February 4, 2010

The Board of Fire Commission Fire District #1 Borough of Englishtown, State of New Jersey, convened on Thursday February 4, 2010 regular scheduled meeting of the Board, in the Formal Meeting Room of the Englishtown Fire Department, 3 South Main St. Englishtown, New Jersey.

The meeting was called to order at 8:03 P.M. by Chairman T. Frueh
Sunshine Statement by Chairman T. Frueh

Statement is hereby given that adequate notice of this meeting was given by:
1. The mailing of said notice to the Asbury Park Press.
2. The prominent posting of said notice at the Englishtown Fire Department.

Roll Call showed the following members in attendance:
Present: T. Frueh, M. Galasso, G. Maresca, T. Kirkland and P. Cooke

Minutes: Minutes for the December 3, 2009 meeting were offered by T. Frueh and seconded M. Galasso by January 7, 2010 were offered by P. Cooke and seconded by M. G: Motion was approved with corrections to be made by a roll call vote.
Ayes: T. Frueh, M. Galasso, T. Kirkland, G. Maresca, and P. Cooke

Financial:
The Treasurer's Report was given by G. Maresca with a recommendation to pay the attached bill list for the Month of February, 20010n the amount of $13,192.47 by T. Kirkland and Seconded by: T. Frueh and Motion passed by a roll call vote:
Ayes: T. Kirkland, P. Cooke, M. Galasso, G. Maresca and T. Frueh

The Treasurer's Report was given by G. Maresca with a recommendation to amend the bill list for the month of January 2010; adding $1,340.34 for fuel for November & December 2009, $662.76 for the Verison Tower, $1,666.74 to the Englishtown Fire Department for an amended total of $25,870.02 motioned by T. Frueh and seconded by M. Galasso, motion passed by a role call vote.

Ayes: T. Frueh, G. Maresca, T. Kirkland, P. Cooke, and M. Galasso

Legal and Audit:
Fire District Budget Elections to be held Saturday February 20, 2010 form 2 P.M. To 9 P.M. at the firehouse.

Chief's Report: See attached
Department Engineer's Report: See attached
Correspondence: N/A
Committees:
Truck: No activity
LOSAP: P. Cooke is continuing to work with Lincoln Financial to transfer accounts from

1973

AIG Valic.
Insurance: N/A

Old Business: P. Sherer is continuing to work on the installation of the new electronic keys to be placed in the exterior doors.

A motion was made by T. Kirkland and seconded by G. Maresca to place the 1973 Hahn 12-77 for sale in the price range of $7,500.00 or best offer. Motion passed by a role call vote.
Ayes: M. Galasso, P. Cooke, T. Kirkland, G. Maresca, and T. Frueh
New Business:
A motion was passed by T. Frueh and seconded by T. Kirkland to award a service contract to Tasc Fire in the amount of $1,270.00 for the annual servicing of the Hurst extrication tools. Motion passed by a role call vote.
Ayes: G. Maresca, T. Kirkland, T. Frueh, M. Galasso, and P. Cooke

2/9 the Manalapan Township CERT team for training and J. Carlos will be renting out the firehouse bays on 2/13.

Jonathan Knapp has been suspended by the executive board of the fire department for a period of 90 days due to violations of the department's bylaws.
Public Open Portion: N/A
Meeting Adjournment: at 8:54 PM after a motion by T. Kirkland and a second by P. Cooke and approved by roll call vote.

Certified at the March 4 2010 Meeting: ______________

Feb. 10

Avaya.	From 12/09 to 3/10	2926	163.80
E.F.D.		2927	1666.66
Englishtown Water & Sewer.		2928	169 –
Englishtown Automotive.	1266	2929	2274.99
Freehold Cartage.		2930	79.45
Fire & Safety	1286	2931	2150 53
N.J. Gas	Dec 09	2932	788.92
N.J. Fire Equipment.	SCBA bracket	2933	329.97
~~N.J. Casualty Ins~~	~~w/c~~		
Verizon	Phone Service	2934	156.69
Verizon. Cell		2935	340.46
Timothy Kirkland.		2936	19. –
V.F.I.S.		2937	5053 –
			13192 47

Form **8038-G** (Rev. November 2000) Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)

▶ See separate Instructions.

Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

If Amended Return, check here ▶ ☐

Part I Reporting Authority

1 Issuer's name: ENGLISHTOWN FIRE DISTRICT NO. 1	2 Issuer's employer identification number: 22-3143072
3 Number and street (or P.O. box if mail is not delivered to street address): P.O. BOX 1	Room/suite: — 4 Report number: 3 01
5 City, town, or post office, state, and ZIP code: ENGLISHTOWN, NJ 07726	6 Date of issue: 1/20/2010
7 Name of issue: $550,000 Fire District Bonds	8 CUSIP number: n/a
9 Name and title of officer or legal representative whom the IRS may call for more information: L. Sandbank, Member, McManimon & Scotland, LLC	10 Telephone number of officer or legal representative: 973-622-1800

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

11	☐ Education	11	
12	☐ Health and hospital	12	
13	☐ Transportation	13	
14	☒ Public safety	14	550,000
15	☐ Environment (including sewage bonds)	15	
16	☐ Housing	16	
17	☐ Utilities	17	
18	☐ Other. Describe ▶	18	

19 If obligations are TANs or RANs, check box ▶ ☐ If obligations are BANs, check box ▶ ☐

20 If obligations are in the form of a lease or installment sale, check box ▶ ☐

Part III Description of Obligations. (Complete for the entire issue for which this form is being filed.)

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	1/15/2020	$ 550,000	$ 550,000	5.49 years	4.4691 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	0
23	Issue price of entire issue (enter amount from line 21, column (b))			23	550,000
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	0		
25	Proceeds used for credit enhancement	25	0		
26	Proceeds allocated to reasonably required reserve or replacement fund	26	0		
27	Proceeds used to currently refund prior issues	27	0		
28	Proceeds used to advance refund prior issues	28	0		
29	Total (add lines 24 through 28)			29	0
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	550,000

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

31 Enter the remaining weighted average maturity of the bonds to be currently refunded ▶ N/A years

32 Enter the remaining weighted average maturity of the bonds to be advance refunded ▶ N/A years

33 Enter the last date on which the refunded bonds will be called ▶ N/A

34 Enter the date(s) the refunded bonds were issued ▶ N/A

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	0
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	0
b	Enter the final maturity date of the guaranteed investment contract ▶ N/A		
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	0

b If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the name of the issuer ▶ N/A and the date of the issue ▶ N/A

38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☒

39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

40 If the issuer has identified a hedge, check box ▶ ☐

Sign Here Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

▶ [signature] Signature of issuer's authorized representative — 1/20/10 Date — ▶ Thomas Frueh Chairman Type or print name and title

ARBITRAGE AND TAX CERTIFICATE

We, the undersigned Chairman and Clerk of the Board of Fire Commissioners of Fire District No. 1 in the Borough of Englishtown, in the County of Monmouth, a municipal corporation of the State of New Jersey and herein referred to as the "Issuer," HEREBY CERTIFY TO THE BEST OF OUR KNOWLEDGE AND BELIEF as follows:

1. GENERAL

1.1. The Bonds. We, with others, are charged with the responsibility of issuing $550,000 Fire District Bonds of the Board of Fire Commissioners of Fire District No. 1 in the Borough of Englishtown, in the County of Monmouth, New Jersey (Bank-Qualified), dated and issued on January 20, 2010 (the "Bonds").

1.2. Amount Deemed Received. The Issuer is deemed to have received $550,000.00 from the sale of the Bonds, consisting of the par amount of the Bonds ($550,000.00). There is no original issue premium paid to the Issuer, reoffering premium retained by the underwriter, or accrued interest on the Bonds.

1.3. Authorization for the Bonds. The Bonds are being issued pursuant to (i) Title 40A, Chapter 14, Section 86 of the New Jersey Statutes, as amended and supplemented (the "Fire District Law") and (ii) a resolution duly adopted by the Fire District on January 7, 2010 (the "Resolution"). The Bonds were originally authorized by a proposal duly adopted by the Fire District on September 4, 2008 and approved by the legal voters of the Fire District at the annual Fire District election held on December 20, 2008. In addition, on October 14, 2009, the Local Finance Board of the Division of Local Government Services issued positive findings on the issue.

1.4. Proceeds of the Bonds. The proceeds of the Bonds will consist of:

(a) sale proceeds; and

(b) investment proceeds.

1.5. Regulations. References to Regulations mean the Treasury Regulations promulgated under Section 103, and Sections 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code").

1.6. Defined Terms. The following terms have the meanings ascribed to them in the Regulations (and the Code, where indicated) unless the context hereof clearly requires otherwise:

(a) available amount, §1.148-1(b);
(b) bona fide debt service fund, §1.148-1(b);
(c) bond year, §1.148-1(b);
(d) capital expenditure, §1.150-1(b);

(e) commingled fund, §1.148-1(b);
(f) computation date, §1.148-3(e);
(g) fair market value, §1.148-1(b);
(h) gross proceeds, §1.148-1(b);
(i) guaranteed investment contract, §1.148-1(b);
(j) investment, §1.148-1(b);
(k) investment proceeds, §1.148-1(b);
(l) investment property, Code §148(b)(2);
(m) investment-type property, §1.148-1(b);
(n) issue, §1.150-1(c);
(o) issue price, §1.148-1(b);
(p) multipurpose issue, §1.148-1(b);
(q) net sale proceeds, §1.148-1(b);
(r) nonpurpose investment, §1.148-1(b);
(s) nonpurpose receipts, §1.148-2;
(t) proceeds, §1.148-1(b);
(u) rebatable arbitrage, §1.148-3;
(v) related party, §1.150-1(b);
(w) replacement proceeds, §1.148-1(c);
(x) required rebate, §1.148-3;
(y) sale proceeds, §1.148-1(b);
(z) sinking fund, §1.148-1(c)(2);
(aa) transferred proceeds, §1.148-1(b);
(bb) value, §1.148-1(b);
(cc) working capital, §1.150-1(b);
(dd) yield, §1.148-1(b).

2. PURPOSE OF ISSUE.

2.1. Purposes of the Bonds. The Bonds are being issued to obtain $550,000 to purchase a custom built class A pumper fire engine as more specifically described in the Resolution (the "Projects").

2.2 Investments to be Yield Restricted. Unless expressly permitted herein, no portion of the proceeds of the Bonds will be used to finance "investment property" or "investment-type property" with a yield in excess of the yield on the Bonds.

2.3. No Overissuance. The proceeds from the Bonds do not exceed the amount which is required for the purposes described in Section 2.1 above. The Issuer reasonably expects that the universal cap, as defined in Regulations Section 1.148-6(b)(2), will not reduce the amount of gross proceeds allocable to the Bonds during the term of the Bonds.

2.4. No Reimbursement. Except for preliminary expenditures not exceeding twenty percent (20%) of the issue price of the Bonds (as defined in Section 1.150-2(f) of the Regulations, such as architectural, engineering, surveying, soil testing, reimbursement bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction, or rehabilitation of a project, other than land acquisition, site preparation, and similar costs incident to commencement of construction), none of the proceeds of the Bonds will be used to reimburse the Issuer for an expenditure paid prior to the date hereof.

2.5. No Refundings. No portion of the proceeds of the Bonds will be used to pay debt service on any other indebtedness of the Issuer.

2.6. No Hedge Bonds. (a) Not more than fifty percent (50%) of the proceeds of the Bonds are to be invested in nonpurpose investments having a substantially guaranteed yield for four (4) years or more within the meaning of Section 149(g)(3)(A) of the Code and at least eighty five percent (85%) of the spendable proceeds of the Bonds will be used to carry out the governmental purposes of the issue within the three-year (3) period beginning on the date hereof.

(b) The Bonds do not constitute "hedge bonds" within the meaning of Section 149(g) of the Code.

2.7. No Replacement Proceeds. (a) Other than the proceeds of the Bonds, the Issuer has on hand no funds which (i) could legally and practically be used for the governmental purposes for which the Bonds are being issued which are not pledged, budgeted, earmarked or otherwise necessary to be used for other purposes, or (ii) would be used for the governmental purposes of the Bonds if the proceeds of the Bonds were not used or to be used for such purposes.

(b) The Issuer does not reasonably expect that (i) the term of the Bonds (which have an aggregate weighted average maturity of approximately 5.49 years) will be longer than reasonably necessary for the governmental purposes of the Bonds, or (ii) there will be available amounts during the period that the Bonds remain outstanding longer than necessary. The aggregate weighted average maturity of the Bonds does not exceed 120% of the expected economic life of the Project.

(c) No portion of proceeds of the Bonds will be used (i) directly or indirectly to replace funds of the Issuer or any other agency, department, or division of the Issuer, that could be used for the Projects, or (ii) to replace any proceeds of any prior issuance of Bonds by the Issuer or any other agency, department, or division of the Issuer.

2.8. No Private Business Use of Financed Projects. (a) Not more than ten percent (10%) of the Proceeds of the Bonds will be used, directly or indirectly, in whole or in part, in any activity carried on by any person other than a state or local governmental unit. A use of the Proceeds includes (i) ownership of the Projects financed or refinanced with the proceeds of the Bonds, (ii) actual or beneficial use of the Projects pursuant to a lease or a management, incentive payment or output contract, or (iii) any other similar arrangement, agreement or understanding, whether written or oral. The payment of the principal of or the interest on more than ten percent (10%) of the Bonds will not be, directly or indirectly: (i) secured by any interest in (A) property used or to be used in any activity carried on by any person other than a state or local governmental unit, or (B) payments in respect of such property; or (ii) derived from payments (whether or not by or to the Issuer), in respect of property, or borrowed money, used or to be used in any activity carried on by any person other than a state or local governmental unit. For purposes of this paragraph (a), persons (other than a state or local governmental unit) using such Proceeds on the same basis as the general public shall not be taken into account.

(b) None of the proceeds of the Bonds will be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

(c) No proceeds of the Bonds are being used to make grants to any person.

3. SOURCE AND DISTRIBUTION OF FUNDS.

3.1. Proceeds of the Bonds. The proceeds derived from the sale of the Bonds, in the amount of $550,000.00 (comprised of the par amount of the Bonds of $550,000.00) constitute the "Proceeds" of the Bonds for purposes of this Certificate. There is no original issue premium to the Issuer, reoffering premium retained by the underwriter or accrued interest on the Bonds.

3.2. Application of Proceeds. The Proceeds of the Bonds will be applied as follows:

(a)	Deposit to Capital Account:		
	(i) Construction	$0.00	
	(ii) Acquisition	550,000.00	
	Total New Money		$550,000.00
(b)	Premium paid to the Issuer		$0.00
TOTAL			$550,000.00

3.3. Temporary Period for Proceeds Applied to Capital Projects. Proceeds of the Bonds in the amount of $550,000.00 will be deposited in the Capital Account of the Issuer and will be applied to pay the costs of the Projects, as described in Section 2.1 above. The Issuer will use such funds only for capital expenditures in connection with the Projects. Such proceeds will not be used to repay, at maturity or otherwise, any indebtedness of the Issuer. The proceeds will be used to pay all or a portion of the costs of the Projects within three (3) years from the date hereof. As to such amounts, the Issuer certifies that:

(a) It reasonably expects that at least eighty five percent (85%) of such net sale proceeds of the Bonds will be expended within three (3) years after the date hereof; and

(b) It reasonably expects to incur within six (6) months from the date of issue hereof a substantial binding obligation (not subject to contingencies within the Issuer's or a related party's control) to a third party to expend at least five percent (5%) of such net sale proceeds of the Bonds on the Projects; and

(c) It reasonably expects the completion of the Projects, and the allocation of such net sale proceeds of the Bonds to expenditures, to proceed with due diligence.

The proceeds of the Bonds deposited into the Capital Account may be invested without regard to yield restriction for a three-year (3) temporary period in accordance with Regulations Section 1.148-2(e)(2). Any proceeds held beyond the end of such three-year (3) period may not be invested at a yield in excess of the yield on the Bonds.

3.4. Premium Paid to the Issuer. There is no premium paid to the Issuer.

3.5. Expenditure of Investment Proceeds. Investment Proceeds will be deposited in the current account of the Issuer and commingled with substantial tax or other revenues from governmental operations of the Issuer and such amounts are reasonably expected to be spent for governmental purposes within six (6) months from the date of such commingling. Such amounts will be treated as allocated to expenditures on the date of the deposit pursuant to Regulation Section 1.148-6(e)(6).

3.6. Temporary Period for Accrued Interest. There is no accrued interest on the Bonds.

3.7. Temporary Period for Bona Fide Debt Service Fund. Any fund used or established to make debt service payments on the Bonds will be used primarily to achieve a proper matching of revenues with principal and interest payments within each bond year, and will be depleted at least once each bond year, except for a reasonable carry over amount not to exceed (i) the earnings on the fund in the immediately preceding bond year, or (ii) one-twelfth (1/12) of the debt service payments on the Bonds for the immediately preceding bond year. Monies deposited into such funds may be invested without regard to yield for a period not to exceed thirteen (13) months in accordance with Regulation Section 1.148-2(e)(5).

3.8. Temporary Period for Sinking Fund Proceeds. Amounts treated as proceeds of the Bonds because they are accumulated in any sinking fund for the Bonds may be invested without regard to yield restriction for a period of thirty (30) days beginning on the date of accumulation, and thereafter shall be invested at a yield not in excess of the yield on the Bonds in accordance with Regulation Section 1.148-2(e)(5).

3.9. No Other Funds or Accounts to Pay Debt Service. There are no funds or accounts which are reasonably expected to be used to pay debt service on the Bonds or which are pledged to the Bonds, and for which there is reasonable assurance that amounts on deposit therein will be available to pay debt service on the Bonds if the Issuer encounters financial difficulty.

3.10. Rebate Requirement - Bonds. The Issuer covenants that any and all investment proceeds earned on the gross proceeds (as defined in the Regulations) in excess of the yield on the Bonds will be held and set aside for rebate to the federal government if required by the Regulations. Such amount shall be calculated in the manner and paid at the times required by the Regulations.

4. TERMS OF THE BONDS AND CALCULATION OF YIELD.

4.1. Terms of the Bonds. The dated date, maturity date, and rate of interest of the Bonds are as shown in Section 1.1 hereof. When used in this certificate, the term "yield" refers to the yield computed by the present worth method using a three hundred sixty-day (360) year and semiannual compounding, and means that discount rate which, when used in computing the present worth of all payments of principal and interest to be paid on the Bonds, produces an amount equal to the purchase price thereof.

4.2. Purchase Price of the Bonds. In reliance on a certification made by Brunswick Bank and Trust, as purchaser of the Bonds (the "Purchaser"), which certification is attached hereto as Exhibit A, the Bonds will not be reoffered.

4.3. Bond Insurance. There is no bond insurance on the Bonds.

4.4. Purchase Price for Bond Yield Purposes. The purchase price for the Bonds for purposes of computing arbitrage yield is $550,000.00, consisting of the par amount of the Bonds ($550,000.00). There is no original issue premium paid to the Issuer, reoffering premium retained by the underwriter or accrued interest on the Bonds.

4.5. Bond Yield. The yield on the Bonds, as computed in accordance with the method described in Section 4.1 above, using as a purchase price the price which is specified in Section 4.4 above, is 4.4691%.

5. REBATE.

5.1. Calculation of Investment Income. The Issuer has provided for the calculation of its investment income from the investment of the proceeds of the Bonds.

5.2. Selection of Bond Year. The Issuer hereby selects as the last day of its first bond year the one-year period (or shorter period from the date of issue of the Bonds) that ends at the close of business on January 15, 2011.

5.3. Rebate Covenant; Small Issuer Exception; Six Month Exception; 18-Month Exception.

(a) Rebate Covenant. The Issuer has agreed, to the extent required by Section 148(f) of the Code, to calculate and pay or cause to be calculated and paid to the United States Treasury, in the manner and at the times prescribed in the Regulations, an amount equal to the sum of (a) the excess of (i) the future value of all "nonpurpose receipts" in which the gross proceeds of the Bonds are invested over (ii) the future value of all "nonpurpose payments" with respect to the Bonds, plus, (b) any income attributable to the excess described in (a) above. The first required computation date of rebatable arbitrage in respect of the Bonds is January 15, 2015 or if earlier, the redemption date of the last outstanding Bond.

(b) Small Issuer Exception. The Issuer (and all entities within the controlled group of the Issuer) has issued $550,000 tax-exempt bonds and notes in the calendar year 2010, including the Bonds. Of this amount, $550,000 will count towards the small issuer limitation for purposes of Section 148(f)(4)(D) of the Code. The Issuer is a township fire district of the State of New Jersey and a governmental unit with general taxing powers. The Bonds do not constitute private activity bonds. At least ninety-five percent (95%) of the proceeds of the Bonds will be used for local governmental activities of the Issuer (or of a governmental unit located within the jurisdiction of the Issuer). The Issuer (and all entities within the controlled group of the Issuer) does not expect to issue greater than $5,000,000 tax-exempt bonds or notes in the calendar year 2010 which will count towards the small issuer limitation.

(c) The Six Month Exception to Rebate. Proceeds of the sale of the Bonds will be excepted from the rebate requirement if all of the proceeds of the Bonds, and earnings thereon, are spent in their entirety within six months of the Issue Date, and the Issuer expects no proceeds allocable to the Bonds other than those specified in paragraph 3.2 to arise during the term of the Issue, except (i) amounts held in a bona fide debt service fund described in Section 3.7, above or (ii) amounts, if any, that may be treated as replacement proceeds that satisfy the requirements of a "reasonably required reserve or replacement fund" as provided in the next sentence. A "reasonably required reserve or replacement fund" for the Bonds is one that does not exceed the smallest of the following amounts: (i) 10 percent of the principal amount of the Bonds including allocable issuance costs; (ii) the maximum amount of principal and interest payable on the Bonds in any Bond Year; and (iii) 125 percent of the average annual payment of principal and interest with respect to the Bonds; and the Issuer pays any positive rebate amount that may be calculated over at any computation date during the term of the Bonds with respect to the bona fide debt service fund and any reasonably required reserve or replacement fund.

(d) The Eighteen (18) Month Exception to Rebate.

(i) Expenditure Schedule: An issue is treated as meeting the rebate requirement if (a) gross proceeds of the Bonds are allocated to expenditures for a governmental purpose of the issue in accordance with the expenditure schedule set forth below measured from the issue date of the Bonds, (b) the rebate requirement is met for all amounts not required to be spent in accordance with such expenditure schedule (other than earnings in a bona fide debt service fund) and (c) all of the gross proceeds of the issue qualify for the three-year temporary period for investment, as described in Section 3.3 hereof. The 18-month expenditure schedule is as follows:

(1) At least fifteen percent (15%) within six (6) months;

(2) At least sixty percent (60%) within twelve (12) months; and

(3) One hundred percent (100%) within eighteen months.

(ii) Gross Proceeds; Expenditures for Governmental Purpose: Gross Proceeds, for purposes of this exception to the rebate requirement, do not include amounts in a bona fide debt service fund; amounts in a reasonably required reserve or replacement fund; amounts that, as of the date of issuance of the Bonds, are not reasonably expected to be gross proceeds but that become gross proceeds after the end of the eighteen (18) month spending period; amounts representing sale or investment proceeds derived from payments under any purpose investment of the issue; and amounts representing repayments of grants financed by the Bonds. For purposes of this exception to the rebate requirement, expenditures for the governmental purpose of an issue of Bonds include payments for interest, but not principal, on the issue, and for principal or interest on another issue of Bonds, unless such payments would cause the issue to be a refunding issue.

(iii) Compliance with Expenditure Schedule. Compliance with the spending requirements for the first two (2) spending periods will be determined by including in the amount of gross proceeds investment earnings reasonably expected to be received in respect of such amounts based on the issuer's reasonable expectations on the issue date. The final spending requirement will be considered satisfied if the issuer exercises due diligence to complete the project or projects to be financed with the Bonds and the amount of unexpended gross proceeds as of the eighteen (18) month anniversary date does not exceed the lesser of 3% of the issue price of the issue or $250,000. Alternatively, the final spending requirement will be considered satisfied if the amount of unexpended gross proceeds as of the eighteen (18) month anniversary date is a reasonable retainage amount and such amount is allocated to expenditures for the governmental purpose of the issue within thirty (30) months of the issue date of the Bonds. A reasonable retainage amount is an amount, not to exceed five percent (5%) of the net sale proceeds of the Bonds as of the end of the final spending period, that is retained for reasonable business purposes relating to the projects to be financed with the proceeds of the Bonds.

(iv) Application to multipurpose issues. The eighteen month exception shall not apply to an issue any portion of which is treated as meeting the two-year construction exception to the rebate requirement.

5.4. Retention of Records. The Issuer agrees to keep and retain until six (6) years after the retirement of all of the Bonds, adequate records with respect to the investment of (i) all proceeds of the Bonds received upon the sale thereof, the earnings thereon and all reinvestments thereof, (ii) amounts to be used, or pledged, to pay, directly or indirectly, debt service on the Bonds, (iii) any other gross proceeds, and (iv) amounts in any rebate fund. Such records shall include: (i) purchase price; (ii) purchase date; (iii) type of investment; (iv) accrued interest paid; (v) interest rate (if applicable); (vi) principal amount; (vii) maturity date; (viii) interest payment date (if applicable); (ix) date of liquidation; and (x) receipts upon liquidation. If any investment becomes gross proceeds of the Bonds or is otherwise pledged to pay debt service on the Bonds on a date other than the date such investment is purchased, the Issuer's records shall include the market value of such investment on the date it is pledged to pay debt service on the Bonds or otherwise becomes gross proceeds. If any investment is retained after the date the last Bond is retired, the Issuer's records shall include the market value of such investment on the date the last Bond is retired. Amounts will be segregated wherever held in order to permit the Issuer to maintain these records.

5.5. Continuous Investment of Funds. Except as provided in the next sentence, all amounts that constitute gross proceeds of the Bonds and all amounts in any rebate fund shall be invested at all times to the extent practicable, and no amounts may be held as cash or be invested in zero (0) yield investments other than Bonds of the United States purchased directly from the United States. In the event moneys cannot be invested due to the denomination, price or availability of investments, the Issuer may invest all such amounts in a deposit account of a bank with a yield not less than that paid to the general public or hold such moneys uninvested to the extent necessary.

5.6. Certificate of Deposit and Investment Contract Terms. The Issuer shall invest or direct the investment of gross proceeds and any amounts in any rebate fund in accordance with the following provisions:

(a) An investment in a certificate of deposit of a bank or savings and loan association that has a fixed interest rate, a fixed principal payment schedule and a substantial penalty for early withdrawal shall be made only if the yield on the certificate of deposit is not less than (i) the yield on reasonably comparable direct Bonds of the United States and (ii) the highest yield that is published or posted by the provider to be currently available from the provider on comparable certificates of deposit offered to the public.

(b) An investment in a guaranteed investment contract and any investments purchased for a yield restricted defeasance escrow shall meet the following requirements:

(1) The Issuer must make a bona fide solicitation for the purchase of the investment. A bona fide solicitation is a solicitation that satisfies all of the following requirements: (i) The bid specifications are in writing and are timely forwarded to potential providers; (ii) The bid specifications include all material terms of the bid (a term is material if it may directly or indirectly affect the yield or the cost of the investment); (iii) The bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the issuer or any other person (whether or not in connection with the bond issue), and that the bid is not being submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying the requirements of these rules; (iv) The terms of the bid specifications are commercially reasonable (a term is commercially reasonable if there is a legitimate business purpose for the term other than to increase the purchase price or reduce the yield of the investment - for example, for solicitations of investments for a yield restricted defeasance escrow, the hold firm period must be no longer than the issuer reasonably requires); (v) For purchases of guaranteed investment contracts only, the terms of the solicitation take into account the Issuer's reasonably expected deposit and drawdown schedule for the amounts to be invested; (vi) All potential providers have an equal opportunity to bid (for

example, no potential provider is given the opportunity to review other bids (i.e., a last look) before providing a bid); and (vii) At least three (3) reasonably competitive providers are solicited for bids (a reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of investments being purchased).

(2) The bids received by the Issuer meet all of the following requirements: (i) The Issuer receives at least three (3) bids from providers that the Issuer solicited under a bona fide solicitation meeting the requirements of paragraph (1) above and that do not have a material financial interest in the issue); (ii) At least one (1) of the three (3) bids described in paragraph (2)(i) above is from a reasonably competitive provider; and (iii) If the Issuer uses an agent to conduct the bidding process, the agent did not bid to provide the investment.

(3) The winning bid must meet the following requirements: (i) Guaranteed investment contracts - if the investment is a guaranteed investment contract, the winning bid is the highest yielding bona fide bid (determined net of any broker's fees); and (ii) Other investments - if the investment is not a guaranteed investment contract, the following requirements are met; (A) The winning bid is the lowest cost bona fide bid (including any broker's fees); (B) The lowest cost bona fide bid (including any broker's fees) is not greater than the cost of the most efficient portfolio comprised exclusively of State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt; (C) If State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt are not available for purchase on the day that bids are required to be submitted pursuant to terms of the bid specifications because sales of those securities have been suspended, the cost comparison of paragraph (B) is not required.

(4) The provider of the investments or the obligor on the guaranteed investment contract must certify the administrative costs that it pays (or expects to pay, if any) to third parties in connection with supplying the investment.

(5) The Issuer retains the following records with the Bond documents until three years after the last outstanding Bond is redeemed: (i) For purchases of guaranteed investment contracts, a copy of the contract, and for purchases of investments other than guaranteed investment contracts, the purchase agreement or confirmation; (ii) The receipt or other record of the amount actually paid by the issuer for the investments, including a record of any administrative costs paid by the issuer, and the certification under paragraph (4) above; (iii) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; (iv) The bid solicitation form and, if the terms of the purchase agreement or the guaranteed investment contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation; and (v) For

example, no potential provider is given the opportunity to review other bids (i.e., a last look) before providing a bid); and (vii) At least three (3) reasonably competitive providers are solicited for bids (a reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of investments being purchased).

(2) The bids received by the Issuer meet all of the following requirements: (i) The Issuer receives at least three (3) bids from providers that the Issuer solicited under a bona fide solicitation meeting the requirements of paragraph (1) above and that do not have a material financial interest in the issue); (ii) At least one (1) of the three (3) bids described in paragraph (2)(i) above is from a reasonably competitive provider; and (iii) If the Issuer uses an agent to conduct the bidding process, the agent did not bid to provide the investment.

(3) The winning bid must meet the following requirements: (i) Guaranteed investment contracts - if the investment is a guaranteed investment contract, the winning bid is the highest yielding bona fide bid (determined net of any broker's fees); and (ii) Other investments - if the investment is not a guaranteed investment contract, the following requirements are met; (A) The winning bid is the lowest cost bona fide bid (including any broker's fees); (B) The lowest cost bona fide bid (including any broker's fees) is not greater than the cost of the most efficient portfolio comprised exclusively of State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt; (C) If State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt are not available for purchase on the day that bids are required to be submitted pursuant to terms of the bid specifications because sales of those securities have been suspended, the cost comparison of paragraph (B) is not required.

(4) The provider of the investments or the obligor on the guaranteed investment contract must certify the administrative costs that it pays (or expects to pay, if any) to third parties in connection with supplying the investment.

(5) The Issuer retains the following records with the Bond documents until three years after the last outstanding Bond is redeemed: (i) For purchases of guaranteed investment contracts, a copy of the contract, and for purchases of investments other than guaranteed investment contracts, the purchase agreement or confirmation; (ii) The receipt or other record of the amount actually paid by the issuer for the investments, including a record of any administrative costs paid by the issuer, and the certification under paragraph (4) above; (iii) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; (iv) The bid solicitation form and, if the terms of the purchase agreement or the guaranteed investment contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation; and (v) For

6.5. No Notification of Listing by the IRS. The Issuer has not been notified of any listing or proposed listing of it by the Internal Revenue Service as an issuer whose Arbitrage and Tax Certificate may not be relied upon.

6.6. Filing of Form 8038-G. On the date hereof, or within the time prescribed for filing such report, the Issuer has caused (or will cause) the filing of a true and complete information report on Form 8038-G with the Internal Revenue Service.

6.7. No Expected Disposition of Facilities. No portion of the facilities or other property financed by the Bonds is expected to be sold or otherwise disposed of prior to the last maturity of the Bonds.

6.8. Alteration of Restrictions and Covenants. The yield restrictions and any other restriction or covenant contained herein may be altered or ignored if the Issuer receives an opinion of Bond Counsel or any other nationally recognized bond counsel to the effect that such alteration or nonobservance will not adversely affect the tax exemption of interest on the Bonds to which it is otherwise entitled.

6.9. Changes in Facts or Expectations. The Issuer acknowledges that any changes in facts or expectations from those set forth herein may result in different yield restrictions or rebate requirements from those set forth herein and that Bond Counsel or other nationally recognized bond counsel should be contacted if such changes do occur.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, we have hereunto set our hands this 20th day of January, 2010.

THE BOARD OF FIRE COMMISSIONERS OF FIRE DISTRICT NO. 1 IN BOROUGH OF ENGLISHTOWN, IN THE COUNTY OF MONMOUTH, NEW JERSEY

Thomas Freuh
Chairman

Thomas Kirkland
Clerk

CERTIFICATE OF DELIVERY AND PAYMENT

I, Thomas Frueh, the duly chosen, qualified and acting Chairman of The Board of Commissioners of Fire District No. 1 in the Borough of Englishtown in the County of Monmouth, and herein referred to as the "Issuer," HEREBY CERTIFY that on the 20th day of January, 2010, I delivered to Brunswick Bank and Trust, North Brunswick, New Jersey, the purchaser thereof, bonds of the Issuer in the principal amount of $550,000 Fire District Bonds each duly executed by or on behalf of the Issuer, and all otherwise described as set forth in Schedule A annexed hereto and by this reference made a part hereof, and that at or before the time of such delivery of the Bonds, I received from the purchaser the following amounts:

Received prior to delivery	$0
Received at time of delivery	$550,000.00
Total amount received	$550,000.00

being full payment for the Bonds, computed as follows:

Contract price	$550,000
Plus accrued interest	0
Total amount received	$550,000.00

IN WITNESS WHEREOF, I have hereunto set my hand as of this 20th day of January, 2010.

Thomas Frueh,
Chairman

CERTIFICATE OF QUALIFICATION PURSUANT TO SECTION 265 OF THE INTERNAL REVENUE CODE OF 1986

I, the undersigned Chairman of The Board of Commissioners of Fire District No. 1 in the Borough of Englishtown, in the County of Monmouth, a fire district of the State of New Jersey (the "Issuer"), HEREBY CERTIFY TO THE BEST OF MY KNOWLEDGE AND BELIEF as follows:

1. As of the date of this certificate, the Issuer has issued $550,000 of tax-exempt obligations in the calendar year 2010 pursuant to rules for computing tax exempt municipal securities under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), consisting of the $550,000 Fire District Bonds issued this date (the "Bonds").

2. The Issuer does not expect to issue any additional tax-exempt obligations in calendar year 2010.

3. The Issuer has not created any authorities that have power to authorize debt to provide governmental services within the boundaries of the Issuer.

4. The Issuer does not expect to issue greater than $30,000,000 of tax-exempt obligations in the calendar year 2010.

5. The Bonds are not "specified private activity bonds" as defined in the Code.

9. The Issuer hereby designates the Bonds as qualified tax-exempt obligations for purposes of Section 265 (b)(3) of the Code.

IN WITNESS WHEREOF, I have hereunto set my hand as of this 20th day of January, 2010.

Thomas Frueh,
Chairman

CERTIFICATE AS TO SPECIMEN BOND

I, Thomas Frueh, Chairman of The Board of Commissioners of Fire District No. 1 in the Borough of Englishtown, in the County of Monmouth, (the "Fire District"), a fire district of the State of New Jersey, HEREBY CERTIFY that attached hereto is a true specimen of the $550,000 Fire District Bonds of the Fire District, described in Schedule A annexed hereto and by this reference made a part hereof.

IN WITNESS WHEREOF, I have hereunto set my hand as of this 20th day of January, 2010.

Thomas Frueh, Chairman

2/4/10

RESOLUTION OF THE BOARD OF FIRE COMMISSIONERS FIRE DISTRICT NO.1 BOROUGH OF ENGLISHTOWN AMENDING THE RESOLUTION DATED 8/14/01 AWARDING A CONTRACT TO THE VARIABLE ANNUITY LIFE INSURANCE COMPANY (VALIC) FOR THE PURCHASE AND MANAGEMENT OF A LENGTH OF SERVICE AWARDS PROGRAM

WHEREAS; The Board of Fire Commissioners of Fire District No.1 Borough of Englishtown heretofore established a Length of Service Awards Program and adopted a Resolution awarding a contract to the Variable Annuity LIfe Insurance Company (VALIC) for the management and administration of said program; and

WHEREAS; The Board has been dissatisfied with the service provided by VALIC to the District ; and

WHEREAS; The Board solicited a written proposal for the administration of its LOSASP program from the Lincoln National Life Insurance Company and Lincoln Financial Group; and;

WHEREAS; After careful consideration of the written proposal and answers provided at a public meeting, the Board finds that Lincoln possesses the necessary administrative, enrollment and servicing capabilities to successfully maintain the District's LOSAP..

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board of Fire Commissioners of Fire District No.1 Borough of Englishtown that it hereby adopts the Length of Service Award Program offered by Lincoln National Life Insurance Company and rescinds the Resolution awarding a LOSAP administration contract to VALIC.

BE IT FURTHER RESOLVED that the Board of Fire Commissioners is adopting a Length of Service Award Plan document on which Lincoln has a favorable opinion of counsel indicating that the funds contributed for the benefit of volunteers shall not be taxable for the purposes of the Internal Revenue Service until the actual receipt of such funds by the volunteer due to retirement, termination after vesting, death or disability.

BE IT FURTHER RESOLVED, that Lincoln has agreed to be the provider for Fire District No.1's Length of Service Award Program and its eligible volunteers as provided for in Lincoln's Length of Service Award Plan Document and Lincoln shall educate all eligible volunteers regarding the Plan and shall enroll and service those eligible volunteers who participate in the Plan. As enrolling agent, Lincoln shall be the exclusive agent for its funding options to be offered under the Plan.

BE IT FURTHER RESOLVED that there has been no collusion nor evidence nor appearance of collusion between any local official and a representative of the contractor in the selection of a contractor for the administration of a Length of Service Award Plan pursuant to N.J.A.C. 5:37-11.29.

BE IT FURTHER RESOLVED that the Chairman and Clerk of the Board of Fire Commissioners are hereby authorized to serve as the Local Plan Administrators of the Plan and are authorized to execute a Length of Service Award Plan with Lincoln and Joinder Agreements with eligible volunteers and to submit all necessary documents to the Director of the Division of Local Government Services within the Department of Community Affairs of the State of New Jersey for approval.

Moved by: Cooke   Seconded by: Manesca

Roll Call Vote:

Ayes: Nays: Absent: Abstain:

Certified to be a truc copy of a Resolution adopted by the Board of Fire Commissioners of Fire District No.1 Borough of Englishtown on the ________ day of __________, 2010.

____

Clerk