



State System of Higher Education
The System Works for Pennsylvania

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AUG 23 2002

Office of
Finance and Administration

August 21, 2002

Dr. F. Javier Cevallos
President
Kutztown University of Pennsylvania
Kutztown PA 19530-0730

Re: Interagency Agreement Between Department of
General Services and State System of Higher Education

Dear President Cevallos:

Enclosed herewith I am pleased to provide a fully executed copy of the above-referenced land transfer agreement relating to your university. The agreement is the result of several years of effort by the Legal Office and the Chancellor's Office.

Under the agreement, occupancy, custody and control (but not fee title) of all university property currently titled in the Department of General Services (DGS) or its predecessors is transferred to the State System of Higher Education. The land so transferred shall be administered under the powers and duties of the State System as set forth in Act 188, 24 P.S. §§ 20-2001-A, *et seq.* The administrative and statutory powers and limitations of DGS do not apply. By way of example, should the university desire to lease property covered by the agreement to a not-for-profit entity for purposes of a privatized student housing project, it would not be necessary to make DGS a party to the lease, nor to follow DGS regulations regarding the execution and processing of leases of real property. The only restrictions would be those set forth in Act 188 and applicable State System policy.

A few additional points to consider:

1. DGS should retain responsibility for capital asset management.
2. The State System should continue the practice of funding supplemental insurance and routine maintenance.
3. All capital expenditures and related issues should continue as before.
4. Any and all lands and/or buildings acquired by DGS after execution of the agreement shall also be included under the terms and conditions established therein.

Dr. F. Javier Cevallos

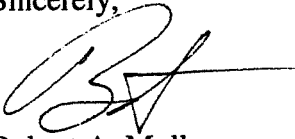
August 21, 2002

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5. The State System is granted jurisdiction and control over the property in question in perpetuity, unless a revision should take place, or a mutually agreed termination of the agreement.

Should you have any questions regarding the enclosed or the above, please do not hesitate to contact me or your assigned University Legal Counsel.

Sincerely,

A handwritten signature in black ink, appearing to be 'RAM', with a long horizontal line extending to the right.

Robert A. Mulle
Chief Counsel

RAM/sjs

Enclosure

c: Dr. Judy G. Hample, Chancellor
Dr. Edward J. Nolan
Mr. David R. Carll
Leslie Lewis Johnson, Esquire

**INTERAGENCY AGREEMENT
BETWEEN
DEPARTMENT OF GENERAL SERVICES
AND
STATE SYSTEM OF HIGHER EDUCATION
FOR
TRANSFER OF REAL PROPERTY**

LMT-2002-6

June **THIS** Agreement is made and entered into this *7th* day of June, 2002, by and between the Department of General Services (hereinafter "DGS") and the State System of Higher Education (hereinafter "SSHE").

WHEREAS, DGS oversees the acquisition, use, and disposition of real property owned by the Commonwealth of Pennsylvania; and

WHEREAS, SSHE, an independent agency of the Commonwealth of Pennsylvania, is responsible for the management, operation and supervision of the Commonwealth's 14 State-owned universities; and

WHEREAS, SSHE requires the use of land and buildings located in Berks County, known as Kutztown University of the State System of Higher Education (the "Premises"), for the purpose of establishing jurisdiction and control over the land; and

WHEREAS, for purposes of this Agreement, the "Premises" shall be construed to mean all lands and buildings owned by the Commonwealth of Pennsylvania, including, but not limited to, lands acquired by the Department of General Services or its predecessors, together with any and all land adjoining the described lots and parcels that has accrued to the Commonwealth as adjoining landowner by virtue of the vacation of public streets, alleys and other ways by applicable municipal bodies on the campus of Kutztown University of Pennsylvania. Any lands and/or buildings acquired after the execution of this Agreement by the Department of General Services, or its successor in function, acting under its authority to acquire real property in the name of the Commonwealth by a Capital Budget authorization or other specific Act of the General Assembly for the herein named institution shall also be included under the terms and conditions established herein; and

WHEREAS, Sections 501 and 502 of the Administrative Code of 1929, 71 P. S. §§ 181 and 182, require Commonwealth agencies to coordinate their work and to cooperate in the use of land, buildings, and facilities.

NOW THEREFORE, DGS and SSHE set forth the following terms and conditions:

1. DGS shall transfer occupancy, custody, and control (but not fee title) of the Premises to SSHE subject to all existing servitudes, estates, tenements and hereditaments, whether or not appearing of record.
2. DGS shall retain authority to enter the Premises without necessity of obtaining a license, lease or other permission in order to carry out its powers and duties under Act 45 of 1975 as amended, including, but not being limited to, the ability to construct public improvement projects as authorized by Capital Budget acts of the General Assembly. This is subject, however, to any right of approval, review or concurrence that SSHE currently has with respect to such projects.
3. SSHE shall assume financial responsibility for the costs of utilities, maintenance, repair, and construction (when authorized) of the Premises during the term of this Agreement.
4. SSHE shall assume complete legal liability for the Premises during the term of this Agreement.
5. SSHE shall comply, where applicable, with all state, local, and federal ordinances, laws, rules, and regulations pertaining to its use, control, and occupation of the Premises. SSHE shall assume financial responsibility for all fines, penalties, and judgments imposed in connection with the SSHE's use, control, and occupation of the Premises.


6. SSHE understands and acknowledges that the land transferred to its use, control and occupation is transferred without any warranty or representation as to its suitability or fitness for any purpose.
7. SSHE shall utilize the Premises only in accordance with its powers and duties as established in Act 188 of 1982, as amended. In the event the Premises is not utilized as such, then it will revert to DGS, upon notice from DGS to SSHE.
8. Should any portion of the Premises herein transferred be deemed surplus to SSHE's needs, then it will be returned to DGS for disposition.
9. This Agreement shall not be construed to transfer fee title and shall not be recorded in the Recorder of Deeds Office or any other office of public recordation.
10. The Agreement shall continue in perpetuity unless terminated by mutual agreement of the parties or unless there is a reversion pursuant to Paragraph 7 above.

The signature date of the Secretary of General Services shall establish the commencement date of this Agreement.


Intending to be legally bound by the terms of this Agreement, the parties hereby affix their names and seals.

STATE SYSTEM OF HIGHER EDUCATION

DEPT. OF GENERAL SERVICES

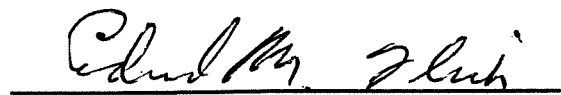


Chancellor

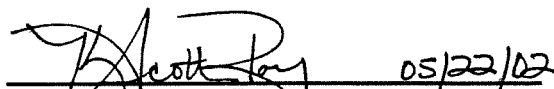
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Secretary (Date)


Approved as to Form and Legality:



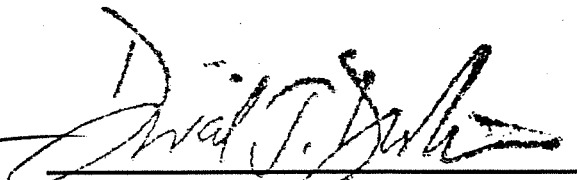
Department of General Services
Office of Chief Counsel

 05/22/02

Office of General Counsel

 4/2/02

State System of Higher Education
Office of Chief Counsel



Office of Attorney General



Central Services Comptroller

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JUN 12 2002