

\$[_____]

**ERIE COUNTY WATER AUTHORITY
WATER REVENUE BONDS, SERIES 2018**

BOND PURCHASE AGREEMENT

July [__], 2018

Erie County Water Authority
295 Main Street, Room 350
Buffalo, New York 14203

Ladies and Gentlemen:

Jefferies LLC (the “Underwriter”) offers to enter into this Bond Purchase Agreement (the “Agreement”) with the Erie County Water Authority (the “Authority”), which, upon the Authority’s acceptance hereof, will be binding upon the Authority and upon the Underwriter. This offer is made subject to the written acceptance of this Bond Purchase Agreement by the Authority and the delivery of such acceptance to the Underwriter at or prior to 11:00 A.M., New York City time, on the date hereof.

1. Upon the terms and conditions and upon the basis of the representations and warranties hereinafter set forth, the Underwriter hereby agrees to purchase from the Authority for reoffering to the public, and the Authority hereby agrees to sell and deliver to the Underwriter for such purpose, all (but not less than all) of the \$[_____] Erie County Water Authority Water Revenue Bonds, Series 2018 (the “Series 2018 Bonds”). The purchase price of the Series 2018 Bonds shall be \$[_____] as set forth in Exhibit A hereto.

The Authority acknowledges and agrees that (i) the purchase and sale of the Series 2018 Bonds pursuant to this Agreement is an arm’s length commercial transaction between the Authority and the Underwriter, (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an advisor (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)), agent or a fiduciary of the Authority, (iii) the Underwriter has not assumed a fiduciary responsibility in favor of the Authority with respect to the offering of the Series 2018 Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Authority on other matters) or any other obligation to the Authority, except the obligations expressly set forth in this Agreement, (iv) the Underwriter has financial and other interests that differ from those of the Authority, (v) the Underwriter is not acting as the Authority’s selling or marketing agent hereunder, and (vi) the

Authority has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Series 2018 Bonds.

2. The Series 2018 Bonds shall be as described in the Official Statement of the Authority, dated June ___, 2018 relating to the Series 2018 Bonds (which, including the financial statements therein and all appendices thereto with such changes therein and supplements thereto which are consented to in writing by the Underwriter, such consent not to be unreasonably withheld, is herein called the “Official Statement”). Certain terms defined in the Official Statement are used herein as therein defined. The Series 2018 Bonds are being issued pursuant to a Fourth General Water Revenue Bond Resolution adopted by the Authority on July 9, 1992, as amended and supplemented (the “Resolution”), including but not limited to, by the Supplemental Resolution dated August 30, 2016 and a resolution supplemental thereto entitled “Series 2018 Supplemental Resolution Authorizing the Issuance of Water Revenue Bonds, Series 2018” adopted by the Authority on June 28, 2018 (the “Series 2018 Resolution”) and the Erie County Water Authority Act, Article 5, Title 3, Public Authorities Law, Sections 1050 through 1073, inclusive, and all laws amendatory or supplemental thereto (the “Act”). The Authority has Outstanding \$42,968,384 aggregate principal amount of Bonds previously issued under the Resolution, all of which will be secured on a parity basis to the Series 2018 Bonds by a pledge of and lien on the Available Revenues of the Water Works System.

3. The Underwriter agrees to make a bona fide public offering of all the Series 2018 Bonds at the respective initial public offering prices as set forth on the inside cover page of the Official Statement. Subsequent to such initial public offering, the Underwriter reserves the right to change the public offering prices as it may deem necessary in connection with the marketing of the Series 2018 Bonds. The Underwriter may offer and sell the Series 2018 Bonds to certain dealers (including dealers depositing the Series 2018 Bonds into investment trusts) and others at prices lower than the initial public offering price or prices set forth in the Official Statement. The Underwriter also reserves the right to: (i) over-allot or effect transactions which stabilize or maintain the market price of the Series 2018 Bonds at levels above those that might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time without prior notice.

4. The Authority shall deliver to the Underwriter a copy of the Official Statement, in a form reasonably satisfactory to the Underwriter, duly executed by the Authority as promptly as practicable (but no later than the earlier of seven (7) business days after the Authority’s acceptance of this Bond Purchase Agreement or the Closing), a sufficient number of conformed copies to comply with the rules of the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (“MSRB”). The Authority authorizes the Underwriter to file, to the extent required by applicable SEC or MSRB rule, and the Underwriter agrees to file or cause to be filed, the Official Statement with the MSRB or its designee (including submission to the MSRB’s Electronic Municipal Market Access system (“EMMA”)). The Authority authorizes the use of the Official Statement only in connection with the offering and sale of the Series 2018 Bonds and as required to comply with the rules of the SEC. The Authority also approves of and ratifies the use by the Underwriter of the Preliminary Official Statement of the Authority, dated June ___, 2018 (which, including the financial statements therein and all appendices thereto, is herein called the “Preliminary Official Statement”), in connection with the prospective offering of the Series 2018 Bonds prior to the date hereof. The Authority confirms

that it deemed the Preliminary Official Statement final as of its date, except for certain omissions in connection with the pricing of the Series 2018 Bonds. The Preliminary Official Statement and/or the Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed by the Authority and the Underwriter.

5. At 10:00 A.M., New York City time, on [_____], 2018 or at such other time or on such later business day as shall have been mutually agreed upon by the Authority and the Underwriter (the “Closing”), the Authority shall deliver, at the request of the Underwriter, at The Depository Trust Company, New York, New York (“DTC”), or at such other place as the Authority and the Underwriter may mutually agree upon, one typewritten Bond for the principal amount of each maturity of the Series 2018 Bonds, duly executed and authenticated, and the other documents hereinafter mentioned, at the offices of the Authority, and the Underwriter will accept such delivery and pay the purchase price in immediately available funds in the amount of \$[_____] payable to or upon the order of the Authority. The Series 2018 Bonds shall be registered in the name of Cede & Co., as partnership nominee for DTC. The Series 2018 Bonds will be made available for review at least one business day prior to the Closing.

6. The Authority represents and warrants to the Underwriter that:

A. The Authority is and will be at the date of Closing (the “Closing Date”) duly organized and validly existing as a public benefit corporation under the laws of the State of New York, including the Act and the New York State Constitution, with the right and power to issue the Series 2018 Bonds and to execute, deliver and perform its obligations under this Bond Purchase Agreement and the Series 2018 Bonds in conformity with the provisions of the Act, the Resolution and the Series 2018 Resolution.

B. The execution and delivery of this Bond Purchase Agreement, the Continuing Disclosure Agreement dated as of July 1, 2018 (the “Continuing Disclosure Agreement”), and the Series 2018 Bonds and the adoption of the Resolution and the Series 2018 Resolution and compliance with the provisions of all of them, under the circumstances contemplated hereby and thereby, do not as of the date of acceptance hereof and will not as of the Closing Date in any material respect conflict with or constitute on the part of the Authority a breach of or default under the Act or any agreement or other instrument to which the Authority is a party or by which it is bound or any existing law, administrative regulation, court order or consent decree to which the Authority is subject.

C. At or prior to the Closing, the Authority will have taken all action required to be taken by it to authorize the issuance and delivery of the Series 2018 Bonds and the performance of its obligations thereunder. The Authority has, and at the Closing Date will have, full legal right, power and authority to enter into this Bond Purchase Agreement and the Continuing Disclosure Agreement and, at the Closing Date, will have full legal right, power and authority to issue and deliver the Series 2018 Bonds to the Underwriter and to perform its obligations thereunder as provided herein and therein. At or prior to the Closing, the execution and delivery of, and the performance by the Authority of its obligations contained in the Series 2018 Bonds, the Continuing Disclosure Agreement and this Bond Purchase Agreement shall have been duly authorized. This Bond Purchase Agreement has been duly executed and delivered

and constitutes a valid and legally binding obligation of the Authority. The Authority has duly authorized the consummation by it of all transactions contemplated by this Bond Purchase Agreement.

D. The Preliminary Official Statement as of its date did not and the Official Statement (excluding therefrom the stabilization clause, the information under the caption “UNDERWRITING,” and the information in Appendix A - Opinion of the Authority’s Engineering Consultant as to which no representations or warranties are made), at the time of acceptance hereof and at all times subsequent thereto up to and including the Closing Date does not and will not at the Closing contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

E. All authorizations, consents or approvals of, or filings or registrations with, any Governmental Authority (as defined below), court or private third party necessary for the valid execution, delivery or performance by the Authority of this Bond Purchase Agreement, or the valid issuance of, and performance by the Authority of its obligations under, the Series 2018 Bonds, will have been duly obtained or made prior to the issuance of the Series 2018 Bonds (and disclosed to, if so requested by, the Underwriter). As used herein, the term “Governmental Authority” refers to any legislative body or governmental official, department, commission, board, bureau, authority, instrumentality, body or public benefit corporation. Notwithstanding the foregoing, the Authority shall not be required to take any action that would subject it to general service of process in any jurisdiction where it is not now so subject.

F. As of the time of acceptance hereof and as of the Closing, except as disclosed in the Official Statement or in a schedule delivered to the Underwriter at the Closing, no action, suit, proceeding or investigation is or will at the Closing be pending or, to the Authority’s knowledge, threatened against the Authority or any other person in any court or before any Governmental Authority (i) seeking to prohibit, restrain or enjoin the issuance, sale or delivery of any of the Series 2018 Bonds or this Bond Purchase Agreement; or (ii) contesting or affecting the validity or enforceability of, or the power or authority of the Authority to enter into, this Bond Purchase Agreement or to issue the Series 2018 Bonds; or (iii) in which a final adverse decision would (a) in any manner adversely affect provisions for or materially adversely affect the sources for payment of the Series 2018 Bonds, or (b) declare this Bond Purchase Agreement or the Act to be invalid or unenforceable in whole or in material part; or (iv) contesting the status of the interest on the Series 2018 Bonds as excludable from gross income for federal income tax purposes or as exempt from any applicable state tax, in each case as described in the Official Statement.

G. The Series 2018 Bonds will conform in all material respects to the descriptions thereof contained in the Official Statement, and the Series 2018 Bonds, when delivered and sold to the Underwriter as provided herein, will constitute validly issued and legally binding special obligations of the Authority, entitled to the benefits of the Resolution and the Series 2018 Resolution.

H. Any certificate signed by any official or other representative of the Authority and delivered to the Underwriter pursuant to this Bond Purchase Agreement shall be

deemed a representation and warranty by the Authority to the Underwriter as to the truth of the statements therein made.

I. The Authority has complied in all respects with the State Environmental Quality Review Act, if applicable, with respect to the issuance of the Series 2018 Bonds.

J. The Authority has never been in default at any time as to principal of or interest on any obligation which it has issued, and other than the Resolution, the Authority has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Water Works System or the revenues derived therefrom.

K. The Authority will cause the proceeds from the sale of the Series 2018 Bonds to be applied in a manner as provided in the Resolution and will not knowingly take or omit to take any action which would cause interest on the Series 2018 Bonds to be includable in gross income of the holders thereof for tax purposes.

L. The Authority has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certificate may not be relied upon.

M. The Authority has engaged Drescher & Malecki LLP, as auditors who are “independent” of the Authority. The financial reports of the Authority for the years ended 2016 and 2017 included in the Official Statement present fairly the financial position of the Authority as of the dates indicated and the results of the Authority’s operations for the periods specified, and such financial reports and statements have been prepared in conformity with generally accepted accounting principles consistently applied in all material respects to the periods involved, except as otherwise stated in the notes thereto. There has been no material change in the general affairs, management, properties, financial position, capitalization, or results of operation of the Authority since the date of such financial statements, except as set forth in the Official Statement, and the Authority has not entered into any transaction or incurred any debt or other liability material as to the Authority, except as set forth in the Official Statement.

N. The Authority has good title, free and clear of any liens thereon, to all real property and other assets of the Water Works System other than the lien of the Resolution.

O. In accordance with Rule 15c2-12, the Authority has entered or will enter into the Continuing Disclosure Agreement and, unless otherwise described in the Official Statement or set forth below, the Authority has not failed during the previous five years to comply in all material respects with any previous undertakings in a written continuing disclosure contract or agreement under Rule 15c2-12 or voluntarily self-reported any such violations under the Municipalities Continuing Disclosure Cooperation initiative.

7. The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations and warranties of the Authority contained herein, the covenants of the Authority contained herein and in the Resolution and the Series 2018 Resolution, and the performance by the Authority of its obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter’s obligations under this Bond Purchase Agreement are and shall be subject to the following further conditions as of the Closing:

A. The representations and warranties of the Authority contained herein shall be true and accurate on the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true and accurate at the Closing; and the Authority shall be in compliance with each of the agreements made by it in this Bond Purchase Agreement (unless such agreements are waived by the Underwriter).

B. At the time of the Closing, this Bond Purchase Agreement shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter. All actions which, in the opinion of Phillips Lytle LLP, Bond Counsel to the Authority, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect. The Authority shall perform or shall have performed all of its respective obligations required under or specified in the Resolution, the Series 2018 Resolution, this Bond Purchase Agreement or the Official Statement to be performed at or prior to the Closing. The Official Statement shall have been executed and delivered by the Authority at or prior to the Closing in sufficient time to permit the Underwriter to comply with its obligations under Rule 15c2-12.

C. Except as disclosed in the Official Statement or in a schedule delivered to the Underwriter at the Closing, no decision, ruling or finding shall have been entered by any court or Governmental Authority since the date of this Bond Purchase Agreement (and not reversed on appeal or otherwise set aside) which has any of the effects described in Section 6(F) hereof.

D. The provisions of the Act, as in effect on the date of this Bond Purchase Agreement, shall be in full force and effect and shall not have been amended, except as to amendments not adverse to the interests of the Underwriter or the bondholders.

E. In recognition of the desire of the Authority and Underwriter to effect a successful public offering of the Series 2018 Bonds, and in view of the potential adverse impact of any of the following events on a public offering, the Underwriter shall have the right to cancel its obligation to purchase the Series 2018 Bonds, by written notice from the Underwriter to the Authority, if at any time prior to the Closing: (i) the Official Statement shall have been amended, modified or supplemented in any material respect without the consent in writing of the Underwriter which amendment, in the reasonable professional judgment of the Underwriter, materially and adversely affects the marketability of the Series 2018 Bonds; or (ii) any event shall occur which, in the reasonable professional judgment of the Underwriter, makes untrue any statement of a material fact set forth in the Official Statement or results in an omission to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they are made, not misleading (provided however, that if any such event shall occur, the Authority shall have the right to amend the Official Statement to correct such statement or to include such fact, as the case may be, and the Underwriter shall have no right to cancel its obligation to acquire the Series 2018 Bonds pursuant to this clause (ii), unless, in the reasonable professional judgment of the Underwriter such event and such amendment materially and adversely affect the marketability of the Series 2018 Bonds); or (iii) the market for the Series 2018 Bonds or the ability of the Underwriter to enforce contracts for the sale of the Series 2018 Bonds shall have been materially and adversely affected, in the reasonable professional judgment

of the Underwriter, by (a) legislation enacted by the Congress of the United States or the legislature of the State, or passed by either House of Congress or the legislature of the State, or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either House of the Congress or the legislature of the State by a committee of such House to which such legislation has been referred for consideration, or a decision rendered by a court of the United States or the State or by the United States Tax Court, or a ruling, order, official statement, or regulation (final, temporary or proposed) made by the Treasury Department of the United States or the Internal Revenue Service, with respect to Federal taxation upon interest received on obligations of the general character of the Series 2018 Bonds or which would have the effect of materially changing, directly or indirectly, the Federal income tax consequences of interest on obligations of the general character of the Series 2018 Bonds to the owners thereof, or (b) the declaration of war or engagement in major hostilities by the United States or an escalation of any existing conflict or hostilities by the United States or the sovereign debt rating of the United States is downgraded by any major credit rating agency or a payment default occurs on United States Treasury obligations or other national or international calamity or crisis or an event of fiscal default by any municipality in the State with a population in excess of 100,000 or any water authority in the State, the effect of such outbreak, rating downgrade, calamity, crisis or default being such as would cause a major disruption in the municipal bond market, or (c) a general suspension of trading on the New York Stock Exchange, or fixing of minimum or maximum prices for trading or maximum ranges for prices for securities on the New York Stock Exchange, whether by virtue of a determination by the New York Stock Exchange or by order of the Securities and Exchange Commission or any other Governmental Authority having jurisdiction or a major financial crisis or a material disruption in commercial banking, securities settlement or clearance services, or (d) a general banking moratorium declared by either Federal or State authorities having jurisdiction, or (e) any action, suit, proceeding or investigation described in Section 6(F) hereof or any decision described in Section 7(C) hereof shall have been commenced or occurred; or (iv) any material and adverse change shall have occurred in or affect the business, properties, affairs, position, results of operations or condition, financial or otherwise of the Authority which, in the reasonable opinion of the Underwriter upon the advice of counsel, materially and adversely impairs the operation of the Water Works System as contemplated by the Official Statement, the transactions to be entered into in connection therewith and which, in the reasonable judgment of the Underwriter, adversely affects the marketability of the Series 2018 Bonds or the market price thereof; or (v) there shall have been a material and adverse change from the descriptions contained in the Official Statement in the status of operation of the Water Works System, required permits and approvals, or arrangements for financing of the Water Works System which, in the reasonable judgment of the Underwriter, adversely affects the marketability of the Series 2018 Bonds or the market price thereof, or (vi) except as disclosed in the Official Statement, any litigation or proceeding shall be pending or threatened questioning the validity or enforceability of the Resolution or the Series 2018 Resolution or seeking to enjoin the performance thereof; or (vii) a material disruption in the securities settlement, payment or clearance services affecting the Series 2018 Bonds shall have occurred.

F. At or prior to the Closing, the Underwriter shall receive, in form and substance satisfactory to Bond Counsel and to the Underwriter and its counsel, the following documents, each dated the Closing Date:

(1) An approving opinion of Phillips Lytle LLP, New York, New York, Bond Counsel (“Bond Counsel”) dated the Closing Date, as to the Series 2018 Bonds, substantially in the form and to the effect set forth in Appendix F to the Official Statement.

(2) A letter from Bond Counsel, to the effect that the approving opinion referred to in (1) above, which is addressed to the Authority and dated the Closing Date may be relied upon by the Underwriter as though such opinion were addressed to it.

(3) A supplemental opinion of Bond Counsel, addressed to and solely for the benefit of the Underwriter, substantially in the form and to the effect attached hereto as Exhibit D.

(4) A Certificate of the Authority, substantially in the form attached hereto as Exhibit B.

(5) A certificate or confirmation of Underwriter’s Counsel dated the Closing Date, addressed to the Underwriter, in a form acceptable to the Underwriter.

(6) An opinion of the Authority’s in-house counsel, Margaret A. Murphy, Esq., dated the Closing Date and addressed to the Authority, the Underwriter, and the Trustee, substantially in the form and to the effect attached hereto as Exhibit C.

(7) An opinion of Trustee’s Counsel dated the Closing Date, addressed to the Authority, the Underwriter, and the Trustee in a form reasonably acceptable to the Authority and the Underwriter and its counsel.

(8) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request to evidence compliance by the Authority with legal requirements, the accuracy, as of the time of Closing, of the Authority’s representations herein contained and the due performance or satisfaction by the Authority of all agreements then to be performed and all conditions then to be satisfied by the Authority.

(9) [Evidence that the Series 2018 Bonds have been rated “AA+” by both Standard & Poor’s Ratings Group (“S&P”) and Fitch Ratings. In addition, evidence that the Authority has received an underlying rating of “A-“ from S&P.]

(10) Certified copies of the Resolution and the Series 2018 Resolution and any other supplemental resolutions of the Authority relating to the Series 2018 Bonds, and all other certificates and documents material to the transactions contemplated thereby which may be reasonably requested by the Underwriter or its counsel, each of which counterparts shall be in the respective forms heretofore submitted to and approved by the Underwriter and referred to and summarized in

the Official Statement, with only such changes therein or modifications thereof as the Underwriter and its counsel may approve.

(11) Evidence of the approval of the State Comptroller of the terms and conditions of the sale of the Series 2018 Bonds.

(12) An executed copy of the Opinion of the Authority's Engineering Consultant, dated [_____], 2018 set forth in Appendix A to the Official Statement and prepared by Wendel WD Architecture, Engineering, Surveying & Landscape Architecture, PC.

(13) A letter from Drescher & Malecki LLP, dated the date of the Official Statement and addressed to the Underwriter consenting to the inclusion in the Official Statement of its report on the financial statements of the Authority for the fiscal years ended December 31, 2016 and December 31, 2017 and to all references to its firm included in the Official Statement.

(14) Evidence that the Authority has cured any prior failures under any Continuing Disclosure Agreements to which it is a party, which cure may include, but not be limited to, filings with the MSRB.

(15) The Tax Certificate, executed by a duly authorized officer of the Authority, in form and substance satisfactory to Bond Counsel, to ensure compliance with the Internal Revenue Code of 1986, as amended.

(16) An Information Return for Tax-Exempt Bond Issues (Internal Revenue Service Form 8038-G), in a form satisfactory to Bond Counsel for filing, executed by a duly authorized officer of the Authority.

8. If the Authority shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Bond Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Authority nor the Underwriter shall have any further obligation hereunder.

9. The obligations of the Authority hereunder to issue and deliver the Series 2018 Bonds are subject to the performance by the Underwriter of its obligations and agreements to be performed hereunder in accordance with the terms hereof and the receipt of the opinions of Bond Counsel, which will be conditioned upon receipt by Bond Counsel of all necessary or desirable certificates, representations and opinions in each case in a form acceptable to Bond Counsel, upon which Bond Counsel shall rely in rendering its opinion as to the exclusion of interest on the Series 2018 Bonds from gross income for Federal income tax purposes.

10. The performance by the Authority of its obligations is conditioned upon (i) the performance by the Underwriter of its obligations hereunder; (ii) receipt by the Authority and the Underwriter of the opinions and certificates being delivered at the Closing by persons and entities other than the Authority; and (iii) the consent by the Underwriter to any amendments to the Official Statement and the Resolution.

11. Within one (1) business day after receipt from the Authority but no later than the Closing, the Underwriter shall file the Official Statement with the MSRB.

12. If within twenty-five (25) days after the end of the underwriting period any event shall occur which might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Authority shall notify the Underwriter thereof. If, in the opinion of the Underwriter and its counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will at its expense supplement or amend the Official Statement in a form and manner approved by the Underwriter and its counsel. Unless the Underwriter has otherwise notified the Authority in writing by the Closing Date, the Authority may assume that the underwriting period ended on the Closing Date.

13. No expenses and costs of the Authority incident to the performance of the Authority's obligations in connection with the authorization, issuance and sale of the Series 2018 Bonds to the Underwriter shall be paid by the Underwriter, including, but not limited to, the costs of printing the Series 2018 Bonds, this Bond Purchase Agreement, the Preliminary Official Statement and the Official Statement (including any amendment or supplement thereto), and the fees and expenses of rating agencies, accountants, Bond Counsel, the Engineering Consultant, the Trustee and its counsel, and any experts or consultants retained by the Authority. The Underwriter shall pay the costs of preparation of this Bond Purchase Agreement, the costs of preparation and printing of any Blue Sky memoranda, the costs of qualifying the Series 2018 Bonds for sale in the various states chosen by the Underwriter, all advertising expenses, the fees and disbursements of its counsel (unless the Authority agrees to pay such costs directly), any fees or assessments payable to the MSRB or the Securities Industry and Financial Markets Association, and all other expenses incurred by the Underwriter in connection with the issuance and sale of the Series 2018 Bonds, including any out-of-pocket, miscellaneous and closing expenses (included in the expense component of the Underwriters' discount) incurred by the Underwriters on behalf of the Authority's employees and representatives for (1) normal travel costs, including reasonable transportation and lodging, and (2) ordinary and reasonable meals hosted by the Underwriter that are, in both cases, directly related to the offering contemplated by this Bond Purchase Agreement.

14. Any notice or other communication to be given to the Authority under this Bond Purchase Agreement may be given by delivering the same in writing to the Authority's Chairman, Jerome D. Schad, Esq., or to such other person as he may designate in writing, with copies to the Authority's in-house counsel, Margaret A. Murphy, Esq., or at such other address or to such other firm as the Authority shall hereafter advise the Underwriter in writing and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing to Jefferies LLC, 520 Madison Ave., 8th Floor, New York, New York 10022, Attention: Amanda E. Lee, Senior Vice President. The approval of the Underwriter when required hereunder or the determination of its satisfaction as to any document referred to herein shall be in writing signed by Jefferies LLC and delivered to the Authority.

15. This Bond Purchase Agreement when accepted by the Authority in writing as heretofore specified shall constitute the entire agreement between the Authority and the Underwriter and is made solely for the benefit of the Authority and the Underwriter (including the successors or assigns of the Underwriter). No other person shall acquire or have any right hereunder or by virtue hereof. All of the Authority's representations, warranties and agreements in this Bond Purchase Agreement shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter and (b) delivery of and payment by the Underwriter for the Series 2018 Bonds hereunder, and all such representations, warranties and agreements shall survive regardless of any termination of this Bond Purchase Agreement.

16. Receipt is hereby acknowledged of a copy of this Bond Purchase Agreement executed on behalf of the Authority which was delivered to the Underwriter at or prior to 11:00 A.M., New York City time, on the date hereof.

17. (a) To the extent permitted by law, the Authority agrees to indemnify and hold harmless the Underwriter and each person, if any, who controls the Underwriter against any and all losses, claims, damages and liabilities (i) arising out of any untrue statement or alleged untrue statement of a material fact contained in the Official Statement or the omission or alleged omission therefrom of a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (excluding therefrom the stabilization clause, the information under the caption "UNDERWRITING" and information attributed to others), and (ii) to the extent of the aggregate amount paid in settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or omission if such settlement is effected with the written consent of the Authority. In case any claim shall be made or action brought against the Underwriter or any person controlling the Underwriter based upon the Official Statement, as aforesaid, in respect of which indemnity may be sought against the Authority, the Underwriter shall promptly notify the Authority in writing setting forth the particulars of such claim or action and the Authority shall assume the defense thereof, including the employment of counsel satisfactory to the Underwriter and the payment of all expenses. The Underwriter or any such controlling person shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Underwriter or such controlling person unless the employment and payment by the Authority of such counsel have been specifically authorized by the Authority.

(b) The Underwriter will, to the extent permitted by law, indemnify and hold the Authority harmless against any losses, claims, damages or liabilities to which the Authority may become subject, under federal laws or regulations or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Official Statement under the caption "UNDERWRITING" or arise out of or are based upon the omission or the alleged omission to state under such caption a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Authority by the Underwriter specifically for use

therein; and will indemnify and hold harmless the Authority for any legal or other expenses reasonably incurred by the Authority in connection with investigating or defending any such loss, claim, damage, liability or action.

18. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Very truly yours,

JEFFERIES LLC

By: _____
Amanda E. Lee
Senior Vice President

Accepted:

ERIE COUNTY WATER AUTHORITY

Jerome D. Schad, Esq.
Chairman

EXHIBIT A
to the
Bond Purchase Agreement

Principal Amount:
Plus: Original Issue Premium:
Less: Underwriter's Discount:
Purchase Price:

EXHIBIT B
to the
Bond Purchase Agreement

CERTIFICATE OF THE ERIE COUNTY WATER AUTHORITY

I, Jerome D. Schad, Esq., Chairman of the Erie County Water Authority (the “Authority”), HEREBY CERTIFY on behalf of the Authority and to the best of my knowledge and belief as follows:

1. The representations and warranties of the Authority contained in the Bond Purchase Agreement, dated July [__], 2018, between the Authority and the Underwriter named therein (the “Bond Purchase Agreement”), are true and correct on and as of the date hereof as if made on and as of the date hereof, and the Authority has complied with and performed all of its covenants and agreements in the Bond Purchase Agreement.

2. Each of the conditions in the Bond Purchase Agreement to be satisfied by the Authority has been satisfied by the Authority on the date hereof.

3. The Official Statement of the Authority dated July [__], 2018 delivered pursuant to the Bond Purchase Agreement (excluding from such Official Statement the information under the captions “UNDERWRITING” and “TAX MATTERS”, and information attributed to others as to which no representations or warranties are made), as of the date hereof, does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

4. There is no action, suit, proceeding or investigation before or by any court or public board or body pending or threatened against the Authority to restrain or enjoin the issuance, execution or delivery of the Series 2018 Bonds or in any manner questioning the proceedings or authority for the issuance of the Series 2018 Bonds or affecting directly or indirectly the validity of the Series 2018 Bonds or of any provisions made or authorized for their payment or contesting the existence of the Issuer or the title of any of its officers to their respective offices.

IN WITNESS WHEREOF, I have set my hand this [__] day of [_____], 2018.

ERIE COUNTY WATER AUTHORITY

By: _____
Jerome D. Schad, Esq.
Chairman

EXHIBIT C
to the
Bond Purchase Agreement

Form of Opinion of Authority Counsel

[_____], 2018

Erie County Water Authority
295 Main Street, Room 350
Buffalo, New York 14203

Manufacturers & Traders Trust Company, as Trustee
Third Floor
285 Delaware Ave
Buffalo, NY 14202

Jefferies LLC
520 Madison Ave., 8th Floor
New York, New York 10022

Re: Erie County Water Authority
\$[_____] Water Revenue Bonds, Series 2018

Ladies and Gentlemen:

I am in-house counsel to the Erie County Water Authority (the “Authority”). This opinion is rendered to you pursuant to Paragraph 7F(6) of that certain Bond Purchase Agreement, dated July [___], 2018 (the “Bond Purchase Agreement”), between the Authority and Jefferies LLC (the “Underwriter”), pursuant to which, the Authority has agreed to issue and sell to the Underwriter, and the Underwriter has agreed to purchase from the Authority, the Authority’s \$[_____] Water Revenue Bonds, Series 2018 (the “Series 2018 Bonds”). The capitalized terms in this opinion are used with the meanings set forth in the Bond Purchase Agreement.

In connection with the rendering of this opinion, I have examined duly executed counterparts of the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Resolution, and the Series 2018 Resolution (collectively, the “Authority Agreements”); certified copies of proceedings of the Authority approving the form and content of the Authority Agreements; and originals or copies certified or otherwise identified to my satisfaction of such documents and records and of such statutes, court decisions, proceedings and certification of officers of the Authority and the Board, and such other documents as I have deemed necessary or appropriate for the purposes of this opinion.

In rendering the opinions expressed herein, I have assumed the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by me which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof. I have also assumed the genuineness of the signatures

appearing upon such public records, documents and proceedings and the certifications thereof. Based upon the foregoing, it is my opinion that:

1. The Authority is duly organized and validly existing as a public benefit corporation under the laws of the State, including the Act and the New York State Constitution, with the right and power to issue the Series 2018 Bonds and to execute, deliver and perform its obligations under the Authority Agreements and the Series 2018 Bonds in conformity with the provisions of the Act, the Resolution, and the Series 2018 Resolution.

2. The execution and delivery (and in connection with the Resolution and the Series 2018 Resolution the adoption thereof) of the Authority Agreements and the Series 2018 Bonds, under the circumstances contemplated, hereby and thereby, do not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any agreement or other instrument to which the Authority is a party or by which it is bound or any existing law, administrative regulation, court order or consent decree to which the Authority is subject.

3. The Authority has taken all action required to be taken by it to authorize and approve (i) the distribution of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement, (ii) the issuance and delivery of the Series 2018 Bonds and (iii) the performance of its obligations thereunder and the execution, delivery and performance of the Authority Agreements. The Authority has full legal right, power and authority to enter into the Authority Agreements and has full legal right, power and authority to issue and deliver the Series 2018 Bonds to the Underwriter and to perform its obligations thereunder as provided herein and therein.

4. All authorizations, consents or approvals of, or filings or registrations with, any Governmental Authority (as defined below), court or private third party necessary for the valid execution, delivery or performance by the Authority of the Authority Agreements or the valid issuance of, and performance by the Authority of its obligations under, the Series 2018 Bonds has been duly obtained or made. As used herein, the term "Governmental Authority" refers to any legislative body or governmental official, department, commission, board, bureau, authority, instrumentality, body or public benefit corporation.

5. The Authority has complied in all respects with the State Environmental Quality Review Act with respect to the issuance of the Series 2018 Bonds and with respect to the adoption, execution and delivery (as appropriate) of the Authority Agreements and the performance of its obligations therein contemplated.

6. Without having undertaken independently to verify the accuracy, completeness or fairness of, or to verify the information furnished with respect to, matters (excluding from such Official Statement the stabilization clause, the information under the captions "UNDERWRITING" and "TAX MATTERS", and information attributed to others as to which no representations or warranties are made), as of the date hereof, I have not become aware of any untrue statement of a material fact in the Official Statement or the omission to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

7. The Authority is not required to pay taxes, special ad valorem levies or assessments, whether state or local, including but not limited to fees, taxes, special ad valorem levies or assessments on real property, franchise taxes, sales taxes or other excise taxes upon any property owned by it or under its jurisdiction, control or supervision, or upon the uses thereof, or upon its activities in the operation and maintenance of its facilities or any fares, tolls, rentals, rates, charges, fees, revenues or other incomes received by the Authority; provided, however, the Authority shall be required to pay water and/or sewer fees or charges based upon services rendered to the Authority. The Authority is further exempt from any filing, mortgage recording or transfer fees or taxes in relation to instruments filed, recorded or transferred by or on its behalf.

8. I hereby confirm that except as disclosed in the Official Statement, there is no action, suit or proceeding, or inquiry or investigation, at law or in equity, before or by any court, public board or body, pending against or involving the Authority as a party, or to the best of my knowledge, threatened against or affecting the Authority, which (i) questions the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices, (ii) seeks to restrain or enjoin the issuance or delivery of the Series 2018 Bonds or the collection of the revenues pledged to the payment of the Series 2018 Bonds, (iii) contests or affects the validity of the Series 2018 Bonds or the Resolution, (iv) in any way contests or affects the collection or the pledge of the revenues pledged to the payment of the Series 2018 Bonds or contests the powers of the Authority or any authority for the issuance of the Series 2018 Bonds, the adoption of the Resolution or the application of the proceeds of the Series 2018 Bonds for the purposes and in the manner described herein, or (v) may result in any material adverse change to the Water Works System or the financial condition of the Authority.

Very truly yours,

EXHIBIT D
to the
Bond Purchase Agreement

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

[_____], 2018

Jefferies LLC
520 Madison Ave., 8th Floor
New York, New York 10022

Re: Erie County Water Authority
\$[_____] Water Revenue Bonds, Series 2018

Ladies and Gentlemen:

Reference is made to a Bond Purchase Agreement dated July [___], 2018 (the “Purchase Agreement”) between Erie County Water Authority (the “Authority”) and Jefferies LLC, as underwriter (the “Underwriter”), relating to the sale of the above-referenced Bonds (the “Bonds”).

We are Bond Counsel to the Authority and are today rendering our opinion with respect to the validity of the Bonds and as to certain other matters relating thereto. You are entitled to rely on such opinion as though it were addressed to you. Capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed thereto in the Purchase Agreement.

In connection with our role as Bond Counsel to the Authority, we have reviewed the Purchase Agreement, the Constitution and statutes of the State of New York, including the Act, a tax certificate (the “Tax Certificate”) executed on behalf of the Authority dated the date hereof, an executed counterpart of the Resolution and the Series 2018 Resolution (both as defined in the hereinafter defined Official Statement), the Official Statement dated July [___], 2018 relating to the Bonds (the “Official Statement”), opinions of counsel to the Authority and the Trustee, certificates of the Authority, the Trustee and others and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions or conclusions:

(a) The Bond Purchase Agreement has been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by the Underwriter, constitutes a valid and binding agreement of the Authority enforceable against the Authority in accordance with its terms, except that enforceability of rights and remedies may be limited by bankruptcy, insolvency or other laws or judicial decisions affecting the enforcement of creditor’s rights and the unavailability of equitable remedies and that no opinion is being rendered as to the availability of any particular remedy; and

(b) The Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended, and all documents relating to the issuance of the Bonds are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and

(c) All New York governmental and regulatory approvals necessary to the issuance of the Bonds have been obtained; and

(d) The execution and delivery of the Bond Purchase Agreement and the Bonds by the Authority, and compliance with the provisions of each of the foregoing, will not conflict with or constitute a breach of or a default under any New York law or New York administrative regulation.

In addition to the foregoing, we have reviewed the statements as to legal matters in the Official Statement, insofar as they relate to the Authority, and in the Official Statement under the headings “INTRODUCTION,” “THE SERIES 2018 BONDS,” “SECURITY FOR THE SERIES 2018 BONDS,” “ADDITIONAL BONDS,” “INDEBTEDNESS OF THE AUTHORITY,” “ESTIMATED SOURCES AND USES OF FUNDS,” “THE WATER WORKS SYSTEM,” “FINANCIAL OPERATIONS OF THE WATER WORKS SYSTEM,” “THE AUTHORITY,” “TAX MATTERS,” “APPENDIX F – FORM OF OPINION OF BOND COUNSEL” and “APPENDIX C – CERTAIN PROVISIONS OF THE RESOLUTION AND THE SERIES 2018 RESOLUTION” and, based upon such review, we are of the opinion that such statements accurately summarize the provisions of the Bonds, the Resolution, the Series 2018 Resolution, the provisions of law pertaining thereto and the legal matters stated therein with respect to the Authority, the Board and the use of the proceeds of the Bonds; and, without having independently verified the information contained therein except the statements contained in the above-referenced captions, to the best of our knowledge, nothing has come to our attention in our capacity as Bond Counsel in the course of such review, which would lead us to believe that such statements contain any untrue statement of a material fact or omit to state any material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading.

This letter is solely for the information of, and assistance to, the addressee hereof and is not to be used, circulated, quoted or otherwise referred to in connection with the offering of the Bonds except that reference may be made to this letter in any list of closing documents pertaining to the sale of the Bonds.

Very truly yours,