DEPARTMENT OF THE NAVY
OFFICE OF NAVAL RESEARCH
875 NORTH RANDOLPH STREET
SUITE 1425
ARLINGTON, VA 22203-1995

IN REPLY REFER TO:

Agreement Date: March 24, 2008

NEGOTIATION AGREEMENT

INSTITUTION: OKLAHOMA STATE UNIVERSITY
STILLWATER, OKLAHOMA 74078-1028

The Facilities and Administrative (F&A) cost rates contained herein are for use on all grants and/or contracts issued or awarded to Oklahoma 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 for Oklahoma State University’s Fiscal Years 2008 through 2010. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Year 2008 through 2010.

SECTION I: RATES - TYPE: 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>Pred</td>
<td>7-1-07</td>
<td>6-30-10</td>
<td>68.6%</td>
<td>42.4%</td>
<td>(a)</td>
<td>Instruction (1)</td>
</tr>
<tr>
<td>Pred</td>
<td>7-1-07</td>
<td>6-30-10</td>
<td>52.2%</td>
<td>26.0%</td>
<td>(a)</td>
<td>Instruction (2)</td>
</tr>
<tr>
<td>Pred</td>
<td>7-1-07</td>
<td>6-30-10</td>
<td>47.7%</td>
<td>26.1%</td>
<td>(a)</td>
<td>Research (1)</td>
</tr>
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<td>Pred</td>
<td>7-1-07</td>
<td>6-30-10</td>
<td>47.7%</td>
<td>26.0%</td>
<td>(a)</td>
<td>Research (2)</td>
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<tr>
<td>Pred</td>
<td>7-1-07</td>
<td>6-30-10</td>
<td>41.7%</td>
<td>35.0%</td>
<td>(a)</td>
<td>Extension (1)</td>
</tr>
<tr>
<td>Pred</td>
<td>7-1-07</td>
<td>6-30-10</td>
<td>32.7%</td>
<td>26.0%</td>
<td>(a)</td>
<td>Extension (2)</td>
</tr>
</tbody>
</table>

* Rates also applicable to Oklahoma State University, Education, Research and Economic Development Foundation, Inc. (EREDF).

OKMULGEE CAMPUS

<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>Pred</td>
<td>7-1-07</td>
<td>6-30-10</td>
<td>53.1%</td>
<td>26.0%</td>
<td>(a)</td>
<td>All Programs (2)</td>
</tr>
<tr>
<td>Type</td>
<td>From</td>
<td>To</td>
<td>Rate On Campus</td>
<td>Rate Off Campus</td>
<td>Base</td>
<td>Applicable To</td>
</tr>
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<tr>
<td>OKLAHOMA CITY CAMPUS</td>
<td>7-1-07</td>
<td>6-30-10</td>
<td>51.5%</td>
<td>26.0%</td>
<td>(a)</td>
<td>All Programs (2)</td>
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<tr>
<td>CENTER FOR HEALTH SCIENCES</td>
<td>7-1-07</td>
<td>6-30-10</td>
<td>32.0%</td>
<td>22.0%</td>
<td>(a)</td>
<td>All Programs (2)</td>
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<td>TULSA CAMPUS</td>
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<td>60.8%</td>
<td>26.0%</td>
<td>(a)</td>
<td>All Programs (2)</td>
</tr>
</tbody>
</table>

**DISTRIBUTION BASES**

(a) Modified Total Direct Cost (MTDC), as defined in 2 CFR 220, 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 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, Part E thereof.

(2) Applies to DOD contracts awarded before November 30, 1993, all Non-DOD Instruments, and all DOD Grants.
A. LIMITATIONS: Use of the rates set forth under Section I of this agreement is expressly 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 the governing and applicable 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 contractor/grantee, which was used as the basis for the acceptance of the rate(s) agreed to herein and expressly relied upon by the Government in negotiating and accepting the said rates, is not subsequently found to be materially incomplete or inaccurate.

B. ACCOUNTING CHANGES: The predetermined 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 requires the express and 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 on the part of the grantee/contractor to obtain the required 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 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 circular, to grants and contracts 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/or contracts to Oklahoma State University to use the stated rates or to otherwise provide such agencies with documentary notice of this agreement and its terms and conditions.
E. APPLICATION OF INDIRECT COST RATES TO DOD CONTRACTS/SUBCONTRACTS:
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 award 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) in Section I, as explained under the title APPLICABLE TO (1), do not reflect the application of the 26% limitation on administrative indirect costs imposed by 2 CFR 220, whereas the rates cited in (2) do so.

FOR OKLAHOMA STATE UNIVERSITY:

Kathy Kamm Elliott
Associate Vice President & Controller

Date: 3/24/08

FOR THE U.S. GOVERNMENT:

Deborah K. Rafi
Contracting Officer

Date: 4/3/2008

FOR INFORMATION CONCERNING THIS AGREEMENT CONTACT:

OFFICE OF NAVAL RESEARCH
BRIAN KEOHE
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