

ORDINANCE NO. 1315

AN ORDINANCE OF THE MUNICIPALITY OF MONROEVILLE
AUTHORIZING THE PROPER OFFICIALS TO ENTER A TAX
ESCROW AGREEMENT WITH THE GATEWAY SCHOOL DISTRICT,
COUNTY OF ALLEGHENY, THE MUNICIPAL AUTHORITY OF
WESTMORELAND COUNTY, A-S ENERGY, INC. AND GOEHRING,
RUTTER & BOEHM, ATTORNEYS AT LAW

BE IT ORDAINED and ENACTED, by the Municipality of Monroeville in Council
assembled as follows:

Section 1: The proper officials of the Municipality of Monroeville are authorized to enter a Tax Escrow Agreement with Gateway School District, the County of Allegheny, the Municipal Authority of Westmoreland County, A-S Energy, Inc. and Goehring, Rutter & Boehm, Attorneys at Law for property located within the Municipality of Monroeville and owned by the Municipal Authority of Westmoreland County pending the resolution of a dispute relative to the propriety of the amount of the taxes claimed to be due and liened.

Section 2: A copy of the Agreement is attached hereto and made a part hereof and marked Exhibit "A".

ORDAINED and ENACTED this 16th day of February, 1982.

(SEAL)

ATTEST:

MUNICIPALITY OF MONROEVILLE

S/ Marshall W. Bond
Municipal Manager

S/ Michael P. Lynch
Mayor

Entered in Legal Book February 26, 1982

ESCROW AGREEMENT

MADE this _____ day of _____, 1982, by and between

GATEWAY SCHOOL DISTRICT, a school district organized and existing under the laws of the Commonwealth of Pennsylvania, having its principal office at Mosside Boulevard, Monroeville, Pennsylvania 15146, hereinafter referred to as "GATEWAY SCHOOL DISTRICT",

AND

THE BOROUGH OF MONROEVILLE, a municipality organized and existing under the laws of the Commonwealth of Pennsylvania, in the Court of Allegheny and Commonwealth of Pennsylvania, having its principal office at 2700 Monroeville Boulevard, Monroeville, Pennsylvania 15146, hereinafter referred to as "MONROEVILLE BORO",

AND

THE COUNTY OF ALLEGHENY, a county of the Commonwealth of Pennsylvania, having its principal office at Court House, Pittsburgh, Pennsylvania 15219, hereinafter referred to as "ALLEGHENY COUNTY",

AND

THE MUNICIPAL AUTHORITY OF WESTMORELAND COUNTY, an authority organized and existing under the laws of the Commonwealth of Pennsylvania, and having its principal office at _____, hereinafter referred to as "MAWCO",

AND

A-S ENERGY, INC., a corporation, having its principal office at 40 West Fortieth Street, New York, New York 10018, hereinafter referred to as "A-S ENERGY",

AND

GOEHRING, RUTTER & BOEHM, of 324 Frick Building, Pittsburgh, Pennsylvania 15219, hereinafter referred to as "ESCROW AGENT".

RECITAL

MAWCO owns approximately 67.705 acres of land north of Trafford Road in Monroeville Borough, Allegheny County, Pennsylvania, hereinafter referred to as "THE PROPERTY".

MAWCO acquired the property from Westette Pipe Company by deed dated April 28th, 1966, and recorded in the Recorder's Office of Allegheny County, Pennsylvania on December 4th, 1969, in Deed Book Volume 4801, page 740.

Westette Pipe Company had acquired the property from John Ware et ux. by deed dated December 30th, 1965, and recorded in the Recorder's Office of Allegheny County, Pennsylvania in Deed Book Volume 3428, page 197.

Although the above deeds were recorded in the Recorder's Office of Allegheny County, Pennsylvania, in the above recited deed book volumes, the registered owner in the Deed Registry Office of Allegheny County, Pennsylvania was listed as John Ware for the years 1966 through 1976, inclusive. The registered owner for 1977 and all subsequent years was listed as the Municipal Authority of Westmoreland County.

Gateway School District, Monroeville Boro and Allegheny County claim outstanding liens against the property for unpaid taxes for the year 1966 and all subsequent years to date. The claim for taxes by Gateway School District is in excess of \$45,000, the claim of Monroeville Boro is in excess of \$9,000 and the claim of Allegheny County is in excess of \$_____.

There is a dispute between MAWCO, Gateway School District, Monroeville Boro and Allegheny County regarding the amount owed on the delinquent taxes.

MAWCO granted an Oil and Gas Lease to A-S Energy dated July 16th, 1979, and recorded in the Recorder's Office of Allegheny County, Pennsylvania in Deed Book Volume 6141, page 227.

The parties hereto have agreed that an escrow fund should be created to receive all payments of royalties due under the above recited Oil and Gas Lease.

The purpose of this Escrow Fund is to establish a Fund from which the delinquent taxes can be paid once the dispute is resolved.

NOW THEREFORE, intending to be legally bound hereby, and in consideration of the above premises and the mutual covenants herein contained, the parties agree as follows:

1. The parties hereby establish an Escrow Fund for the deposit of all payments due and owing to MAWCO under the Oil and Gas Lease with A-S Energy, Inc. as above recited.

2. Goehring, Rutter & Boehm shall act as Escrow Agent and shall invest all Funds, within thirty days of receipt thereof, in a passbook savings account or a 6 month certificate of deposit at a federally insured bank or savings and loan association. Escrow Agent's duties under this Agreement shall be entirely administrative and not discretionary. Escrow Agent shall not be liable to any party as a result of any action taken or made by Escrow Agent in good faith. MAWCO and the taxing entities which are parties will indemnify and reimburse Escrow Agent from and for any and all liability and costs and expenses Escrow Agent may suffer or incur by reason of its execution and performance of this Agreement.

3. No funds deposited in the Escrow Fund shall be released or paid out by Escrow Agent unless Escrow Agent has received a direction for disbursement or other written documents signed by all of the taxing entities and MAWCO regarding the distribution of the escrow funds, or unless any court order directs payment to be made. In addition, Escrow Agent may request a release of Escrow Agent from any and all liability arising out of its execution of and performance under this Agreement at the time such proceeds are disbursed.

4. MAWCO agrees to execute an Assignment of all royalties and other payments due under the above recited Oil and Gas Lease to Goehring, Rutter & Boehm, Escrow Agent, under this Escrow Agreement until the tax matters have been resolved.

5. The purpose of this Fund is to provide for the payment of all proper delinquent taxes lawfully assessed against MAWCO which are due Monroeville Borough, Gateway School District and Allegheny County, In the event the Escrow Fund is insufficient to pay all of the taxes due Monroeville Boro, Gateway School District and Allegheny County, the Escrow Fund shall be distributed pro-rata between Monroeville Boro, Gateway School District and Allegheny County based on the total amount of tax due to each.

6. A-S Energy's only obligation under this Escrow Agreement shall be to deposit in the Escrow Fund all payments due and owing MAWCO under said Lease until such time as A-S Energy receives written notice from the Escrow Agent that its duties have been completed and that the Escrow Fund has been terminated. Such notice shall constitute authorization from all parties to A-S Energy to resume payments to MAWCO pursuant to provisions of said Lease.

The deposit of funds in accordance with this Escrow Agent shall satisfy A-S Energy's obligations under said Lease to pay oil and gas royalties and any other sum to MAWCO during the periods of time for which those deposits are made. A-S Energy shall have no liability for such funds after they are so deposited.

7. All notices required or to be given under this Escrow Agreement shall be given as follows:

Gateway School District
c/o Thomas M. Rutter, Solicitor
324 Frick Building
Pittsburgh, PA 15219

The Borough of Monroeville
c/o John Finnegan, Solicitor
2700 Monroeville Boulevard
Monroeville, PA 15146

Allegheny County
c/o Even Lloyd, Assistant County Solicitor
Jones Law Building
Pittsburgh, PA 15219

The Municipal Authority of Westmoreland County
c/o Thomas R. Ceraso, Esquire
126 North Maple Avenue
Greensburg, PA 15601

A-S Energy, Inc.
c/o Arnold Schulberg, Esquire
1521 Frick Building
Pittsburgh, PA 15219

Goehring, Rutter & Boehm
324 Frick Building
Pittsburgh, PA 15219

8. This Escrow Agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

WITNESS the due execution hereof the day and year first above written.

ATTEST:

GATEWAY SCHOOL DISTRICT

By _____

THE BOROUGH OF MONROEVILLE

By S/ Michael P. Lynch _____

THE COUNTY OF ALLEGHENY

By _____

THE MUNICIPALITY OF WESTMORELAND COUNTY

By _____

A-S ENERGY, INC.

By _____

GOEHRING, RUTTER & BOEHM

By _____