ 956
2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2029	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2031	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 2,512,558	\$ 1,121,678	\$ 897,342	\$ 673,007	\$ 448,671	\$ -	\$ 192,659	\$ 44,059	\$ -	\$ 89,734	\$ 8,973

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2011 Bond Sale

	12	13	14	15	16	17	18	19	20	21	22
	B.11025	B.11026	B.11027	B.11028	B.11029	B.11030	B.11031	B.11032	A.11007	A.11008	A.11009
	2011 Preservation of Roads Construction (Countywide)	2011 Preservation of Bridges and Culverts Construction (Countywide)	2011 Preservation of Bridges and Culverts Design (Countywide)	2011 Bloomingdale/John and Duerr Road; Brighton and East Avenue (Countywide)	2011 Dam Safety and Preservation Reconstruction (Countywide)	2011 Emergency Bridge Work-Design (Countywide)	2011 Emergency Bridge Work-Reconstruction (Countywide)	2011 Environmental Compliance SPDES (Countywide)	2011 Video and Door Control Upgrades - Erie County Correctional Facility & Holding Center	2011 Public Health Lab Instrumentation Improvements (Buffalo)	2011 Medical Examiner Software upgrades (Buffalo)
No. as listed	4/28/11	4/28/11	4/28/11	4/28/11	4/28/11	4/28/11	4/28/11	4/28/11	4/28/11	4/28/11	4/28/11
	Reso. No. 78-2011, Line 12	Reso. No. 78-2011, Line 13	Reso. No. 78-2011, Line 14	Reso. No. 78-2011, Line 15	Reso. No. 78-2011, Line 16	Reso. No. 78-2011, Line 17	Reso. No. 78-2011, Line 18	Reso. No. 78-2011, Line 19	Reso. No. 78-2011, Line 20	Reso. No. 78-2011, Line 21	Reso. No. 78-2011, Line 22
	\$ -	\$ -	\$ 122,900	\$ -	\$ 750,000	\$ 150,000	\$ 500,000	\$ 300,000	\$ 1,900,000	\$ 454,400	\$ 260,000
	\$ -	\$ -	\$ 122,900	\$ -	\$ 750,000	\$ 150,000	\$ 500,000	\$ 300,000	\$ 1,900,000	\$ 454,400	\$ 260,000
wings	-	-	-	-	-	-	-	-	-	-	-
	-	-	110,283.35	-	673,006.60	134,601.32	448,671.07	269,202.64	1,704,950.06	407,752.27	233,308.96
	\$ -	\$ -	\$ 122,900	\$ -	\$ 750,000	\$ 150,000	\$ 500,000	\$ 300,000	\$ 1,900,000	\$ 454,400	\$ 260,000
2012	\$ -	\$ -	\$ 6,069	\$ -	\$ 37,033	\$ 7,407	\$ 24,689	\$ 14,813	\$ 93,818	\$ 22,437	\$ 12,838
2013	\$ -	\$ -	\$ 7,709	\$ -	\$ 47,042	\$ 9,408	\$ 31,362	\$ 18,817	\$ 119,174	\$ 28,501	\$ 16,308
2014	\$ -	\$ -	\$ 7,971	\$ -	\$ 48,644	\$ 9,729	\$ 32,429	\$ 19,458	\$ 123,231	\$ 29,472	\$ 16,863
2015	\$ -	\$ -	\$ 8,201	\$ -	\$ 50,045	\$ 10,009	\$ 33,363	\$ 20,018	\$ 126,781	\$ 30,321	\$ 17,349
2016	\$ -	\$ -	\$ 8,496	\$ -	\$ 51,847	\$ 10,369	\$ 34,564	\$ 20,739	\$ 131,345	\$ 31,412	\$ 17,974
2017	\$ -	\$ -	\$ 8,890	\$ -	\$ 54,249	\$ 10,850	\$ 36,166	\$ 21,700	\$ 137,431	\$ 32,868	\$ 18,806
2018	\$ -	\$ -	\$ 9,316	\$ -	\$ 56,851	\$ 11,370	\$ 37,901	\$ 22,740	\$ 144,023	\$ 34,444	\$ 19,708
2019	\$ -	\$ -	\$ 9,742	\$ -	\$ 59,454	\$ 11,891	\$ 39,636	\$ 23,781	\$ 150,616	\$ 36,021	\$ 20,611
2020	\$ -	\$ -	\$ 10,235	\$ -	\$ 62,456	\$ 12,491	\$ 41,638	\$ 24,983	\$ 158,223	\$ 37,840	\$ 21,652
2021	\$ -	\$ -	\$ 10,727	\$ -	\$ 65,459	\$ 13,092	\$ 43,639	\$ 26,184	\$ 165,829	\$ 39,659	\$ 22,692
2022	\$ -	\$ -	\$ 11,186	\$ -	\$ 68,262	\$ 13,652	\$ 45,508	\$ 27,305	\$ 172,929	\$ 41,357	\$ 23,664
2023	\$ -	\$ -	\$ 11,743	\$ -	\$ 71,665	\$ 14,333	\$ 47,776	\$ 28,666	\$ 181,550	\$ 43,419	\$ 24,844
2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2029	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2031	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ 110,283	\$ -	\$ 673,007	\$ 134,601	\$ 448,671	\$ 269,203	\$ 1,704,950	\$ 407,752	\$ 233,309

t - 50% Rule



**APPENDIX B**

**PUBLIC IMPROVEMENT SERIAL BONDS-SERIES 2011B**

**DEBT SERVICE SCHEDULES**

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**BOND DEBT SERVICE**

**Erie County, New York  
 Issued through Erie County Fiscal Stability Authority  
 Mirror Bonds of New Money  
 Series 2011B  
 Final Numbers**

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
06/01/2012		588,458.33	588,458.33	
12/01/2012	925,000.00	365,250.00	1,290,250.00	
12/31/2012				1,878,708.33
06/01/2013		351,375.00	351,375.00	
12/01/2013	1,175,000.00	351,375.00	1,526,375.00	
12/31/2013				1,877,750.00
06/01/2014		333,750.00	333,750.00	
12/01/2014	1,215,000.00	333,750.00	1,548,750.00	
12/31/2014				1,882,500.00
06/01/2015		315,525.00	315,525.00	
12/01/2015	1,250,000.00	315,525.00	1,565,525.00	
12/31/2015				1,881,050.00
06/01/2016		292,125.00	292,125.00	
12/01/2016	1,295,000.00	292,125.00	1,587,125.00	
12/31/2016				1,879,250.00
06/01/2017		263,250.00	263,250.00	
12/01/2017	1,355,000.00	263,250.00	1,618,250.00	
12/31/2017				1,881,500.00
06/01/2018		230,750.00	230,750.00	
12/01/2018	1,420,000.00	230,750.00	1,650,750.00	
12/31/2018				1,881,500.00
06/01/2019		197,175.00	197,175.00	
12/01/2019	1,485,000.00	197,175.00	1,682,175.00	
12/31/2019				1,879,350.00
06/01/2020		161,050.00	161,050.00	
12/01/2020	1,560,000.00	161,050.00	1,721,050.00	
12/31/2020				1,882,100.00
06/01/2021		122,550.00	122,550.00	
12/01/2021	1,635,000.00	122,550.00	1,757,550.00	
12/31/2021				1,880,100.00
06/01/2022		86,875.00	86,875.00	
12/01/2022	1,705,000.00	86,875.00	1,791,875.00	
12/31/2022				1,878,750.00
06/01/2023		44,750.00	44,750.00	
12/01/2023	1,790,000.00	44,750.00	1,834,750.00	
12/31/2023				1,879,500.00
	16,810,000.00	5,752,058.33	22,562,058.33	22,562,058.33

CLERK'S CERTIFICATE

I, ROBERT GRABER, Clerk of the Erie County Legislature, DO HEREBY CERTIFY that I have compared the foregoing copy of the Certificate of Determination executed by the County Comptroller and the same is a true and complete copy of the Certificate filed with said County in my office as Clerk on August 8<sup>th</sup>, 2011; and

I FURTHER CERTIFY that no resolution electing to reassume any of the powers or duties mentioned in said Certificate and delegated to the County Comptroller by the resolutions cited in said Certificate has been adopted by said Legislature.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said County as of the 11th day of August, 2011.

(SEAL)



Clerk of the Erie County Legislature

APPENDIX C  
Bond Form

REGISTERED  
NO. BR-

REGISTERED  
\$

UNITED STATES OF AMERICA  
STATE OF NEW YORK  
COUNTY OF ERIE

PUBLIC IMPROVEMENT SERIAL BOND - SERIES 2011B

**MATURITY DATE**                      **INTEREST RATE**                      **DATE OF ORIGINAL ISSUE**

December 1,                                      \_\_\_\_\_%                                      August 11, 2011

**REGISTERED OWNER:**    ERIE COUNTY FISCAL STABILITY AUTHORITY

**PRINCIPAL SUM:** \_\_\_\_\_ DOLLARS AND NO CENTS

The County of Erie, a municipal corporation of the State of New York, hereby acknowledges itself indebted and for value received promises to pay to the REGISTERED OWNER named above, or registered assigns, on the MATURITY DATE, (stated above) the PRINCIPAL SUM (stated above) upon presentation and surrender of this bond at the corporate trust office of Manufacturers & Traders Trust Company, Buffalo, New York, as fiscal agent (herein called "Fiscal Agent"), or any successor thereto, and to pay interest on such principal sum from August 11, 2011, or from the most recent interest payment date to which interest has been paid, or unless interest on this bond shall be in default, in which event this bond shall bear interest from the date to which interest has been paid in full, at the INTEREST RATE (stated above), payable on June 1, 2012, December 1, 2012, and semiannually thereafter on June 1 and December 1 of each year until maturity. Interest hereon shall be payable by wire transfer or in clearinghouse funds by said Fiscal Agent on each interest payment date to the registered owner hereof at his address as it appears on the registration books of the County maintained by the Fiscal Agent or at such other address as may be furnished in writing by such registered owner to the Fiscal Agent at the close of business on the fifteenth day of the month preceding each interest payment date. The principal of and interest on this bond are payable in any coin or currency of the United States of America which, at the date of payment is legal tender for the payment of public and private debts; provided, however, that interest on this fully registered bond shall be paid by wire transfer or clearinghouse funds as set forth above.

The faith and credit of such County of Erie are hereby irrevocably pledged to the punctual payment of the principal of and interest on this bond according to its terms.

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It is hereby certified and recited that all conditions, acts and things required by the Constitution and statutes of the State of New York to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed, and that the issue of bonds of which this is one, together with all other indebtedness of the County of Erie is within every debt and other limit prescribed by the Constitution and laws of such State.

IN WITNESS WHEREOF, the County of Erie has caused this bond to be executed in its name by the manual signature of its County Comptroller and its corporate seal (or a facsimile thereof) to be affixed, impressed, imprinted, engraved, or otherwise reproduced hereon.

**COUNTY OF ERIE**

(Seal)

By: \_\_\_\_\_  
County Comptroller

1006076.1 034921 CLD

County of Erie, New York  
Public Improvement Serial Bond - Series 2011B

This bond is one of an authorized issue, the principal amount of which is \$16,810,000 and is issued pursuant to the provisions of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State of New York (the "Law"), various bond resolutions duly adopted and amended by the Legislature of the County on their respective dates, authorizing the issuance of bonds of the County to provide funds required by the County to finance various improvements in the County and fund certain payment obligations of the County and a Certificate of Determination executed by the County Comptroller as of July 28, 2011, determining the terms, form and details of issuance of said bonds (the "Bonds") and providing for their private sale (the "Certificate of Determination").

The Bonds are issuable in the form of registered bonds without coupons in denominations of \$5,000, or any integral multiple thereof, not exceeding the aggregate principal amount of the Bonds maturing in any year.

This Bond is transferable or exchangeable, as provided in the Certificate of Determination, only upon the books of the County which shall be kept for that purpose at the office of the Fiscal Agent, by the registered owner hereof in person, or by his attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer or exchange satisfactory to the County duly executed by the registered owner or his attorney duly authorized in writing, and thereupon a new Bond or Bonds, in the same aggregate principal amount and of the same maturity, shall be issued to the transferee or the registered owner in exchange therefor as provided in the Certificate of Determination and upon the payment of the charges, if any, therein prescribed.

The Bonds maturing on or after December 1, 2013, will be subject to redemption prior to maturity at the option of the County on December , 2012, and thereafter on any date, as a whole or in part, at par plus accrued interest to the date of redemption. The County may select the amount of the Bonds to be redeemed as the County shall determine to be in the best interest of the County at the time of such redemption. Notwithstanding the foregoing, no Bond or portion of a Bond shall be subject to redemption at the option of the County without the express written consent of the Erie County Fiscal Stability Authority ("ECFSA").

Any such redemption, either as a whole or in part, shall be made upon at least sixty (60) days and no more than seventy-five (75) days prior to written notice to (i) the ECFSA and to the Trustee for the ECFSA's Sales Tax and State Aid Secured Bonds, Series 2011B during any period when the Bonds are held by or for the benefit of the ECFSA or (ii) any successor holder of this Bond at any time thereafter. If notice of redemption shall have been given as aforesaid, the Bonds so called for redemption shall become due and payable at par on the given redemption date designated in such notice, and interest on such Bonds shall cease to accrue from and after such redemption date.

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If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the County by lot in any customary manner of selection as determined by the County Comptroller.

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form of opinion  
Hawkins Delafield & Wood LLP  
One Chase Manhattan Plaza  
New York, New York 10005

August 11, 2011

The Legislature of the  
County of Erie, New York

Ladies and Gentlemen:

We have examined a record of proceedings relating to the sale and issuance of \$16,810,000 Public Improvement Serial Bonds - Series 2011B (the "Bonds") of the County of Erie, New York (the "County").

The Bonds are issued pursuant to the provisions of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State of New York, various bond resolutions duly adopted and amended by the County Legislature on their respective dates, authorizing the issuance of bonds of the County for the purposes referred to therein, and a Certificate of Determination executed by the County Comptroller as of July 28, 2011, determining the terms, form and details of issuance of said Bonds and providing for their private sale (the "Certificate of Determination").

The Bonds are dated, mature, are payable, bear interest and are subject to redemption as provided in the Certificate of Determination.

The Bonds are issued only in fully registered form without interest coupons, in the name of the Erie County Fiscal Stability Authority ("ECFSA"), as registered owner. Only one Bond will be initially issued for each maturity in the aggregate principal amount of such maturity. The Bonds are lettered BR and numbered separately from one consecutively upward.

Pursuant to Chapter 97 of the Laws of 2011, effective June 24, 2011, a statutory limitation was imposed upon the County's power to increase its annual tax levy above a certain specified amount.

In our opinion, said Bonds are valid and legally binding general obligations of the County for which the County has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the County is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon. Prior to the enactment of Chapter 97 of the Laws of 2011, all the taxable real property within the County has been subject to the levy of ad valorem taxes to pay the Bonds and interest thereon without limitation as to rate or amount; however, the power of the County to levy unlimited real estate taxes on all the real property in the County may or may not be subject to the statutory limitations imposed by Chapter 97 of the

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Laws of 2011, depending upon the interpretation of such statute by a court of competent jurisdiction in the event of a legal challenge. The enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excludable from gross income under Section 103 of the Code. The County Comptroller, in executing the Arbitrage and Use of Proceeds Certificate, has certified to the effect that the County will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest paid on the Bonds is excludable from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate of the County delivered concurrently with the delivery of the Bonds, and in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion, under existing statutes and court decisions, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest is, however, included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed upon such corporations. In rendering the opinion in this paragraph, we have (i) relied on the representations, certifications of fact, and statements of reasonable expectations made by the County in the Arbitrage and Use of Proceeds Certificate and other documents in connection with the Bonds, and (ii) assumed compliance by the County with certain provisions and procedures set forth in the Arbitrage and Use of Proceeds Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

Further, in our opinion, under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Except as stated above, we express no opinion regarding any other federal or state tax consequences with respect to the Bonds. We render our opinion under existing statutes and court decisions as of the issue date, and we assume no obligation to update our opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the Bonds, or on the exemption from state and local tax law of interest on the Bonds.

Other than such record of proceedings, we have not been requested to examine or review and have not examined or reviewed the accuracy or sufficiency of any additional proceedings, reports, correspondence, financial statements or other documents, containing

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financial or other information relative to the County which have been or may hereafter be furnished or disclosed to purchasers of said Bonds, and we express no opinion with respect to any such financial or other information or the accuracy or sufficiency thereof.

We have examined the executed first numbered Bond of said issue and, in our opinion, the form of said Bond and its execution are regular and proper.

This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances, or changes in law or in interpretations thereof, that may hereafter occur, or for any other reason.

Very truly yours,

/s/Hawkins Delafield & Wood LLP

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CERTIFICATE AS TO LEGAL OPINION

I, MARK POLONCARZ, County Comptroller of the County of Erie, New York, HEREBY CERTIFY that on the date the bonds described in the opinion hereinabove mentioned were originally delivered and paid for, a written opinion as to the validity of such bonds, dated as of the date of such delivery and payment, was rendered by the law firm of Hawkins Delafield & Wood LLP, New York, New York, and that the foregoing, except as to omission of the date, is a true and correct copy of said opinion, signed duplicates of which have been filed in the office of Manufacturers & Traders Trust Company, Buffalo, New York, as Fiscal Agent.

(facsimile signature of the County Comptroller)

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ASSIGNMENT

FOR VALUE RECEIVED the Undersigned hereby sells,  
assigns, and transfers unto

\_\_\_\_\_  
PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

\_\_\_\_\_  
PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING  
POSTAL ZIP CODE OF ASSIGNEE

\_\_\_\_\_  
the within bond and does hereby irrevocably constitutes and appoint

\_\_\_\_\_, Attorney

to transfer said Bond on the books kept for registration of said Bond, with full power of  
substitution in the premises.

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

Signature Guaranteed: \_\_\_\_\_  
NOTICE: Signature(s) must be acknowledged or  
proved, or in the alternative, certified as to its  
genuineness by an officer of a bank or trust  
company located and authorized to do business in  
New York State.

\_\_\_\_\_  
NOTICE: The signature to this assignment  
must correspond with the name as it  
appears upon the face of the within bond in  
every particular, without alteration or  
enlargement or any change whatever.

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