



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

Agreement Date: January 2, 2008

NEGOTIATION AGREEMENT

Institution: GEORGIA INSTITUTE OF TECHNOLOGY
 GEORGIA TECH RESEARCH CORPORATION
 ATLANTA, GEORGIA 30332

The Facilities and Administrative (F&A) and Fringe Benefit rates contained herein are for use on grants, contracts and/or other agreements issued or awarded to the Georgia Institute of Technology/Georgia Tech Research Corporation (GIT/GTRC) by all Federal Agencies of the United States of America, in accordance with the provisions and cost principles mandated by 2 CFR 220 (formerly OMB Circular A-21). These rates shall be used for forward pricing and billing purposes for GIT/GTRC's Fiscal Years 2008 and 2009. This rate agreement supersedes all previous rate agreements for Fiscal Years 2008 and 2009.

SECTION I: RATES - TYPE: PREDETERMINED (Pred)
 FIXED WITH CARRYFORWARD PROVISIONS (Fixed)

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE</u>	<u>BASE</u>	<u>APPLICABLE TO</u>	<u>LOCATION</u>
<u>Facilities And Administrative Rates (Indirect Cost Rates)</u>						
Pred	7/1/07	6/30/09	51.0%	(a)	Organized Research (1)	RI*
Pred	7/1/07	6/30/09	55.5%	(a)	Organized Research (2)	RI
Pred	7/1/07	6/30/09	51.0%	(a)	Sponsored Instruction	RI
Pred	7/1/07	6/30/09	35.0%	(a)	Other Sponsored Activity	RI
<u>Fringe Benefit Rates</u>						
Fixed	7/1/07	6/30/08	26.4%	(b)	All Programs	RI
Fixed	7/1/07	6/30/08	1.3%	(c)	All Programs	RI

*Resident Instruction

DISTRIBUTION BASE

(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 each (regardless of the period covered by the subgrant or subcontract); and excluding equipment (defined as having a useful life of more than two years, and an acquisition cost of \$5,000 or more per unit), capital expenditures, charges for tuition remission, rental costs (except rental costs for equipment or facilities that are charged direct to a sponsored agreement), scholarships and fellowships, as well as the portion of each subgrant and subcontract in excess of \$25,000.

(b) Salaries and wages of (i) regular full-time faculty, (ii) principal investigators, (iii)

professional and administrative staff, (iv) joint staff, (v) temporary academic or research professionals participating in Institute retirement programs and group health and life insurance, (vi) bi-weekly permanent employees and (vii) part-time employees who work 50 percent but less than 100 percent of a full-time work schedule.

(c) Salaries and wages of employees who participate in all or part of the social security program but do not participate in retirement or group health and life insurance plans. This rate covers (i) temporary classified persons, (ii) temporary academic or research professionals not eligible for the retirement programs or group health or life insurance coverage, (iii) student employees who are registered for less than a full academic load and (iv) part-time employees employed for less than 50 percent of a full work schedule.

APPLICABLE TO

(1) Applies to all DoD contracts awarded before November 30, 1993, all Non-DoD Instruments, and all DoD Grants.

(2) Applies only to 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 G, hereof.

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 negotiating 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 negotiated. 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. FIXED RATES WITH CARRYFORWARD PROVISIONS: The fixed rates

contained in this agreement are based on estimates of costs for FY 2008. When actual costs for this fiscal year are determined, adjustments will be applied to a future rate negotiation to recognize the difference between the FY 2008 estimated costs used to establish the fixed rates and the negotiated actual FY 2008 costs.


E. LIQUIDATION OF PRIOR YEAR CARRYFORWARD AMOUNTS: The Fringe Benefits rates set forward in section I of this agreement are inclusive of the FY 2006 final carryforward amounts of \$2,776,511 under-recovery for Full Benefits and \$7,123 over-recovery for Partial Benefits, which are liquidated in their entirety.

F. USE BY OTHER FEDERAL AGENCIES: The rates set forth in Section I 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 and contracts 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 sponsored agreements using these rates or to otherwise provide such agencies with documentary notice of this agreement and its terms and conditions.

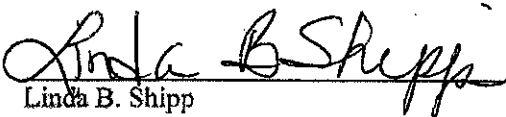
G. APPLICATION OF INDIRECT COST RATES TO DoD CONTRACTS/ SUBCONTRACTS: In accordance with DFARS 231.303, no limitation (unless waived by the institution) may be placed on the reimbursement of otherwise allowable indirect costs incurred by an institution of higher education under a DOD contract awarded 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 (2) of Section I, as explained under the title "APPLICABLE TO" do not reflect the application of the 26% limitation on administrative indirect costs imposed by 2 CFR 220 whereas (1) does so.

GEORGIA INSTITUTE OF TECHNOLOGY
GEORGIA TECH RESEARCH CORP.

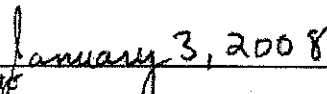
FOR THE U.S GOVERNMENT




Jilda D. Garton
Associate Vice Provost for
Research/GTRC General Manager



Linda B. Shipp
Contracting Officer



Date



Date

For information concerning this agreement contact:

Linda B. Shipp (linda.shipp@navy.mil), (703) 696-8559
Office of Naval Research, Indirect Cost Branch (ONR 242, Rm 368)
875 North Randolph Street, Arlington, VA 22203-1995

INDIVIDUAL RATE COMPONENTS

Institution: Georgia Institute of Technology
 Georgia Tech Research Corporation, Resident Instruction


Period: FY 2008 - 2009

Location Rate is Applicable to: All

Type of Rate: Predetermined

	Organized Research	Instruction	Other Sponsored Activity
Negotiation Base - MTDC (000's):	\$ 132,702	\$ 211,867	\$ 31,563
ADMINISTRATIVE			
Gen Adm	6.35%	6.37%	6.37%
DA	13.73%	20.59%	13.73%
DA - Allowance	3.60%	3.60%	3.60%
DA-GTRC	1.98%	0.00%	1.02%
Sponsored Projects Adm	3.36%	0.16%	1.83%
Student Services	1.48%	4.24%	0.21%
Administrative Cap Adjustment	(4.50%)	(8.96%)	(0.76%)
Subtotal	26.0%	26.0%	26.0%
FACILITIES			
Depreciation - Buildings & Improvements	5.93%	4.66%	1.80%
Depreciation - Equipment	6.27%	2.73%	0.82%
Interest	1.11%	1.00%	0.32%
O&M	10.69%	10.80%	5.67%
Library	1.03%	5.85%	0.60%
Subtotal	25.0%	25.0%	9.0%
 Total Capped Rate	 51.0%	 51.0%	 35.0%
Total Uncapped Rate (DoD Contracts)	55.5%	n/a	n/a

FOR THE INSTITUTION:

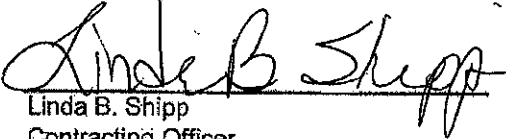


 Jilda D. Garton
 Associate Vice President for Research
 GTRC General Manager

January 3, 2008

 Date

FOR THE GOVERNMENT:



 Linda B. Shipp
 Contracting Officer

1-4-08

 Date