



TOPIC: University of Maryland, College Park: Covenant of Purpose, Use and Ownership

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: June 15, 2010

SUMMARY: In January, 2010, the National Institute of Standards and Technology (NIST) awarded NIST Grant #60NANB10D028 to the University of Maryland, College Park (UMCP). The grant provided federal funds for the 21,857 gross square foot Laboratories for Advanced Quantum Science to be located at the Physical Sciences Complex.

Pursuant to the grant requirements, the grant recipient is required to execute and record a Covenant of Purpose, Use and Ownership ("Covenant").

Under the Covenant, the University agrees that it will not:

- (1) use the portion of the building renovated for any purpose inconsistent with that authorized by the grant program statute or applicable regulation, as in effect at the time of the receipt of federal funds under the Grant;
- (2) mortgage or otherwise use as collateral the Physical Sciences Complex without the written permission of NIST; or
- (3) sell or transfer the Physical Sciences Complex to another party without the written permission of NIST.

A sale or mortgage would not be approved without repayment by the University to NIST of the federal share of the value of the federally-funded improvements which is calculated as that percentage of the current fair market value of the property attributable to the NIST participation in the project (after deducting actual and reasonable selling and fix-up expenses, if any, incurred to put the property into condition for sale). This Covenant shall automatically terminate and expire as of December 31, 2033 without the need for a release or any other further documentation recorded among the Land Records.

ALTERNATIVE(S): This is a requirement.

FISCAL IMPACT: There is no fiscal impact.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve for the University of Maryland, College Park to execute and record the Covenant as required consistent with the terms of the Grant.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Joseph F. Vivona (301) 445-1923