

**FIRE INSURANCE ESCROW ORDINANCE
NORTH MIDDLETON TOWNSHIP
CUMBERLAND COUNTY, PENNSYLVANIA**

ORDINANCE NO. 2012-01

AN ORDINANCE OF THE TOWNSHIP OF NORTH MIDDLETON CUMBERLAND COUNTY, PENNSYLVANIA PROVIDING THAT IN CERTAIN FIRE LOSSES THE INSURER HAVING A POLICY WITH RESPECT TO SUCH LOSS SHALL TRANSFER INSURANCE PROCEEDS TO THE SECRETARY OF THE TOWNSHIP OF NORTH MIDDLETON TO BE USED TO PAY DELINQUENT TAXES AND OTHER MUNICIPAL CLAIMS OR HELD AS SECURITY AND USED TO PAY THE TOTAL COST OF REMOVING, REPAIRING OR SECURING THE DAMAGED BUILDING AND PROVIDING FOR FEES, PROCEDURES AND PENALTIES TO IMPLEMENT SAID ACT.

BE IT ORDAINED AND ENACTED by the Board of Supervisors of North Middleton Township, Cumberland County, Pennsylvania, it is hereby enacted and ordained as follows:

Section 1. USE OF FIRE INSURANCE PROCEEDS

1. No insurance company, association of exchange (hereinafter "insurer") doing business in the Commonwealth of Pennsylvania shall pay a claim of a named insured for fire damage to a structure located within the Township of North Middleton, Cumberland County, Pennsylvania where the amount recoverable for the fire loss to the structure under all policies exceeds \$7,500.00 unless the insurer is furnished by the Secretary of the Township of North Middleton with a Certificate pursuant to Section 508 (b) of the Insurance Company Law of 1921 as amended by Act 98 of 1992 and Act 93 of 1994 (collectively the "Act") and unless there is compliance with the procedures set forth in Section 508 (c) and 508 (d) of the Act.

2. Where there are delinquent taxes, assessments, penalties or user charges against the property ("municipal claims"), or there are expenses which the Township has incurred as costs for removal, repair or securing of a building or other structure on the property (collectively "municipal expenses"), the Secretary of the Township shall immediately render a bill for such work, if not already done. Upon written request of the named insured specifying the description of the property, the name and address of the insurer and the date of receipt by the insurer of a loss report of the claim, the Secretary of the Township shall furnish a Certificate within fourteen (14) days after the request to the insurer either:

A. Stating that there are no unpaid municipal claims or municipal expenses against the property; or

B. Specifying the nature and amount of such claims or expenses, accompanied by a bill for such amounts.

Taxes, assessments, penalties and user charges shall be deemed delinquent for this purpose if a lien could have been filed for such claims under applicable law. Upon receipt of a Certificate and bill pursuant to subsection A of this section, the insurer shall transfer to the Secretary of the Township an amount from the insurance proceeds

sufficient to pay said sums prior to making payment to the named insured, subject to the provisions of subsection 3 hereof.

3. When all municipal claims and municipal expenses have been paid pursuant to subsection 2 of this section or when the Township Secretary has issued a Certificate described in subsection 2A indicating that there are no municipal claims or municipal expenses against the property, the insurer shall pay the claim of the named insured, provided, however, that if the loss agreed upon by the named insured and the insurer equals or exceeds 60% of the aggregate limits of liability on all fire policies covering the building or structure, the following procedures must be followed:

A. The insurer shall transfer from the insurance proceeds to the Township Secretary, in the aggregate, \$2,000.00 for each \$15,000.00 of such claim or fraction thereof.

B. If at the time a loss report is submitted by the insured, such insured has submitted to the insurer, with a copy to the Township, a contractor's signed estimate of the cost of removing, repairing or securing the building or other structure in an amount less than the amount calculated under the foregoing transfer formula, the insurer shall transfer to the Secretary of the Township of North Middleton from the insurance proceeds the amount specified in the estimate. If there is more than one insurer, the transfer of proceeds shall be on a pro-rate basis by all insurers insuring the building or other structure.

C. Upon receipt of the above described portion of the insurance proceeds the Secretary of the Township of North Middleton, Cumberland County, Pennsylvania, shall do the following:

i) Place the proceeds in a separate fund to be used solely as security against the total municipal expenses anticipated by the Township to be required in removing, repairing or securing the building or structure as required by this Ordinance. Such costs shall include, without limitation, any engineering, legal or administrative costs incurred by the Township in connection with such removal, repair or securing or any proceedings related thereto;

ii) Mail to the named insured at the address received from the insurer a notice that the proceeds have been received by the Township and that the procedures under this subsection shall be followed;

iii) After the transfer, the named insured may submit to the Township of North Middleton a contractor's signed estimate of the cost of removing, repairing or securing the building or other structure, in which event the Township Secretary shall, if such estimates deemed by the Township Secretary to be reasonable return to the insured the amount of the funds transferred to the Township of North Middleton in excess of that amount required to pay the municipal expenses; provided, however, that the Township has not commenced to remove, repair or secure the building or other structure in which case the Township will complete the work;

iv) Pay to the Secretary of the Township for reimbursement to the Township General Fund, the amount of the municipal expenses paid to the Township;

v) Pay the remaining balance in the fund without interest to the named insured upon receipt of a Certificate issued by the Township Secretary that the repair, removal or

securing of the building or other structure has been completed in accordance with all applicable Codes and Regulations of the Township;

vi) Nothing in this section shall be construed to limit the ability of the Township to recover any deficiency in the amount of municipal claims or municipal expenses recovered pursuant to this Ordinance, or to insurance proceeds, by an action at law or in equity to enforce the Township Codes or to enter into an agreement with the named insured with regard to such other disposition of the proceeds as the Township may deem responsible.

Section 2. LIMITS OF LIABILITY

Nothing in this Ordinance shall be construed to make an insurance company association or exchange liable for any amount in excess of proceeds payable under its insurance policy or for any other act performed pursuant to this Ordinance or to make the Township or any public official of the Township an insured under a policy of insurance or to create an obligation to pay delinquent property taxes or unpaid removal liens or expenses other than as provided in this Ordinance.

Section 3. INSURANCE COMPANY RIGHTS RESERVED

An insurance company, associated or exchange making payment of policy proceeds under this Ordinance for delinquent taxes or structural removal liens or removal expenses incurred by the Township of North Middleton shall have full benefit of such payment including all rights of subrogation and of assignment.

Section 4. CONSTRUCTION

This Ordinance shall be liberally construed to accomplish its purpose to deter the commission of arson and related crimes, to discourage the abandonment of property and to prevent urban blight and deterioration.

Section 5. NOTIFICATION OF PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

The Secretary of the Township of North Middleton shall transmit a certified copy of this Ordinance promptly to the Pennsylvania Department of Community and Economic Development.

Section 6. PENALTY

Any owner of property, any named insured or insurer who violates the provisions of this Ordinance or who shall fail to comply with any of the requirements hereof shall be sentenced upon conviction thereof to pay a fine not greater than \$1,000.00 plus costs and in default of payment of said fine and costs to a term of imprisonment not to exceed thirty (30) days. Each day in which an offense shall continue shall be deemed a separate offense.

Section 7. SEVERABILITY

The provisions of this Ordinance are severable. If any sentence, clause or section of this Ordinance is for any reason found to be unconstitutional, illegal or invalid, such decision shall not affect the validity of any of the remaining provisions of this Ordinance. It is hereby declared as a

legislative intent that this Ordinance would have been adopted had such unconstitutional, illegal or invalid provision been included herein.

Section 8. EFFECTIVE DATE

This Ordinance shall take effect five (5) days after the adoption thereof.

Section 9. REPEALER

Any ordinances, or parts of ordinances, in conflict herewith be and the same are hereby repealed.

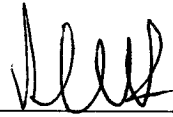
ADOPTED AND ORDAINED this 1 day of March , 2012.

ATTEST:



Township Secretary

NORTH MIDDLETON TOWNSHIP
BOARD OF SUPERVISORS



Robert A. Reisinger, Chairman



Harry Kelso, Vice Chairman

James E. Hare, Member



Charles P. McDowell, Member




David B. Smith, Member

CERTIFICATE

I, the undersigned, Secretary of the Township of North Middleton, Cumberland County, Pennsylvania (the "Township"), certify that: the foregoing is a true and correct copy of an Ordinance of the Board of Supervisors of the Township (the "Board"), which duly was enacted by affirmative vote of a majority of the members of the Board at a meeting held on 3.01, 2012; said Ordinance duly has been recorded in the Ordinance Book of the Township; said Ordinance duly has been published as required by law; and said Ordinance remains in effect, unaltered and unamended, as of the date of this Certificate.

IN WITNESS WHEREOF, I set my hand and affix the official seal of the Township, this 2 day of March, 2012.



Secretary

(SEAL)

PROOF OF PUBLICATION

State of Pennsylvania, County of Cumberland

Jackie Cox, Sales Director, of The Sentinel, of the County and State aforesaid, being duly sworn, deposes and says that THE SENTINEL, a newspaper of general circulation in the Borough of Carlisle, County and State aforesaid, was established December 13th, 1881, since which date THE SENTINEL has been regularly issued in said County, and that the printed notice or publication attached hereto is exactly the same as was printed and published in the regular editions and issues of THE SENTINEL on the following day(s):
February 13 & 20, 2012

COPY OF NOTICE OF PUBLICATION

PUBLIC NOTICE

The Board of Supervisors of North Middleton Township will hold a hearing to take public comment on proposed Ordinance No. 2012-01 entitled AN ORDINANCE OF THE TOWNSHIP OF NORTH MIDDLETON CUMBERLAND COUNTY, PENNSYLVANIA PROVIDING THAT IN CERTAIN FIRE LOSSES THE INSURER HAVING A POLICY WITH RESPECT TO SUCH LOSS SHALL TRANSFER INSURANCE PROCEEDS TO THE SECRETARY OF THE TOWNSHIP OF NORTH MIDDLETON TO BE USED TO PAY DELINQUENT TAXES AND OTHER MUNICIPAL CLAIMS OR HELD AS SECURITY AND USED TO PAY THE TOTAL COST OF REMOVING, REPAIRING OR SECURING THE DAMAGED BUILDING AND PROVIDING FOR FEES, PROCEDURES AND PENALTIES TO IMPLEMENT SAID ACT, during their regularly scheduled Board of Supervisors meeting at 8:30 p.m. on Thursday, March 1, 2012, or any other time which the Public Hearing may be continued by the Board of Supervisors, at the North Middleton Township Municipal Building, 2051 Spring Road, Carlisle, Pennsylvania 17013.

The proposed Ordinance is for the purpose of providing that in certain fire losses the insurer having a policy with respect to such loss shall transfer insurance proceeds to the secretary of the Township of North Middleton to be used to pay delinquent taxes and other municipal claims or held as security and used to pay the total cost of removing, repairing or securing the damaged building and providing for fees, procedures and penalties to implement said Act.

At the conclusion of the public comment scheduled at the regularly scheduled Board of Supervisors meeting at 8:30 p.m. on Thursday, March 1, 2012, or any other time to which the public hearing is continued by the Board of Supervisors, the North Middleton Township Board of Supervisors will consider passage of proposed Ordinance No. 2012-01, entitled AN ORDINANCE OF THE TOWNSHIP OF NORTH MIDDLETON CUMBERLAND COUNTY, PENNSYLVANIA PROVIDING THAT IN CERTAIN FIRE LOSSES THE INSURER HAVING A POLICY WITH RESPECT TO SUCH LOSS SHALL TRANSFER INSURANCE PROCEEDS TO THE SECRETARY OF THE TOWNSHIP OF NORTH MIDDLETON TO BE USED TO PAY DELINQUENT TAXES AND OTHER MUNICIPAL CLAIMS OR HELD AS SECURITY AND USED TO PAY THE TOTAL COST OF REMOVING, REPAIRING OR SECURING THE DAMAGED BUILDING AND PROVIDING FOR FEES, PROCEDURES AND PENALTIES TO IMPLEMENT SAID ACT. This Ordinance is for the purpose of providing that in certain fire losses the insurer having a policy with respect to such loss shall transfer insurance proceeds to the secretary of the Township of North Middleton to be used to pay delinquent taxes and other municipal claims or held as security and used to pay the total cost of removing, repairing or securing the damaged building and providing for fees, procedures and penalties to implement said Act. A copy of the proposed Ordinance as drafted may be examined without charge or obtained for a charge not greater than the cost thereof at the North Middleton Township Municipal Building, 2051 Spring Road, Carlisle, Pennsylvania 17013, during regularly scheduled business hours. In addition, a copy of the proposed Ordinance is also of record at the Cumberland County Law Library and has been provided to the Sentinel newspaper. Interested citizens are invited to attend the above-referenced meeting of North Middleton Township.

Mark W. Allhouse, Esquire
Solicitor for North Middleton Township

Affiant further deposes that he/she is not interested in the subject matter of the aforesaid notice or advertisement, and that all allegations in the foregoing statement as to time, place and character of publication are true.

Jackie Cox

Sworn to and subscribed before me this

20th day of February 2012

Bambi Ann Heckendorn

Notary Public

My commission expires:

NOTARIAL SEAL
BAMBI ANN HECKENDORN
Notary Public
CARLISLE BOROUGH, CUMBERLAND CNTY
My Commission Expires Jan 27, 2014