

NOTICE OF ELECTION

Kauneonga Lake Fire District
Sullivan County, New York

NOTICE IS HEREBY GIVEN that pursuant to a resolution of the Board of Fire Commissioners, a special election of the qualified voters of the Kauneonga Lake Fire District, New York, will be held at 3574 NYS Route 55, Kauneonga Lake, New York 12749, on the 3rd day of August, 2010, between the hours of 6:00 p.m. and 9:00 p.m. to vote upon the following Bond Resolution:

BOND RESOLUTION OF THE BOARD OF FIRE COMMISSIONERS OF THE KAUNEONGA LAKE FIRE DISTRICT, SULLIVAN COUNTY, NEW YORK (THE "DISTRICT"), AUTHORIZING THE ACQUISITION AND EQUIPPING OF A PUMPER-TANKER FIRE APPARATUS AND RELATED EQUIPMENT AND SERVICES RELATED THERETO; ESTIMATING THE TOTAL COST THEREOF AT \$325,000; APPROPRIATING SAID AMOUNT THEREFOR; AND AUTHORIZING THE ISSUANCE OF \$175,000 IN SERIAL BONDS OF THE DISTRICT TO FINANCE SAID APPROPRIATION

WHEREAS, the Board of Fire Commissioners of the Kauneonga Lake Fire District, Sullivan County, New York (the "District") desires to have the District undertake the acquisition and equipping of a Pumper-Tanker with attendant tools, appliances, hoses and related and incidental equipment and services in connection with the foregoing (collectively, the "Apparatus");

NOW, THEREFORE, THE BOARD OF FIRE COMMISSIONERS OF THE KAUNEONGA LAKE FIRE DISTRICT, SULLIVAN COUNTY, NEW YORK (THE "DISTRICT") HEREBY RESOLVES (by the favorable vote of not less than three-fifths of all its members), AS FOLLOWS:

SECTION 1. The District is hereby authorized to acquire the Apparatus as hereinabove described, and to issue \$175,000 principal amount of serial bonds 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") to finance the estimated cost of the Apparatus.

SECTION 2. It is hereby determined that the aggregate maximum estimated cost of the aforesaid specific object or purpose is \$325,000, said amount is hereby appropriated therefor and the plan for the financing thereof shall consist of the issuance of the \$175,000 in serial bonds of the District authorized to be issued pursuant to this Resolution, or bond anticipation notes issued in anticipation of such serial bonds.

SECTION 3. It is hereby determined that the period of probable usefulness of the aforesaid specific object or purpose is twenty (20) years, pursuant to subdivision 27 of Section 11.00(a) of the Law.

SECTION 4. Current funds are not required to be provided prior to the issuance of the bonds authorized by this Resolution or any bond anticipation notes issued in anticipation thereof, pursuant to Section 107.00(d)(9) of the Law.

SECTION 5. The temporary use of available funds of the District not immediately required for the purpose or purposes for which the same were borrowed, raised or otherwise created, is hereby authorized pursuant to Section 165.10 of the Law, for the capital purposes described in Section 1 of this Resolution. This Resolution shall constitute a declaration of official intent to reimburse the expenditures authorized by Section 1 hereof with the proceeds of the bonds and bond anticipation notes authorized herein, as required by United States Treasury Regulation Section 1.150-2.

SECTION 6. Each of the serial bonds authorized by this Resolution and any bond anticipation notes issued in anticipation of said bonds shall contain the recital of validity prescribed by Section 52.00 of the Law and said serial bonds and any bond anticipation notes issued in anticipation of said bonds shall be general obligations of the District, payable as to both principal and interest by a general tax upon all the real property within the District without legal or constitutional limitation as to rate or amount. The faith and credit of the District are hereby irrevocably pledged to the punctual payment of the principal and interest on said serial bonds and bond anticipation notes and provisions shall be made annually in the budget of the District by appropriation for (a) the amortization and redemption of the bonds and bond anticipation notes to mature in such year and (b) the payment of interest to be due and payable in such year.

SECTION 7. Subject to the provisions of this Resolution and of the Law, pursuant to the provisions of Section 30.00 relative to the authorization of the issuance of serial bonds and bond anticipation notes or the renewals of said obligations and of Sections 21.00, 50.00, 54.90, 56.00 through 60.00 and 62.10 and 63.00 of the Law, the powers and duties of the Board of Fire Commissioners relative to authorizing serial bonds and bond anticipation notes and prescribing terms, form and contents as to the sale and issuance of bonds herein authorized including, without limitation, the determination whether to issue bonds having substantially level or declining annual debt service and all matters related thereto, and of any bond anticipation notes issued in anticipation of said bonds, and the renewals of said bond anticipation notes, are hereby delegated to the District Treasurer, the Chief Fiscal Officer of the District.

SECTION 8. The District Treasurer is hereby further authorized to take such actions and execute such documents as may be necessary to ensure the continued status of the interest on the bonds authorized by this Resolution and any notes issued in anticipation thereof, as excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and to designate the bonds authorized by this Resolution and any notes issued

in anticipating thereof, if applicable, as “qualified tax-exempt bonds” in accordance with Section 265(b)(3)(B)(i) of the Code.

SECTION 9. Pursuant to Section 38.00 of the Law, this Resolution shall be subject to a mandatory referendum, to be held at a special election on August 3, 2010, in the manner prescribed by Sections 175, 175-c and 179 of the Town law of the State of New York. This Resolution shall not take effect until approved by the affirmative vote of a majority of the duly qualified voters of the District voting on such proposition. As soon as reasonably possible after the date that this Resolution takes effect, the Secretary of the District is hereby authorized and directed to cause a copy of this Resolution to be published in full in the Sullivan County *Democrat*, which is the designated official newspaper of the District for such purposes, together with a notice of the Secretary of the District in substantially the form provided in Section 81.00 of the Law.

SECTION 10. The validity of the bonds authorized by this Resolution and of any bond anticipation notes issued in anticipation of said bonds may be contested only if:

(a) such obligations are authorized for an object or purpose for which the District is not authorized to expend money; or

(b) the provisions of law which should be complied with at the date of the publication of such Resolution are not substantially complied with, and an action, suit or proceeding contesting such validity is commenced within twenty (20) days after the date of such publication; or

(c) such obligations are authorized in violation of the provisions of the constitution.

The polls will be open for the purpose of voting during the aforesaid hours, and the ballot will be in substantially the following form, to wit:

PROPOSITION NO. 1

Shall the Resolution entitled:

BOND RESOLUTION OF THE BOARD OF FIRE COMMISSIONERS OF THE KAUNEONGA LAKE FIRE DISTRICT, SULLIVAN COUNTY, NEW YORK (THE “DISTRICT”), AUTHORIZING THE ACQUISITION AND EQUIPPING OF A PUMPER-TANKER FIRE APPARATUS AND RELATED EQUIPMENT AND SERVICES RELATED THERETO; ESTIMATING THE TOTAL COST THEREOF AT \$325,000; APPROPRIATING SAID AMOUNT THEREFOR; AND AUTHORIZING THE ISSUANCE OF \$175,000 IN SERIAL BONDS OF THE DISTRICT TO FINANCE SAID APPROPRIATION

duly adopted by the Board of Fire Commissioner of said Fire District on June 28, 2010 be approved?

Those who are qualified to vote on the aforesaid proposition are qualified voters who shall have resided in said Fire District for thirty days next preceding such election.

Dated: Kauneonga Lake, New York
June 28, 2010

By Order of the Board of Fire Commissioners
of the Kauneonga Lake Fire District
By: William Gettel, Secretary