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Recorder of Deeds Must Accept Multiple-Lease Assignments for Recording, Pennsylvania Commonwealth Court Rules

The Pennsylvania Commonwealth Court has ruled that a Recorder of Deeds did not have discretion to refuse to record multiple-lease assignments that were submitted for recording by Chesapeake Appalachia, LLC. In *Chesapeake Appalachia, LLC v. Golden*, ___ A.3d ___ (Pa. Commw. Ct., Jan. 27, 2012), the Commonwealth Court affirmed an order of the Wayne County Court of Common Pleas granting summary judgment in favor of Chesapeake and directing the Wayne County Recorder of Deeds to record four multiple-lease assignments of 211 total leases that Chesapeake submitted in March 2010. The Wayne County Recorder had refused to record the assignments based on an internal policy against recording blanket assignments.

Chesapeake filed suit against the Wayne County Recorder on June 3, 2010, seeking declaratory, injunctive and mandatory relief relating to more than 90 documents that the Wayne County Recorder had rejected for recording. After preliminary proceedings in the case, Chesapeake and the Wayne County Recorder filed cross motions for summary judgment with respect to the four multiple-lease assignments. On April 21, 2011, the trial court granted Chesapeake's motion for summary judgment and directed the Wayne County Recorder to record all documents that met the requirements of Pennsylvania's recording statutes. The Wayne County Recorder appealed to the Commonwealth Court.

The Commonwealth Court affirmed the trial court's ruling and held that a Recorder of Deeds must accept and record any documents that meet the relevant statutory requirements. The Court noted that the language of the relevant statutes, 21 P.S. §§ 351 and 356, require the Recorder to record documents as they are presented to the Recorder. The Court recognized the following statutory requirements for documents to be recorded: that the document be of a type statutorily entitled to recordation; the submission of the appropriate fee; proper acknowledgement of the document; and, where applicable, inclusion of the relevant parcel identification number. Based on this analysis, the Court concluded that Chesapeake had established a clear legal right to have the lease assignments recorded.

The Commonwealth Court rejected the Wayne County Recorder's argument that she should have discretion to refuse to record documents that she believes would not allow proper indexing by property owner and lease. The Wayne County Recorder argued that the recording statute

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required that the lease assignments be indexed as to each underlying lessor. The Court rejected this argument and concluded that the statute did not require that the assignments be indexed as to anyone other than the assignor and assignee in the transaction. As a result, the Court concluded that the Wayne County Recorder had not appropriately exercised her discretion.

The Commonwealth Court's ruling is likely to impact proceedings in another similar lawsuit filed by Chesapeake against the Wyoming County Recorder of Deeds.

The *Golden* decision should provide lessees with some assurance that their documents will be accepted by Recorders in Pennsylvania if the threshold requirements for recordation are met. Despite this assurance, given that Pennsylvania is a race-notice recording jurisdiction, and given similar disputes with other Recorders of Deeds in the Commonwealth, parties will still want to plan ahead to ensure that documents are recorded promptly and to avoid potential delays that may result from a dispute about whether a document is recordable.

For more information regarding the *Golden* decision and issues relating to recordation issues, contact Matthew I. Moses at (412) 394-5624 or mmoses@babstcalland.com, or Christopher M. Buell at (412) 394-5411 or cbuell@babstcalland.com.