NEGOTIATION AGREEMENT

INSTITUTION: UTAH STATE UNIVERSITY
LOGAN, UTAH 84322-1445

The Facilities and Administrative (F&A) rates contained herein are for use on grants, contracts and/or other agreements issued or awarded to Utah State University by all Federal Agencies of the United States of America, in accordance with the cost principles mandated by 2 CFR 220. These rates shall be used for forward pricing and billing purposes at Utah State University for Fiscal Years 2012. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Years 2012.

SECTION I: RATES - TYPE: FIXED WITH CARRY FORWARD PROVISIIONS (Fixed)
PREDETERMINED (Pred)

<table>
<thead>
<tr>
<th>TYPE</th>
<th>FROM</th>
<th>TO</th>
<th>RATE ON CAMPUS</th>
<th>RATE OFF CAMPUS</th>
<th>BASE</th>
<th>APPLICABLE TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed</td>
<td>7/1/11</td>
<td>6/30/12</td>
<td>41.00%</td>
<td>22.98%</td>
<td>(a)</td>
<td>Organized Research (1)</td>
</tr>
<tr>
<td>Fixed</td>
<td>7/1/11</td>
<td>6/30/12</td>
<td>41.00%</td>
<td>22.98%</td>
<td>(a)</td>
<td>Organized Research (2)</td>
</tr>
<tr>
<td>Pred</td>
<td>7/1/11</td>
<td>6/30/12</td>
<td>52.00%</td>
<td>26.00%</td>
<td>(a)</td>
<td>Instruction</td>
</tr>
<tr>
<td>Pred</td>
<td>7/1/11</td>
<td>6/30/12</td>
<td>29.00%</td>
<td>19.00%</td>
<td>(a)</td>
<td>Other Sponsored Activities</td>
</tr>
</tbody>
</table>

DISTRIBUTION BASE

(a) Modified total direct costs, consisting of all salaries and wages, fringe benefits, materials and supplies, services, travel, and subgrants and subcontracts up to the first $25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract). Equipment, capital expenditures, charges for patient care and tuition remission, rental costs, scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess of $25,000 shall be excluded from modified total direct costs.

APPLICABLE TO:

(1) Applies to all Non-DOD Instruments, all DOD Grants and to DOD Contracts awarded before November 30, 1993. See Section II, Paragraph G hereof.

(2) Applies to only DOD Contracts awarded on or after November 30, 1993 in accordance with and under the authority of DFARS 231.303(1). See Section II, Paragraph G hereof.
A. LIMITATIONS: Use of the rates set forth under Section I is subject to any statutory or administrative limitations and is applicable to a given grant, contract or other agreement only to the extent that funds are available and consistent with any and all limitations of cost clauses or provisions, if any, contained therein. Acceptance of any or all of the rates agreed to herein is predicated upon all the following conditions: (1) that no costs other than those incurred by the grantee/contractor were included in its indirect cost pool as finally accepted and that all such costs are legal obligations of the grantee/contractor and allowable under governing cost principles; (2) that the same costs that have been treated as indirect costs are not claimed as direct costs; (3) that similar types of costs, in like circumstances, have been accorded consistent accounting treatment; (4) that the information provided by the contractor/grantee, which was used as the basis for the acceptance of the rates agreed to herein and expressly relied upon by the Government in negotiating the said rates, is not subsequently found to be materially incomplete or inaccurate.

B. ACCOUNTING CHANGES: The rates contained in Section I of this agreement are based on the accounting system in effect at the time this agreement was negotiated. Changes to the method(s) of accounting for costs, which affects the amount of reimbursement resulting from the use of these rates, require the written approval of the authorized representative of the cognizant negotiating agency for the Government prior to implementation of any such changes. Such changes include but are not limited to changes in the charging of a particular type of cost from indirect to direct. Failure to obtain such approval may result in subsequent cost disallowances.

C. FIXED RATES WITH CARRY-FORWARD PROVISIONS: The fixed rates contained in this agreement are based on estimates of the costs for FY 2012. When actual costs for this fiscal year are determined, adjustments will be applied to the next subsequent rate negotiation to recognize the difference between the FY 2012 estimated costs used to establish the fixed rates and the negotiated actual FY 2012 costs.

D. PREDETERMINED RATES: The predetermined rates contained in this agreement are not subject to adjustment in accordance with the provisions of 2 CFR 220, subject to the limitations contained in Part A of this section.

E. Carry Forward Amounts: The following carry-forward amounts were included in the establishment of the FY 2012 rates:

<table>
<thead>
<tr>
<th>Organized Research</th>
<th>USU Under/(Over) Recovery</th>
<th>USU Under/(Over) Recovery</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Capped On Campus</td>
<td>Capped Off Campus</td>
</tr>
<tr>
<td>FY09 Estimated</td>
<td>$ 383,667</td>
<td>$ -</td>
</tr>
<tr>
<td>FY10 Estimated</td>
<td>$ -</td>
<td>$ 383,667</td>
</tr>
</tbody>
</table>

F. USE BY OTHER FEDERAL AGENCIES: The rates set forth in Section I hereof were negotiated in accordance with and under the authority set forth in 2 CFR 220. Accordingly, such rates shall be applied to the extent provided in such regulations to grants, contracts and other transactions to which 2 CFR 220 is applicable, subject to any limitations in part A of this section. Copies of this document may be provided by either party to other Federal agencies which have or intend to issue or award grants and contracts using these rates or to otherwise provide such agencies with documentary notice of this agreement and its terms and conditions.

G. APPLICATION OF INDIRECT COST RATES TO DOD CONTRACTS/SUBCONTRACTS:
1. Signature of this agreement by the authorized representatives of Utah State University and the Government, acknowledges and affirms the institution's request for waiver of the prohibition contained in DFARS 231.303(1) and the Government's exercise of its discretion under DFARS 231.303(2) to waive the prohibition in DFARS 231.303(1) for all F&A cost rates, except for F&A rates applicable to Organized Research. The waiver request by Utah State University is made to simplify the institute's overall management of DOD cost reimbursements under DOD contracts.

2. In accordance with DFARS 231.303, no limitation (unless waived by the institution) may be placed on the reimbursement of otherwise allowable indirect costs incurred by an institution of higher education under a DOD contract awarded on or after November 30, 1993, unless the same limitation is applied uniformly to all other organizations performing similar work. It has been determined by the Department of Defense that such limitation is not being uniformly applied. Accordingly, the rates cited (1) of Section I (as explained under the title "APPLICABLE TO"), reflect the application of the 26% limitation on administrative indirect costs imposed by 2 CFR Part 220; whereas (2) does not.

Accepted:

FOR UTAH STATE UNIVERSITY:

Rickey G. Allen
Controller

2/27/2012

Date:

FOR THE GOVERNMENT:

DEBORAH K. RAFI
Contracting Officer

3/30/12

Date:

For information concerning this agreement contact:

DAVID F. GODFREY
Office of Naval Research
875 North Randolph Street
Arlington, VA 22203-1995

Phone: (703) 696-2586
E-mail: david.f.godfrey@navy.mil
RATE COMPONENT SHEET

Institution: Utah State University
FY Covered: 2012

Function Rate is Applicable to: Organized Research

Type of Rate: FIXED with carry-forward provisions

Distribution Base: MTDC (see below)

### RATE COMPONENTS:

<table>
<thead>
<tr>
<th>Category</th>
<th>Capped</th>
<th>Uncapped</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>On Campus</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. GSA</td>
<td>4.27%</td>
<td>4.27%</td>
</tr>
<tr>
<td>B. DA</td>
<td>12.63%</td>
<td>12.63%</td>
</tr>
<tr>
<td>C. DA Allowance</td>
<td>3.00%</td>
<td>3.00%</td>
</tr>
<tr>
<td>D. SPA</td>
<td>2.47%</td>
<td>2.47%</td>
</tr>
<tr>
<td>E. Student Services</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>F. Administrative Cap Adjustment</td>
<td>22.96%</td>
<td>22.96%</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Off Campus</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. ADMINISTRATIVE</td>
<td>4.27%</td>
<td>4.27%</td>
</tr>
<tr>
<td>B. DA</td>
<td>12.63%</td>
<td>12.63%</td>
</tr>
<tr>
<td>C. DA Allowance</td>
<td>3.00%</td>
<td>3.00%</td>
</tr>
<tr>
<td>D. SPA</td>
<td>2.47%</td>
<td>2.47%</td>
</tr>
<tr>
<td>E. Student Services</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>F. Administrative Cap Adjustment</td>
<td>22.96%</td>
<td>22.96%</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### DEPRECIATION/USE ALLOWANCE

<table>
<thead>
<tr>
<th>Category</th>
<th>Capped</th>
<th>Uncapped</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Buildings Deprec.</td>
<td>5.23%</td>
<td>5.23%</td>
</tr>
<tr>
<td>B. Equipment Deprec.</td>
<td>3.20%</td>
<td>3.20%</td>
</tr>
<tr>
<td>C. Improvements Deprec.</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>3. INTEREST</td>
<td>0.31%</td>
<td>0.31%</td>
</tr>
<tr>
<td>4. O&amp;M</td>
<td>8.31%</td>
<td>8.31%</td>
</tr>
<tr>
<td>5. LIBRARY</td>
<td>0.35%</td>
<td>0.35%</td>
</tr>
</tbody>
</table>

### CARRY-FORWARD ADJUSTMENTS:

<table>
<thead>
<tr>
<th>Category</th>
<th>Capped</th>
<th>Uncapped</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated FY09 $393,667 under-recovery</td>
<td>0.62%</td>
<td>0.62%</td>
</tr>
<tr>
<td>Estimated FY09 $391,020 under-recovery</td>
<td>0.47%</td>
<td>0.47%</td>
</tr>
<tr>
<td>Estimated FY10</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Estimated FY10 $92,647 under-recovery</td>
<td>0.15%</td>
<td>0.15%</td>
</tr>
<tr>
<td>Rounding</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>B. Voluntary Reduction</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Total</td>
<td>41.90%</td>
<td>41.90%</td>
</tr>
</tbody>
</table>

MTDC BASE:

- **For the University:** $61,881,735
- **For the U.S. Government:** $151,310

**FOR THE UNIVERSITY:**

Rickey G. Allen
Controller

2/27/12

**FOR THE U.S. GOVERNMENT:**

Deborah K. Raff
Contracting Officer

3/30/12

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**RATE COMPONENT SHEET**

Institution: Utah State University  
FY Covered: 2012

Function Rate is Applicable to: Sponsored Instruction

Type of Rate: Predetermined

Distribution Base: MTDC (see Below)

<table>
<thead>
<tr>
<th>RATE COMPONENTS:</th>
<th>Instruction</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ADMINISTRATIVE:</td>
<td>On Campus</td>
</tr>
<tr>
<td>A. G&amp;A</td>
<td>4.27%</td>
</tr>
<tr>
<td>B. DA</td>
<td>14.64%</td>
</tr>
<tr>
<td>C. DA Allowance</td>
<td>3.60%</td>
</tr>
<tr>
<td>D. SPA</td>
<td>0.15%</td>
</tr>
<tr>
<td>E. Student Services</td>
<td>12.87%</td>
</tr>
<tr>
<td>F. Administrative Cap Adjustment</td>
<td>(9.53%)</td>
</tr>
<tr>
<td>Subtotal</td>
<td>26.00%</td>
</tr>
</tbody>
</table>

2. DEPRECIATION/USE ALLOWANCE

| A. Buildings Deprec. | 6.44% | |
| B. Equipment Deprec. | 1.39% | |
| C. Improvments Deprec. | 0.00% | |

3. INTEREST

4. O&M

5. LIBRARY

6. Rounding

7. Voluntary Reduction

| Total | 52.00% | 26.00% |

**MTDC BASE:**

| | $118,207,912 | $2,328,263 |

**FOR THE UNIVERSITY:**

Rickey G. Allen  
Controller

2/27/12

**FOR THE U.S. GOVERNMENT:**

Deborah K. Rafi  
Contracting Officer

3/30/12

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RATE COMPONENT SHEET

Institution: Utah State University

Function Rate is Applicable to: Other Sponsored Activities

Type of Rate: Predetermined

Distribution Base: MTDC (see Below)

<table>
<thead>
<tr>
<th>RATE COMPONENTS:</th>
<th>On Campus</th>
<th>Off Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ADMINISTRATIVE:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. G&amp;A</td>
<td>4.27%</td>
<td>4.27%</td>
</tr>
<tr>
<td>B. DA</td>
<td>8.75%</td>
<td>8.75%</td>
</tr>
<tr>
<td>C. DA Allowance</td>
<td>3.60%</td>
<td>3.60%</td>
</tr>
<tr>
<td>D. SPA</td>
<td>2.40%</td>
<td>2.40%</td>
</tr>
<tr>
<td>E. Student Services</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>F. Administrative Cap Adjustment</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>19.03%</strong></td>
<td><strong>19.03%</strong></td>
</tr>
<tr>
<td>2. DEPRECIATION/USE ALLOWANCE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Buildings Deprec.</td>
<td>2.46%</td>
<td>0.00%</td>
</tr>
<tr>
<td>B. Equipment Deprec.</td>
<td>0.73%</td>
<td>0.00%</td>
</tr>
<tr>
<td>C. Improvements Deprec.</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>3. INTEREST</td>
<td>0.42%</td>
<td>0.00%</td>
</tr>
<tr>
<td>4. G&amp;M</td>
<td>5.97%</td>
<td>0.00%</td>
</tr>
<tr>
<td>5. LIBRARY</td>
<td>0.39%</td>
<td>0.00%</td>
</tr>
<tr>
<td>6. Rounding</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>7. Voluntary Reduction</td>
<td>0.00%</td>
<td>(0.03%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>29.00%</strong></td>
<td><strong>19.00%</strong></td>
</tr>
</tbody>
</table>

MTDC BASE: $27,719,211

$9,074,393

FOR THE UNIVERSITY:
Rickey G. Allerf
Controller
2/27/12

FOR THE U.S. GOVERNMENT:
Deborah K. Rafi
Contracting Officer
3/30/13

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