

*Cheltenham Township, believing that public input is appropriate on any items coming before the Commissioners, will recognize any citizen wishing to address a specific item prior to the vote on that issue. In order to be recognized, please raise your hand.*



## **AGENDA**

### **COMMISSIONERS' MEETING**

**Wednesday, February 16, 2011**

**Curtis Hall**

**7:30 p.m.**

1. Pledge of Allegiance.
2. Roll Call.
3. Approval of the Board of Commissioners' Regular Meeting Minutes dated January 19, 2011.
4. Acceptance of the Executive Summary Financial Report of the Manager/Secretary for the month of January, 2011.
5. Acceptance of the Accounts Paid Report for the month of January, 2011.
6. Adoption and presentation of a Resolution recognizing the retirement of Township Receptionist Rita Timoney.
7. Adoption and presentation of a Resolution recognizing the retirement of Main Street Manager Ruth Littner Shaw.
8. Presentation of Certificates and Pins to Michael Carrigan and Robert Ungrean for 20-years of service to the Public Works Department.
9. Review and acceptance of the Public Works Committee Regular Meeting Minutes dated February 9, 2011.
  - a. Award of a Contract for the Sanitary Sewer Corrective Action Plan Rehabilitation Phase 1.
  - b. Consider an amendment to a Planning Contract with Montgomery County for the preparation of a Sustainability Plan.
  - c. Award of a Professional Services Contract for the Phase III Easton Road Streetscape Improvement Project.

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10. Review and acceptance of the Public Affairs Committee Regular Meeting Minutes dated February 2, 2011.
  - a. Consider the adoption of an Ordinance approving a Bond Issue in the amount of \$7,200,000 (see attached).
  - b. Adoption of a Resolution authorizing the disposition of certain Township records.
11. Review and acceptance of the Public Safety Committee Regular Meeting Minutes dated February 2, 2011.
  - a. Adoption of a Resolution recognizing the retirement of Police Lt. John Farley.
  - b. Adoption of a Resolution recognizing the retirement of Police Lt. John Salmon.
  - c. Adoption of a Resolution recognizing Charles Fluehr for volunteer service to the Emergency Medical Service.
12. Review and acceptance of the Building and Zoning Committee Regular Meeting Minutes dated February 2, 2011.
  - a. Adoption of an Ordinance establishing legal fees for the collection of delinquent sewer accounts and charges.
13. Review and acceptance of the Parks and Recreation Committee Regular Meeting Minutes dated February 9, 2011.
14. Review and acceptance of the Pension Board Regular Meeting Minutes dated February 4, 2011.
15. Old Business.
16. New Business.
17. Citizens' Forum.
18. Adjournment.



David G. Kraynik  
Township Manager

**ORDINANCE**  
**TOWNSHIP OF CHELTENHAM**  
**Montgomery County, Pennsylvania**

**ORDINANCE NO. \_\_\_\_\_**

TO AUTHORIZE AND DIRECT THE INCURRING OF NON-ELECTORAL DEBT THROUGH THE ISSUANCE OF TOWNSHIP OF CHELTENHAM GENERAL OBLIGATION BONDS, SERIES OF 2011 (THE "2011 BONDS"), IN THE MAXIMUM PRINCIPAL AMOUNT OF \$7,500,000 FOR THE PURPOSE OF PROVIDING FUNDS FOR AND TOWARD THE PAYMENT OF THE COSTS OF A PROJECT (THE "2011 PROJECT") CONSISTING OF: (1) THE REHABILITATION OF CERTAIN PORTIONS OF THE TOWNSHIP'S SANITARY SEWER SYSTEM AND THE CONSTRUCTION OF VARIOUS OTHER CAPITAL PROJECTS LOCATED WITHIN THE TOWNSHIP; (2) THE PURCHASE OF A LEAF FACILITY TUB GRINDER AND CERTAIN OTHER CAPITAL EQUIPMENT; AND (3) ALL COSTS OF ISSUANCE RELATED TO THE 2011 BONDS; STATING THE PURPOSE OF ISSUING THE 2011 BONDS; DECLARING THE USEFUL LIFE OF THE 2011 PROJECT; AUTHORIZING THE INCURRING OF NON-ELECTORAL DEBT TO BE EVIDENCED BY THE ISSUANCE OF THE 2011 BONDS; AUTHORIZING THE PRESIDENT OR VICE PRESIDENT OF THE BOARD OF COMMISSIONERS AND THE SECRETARY OR ASSISTANT SECRETARY OF THE TOWNSHIP, AND THEIR RESPECTIVE SUCCESSORS, TO FILE WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT OF THE COMMONWEALTH OF PENNSYLVANIA THE DEBT STATEMENT REQUIRED UNDER THE DEBT ACT AND A BORROWING BASE CERTIFICATE, AND TO TAKE ALL OTHER ACTION REQUIRED BY THE DEBT ACT OR UNDER THE ORDINANCE IN CONNECTION WITH THE ISSUANCE OF THE 2011 BONDS; STATING THAT THE 2011 BONDS WILL BE GENERAL OBLIGATION BONDS AND DESIGNATING THE 2011 BONDS AS THE TOWNSHIP'S GENERAL OBLIGATION BONDS TO BE ISSUED IN FULLY REGISTERED FORM IN THE DENOMINATIONS OF FIVE THOUSAND DOLLARS AND INTEGRAL MULTIPLES THEREOF; PROVIDING FOR BONDS WITHIN SUCH MATURITIES AND VARYING RATES OF INTEREST AS SPECIFIED IN THE SUCCESSFUL NEGOTIATED SALE; AUTHORIZING THE PRESIDENT OR VICE PRESIDENT OF THE BOARD OF COMMISSIONERS AND THE SECRETARY OR ASSISTANT SECRETARY OF THE TOWNSHIP, AND THEIR RESPECTIVE SUCCESSORS, TO EXECUTE AND DELIVER THE 2011 BONDS AND THE PAYING AGENT TO AUTHENTICATE THE 2011 BONDS AND PROVIDING FOR THE DELIVERY OF THE 2011 BONDS; PROVIDING FOR THE MANDATORY AND OPTIONAL REDEMPTION OF THE 2011 BONDS IN ACCORDANCE WITH THE SCHEDULE CONTAINED IN THE ACCEPTED PURCHASE PROPOSAL; STATING THAT THE TOWNSHIP WILL ASSUME AND AGREE TO PAY ANY TAX OR TAXES WHICH THE TOWNSHIP OR THE DIRECTOR OF FISCAL AFFAIRS MAY BE

REQUIRED TO PAY THEREON; COVENANTING TO INCLUDE THE ANNUAL AMOUNT OF PAYMENT OF THE DEBT SERVICE FOR EACH FISCAL YEAR IN WHICH SUMS ARE PAYABLE IN THE TOWNSHIP'S BUDGET FOR THAT FISCAL YEAR AND TO APPROPRIATE THOSE AMOUNTS FROM ITS REVENUES FOR PAYMENT OF THE DEBT SERVICE AND TO DULY AND PUNCTUALLY PAY OR CAUSE TO BE PAID FROM ITS SINKING FUNDS OR ANY OTHER OF ITS REVENUES OR FUNDS THE PRINCIPAL AND INTEREST ON THE 2011 BONDS AT THE DATES AND PLACES AND IN THE MANNER STATED IN THE 2011 BONDS WHEN DUE; PLEDGING THE FULL FAITH CREDIT AND TAXING POWER OF THE TOWNSHIP FOR SUCH BUDGETING, APPROPRIATION AND PAYMENT; ESTABLISHING A SINKING FUND WITH RESPECT TO THE 2011 BONDS; REQUIRING THE DIRECTOR OF FISCAL AFFAIRS OF THE TOWNSHIP TO DEPOSIT THEREIN ON CERTAIN DATES THE AMOUNTS REQUIRED FOR DEBT SERVICE AND ASSUMED TAXES; APPOINTING \_\_\_\_\_ AS PAYING AGENT; COVENANTING THAT IT WILL NOT TAKE OR OMIT TO TAKE ANY ACTION SO AS TO CAUSE THE INTEREST ON THE 2011 BONDS TO NO LONGER BE EXCLUDABLE FROM GROSS INCOME FOR THE PURPOSES OF FEDERAL INCOME TAXATION AND TO OTHERWISE COMPLY WITH SECTIONS 103 AND 141 THROUGH 150 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), THAT IT WILL MAKE NO INVESTMENT OR OTHER USE OF THE PROCEEDS WHICH CAUSE THE 2011 BONDS TO BE ARBITRAGE BONDS WITHIN THE MEANING OF SECTION 148 OF THE CODE; FINDING THAT A PRIVATE SALE OF THE 2011 BONDS BY NEGOTIATION IS IN THE BEST FINANCIAL INTEREST OF THE TOWNSHIP; PROVIDING FOR THE 2011 BONDS TO BE SOLD AT SUCH SALE UPON RECEIPT OF AN ACCEPTABLE PROPOSAL; PROVIDING FOR ACCEPTANCE OF A PROPOSAL AUTHORIZING THE DELIVERY OF THE 2011 BONDS TO THE PURCHASER UPON RECEIPT OF THE ACCEPTED PURCHASE PRICE; ALLOWING ENFORCEABILITY OF THE REMAINDER OF THE ORDINANCE IF SECTIONS OF IT ARE FOUND TO BE ILLEGAL, INVALID, OR UNENFORCEABLE; DESIGNATING THE 2011 BONDS AS QUALIFIED TAX-EXEMPT OBLIGATIONS UNDER THE CODE; AUTHORIZING THE TOWNSHIP TO ENTER INTO A CONTINUING DISCLOSURE AGREEMENT; REPEALING PRIOR INCONSISTENT ORDINANCES AND RESOLUTIONS; REQUIRING NOTICE TO RATING AGENCIES OF AMENDMENTS TO THE ORDINANCE; APPROVING THE PRELIMINARY OFFICIAL STATEMENT FOR THE 2011 BONDS THAT THE TOWNSHIP DEEMS FINAL AND APPROVING THE PREPARATION AND DISTRIBUTION OF A FINAL OFFICIAL STATEMENT; ADOPTING THE FORM OF THE 2011 BONDS WITH SUCH AMENDMENTS AND ADDITIONS AS MAY BE REQUIRED AND THE SCHEDULE OF STATED PRINCIPAL MATURITY OR MANDATORY REDEMPTION AMOUNTS AND DATES, THE RATE OR RATES OF INTEREST AND INTEREST PAYMENT DATES, PLACES OF PAYMENT, AND REDEMPTION PROVISIONS FOR THE 2011 BONDS.

WHEREAS, the Board of Commissioners of the Township of Cheltenham, Montgomery County, Pennsylvania (the "Township"), desires to incur debt in the amount of Seven Million Five Hundred Thousand Dollars (\$7,500,000), without the assent of the electors and to issue General Obligation Bonds, Series of 2011 (the "2011 Bonds") in evidence of such debt for the purpose of providing funds for and toward a project (the "2011 Project") consisting of (1) the rehabilitation of certain portions of the Township's Sanitary Sewer System and the construction of various other capital projects located within the Township; (2) the purchase of a leaf facility tub grinder and certain other capital equipment; and (3) all costs of issuance related to the 2011 Bonds; and

WHEREAS, such incurrence of authorized debt by the Township will not, when aggregated with the existing net non-electoral debt of the Township, result in a violation of the limitations of the Constitution of the Commonwealth of Pennsylvania or of the Local Government Unit Debt Act (Act No. 52 of April 28, 1978, as amended and reenacted by Act No. 177 of 1996, as further amended and supplemented) (the "Act"); and

WHEREAS, the Board of Commissioners of the Township (the "Board") has determined that it is desirable and in the best interests of the Township to sell the 2011 Bonds at private negotiated sale, as authorized by Section 8161(a) of the Act; and

WHEREAS, the Township has invited PNC Capital Markets, Inc. (the "Underwriter") to make a proposal with respect to the purchase of the 2011 Bonds at private negotiated sale; and

WHEREAS, the Board has received a negotiated proposal from the Underwriter for the purchase of the 2011 Bonds specifying a purchase price of \$\_\_\_\_\_ or \_\_\_\_\_% of the par value, representing the par amount of \$\_\_\_\_\_ less net original issue discount of \$\_\_\_\_\_ less Underwriter's discount of \$\_\_\_\_\_ with a "net interest cost" of \$\_\_\_\_\_ and a "net interest rate" of \_\_\_\_\_% (as

those terms are used in Section 8169 of the Act), in each case assuming a settlement date of April \_\_\_, 2011, which was read aloud at the meeting; and

WHEREAS, the Board deems it in the best interests of the Township that the aforesaid proposal to purchase the 2011 Bonds be accepted; and

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE BOARD OF COMMISSIONERS OF THE TOWNSHIP OF CHELTENHAM AND IT IS HEREBY ENACTED AND ORDAINED BY THE AUTHORITY OF SAID BOARD THAT:

**Section 1.** The corporate authorities of the Township do hereby authorize and direct the incurring of non-electoral debt through the issuance of General Obligation Bonds, Series of 2011, in the aggregate principal amount of Seven Million Five Hundred Thousand Dollars (\$7,500,000), for the purposes of providing funds for and towards (1) the rehabilitation of certain portions of the Township's Sanitary Sewer System and the construction of various other capital projects located within the Township; (2) the purchase of a leaf facility tub grinder and certain other capital equipment; and (3) the payment of all costs of issuance related to the 2011 Bonds (collectively the "2011 Project").

The Township shall, from the proceeds of the 2011 Bonds, deposit any accrued interest received in the Sinking Fund for application to the payment of the interest on the 2011 Bonds on the next succeeding Interest Payment Date, pay the costs of issuance of the 2011 Bonds, and the proceeds then remaining shall be made available to the Township for the purposes set forth above.

**Section 2.** The average useful life of the 2011 Project is \_\_\_\_\_ years. The term of the 2011 Bonds is \_\_\_\_\_ years. Therefore, the term of the 2011 Bonds is less than the useful life of the 2011 Project. No portion of the proceeds of the 2011 Bonds is being used to pay for projects whose useful life is less than the term of that portion of the 2011 Bonds for which they are issued.

**Section 3.** Pursuant to Section 8110 of the Act, the President or Vice President of the Board and the Secretary or Assistant Secretary of the Township, and their

respective successors, are hereby authorized and directed to prepare or cause to be prepared, certify and file with the Department of Community and Economic Development of the Commonwealth of Pennsylvania, a debt statement and borrowing base certificate and, if deemed appropriate, an application for exclusion of subsidized or self-liquidating debt, and the Township shall certify to and send to the Department of Community and Economic Development an accurate copy of the proceedings held for increasing the debt of the Township, and shall take all such further action as may be required by the Act for the purpose of obtaining said Department's approval of said increase of debt.

**Section 4.** The 2011 Bonds shall be general obligation bonds and shall be designated as the Township's "General Obligation Bonds, Series of 2011." The 2011 Bonds shall be issued in fully registered form, without coupons, in the denomination of \$5,000 each or in integral multiples of \$5,000 thereof, shall be numbered from 1 upward, shall be dated April 1, 2011, shall bear interest from such date or from the most recent date to which interest has been paid until payment of the principal sum has been made or provided for upon redemption or at maturity, payable initially on July 1, 2011 and semi-annually thereafter on January 1 and July 1 of each year (each an "Interest Payment Date"), at the rates of interest per annum and shall mature on July 1 of the years and in the amounts, as follows:

<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>
July 1,		

The 2011 Bonds maturing on or after July 1, 20\_\_ shall be subject to redemption, in whole or in part, in any order of maturity and in any principal amount within a maturity, prior to their respective maturities at the option of the Township at any time on or after July 1, 20\_\_ upon payment of a redemption price of 100% of the principal amount, plus unpaid interest accrued to the date fixed for redemption. The 2011 Bonds maturing on July 1 of the years 20\_\_ and 20\_\_ are subject to mandatory redemption prior to maturity by lot on July 1 of the years indicated from moneys to be deposited in the Sinking Fund provided herein at a redemption price equal to 100% of the principal amount thereof together with interest accrued to the date fixed for redemption. Specific provisions of the mandatory redemption are set forth in the form of bond contained in this Ordinance.

Any such redemption shall be made by notice thereof sent by the Paying Agent, hereinafter appointed, by first class mail, postage prepaid, to the registered owners of the 2011 Bonds at the registered addresses set forth on the bond registry books kept by the Paying Agent not less than thirty (30) days before the date fixed for such redemption, unless notice thereof is waived in writing by the registered owners of the 2011 Bonds so called for redemption. Any notice of redemption shall state the redemption date and redemption price and shall identify the 2011 Bonds to be redeemed and shall further state that, on such redemption date, the redemption price, together with accrued interest, shall be payable at the principal corporate trust office of the Paying Agent and that, from such date thereon, interest shall cease to accrue. If the Township shall have caused notice of redemption to be so mailed (or if such notice has been so waived) and shall have deposited funds sufficient for redemption, the 2011 Bonds so called for redemption shall become due and payable on the date fixed for redemption, and interest shall cease to accrue thereon on the date fixed for redemption, whether such 2011 Bonds shall be presented for payment or not. Any defect in any such notice or in the mailing thereof shall not affect the validity of any redemption of the 2011 Bonds as to which proper notice of redemption shall be given.

**Section 5.** The principal of the 2011 Bonds shall be payable at the corporate trust office in \_\_\_\_\_, \_\_\_\_\_, or such other place as the Paying Agent may designate, of the Paying Agent hereinafter appointed, or the corporate trust office of any successor paying agent appointed by the Township pursuant to the Act.

Interest on the 2011 Bonds shall be paid by check drawn upon the Paying Agent and mailed, on each Interest Payment Date as defined in Section 4 of this Ordinance, to the addresses of the registered owners of the 2011 Bonds as recorded on the registration books maintained at the corporate trust office of the Paying Agent in \_\_\_\_\_, \_\_\_\_\_, or such other location as the Paying Agent may designate, as of the close of business on the fifteenth (15th) day (whether or not a business day) next preceding each Interest Payment Date (the "Record Date"), notwithstanding any exchange or transfer thereof by the registered owners subsequent to the record date and prior to the Interest Payment Date. If and to the extent there shall be a default in the payment of the interest due on an Interest Payment Date, such defaulted interest shall be paid to the registered owners in whose name the 2011 Bonds (or any bonds issued upon transfer or exchange thereof) are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed to the registered owners not less than fifteen (15) days preceding such special record date. Any notice of a special record date will be mailed to the person in whose name the 2011 Bonds are registered at the close of business on the fifth (5th) day next preceding the date of mailing.

Any payments of principal or interest on the 2011 Bonds shall be in such coin or currency as at the respective times of payment shall constitute legal tender for the payment of public and private debts, without deduction for any tax or taxes except gift, estate, succession or inheritance taxes or any other taxes not levied directly on the 2011 Bonds, or the income therefrom, of which the Township may be required to pay thereon or retain therefrom under or pursuant to any present or future law of the Commonwealth of Pennsylvania.

**Section 6.** The 2011 Bonds shall be executed with the facsimile signature of the President or Vice President of the Board, attested with the facsimile signature of the Secretary or Assistant Secretary of the Township, and their respective successors, and shall have affixed thereto a facsimile of the corporate seal of the Township. No 2011 Bond shall be valid or enforceable unless such bond has been authenticated by the certificate endorsed thereon, manually signed by an officer of the Paying Agent appointed in Section 11 of this Ordinance. The President or Vice President of the Board and the Secretary or Assistant Secretary of the Township are hereby authorized to execute and deliver the 2011 Bonds and the Paying Agent is hereby authorized to authenticate and deliver the 2011 Bonds as directed by the Underwriter.

So long as the 2011 Bonds are in book-entry form, the following provisions will apply:

(a) The 2011 Bonds, upon original issuance, will be issued in the form of a single, fully registered bond for each maturity, in the denomination equal to the principal amount of 2011 Bonds maturing on each such date, and will be delivered to The Depository Trust Company, New York, New York ("DTC") or its nominee, Cede & Co. Each such 2011 Bond will be registered on the registration books kept by the Paying Agent, as registrar and transfer agent, in the name of DTC or, at DTC's option, in the name of Cede & Co., as nominee of DTC; provided that if DTC shall request that the 2011 Bonds be registered in the name of a different nominee, the Paying Agent shall exchange all or any portion of the 2011 Bonds for an equal aggregate principal amount of 2011 Bonds registered in the name of such nominee or nominees of DTC. No person other than DTC or its nominee shall be entitled to receive from the Township or the Paying Agent either a 2011 Bond or any other evidence of ownership of the 2011 Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the 2011 Bonds on the registration books maintained by the Paying Agent in connection with discontinuing the book-entry system, as provided below or otherwise.

(b) The execution and delivery by the Township of the Blanket Letter of Representations (the "Representation Letter") shall not in any way create, expand or limit any undertaking or arrangement contemplated or provided for herein in respect of DTC or the book-entry registration, payment and notification system or in any other way impose upon the Township or the Paying Agent any obligation whatsoever with respect to beneficial owners having interests in the 2011 Bonds, any such obligation extending solely to DTC, as sole bondholder, as shown on the registration books kept by the Paying Agent. The Paying Agent shall take all action necessary for all representations of the Township in the Representation Letter with respect to the Paying Agent to be complied with at all times.

(c) So long as the 2011 Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of principal or redemption price of, and interest on, the 2011 Bonds shall be made to DTC or its nominee in accordance with the Representation Letter on the dates provided for such payments under this Ordinance in immediately available funds. All payments made by the Paying Agent to DTC or its nominee shall fully satisfy the Township's obligations to pay principal and interest, and any applicable redemption premium, on the 2011 Bonds to the extent of such payments, and no beneficial owner of any 2011 Bond registered in the name of DTC or its nominee shall have any recourse against the Township or the Paying Agent hereunder for any failure of DTC or its nominee or any participant therein to remit such payments to the beneficial owners of such 2011 Bonds.

(d) If all or fewer than all 2011 Bonds of a maturity are to be redeemed, the Paying Agent shall notify DTC within the time periods required by the Representation Letter. If fewer than all 2011 Bonds of a maturity are to be redeemed, DTC shall determine by lot the principal of each DTC participant's interest in the maturity of 2011 Bonds to be redeemed. In the event of the redemption of less than all of the 2011 Bonds outstanding, the Paying Agent shall not require surrender by DTC or its nominee of the Bonds so redeemed, but DTC (or its nominee) may retain such 2011

Bonds and make an appropriate notation on the 2011 Bond certificate as to the amount of such partial redemption; provided that in each case, the Paying Agent shall request, and DTC shall deliver to the Paying Agent, a written confirmation of such partial redemption, and thereafter the records maintained by the Paying Agent shall be conclusive as to the amount of the 2011 Bonds of such maturity which have been redeemed.

(e) The book-entry system for registration of the ownership of the 2011 Bonds may be discontinued at any time if either: (i) after written notice to the Township and the Paying Agent, DTC determines to resign as securities depository for the 2011 Bonds; or (ii) after written notice to DTC and the Paying Agent, the Township determines that continuation of the system of book-entry transfers through DTC (or through a successor securities depository) is not in the best interests of the holders of the 2011 Bonds. In either of such events, the Paying Agent shall cause certificates to be prepared for delivery to such beneficial owners, or their nominees, making such adjustments and allowances as it may find necessary or appropriate as to the date of such certificates, accrued interest and previous calls for redemption. The names, addresses of record and taxpayer identification numbers of the beneficial owners shall be furnished to the Paying Agent by DTC, or such other securities depository then acting as such, and the Paying Agent may conclusively rely upon such information in delivering certificates to beneficial owners. In such event, all references to DTC herein shall relate only to the period of time when DTC has possession of at least one 2011 Bond, and shall be applicable only to such 2011 Bond so held.

(f) In the event of a change in the identity of DTC, the Paying Agent shall request any successor securities depository to present to the Township and the Paying Agent written evidence satisfactory to the Township and the Paying Agent with respect to its ability to discharge its responsibilities. Any such successor securities depository shall be a securities depository which is registered as such under the United States Securities Exchange Act of 1934, as amended, or other applicable statute or

regulations, and has complied with all applicable requirements thereof (or, if there are no such requirements with respect to the 2011 Bonds, the Township may permit a successor securities depository with comparable qualifications, upon evidence satisfactory thereof being delivered to the Township and the Paying Agent). The Paying Agent, upon its receipt of a 2011 Bond certificate from DTC for cancellation, shall cause the authentication and delivery of 2011 Bond certificates to the successor securities depository (or its nominee) in appropriate denominations, and form as authorized hereunder.

**Section 7.** Until 2011 Bonds in definitive form are ready for delivery, the proper officers of the Township may execute, and upon their request in writing, the Paying Agent shall authenticate and deliver in lieu of the 2011 Bonds in definitive form and subject to the same provisions, limitations and conditions, one or more printed or typewritten bonds in temporary form, substantially of the tenor of the 2011 Bonds herein before described in fully registered form, without coupons and with appropriate omissions, variations and insertions. Such bond or bonds in temporary form may be for the principal amount of Five Thousand Dollars (\$5,000) or any whole multiple or multiples thereof, as such officers may determine. The aforesaid officers, without unnecessary delay, shall cause 2011 Bonds in definitive form to be prepared, executed and delivered to said Paying Agent, and thereupon, upon presentation and surrender of the bond or bonds in temporary form, said Paying Agent shall authenticate and deliver, in exchange therefor, 2011 Bonds in definitive form in authorized denominations for the same aggregate principal amount and bearing interest at the same rate per annum as the bond or bonds in temporary form surrendered. Such exchange shall be made by the Township at its own expense and without any charge therefor to the holders thereof. When and as interest is paid upon the bond or bonds in temporary form, the fact of such payment shall be endorsed thereon. Until so exchanged, the temporary bond or bonds shall be in full force and effect according to its or their terms.

**Section 8.** The 2011 Bonds, as general obligations of the Township, shall be payable from unlimited ad valorem taxes on property in the Township taxable for Township purposes. The Township hereby covenants with the registered owners of the 2011 Bonds that the Township shall include the annual amount of the debt service on the 2011 Bonds for each fiscal year of the Township in which such sums are payable in its budget for such year, shall appropriate such amounts from its general revenues for the payment of such debt service, and shall duly and punctually pay or cause to be paid from the Sinking Fund established for the 2011 Bonds hereunder or any of its other revenues or funds the principal of and interest on every 2011 Bond at the dates and places or in the manner stated in the 2011 Bonds, according to the true intent and meaning thereof, and for such budgeting, appropriation and payment, the Township hereby pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable.

**Section 9.** If the Township shall fail or refuse to make any required deposit in the sinking fund established by Section 10 of this Ordinance, or to satisfy any of the covenants herein contained, the Paying Agent may, and upon request of the registered owners of 25% of the principal amount of the 2011 Bonds then outstanding, upon being furnished with indemnity satisfactory to it against the expenses and possible liabilities in connection with the duties thereby accepted, shall, exercise any remedy provided in the Act or at law or in equity for the benefit of all registered owners of the 2011 Bonds and shall disburse all funds so collected to the persons entitled to receive payments pursuant to the terms of the 2011 Bonds as provided in the Act, subject to any limitations contained in Subchapter D thereof. If the Paying Agent is willing at such time to serve and exercise the powers conferred upon a trustee appointed in the manner provided in Section 8263 of the Act, subject as aforesaid, such representation shall be exclusive for the purposes therein and in the Act provided.

**Section 10.** A sinking fund is hereby established designated "Sinking Fund - Township of Cheltenham General Obligation Bonds, Series of 2011" (the "Sinking

Fund”), which shall be held by the Paying Agent segregated from all other funds of the Township. The Township, except as otherwise provided herein, shall deposit in the Sinking Fund, not later than 11:00 AM on the date at least five (5) days prior to the date when interest or principal is to become due on the 2011 Bonds, a sufficient part of each above-mentioned appropriation so that, on each such payment date, the Sinking Fund will contain, together with any other available funds therein, sufficient moneys to pay in full interest and principal then due on the 2011 Bonds. The Sinking Fund shall be secured and invested by the Paying Agent in securities or deposits authorized by the Act, upon direction of the Township, all as provided in the Act. Said deposits and securities shall be in the name of the Township, but subject to withdrawal or collection only by the Paying Agent, and said deposits and securities, together with the interest thereon, shall be a part of the Sinking Fund. The Paying Agent is authorized and directed to pay from the Sinking Fund the principal of and interest on the 2011 Bonds when due and payable.

**Section 11.** \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ is hereby appointed paying agent, sinking fund depository and registrar for the 2011 Bonds (the “Paying Agent”). The President or Vice President of the Board and Secretary or Assistant Secretary of the Township are hereby authorized to contract with the Paying Agent for its services as Paying Agent, Sinking Fund Depository and Registrar pursuant to Section 8103(a)(2)(viii) of the Act. The Paying Agent is hereby authorized and requested, upon written order of the President or Vice President of the Board or other authorized officer of the Township, to authenticate the 2011 Bonds and deliver them to the purchaser thereof designated in such order.

**Section 12.** The Township covenants with the registered owners of the 2011 Bonds that (i) no part of the proceeds of the 2011 Bonds shall at any time be used directly or indirectly to acquire securities or obligations the acquisition of which would cause the 2011 Bonds to be “arbitrage bonds” as defined in Section 103(b)(2) and Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), or any similar

statutory provision or any rule or regulation promulgated thereunder, such that the interest on the 2011 Bonds would no longer be exempt from Federal income tax and (ii) it will comply with each applicable requirement of the Code to the extent required to maintain the exemption from Federal income taxation of the interest payable on the 2011 Bonds under Section 103(a) of the Code, including, without intending to limit the generality of the foregoing, compliance with its obligations, if any, to rebate arbitrage profits applicable to the 2011 Bonds under Section 148(f) of the Code. The Township is authorized to comply with such procedures as may be recommended by its duly appointed bond counsel in complying with the provisions of such Section 148(f). This Ordinance and the Act as in force from time to time shall constitute a contract between the Township and the registered owners of the 2011 Bonds. Said contract may be modified with the consent of the registered owners of a majority in principal amount of the 2011 Bonds then outstanding, provided that no such modification may be made which would reduce the percentage required for consent or affect the rights of the registered owners of less than all of the outstanding 2011 Bonds or modify the terms of payment of or the rate of interest payable on the 2011 Bonds without the consent of the registered owners of all of the 2011 Bonds then outstanding.

**Section 13.** The Board hereby finds that a private negotiated sale is in the best interest of the Township.

**Section 14.** The proposal of PNC Capital Markets, Inc., Philadelphia, Pennsylvania (the "Underwriter"), dated the date hereof, for the purchase of the 2011 Bonds at private negotiated sale, at the price and in accordance with the other terms and conditions contained in such proposal, is hereby accepted, and the 2011 Bonds are hereby awarded to the Underwriter, said acceptance and award being conditioned, however, upon all parts of this Ordinance becoming effective and the Department of Community and Economic Development of the Commonwealth of Pennsylvania approving the incurrence of debt to be evidenced by the 2011 Bonds. As set forth in such proposal, the 2011 Bonds are purchased at a price of \$\_\_\_\_\_ consisting of

the par amount of the 2011 Bonds, plus accrued interest from April 1, 2011 until the settlement date in the amount of \$\_\_\_\_\_, less net original issue discount of \$\_\_\_\_\_ as well as Underwriter's discount of \$\_\_\_\_\_ (such amount being \_\_\_\_\_% of the par amount thereof) with a "net interest cost" of \$\_\_\_\_\_ and a "net interest rate" of \_\_\_\_\_% and assuming a settlement date of April \_\_, 2011. The officers of the Township are hereby authorized to endorse the acceptance of the Township upon such proposal, to deliver a copy, as so endorsed, to the Purchaser and to cause a copy of such proposal to be attached to this Ordinance.

The President or Vice President of the Board and their respective successors are further authorized and directed to deliver the 2011 Bonds to the Underwriter upon fulfillment of the aforementioned conditions and receipt of the purchase price payable under such proposal, and, in connection therewith, the proper officials of the Township are hereby authorized to execute the necessary affidavits and all such other papers, including the preliminary official statement and official statement of the Township, to pay the costs of issuing the 2011 Bonds, and otherwise take such other action as may be necessary or convenient to make settlement or as may be required in the issuance of the 2011 Bonds.

**Section 15.** In case any one or more provisions contained in this Ordinance or in the 2011 Bonds issued pursuant hereto shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Ordinance or of said 2011 Bonds, and this Ordinance or said 2011 Bonds shall be construed and enforced as if such invalid, illegal or unenforceable provision were never contained therein.

**Section 16.** The Township designates the 2011 Bonds as qualified tax-exempt obligations within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Township reasonably anticipates that it will not, during the calendar year in which the 2011 Bonds are issued, issue in excess of \$10,000,000 of

tax-exempt obligations as calculated by and within the meaning of Section 265(b)(3) of the Code.

**Section 17.** The appropriate Township officials are hereby authorized and directed to enter into a program of continuing disclosure to and in compliance with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934. The appropriate Township officials are hereby authorized to enter into a Continuing Disclosure Agreement in order to implement such program of continuing disclosure. The Township covenants and agrees that it will comply with and carry out all the provisions of the Continuing Disclosure Agreement.

**Section 18.** All ordinances or parts thereof insofar as they are inconsistent herewith are hereby repealed or rescinded.

**Section 19.** Any rating agency rating the 2011 Bonds must receive notice of each amendment to the Ordinance and a copy thereof at least fifteen (15) Business Days in advance of its execution or adoption. The Preliminary Official Statement for the 2011 Bonds that the Township deems final, and the preparation and distribution of a final Official Statement, are hereby approved.

**Section 20.** The schedule of stated principal maturity or mandatory redemption amounts and dates, the rate or rates of interest and interest payment dates, places of payment, and redemption provisions for the 2011 Bonds, all of which will be based upon the purchase proposal for the purchase of the 2011 Bonds, is hereby approved. The 2011 Bonds, the Paying Agent's certificate of authentication, the endorsement and the form of instrument of transfer of the 2011 Bonds shall be substantially in the form shown as follows:

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]*

[FORM OF BOND]

NO.

\$

UNITED STATES OF AMERICA  
COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF MONTGOMERY  
TOWNSHIP OF CHELTENHAM  
GENERAL OBLIGATION BOND, SERIES OF 2011

INTEREST RATE	MATURITY DATE	INITIAL DATED DATE	CUSIP
%	JULY 1, 2011	APRIL 1, 2011	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The Township of Cheltenham, Montgomery County, Pennsylvania (the "Township"), for value received, hereby acknowledges itself indebted and promises to pay the Registered Owner hereof on the Maturity Date shown hereon, upon surrender hereof, the Principal Amount hereof unless this 2011 Bond shall be redeemable and shall have been duly called for earlier redemption and payment of the redemption price made or provided for, and to pay interest thereon, from April 1, 2011 or from the most recent Interest Payment Date (as defined below) to which interest has been paid or provided for until maturity or redemption prior to maturity as herein provided at the annual rate shown hereon. The Principal Amount of this 2011 Bond is payable upon presentation and surrender hereof at the corporate trust office of The Bank of New York, Malvern, Pennsylvania (the "Paying Agent").

Interest, calculated on the basis of a 360 day year of twelve 30-day months, is payable semiannually on January 1 and July 1 of each year (each an "Interest Payment Date") accrued at the Interest Rate set forth above from the Interest Payment Date to which interest has been duly paid or provided for next preceding the date of authentication hereof, unless the date of authentication: (i) is a date after a Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event this 2011 Bond shall bear interest from the next succeeding Interest Payment Date, or (ii) is an Interest Payment Date to which interest has been duly paid or provided for, in which event this 2011 Bond shall bear interest from the date of authentication hereof, or (iii) is prior to July 1, 2011, in which event this 2011 Bond shall bear interest from April 1, 2011 or unless, as shown on the records of the Paying Agent, interest on the 2011 Bonds shall be in default, in which event such 2011 Bond will bear interest from the date on which interest was last paid. Interest on this 2011 Bond will be paid on each Interest Payment Date by check drawn on the Paying Agent and mailed to the person in

whose name this 2011 Bond is registered on the bond registry books maintained by the Paying Agent as bond registrar, at the address appearing thereon, at the close of business on the fifteenth (15th) day (whether or not a business day) next preceding each Interest Payment Date (the "Record Date"), irrespective of any transfer or exchange of such 2011 Bond subsequent to the Record Date and prior to such Interest Payment Date unless the Township shall default in the payment of interest due on such Interest Payment Date. In the event of such default, such defaulted interest will be payable to the person in whose name the 2011 Bond is registered at the close of business on a special record date for the payment of the defaulted interest established by notice mailed or by or on behalf of the Township not less than fifteen (15) days preceding such special record date. Notice of the special record date will be mailed to the person in whose name the 2011 Bonds are registered at the close of business on the fifth (5th) day preceding such special record date. The principal of this 2011 Bond shall be payable to the registered owner, upon surrender hereof, at the corporate trust office of the Paying Agent. All payments of principal and interest shall be paid in such money of the United States of America as shall, at the time of payment, be legal payment of public and private debts. If any Interest Payment Date or the Date of Maturity is not a business day, payment shall be made on the next succeeding business day with the same force and effect as if made on the nominal date of payment.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS 2011 BOND SET FORTH ON THE REVERSE SIDE HEREOF, WHICH PROVISIONS SHALL HAVE THE SAME EFFECT AS IF SET FORTH IN FULL ON THE FACE SIDE OF THIS 2011 BOND AT THIS PLACE.

This 2011 Bond shall not be valid or become obligatory for any purpose until it shall have been authenticated by the certificate endorsed hereon, manually signed by the Paying Agent.

IN WITNESS WHEREOF, the Township of Cheltenham has caused this 2011 Bond to be executed by the facsimile signature of the President or Vice President of the Board of Commissioners and a facsimile of its corporate seal to be hereunto affixed, duly attested by the facsimile signature of the Secretary or Assistant Secretary of the Township.

**Attest:**

**TOWNSHIP OF CHELTENHAM**

**By:** \_\_\_\_\_  
**David G. Kraynik, Secretary**  
**Township of Cheltenham**

**By:** \_\_\_\_\_  
**Harvey Portner, President**  
**Board of Township Commissioners**

**[REAR OF BOND]**

This bond is one of an initially authorized series of bonds of like date, amount or tenor, but differing as to maturity, interest rate and provisions for redemption, numbered from "1" consecutively upwards and in order of maturity, amounting in the aggregate to the sum of \$7,500,000 (the "2011 Bonds") issued without the assent of the electors in accordance with the provisions of the Local Government Unit Debt Act of General Assembly of the Commonwealth of Pennsylvania Act No. 1978-52 as re-enacted, amended and revised by Act No. 1996-177, as further amended and supplemented (the "Act"), and by virtue of an ordinance (the "Ordinance") of the Township duly enacted by the Board of Commissioners of the Township on February 16, 2011. The 2011 Bonds are issued for the purpose of providing funds for and toward the payment of costs for the purposes set forth in the Ordinance and the costs of issuing the 2011 Bonds. This bond is subject to redemption prior to maturity.

**OPTIONAL REDEMPTION**

The 2011 Bonds maturing on and after July 1, 20\_\_ shall be subject to redemption, in whole or in part, in any order of maturity and any principal amount within a maturity, prior to their respective maturities at the option of the Township at any time on or after July 1, 20\_\_ upon payment of a redemption price of 100% of the principal amount plus unpaid interest accrued to the date fixed for redemption.

**MANDATORY REDEMPTION**

The 2011 Bonds maturing on July 1 of the years 20\_\_ and 20\_\_ are subject to mandatory redemption prior to maturity by the Paying Agent by lot on July 1 of the years indicated in the following schedule from moneys to be deposited in the Sinking Fund provided for in the Ordinance at a redemption price equal to 100% of the principal amount thereof together with interest accrued to the date fixed for redemption. The 2011 Bonds which are subject to mandatory redemption prior to maturity will be selected by lot or by any other method deemed fair or appropriate by the Paying Agent, or as applicable, will be payable at maturity, by application of money available for the purpose in the Sinking Fund established under the terms of the Ordinance, upon payment of the principal amount thereof, together with accrued interest to the date fixed for redemption or upon maturing, as applicable, on July 1 of the following years in the following amounts:

**Sinking Fund Redemption**

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>
20__	July 1, 20__ Maturity

20\_\_ (maturity)

July 1, 20\_\_ Maturity

20\_\_ (maturity)

Any such redemptions, either in whole or in part, shall be made upon not less than thirty (30) days notice thereof sent by the Paying Agent by first class mail, postage prepaid, to the registered owners of the 2011 Bonds at the registered addresses as set forth on the bond registry books maintained by the Paying Agent, unless such notice is waived in writing by the registered owners for the 2011 Bonds so called for redemption. If the Township shall have caused notice of redemption to be so mailed (or if such notice shall have been so waived) and shall have deposited funds sufficient for redemption, the 2011 Bonds so called for redemption shall become due and payable on the date fixed for redemption, whether such 2011 Bonds shall be presented for payment or not.

Reference is hereby made to the Ordinance and the Act for a complete statement of the rights and limitations of rights of the registered owner hereof, to all of which the registered owners hereof, by acceptance of this 2011 Bond, assents.

It is covenanted with the registered owner of this 2011 Bond that the Township shall include the amount of the debt service on the 2011 Bonds for each fiscal year in which such sums are payable in its budget for that year, shall appropriate such amounts to the payment of such debt service, and shall duly and punctually pay or cause to be paid the principal of this 2011 Bond and the interest thereon at the dates and places and in the manner stated in this 2011 Bond, according to the true intent and meaning thereof, and for such budgeting, appropriation and payment, the Township has pledged, and does pledge, irrevocably, its full faith, credit and taxing power. This covenant shall be specifically enforceable.

**BOOK ENTRY ONLY:** Notwithstanding any other provisions of this bond to the contrary, so long as the 2011 Bonds are registered in the name of The Depository Trust Company, a New York corporation ("DTC"), or its nominee, or any other successor securities depository (collectively, the "Securities Depository"), to the extent available, the Paying Agent shall transfer: (i) on each interest payment date, the amount of interest due on each such date to the Securities Depository; and (ii) on each principal payment date, upon surrender of 2011 Bonds maturing on such date, the amount of principal due on such date to the Securities Depository, which amounts so transferred shall be, on the interest and principal payment date, at the principal office of the Securities Depository, either immediately available or "good funds next day". All

payments made by the Paying Agent to the Securities Depository shall fully satisfy the Township's obligations to pay the principal of and interest on the 2011 Bonds to the extent of such payments, and no beneficial owner of any interest in any 2011 Bond registered in the name of the Securities Depository shall have any recourse against the Township hereunder for any failure by the Securities Depository or any direct or indirect participant therein to remit such payments to any beneficial owner of such 2011 Bonds.

Unless this certificate is presented by an authorized representative of DTC to the Township or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

To the extent permitted and as provided in the Ordinance and the Act, modification of the contract created by the Ordinance and the Act and of the rights of the registered owners of 2011 Bonds thereunder may be made with the consent of the registered owners or a majority in principal amount of the 2011 Bonds then outstanding, provided that no such modification may be made which would reduce such percentage required for consent or affect the rights of the registered owners of less than all of the then outstanding 2011 Bonds or modify the terms of payment of or the rate of interest payable on the 2011 Bonds without the consent of the registered owners of all of the 2011 Bonds then outstanding.

The 2011 Bonds are issued in fully registered form and without coupons in denominations of \$5,000 or any integral multiples of \$5,000 thereof. This 2011 Bond may be transferred at the principal corporate trust office of the Paying Agent by surrendering this 2011 Bond for cancellation accompanied by a written instrument of transfer in form approved by the Paying Agent duly executed by the registered owner hereof or by his attorney authorized in writing or by his legal representative, and thereupon the Paying Agent shall issue in the name of the transferee or transferees and, after authentication, shall deliver in exchange a new 2011 Bond or 2011 Bonds in authorized denominations, for a like aggregate principal amount upon the payment of any taxes levied on such issuance. Such transfer shall be noted upon the bond registry book to be kept at the principal corporate trust office of the Paying Agent. The Township and Paying Agent may deem and treat only the person in whose name this 2011 Bond is registered as the absolute owners hereof for the purpose of receiving payment of or on account of the principal hereof and for all other purposes. Neither the Township nor the Paying Agent shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or interest on this 2011 Bond, or for any claim based on any covenant or agreement contained herein or in the Ordinance, against any member of the Township Board of Commissioners or officer, agent or employee, past, present or future, of the Township in his individual capacity.

It is hereby certified that all acts, conditions and things required by the laws of the Commonwealth of Pennsylvania to have happened or to have been performed or to exist precedent to or with respect to the issuance of this 2011 Bond or in the creation of the debt of which this 2011 Bond is evidence have happened, have been performed and exist in due and regular form and manner as required by law; and that the debt represented by this 2011 Bond, together with all other nonelectoral debt of the Township, is not in excess of any constitutional or statutory limitation.

**[FORM OF PAYING AGENT'S CERTIFICATE OF AUTHENTICATION]  
CERTIFICATE OF AUTHENTICATION**

This Bond is one of the General Obligation Bonds, Series of 2011, described in the within-mentioned Ordinance. Printed on the reverse hereof is the completed text of the opinion of Troncelliti Law Associates, King of Prussia, Pennsylvania, delivered and dated on the date of the original delivery of and payment for said Bonds, an executed original of which is on file with the undersigned.

\_\_\_\_\_  
**PAYING AGENT**

BY: \_\_\_\_\_  
Authorized Officer

Date of Authentication: \_\_/\_\_/2\_\_

[FORM OF INSTRUMENT OF TRANSFER]

ASSIGNMENT AND TRANSFER  
FOR VALUE RECEIVED

The Undersigned hereby sells, assigns and transfers unto \_\_\_\_\_  
the within-mentioned bond and all rights thereunder, and hereby irrevocably  
constitutes and appoints \_\_\_\_\_ Attorney to transfer said bond  
on the bond register of the within-named Paying Agent, with full power of substitution  
in the premises.

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

NOTICE: The signature to this Assignment  
must correspond with the name as it appears  
upon the face of the within bond in every  
particular, without alterations or enlargements  
or any change whatsoever.

**Section 21.** This Ordinance shall become effective on the earliest date permitted by the Act.

ENACTED AND ORDAINED this 16th day of February, 2011.

**TOWNSHIP OF CHELTENHAM**

[SEAL]

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**HARVEY PORTNER, PRESIDENT  
BOARD OF COMMISSIONERS**

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**DAVID G. KRAYNIK, SECRETARY**

