COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN #: 1416007513A5
DATE: October 30, 2007

INSTITUTION:
University of Minnesota
Office of Sponsored Projects
200 Oak Street S.E.
Suite 450
Minneapolis
MN 55455-2070

FILING REF.: The preceding Agreement was dated May 4, 2007

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: FACILITIES AND ADMINISTRATIVE COST RATES*

RATE TYPES: FIXED  FINAL  PROV. (PROVISIONAL)  PRED. (PREDETERMINED)

<table>
<thead>
<tr>
<th>TYPE</th>
<th>EFFECTIVE PERIOD</th>
<th>RATE(%)</th>
<th>LOCATIONS</th>
<th>APPLICABLE TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRED.</td>
<td>07/01/07 06/30/11</td>
<td>51.0</td>
<td>On Campus</td>
<td>Organized Research</td>
</tr>
<tr>
<td>PRED.</td>
<td>07/01/07 06/30/11</td>
<td>50.0</td>
<td>On Campus</td>
<td>Instruction (1)</td>
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<tr>
<td>PRED.</td>
<td>07/01/07 06/30/11</td>
<td>32.0</td>
<td>On Campus</td>
<td>Other Sponsored Prog</td>
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<tr>
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<td>On Campus</td>
<td>Hormel Institute</td>
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<td>PRED.</td>
<td>07/01/07 06/30/11</td>
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<td>Off Campus</td>
<td>All Programs</td>
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<tr>
<td>PRED.</td>
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<tr>
<td>PROV.</td>
<td>07/01/11 UNTIL AMENDED</td>
<td></td>
<td></td>
<td>Use same rates and conditions as those cited for fiscal year ending June 30, 2011.</td>
</tr>
</tbody>
</table>

(1) Instruction includes Title IV-E.

*BASE:
Modified total direct costs, consisting of all salaries and wages, fringe benefits, materials, 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).
Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, tuition remission, rental costs of off-site facilities, scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess of $25,000.
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University of Minnesota
Office of Sponsored Projects

AGREEMENT DATE: October 30, 2007

SECTION I: FRINGE BENEFITS RATES**

<table>
<thead>
<tr>
<th>RATE TYPES: FIXED</th>
<th>FINAL</th>
<th>PROV. (PROVISIONAL)</th>
<th>PRED. (PREDETERMINED)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TYPE</td>
<td>EFFECTIVE PERIOD</td>
<td>RATE(%)</td>
<td>LOCATIONS</td>
</tr>
<tr>
<td>FIXED</td>
<td>07/01/06 06/30/07</td>
<td>32.4</td>
<td>All</td>
</tr>
<tr>
<td>FIXED</td>
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</tr>
<tr>
<td>FIXED</td>
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<td>21.8</td>
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</tr>
<tr>
<td>FIXED</td>
<td>07/01/07 06/30/08</td>
<td>35.8</td>
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<tr>
<td>PROV.</td>
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<td>Use same rates and conditions as those cited for fiscal year ending June 30, 2008.</td>
<td></td>
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</tbody>
</table>

The above Fringe Benefit rates do not include hourly tuition remission rates used by the University.

**DESCRIPTION OF FRINGE BENEFITS RATE BASE:
Salaries and wages.
TREATMENT OF FRINGE BENEFITS:
The fringe benefits are charged using the rate(s) listed in the Fringe Benefits Section of this Agreement. The fringe benefits included in the rate(s) are listed below.

TREATMENT OF PAID ABSENCES:
Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are claimed on grants, contracts and other agreements as part of the normal cost for salaries and wages. Separate claims for the costs of these paid absences are not made.

OFF-CAMPUS DEFINITION: For all activities performed in facilities not owned by the institution and to which rent is directly allocated to the project(s), the off-campus rate will apply. Grants or contracts will not be subject to more than one F&A cost rate. If more than 50% of a project is performed off-campus, the off-campus rate will apply to the entire project.

SPECIAL REMARKS:
Application of Indirect Cost Rates to DOD Contracts/Subcontracts:
The rates in this agreement have been negotiated to reflect the administrative cap provisions of the revisions to OMB Circular A-21 published by the Office of Management and Budget on May 9, 1966. The 26 percent limitation imposed on administrative indirect cost by OMB Circular No. A-21 shall not be applied to DOD contracts awarded on or after November 30, 1993, unless the same limitation is applied uniformly to all other organizations performing similar work.

Accordingly, the rates cited in section I (DOD Contracts), do not reflect the application of the 26% limitation on administrative indirect costs imposed by OMB Circular A-21.

Equipment Definition -
Equipment means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of $2,500 or more per unit.

FRINGE BENEFITS:
PICA
Retirement
Disability Insurance
Worker's Compensation
Life Insurance
Unemployment Insurance
Health Insurance
Tuition Remission
Benefit Administration Expense
Terminal Vacation Payout

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SECTION II: GENERAL

A. LIMITATIONS:
The rates in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the organization were included in its facilities and administrative cost pool as finally accepted and costs are legal obligations of the organization and are allowable under the governing cost principles; (2) The rates costs have been treated as facilities and administrative costs are not claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the organization which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. ACCOUNTING CHANGES:
This Agreement is based on the accounting system purported by the organization to be in effect during the Agreement period. Change to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the cognizant agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from facilities and administrative to direct. Failure to obtain approval may result in cost disallowance.

C. FIXED RATES:
If a fixed rate is in this Agreement, it is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined, an adjustment will be made to a rate of a future year(s) to compensate for the difference between the rates used to establish the fixed rate and actual costs.

D. USE BY OTHER FEDERAL AGENCIES:
The rates in this Agreement were approved in accordance with the authority in Office of Management and Budget Circular A-21 Circular, and should be applied to grants, contracts and other agreements covered by this Circular, subject to any limitations as above. The organization may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

E. OTHER:
If any Federal contract, grant or other agreement is reimbursing facilities and administrative costs by a means other than the approved rate(s) in this Agreement, the organization should (1) credit such costs to the affected programs, and (2) apply the approved rate(s) to the appropriate base to identify the proper amount of facilities and administrative costs allocable to these programs.

BY THE INSTITUTION:
University of Minnesota
Office of Sponsored Projects

(SIGNATURE)

Pamela A. Webb

(NAME)

Associate VP for Research Admin

(TITLE)

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(SIGNATURE)

Henry Williams

(NAME)

DIRECTOR, DIVISION OF COST ALLOCATION:

(TITLE) CENTRAL STATES FIELD OFFICE

(DATE) 10/30/07

Fax: (214) 767-3454

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