

CERTIFICATE OF DETERMINATION BY THE COUNTY COMPTROLLER
 RELATIVE TO THE TERMS, FORM AND DETAILS OF SALE AND
 ISSUANCE OF \$27,690,000 GENERAL OBLIGATION REFUNDING BONDS-
 SERIES 2011A OF THE COUNTY OF ERIE, NEW YORK AND PROVIDING
 FOR THEIR PRIVATE SALE.

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 Refunding Bond Resolution duly adopted and referred to in Section 1 hereof and subject to the limitations prescribed in said resolution, which resolution is in full force and effect and has not been modified, amended or revoked, and subject to the limitations prescribed in said resolution 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, and Designation:

(a) A \$27,575,000 portion of the outstanding \$46,570,475 Public Improvement Serial Bonds - Series 2004B, issued August 19, 2004 and maturing in each of the years 2015 to 2018, inclusive (such portion referred to hereinafter as the "Refunded Bonds") issued pursuant to various bond resolutions adopted by the County Legislature on their respective dates, authorizing the issuance of bonds of said County for various purposes in and for the County, shall be refunded by the issuance of \$27,690,000 GENERAL OBLIGATION REFUNDING BONDS – SERIES 2011A (the "Series 2011A Bonds") authorized pursuant to the Refunding Bond Resolution adopted by the County Legislature on April 22, 2010 (the "Resolution"), entitled:

"REFUNDING BOND RESOLUTION OF THE COUNTY OF ERIE, NEW YORK, AUTHORIZING THE REFUNDING OF ALL OR A PORTION OF VARIOUS OUTSTANDING BONDS OF SAID COUNTY, STATING THE

PLAN OF REFUNDING, APPROPRIATING AN AMOUNT NOT TO EXCEED \$110,000,000 THEREFOR, AUTHORIZING THE ISSUANCE OF \$110,000,000 REFUNDING BONDS OF SAID COUNTY, OR SO MUCH THEREOF AS MAY BE NECESSARY, TO FINANCE SAID APPROPRIATION, AND MAKING CERTAIN DETERMINATIONS ALL RELATIVE THERETO.”

Said Series 2011A Bonds shall mature on October 1, 2011 and April 1 in each of the years 2012 to 2018, inclusive, in the principal amounts as set forth below:

<u>Year of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
2011	\$ 395,000	2.0000000%	2015	\$6,340,000	5.0000000%
2012	5,000	2.0000000	2016	6,650,000	4.50751880
2013	5,000	3.0000000	2017	6,970,000	5.00000000
2014	5,000	3.0000000	2018	7,320,000	4.73702186

2. Present Value Savings. The present value savings to be realized through the refunding of the Refunded Bonds is \$1,058,556.41, as set forth in the Refunding Financial Plan attached hereto as Appendix A.

3. Issue Date. The Bonds shall be dated August 11, 2011. The date of each Bond shall appear on the face thereof following the caption “Date of Original Issue,” and each Bond shall bear interest from such date.

4. Interest Rate, Dates and Medium of Payment. The Series 2011A Bonds shall bear interest from their date at the rates per annum set forth in the attached Appendix A, payable October 1, 2011, and semi-annually thereafter on April 1 and October 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 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.

5. Bonds Subject to Prior Redemption. The Bonds will be not be subject to redemption prior to maturity.

6. 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.

The Series 2011A Bonds shall be lettered AR, 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.

7. 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.

8. 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.

9. 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.

10. 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 last business day of the month preceding an interest payment date and such interest payment date.

11. Sale of Bonds. The Bonds are hereby sold at private sale to ECFSA for the purchase price of \$31,538,326.30 plus accrued interest from the date of the Bonds (August 11, 2011) to the date of delivery of and payment for the Bonds.

Pursuant to Section 90.10 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.

12. Form of Bonds. Said Bonds shall be in substantially the form set forth in Appendix B 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

APPENDIX A

Refunding Financial Plan

as prepared by

First SouthWest

July 27, 2011

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Erie County, New York
Issued through Erie County Fiscal Stability Authority
Mirror Bonds of Refunding of the Series 2004B Bonds
Series 2011A
Final Numbers

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SOURCES AND USES OF FUNDS

Erie County, New York
Issued through Erie County Fiscal Stability Authority
Mirror Bonds of Refunding of the Series 2004B Bonds
Series 2011A
Final Numbers

Dated Date 08/11/2011
Delivery Date 08/11/2011

Sources:

Bond Proceeds:	
Par Amount	27,690,000.00
Premium	3,848,326.30
	<hr/>
	31,538,326.30

Uses:

Refunding Escrow Deposits:	
Cash Deposit	906.09
Open Market Purchases	<u>31,462,973.15</u>
	31,463,879.24
Delivery Date Expenses:	
Cost of Issuance	74,035.00
Other Uses of Funds:	
Additional Proceeds	412.06
	<hr/>
	31,538,326.30

BOND SUMMARY STATISTICS

**Erie County, New York
 Issued through Erie County Fiscal Stability Authority
 Mirror Bonds of Refunding of the Series 2004B Bonds
 Series 2011A
 Final Numbers**

Dated Date	08/11/2011
Delivery Date	08/11/2011
Last Maturity	04/01/2018
Arbitrage Yield	1.932150%
True Interest Cost (TIC)	1.932150%
Net Interest Cost (NIC)	2.089312%
All-In TIC	1.983227%
Average Coupon	4.801343%
Average Life (years)	5.125
Duration of Issue (years)	4.647
Par Amount	27,690,000.00
Bond Proceeds	31,538,326.30
Total Interest	6,813,025.00
Net Interest	2,964,698.70
Total Debt Service	34,503,025.00
Maximum Annual Debt Service	7,495,125.00
Average Annual Debt Service	5,197,108.37
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	113.897892

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	27,690,000.00	113.898	4.801%	5.125
	27,690,000.00			5.125

	TIC	All-In TIC	Arbitrage Yield
Par Value	27,690,000.00	27,690,000.00	27,690,000.00
+ Accrued Interest			
+ Premium (Discount)	3,848,326.30	3,848,326.30	3,848,326.30
- Underwriter's Discount			
- Cost of Issuance Expense		-74,035.00	
- Other Amounts			
Target Value	31,538,326.30	31,464,291.30	31,538,326.30
Target Date	08/11/2011	08/11/2011	08/11/2011
Yield	1.932150%	1.983227%	1.932150%

BOND PRICING

**Erie County, New York
 Issued through Erie County Fiscal Stability Authority
 Mirror Bonds of Refunding of the Series 2004B Bonds
 Series 2011A
 Final Numbers**

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)	Principal Cost
Serial Bond:							
	10/01/2011	395,000.00	2.00000000%	0.401%	100.221	872.95	395,872.95
	04/01/2012	5,000.00	2.00000000%	0.551%	100.922	46.10	5,046.10
	04/01/2013	5,000.00	3.00000000%	0.801%	103.572	178.60	5,178.60
	04/01/2014	5,000.00	3.00000000%	1.051%	105.057	252.85	5,252.85
	04/01/2015	6,340,000.00	5.00000000%	1.321%	113.026	825,848.40	7,165,848.40
	04/01/2016	6,650,000.00	4.50751880%	1.631%	112.798	851,067.00	7,501,067.00
	04/01/2017	6,970,000.00	5.00000000%	1.981%	116.028	1,117,151.60	8,087,151.60
	04/01/2018	7,320,000.00	4.73702186%	2.381%	114.384	1,052,908.80	8,372,908.80
		27,690,000.00				3,848,326.30	31,538,326.30

Dated Date	08/11/2011	
Delivery Date	08/11/2011	
First Coupon	10/01/2011	
Par Amount	27,690,000.00	
Premium	3,848,326.30	
Production	31,538,326.30	113.897892%
Underwriter's Discount		
Purchase Price	31,538,326.30	113.897892%
Accrued Interest		
Net Proceeds	31,538,326.30	

BOND DEBT SERVICE

Erie County, New York
 Issued through Erie County Fiscal Stability Authority
 Mirror Bonds of Refunding of the Series 2004B Bonds
 Series 2011A
 Final Numbers

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
10/01/2011	395,000.00	183,375.00	578,375.00	
12/31/2011				578,375.00
04/01/2012	5,000.00	656,200.00	661,200.00	
10/01/2012		656,150.00	656,150.00	
12/31/2012				1,317,350.00
04/01/2013	5,000.00	656,150.00	661,150.00	
10/01/2013		656,075.00	656,075.00	
12/31/2013				1,317,225.00
04/01/2014	5,000.00	656,075.00	661,075.00	
10/01/2014		656,000.00	656,000.00	
12/31/2014				1,317,075.00
04/01/2015	6,340,000.00	656,000.00	6,996,000.00	
10/01/2015		497,500.00	497,500.00	
12/31/2015				7,493,500.00
04/01/2016	6,650,000.00	497,500.00	7,147,500.00	
10/01/2016		347,625.00	347,625.00	
12/31/2016				7,495,125.00
04/01/2017	6,970,000.00	347,625.00	7,317,625.00	
10/01/2017		173,375.00	173,375.00	
12/31/2017				7,491,000.00
04/01/2018	7,320,000.00	173,375.00	7,493,375.00	
12/31/2018				7,493,375.00
	27,690,000.00	6,813,025.00	34,503,025.00	34,503,025.00

BOND DEBT SERVICE

Erie County, New York
Issued through Erie County Fiscal Stability Authority
Mirror Bonds of Refunding of the Series 2004B Bonds
Series 2011A
Final Numbers

Period Ending	Principal	Interest	Debt Service
12/31/2011	395,000.00	183,375.00	578,375.00
12/31/2012	5,000.00	1,312,350.00	1,317,350.00
12/31/2013	5,000.00	1,312,225.00	1,317,225.00
12/31/2014	5,000.00	1,312,075.00	1,317,075.00
12/31/2015	6,340,000.00	1,153,500.00	7,493,500.00
12/31/2016	6,650,000.00	845,125.00	7,495,125.00
12/31/2017	6,970,000.00	521,000.00	7,491,000.00
12/31/2018	7,320,000.00	173,375.00	7,493,375.00
	27,690,000.00	6,813,025.00	34,503,025.00

SAVINGS

Erie County, New York
 Issued through Erie County Fiscal Stability Authority
 Mirror Bonds of Refunding of the Series 2004B Bonds
 Series 2011A
 Final Numbers

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 08/11/2011 @ 1.9321504%
12/31/2011	723,843.75	578,375.00	145,468.75	145,468.75	145,080.77
06/30/2012	723,843.75	661,200.00	62,643.75		61,878.88
12/31/2012	723,843.75	656,150.00	67,693.75	130,337.50	66,227.41
06/30/2013	723,843.75	661,150.00	62,693.75		60,748.84
12/31/2013	723,843.75	656,075.00	67,768.75	130,462.50	65,038.08
06/30/2014	723,843.75	661,075.00	62,768.75		59,663.16
12/31/2014	723,843.75	656,000.00	67,843.75	130,612.50	63,870.03
06/30/2015	7,083,843.75	6,996,000.00	87,843.75		81,907.32
12/31/2015	556,893.75	497,500.00	59,393.75	147,237.50	54,850.06
06/30/2016	7,261,893.75	7,147,500.00	114,393.75		104,631.67
12/31/2016	380,887.50	347,625.00	33,262.50	147,656.25	30,132.86
06/30/2017	7,445,887.50	7,317,625.00	128,262.50		115,082.59
12/31/2017	195,431.25	173,375.00	22,056.25	150,318.75	19,600.45
06/30/2018	7,640,431.25	7,493,375.00	147,056.25		129,432.24
12/31/2018				147,056.25	
	35,632,175.00	34,503,025.00	1,129,150.00	1,129,150.00	1,058,144.35

Savings Summary

PV of savings from cash flow	1,058,144.35
Plus: Refunding funds on hand	412.06
Net PV Savings	1,058,556.41

ESCROW REQUIREMENTS

Erie County, New York
 Issued through Erie County Fiscal Stability Authority
 Mirror Bonds of Refunding of the Series 2004B Bonds
 Series 2011A
 Final Numbers

Period Ending	Interest	Principal Redeemed	Total
10/01/2011	723,843.75		723,843.75
04/01/2012	723,843.75		723,843.75
10/01/2012	723,843.75		723,843.75
04/01/2013	723,843.75		723,843.75
10/01/2013	723,843.75		723,843.75
04/01/2014	723,843.75	27,575,000.00	28,298,843.75
	4,343,062.50	27,575,000.00	31,918,062.50

ESCROW DESCRIPTIONS

Erie County, New York
 Issued through Erie County Fiscal Stability Authority
 Mirror Bonds of Refunding of the Series 2004B Bonds
 Series 2011A
 Final Numbers

Type of Security	CUSIP or ID	Maturity Date	First Int Pmt Date	Par Amount	Rate	Yield	Interest Price Class	Interest Frequency	Interest Day Basis
Aug 11, 2011:									
TNote	912828LW8	09/30/2011		619,000.00	1.000%	0.030%	100.13248 Periodic	Semiannual	ACT/ACT
TNote	912828MU1	03/31/2012		623,000.00	1.000%	0.162%	100.53316 Periodic	Semiannual	ACT/ACT
TNote	912828HE3	09/30/2012		626,000.00	4.250%	0.263%	104.52146 Periodic	Semiannual	ACT/ACT
TNote	912828QL7	03/31/2013		639,000.00	0.750%	0.359%	100.63690 Periodic	Semiannual	ACT/ACT
Agency	465138QE8	08/15/2013		34,000.00		0.577%	98.84848 Zero Coupon	Semiannual	30/360
Agency	465139CW1	09/15/2013		607,000.00		0.536%	98.88561 Zero Coupon	Semiannual	30/360
Agency	465139DZ3	02/15/2014		3,307,000.00		0.636%	98.41750 Zero Coupon	Semiannual	30/360
Agency	465138QF5	02/15/2014		15,390,000.00		0.641%	98.40599 Zero Coupon	Semiannual	30/360
Agency	465139CX9	03/15/2014		100,000.00		0.636%	98.36591 Zero Coupon	Semiannual	30/360
TNote	912828KJ8	03/31/2014	09/30/2009	9,419,000.00	1.750%	0.559%	103.11156 Periodic	Semiannual	ACT/ACT
				31,364,000.00					

ESCROW COST

Erie County, New York
 Issued through Erie County Fiscal Stability Authority
 Mirror Bonds of Refunding of the Series 2004B Bonds
 Series 2011A
 Final Numbers

Type of Security	Maturity Date	Par Amount	Rate	Yield	Price	Cost	Accrued Interest	Total Cost
TNote	09/30/2011	619,000.00	1.000%	0.030097%	100.13248	619,820.05	2,249.37	622,069.42
TNote	03/31/2012	623,000.00	1.000%	0.161671%	100.53316	626,321.59	2,263.91	628,585.50
TNote	09/30/2012	626,000.00	4.250%	0.263171%	104.52146	654,304.34	9,667.94	663,972.28
TNote	03/31/2013	639,000.00	0.750%	0.359307%	100.63690	643,069.79	1,741.54	644,811.33
Agency	08/15/2013	34,000.00		0.576731%	98.84848	33,608.48		33,608.48
Agency	09/15/2013	607,000.00		0.535773%	98.88561	600,235.65		600,235.65
Agency	02/15/2014	3,307,000.00		0.636249%	98.41750	3,254,666.73		3,254,666.73
Agency	02/15/2014	15,390,000.00		0.640921%	98.40599	15,144,681.86		15,144,681.86
Agency	03/15/2014	100,000.00		0.636054%	98.36591	98,365.91		98,365.91
TNote	03/31/2014	9,419,000.00	1.750%	0.559397%	103.11156	9,712,077.84	59,898.15	9,771,975.99
						31,387,152.24	75,820.91	31,462,973.15

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost
08/11/2011	31,462,973.15	906.09	31,463,879.24
	31,462,973.15	906.09	31,463,879.24

SUMMARY OF REFUNDING RESULTS

**Erie County, New York
 Issued through Erie County Fiscal Stability Authority
 Mirror Bonds of Refunding of the Series 2004B Bonds
 Series 2011A
 Final Numbers**

Dated Date	08/11/2011
Delivery Date	08/11/2011
Arbitrage yield	1.932150%
Escrow yield	0.600304%
Bond Par Amount	27,690,000.00
True Interest Cost	1.932150%
Effective Interest Cost	1.932150%
Net Interest Cost	2.089312%
Average Coupon	4.801343%
Average Life	5.125
Par amount of refunded bonds	27,575,000.00
Average coupon of refunded bonds	5.250000%
Average life of refunded bonds	5.204
PV of prior debt to 08/11/2011 @ 1.932150%	32,596,470.65
Net PV Savings	1,058,556.41
Percentage savings of refunded bonds	3.838827%
Percentage savings of refunding bonds	3.822883%

PROOF OF EFFECTIVE INTEREST COST CALCULATION

Erie County, New York
 Issued through Erie County Fiscal Stability Authority
 Mirror Bonds of Refunding of the Series 2004B Bonds
 Series 2011A
 Final Numbers

Date	Debt Service	Present Value to 08/11/2011 @ 1.9321504%
10/01/2011	578,375.00	576,832.42
04/01/2012	661,200.00	653,126.82
10/01/2012	656,150.00	641,936.88
04/01/2013	661,150.00	640,639.52
10/01/2013	656,075.00	629,639.17
04/01/2014	661,075.00	628,367.20
10/01/2014	656,000.00	617,577.03
04/01/2015	6,996,000.00	6,523,213.98
10/01/2015	497,500.00	459,440.67
04/01/2016	7,147,500.00	6,537,550.23
10/01/2016	347,625.00	314,917.21
04/01/2017	7,317,625.00	6,565,685.49
10/01/2017	173,375.00	154,071.01
04/01/2018	7,493,375.00	6,595,328.68
	34,503,025.00	31,538,326.30

Proceeds Summary

Delivery date	08/11/2011
Par Value	27,690,000.00
Premium (Discount)	3,848,326.30
Target for yield calculation	31,538,326.30

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 8th, 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 resolution 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 B
Bond Form

REGISTERED
NO. AR-

REGISTERED
\$

UNITED STATES OF AMERICA
STATE OF NEW YORK
COUNTY OF ERIE

GENERAL OBLIGATION REFUNDING BOND - SERIES 2011A

MATURITY DATE	INTEREST RATE	DATE OF ORIGINAL ISSUE
October 1/April 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 October 1, 2011, and semiannually thereafter on April 1 and October 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

County of Erie, New York
General Obligation Refunding Bond - Series 2011A

This bond is one of an authorized issue, the principal amount of which is \$27,690,000, 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"), the refunding bond resolution duly adopted by the County Legislature of the County on April 22, 2010, authorizing the issuance of \$110,000,000 refunding bonds of the County to provide funds required by the County to advance refund certain bonds heretofore issued by the County as 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 (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.

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 will not be subject to redemption prior to maturity.

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

August 11, 2011

The County 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 \$27,690,000 General Obligation Refunding Bonds-Series 2011A (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, the refunding bond resolution duly adopted by the County Legislature on April 22, 2010, authorizing the issuance of \$110,000,000 refunding bonds of the County to provide funds required by the County to advance refund certain bonds heretofore issued by the County as 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 AR 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

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the County may or may not be subject to the statutory limitations imposed by Chapter 97 of the 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, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on 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 and the City of Yonkers.

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 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

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)

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.