INSTITUTION: MICHIGAN TECHNOLOGICAL UNIVERSITY
HOUGHTON, MICHIGAN

The Fringe Benefits rates contained herein are for use on grants, contracts and/or other agreements issued or awarded to Michigan Technological University by all Federal Agencies of the United States of America, in accordance with the provisions and cost principles mandated by 2 CFR 220. These rates shall be used for forward pricing and billing purposes for the Michigan Technological University’s Fiscal Year 2010. This agreement supersedes all previous agreements for FY 2010.

SECTION I: RATES - TYPE: PREDETERMINED (PRED)

Fringe Benefits Rates:

<table>
<thead>
<tr>
<th>TYPE</th>
<th>FROM</th>
<th>TO</th>
<th>RATE</th>
<th>BASE</th>
<th>LOCATION</th>
<th>APPLICABLE TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRED</td>
<td>7/1/09</td>
<td>6/30/10</td>
<td>42.60%</td>
<td>(a)</td>
<td>All</td>
<td>Base Rate for All Employees</td>
</tr>
<tr>
<td>PRED</td>
<td>7/1/09</td>
<td>6/30/10</td>
<td>8.75%</td>
<td>(b)</td>
<td>All</td>
<td>Graduate Students</td>
</tr>
<tr>
<td>PRED</td>
<td>7/1/09</td>
<td>6/30/10</td>
<td>20.20%</td>
<td>(c)</td>
<td>All</td>
<td>Summer Faculty</td>
</tr>
</tbody>
</table>

Distribution Bases

(a) Non-Student Salaries and Wages
(b) Graduate Student Salaries and Wages
(c) Summer Faculty Salaries and Wages

SECTION II - GENERAL

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 or contract only to the extent that funds are available. Acceptance of the rates agreed to herein is predicated upon all of the following conditions: (1) that no costs other than those incurred by the grantee/contractor were included in this indirect cost pool as finally accepted and that 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 have
been accorded consistent accounting treatment, and (4) that the information provided by the
grantee/contractor which was used as a basis for acceptance of the rates agreed to herein, and
expressly relied upon by the Government in establishing and accepting 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 the agreement was established. Changes to the
method(s) of accounting for costs, which affect the amount of reimbursement resulting from the
use of these rates, require the prior approval of the authorized representative of the cognizant
negotiation agency. 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. 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.

D. USE BY OTHER FEDERAL AGENCIES: The rates set forth in Section I were established
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 applies, 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.

Accepted:

FOR THE MICHIGAN TECHNOLOGICAL UNIVERSITY:

[Signature]
Daniel D. Greenlee
Chief Financial Officer and
Treasurer of the Board of Control

12-17-09
Date

FOR THE U.S. GOVERNMENT:

[Signature]
Deborah K. Rafi
Contracting Officer

12-17-09
Date

For information concerning this agreement contact:
Owen Nicholson
Office of Naval Research
875 North Randolph Street, Room 371
Arlington, VA 22203

Phone: (703) 696-7742
E-mail: owen.nicholson@navy.mil