COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN #: 1362170136A1

INSTITUTION: Illinois Institute of Technology
3300 South Federal Street
Room 201
Chicago, IL 60616-3793

DATE: August 18, 1997

FILING REF.: The preceding Agreement was dated July 18, 1997

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>06/01/96 05/31/97</td>
<td>56.0</td>
<td>On Campus</td>
<td>Organized Research</td>
</tr>
<tr>
<td>PRED.</td>
<td>06/01/97 05/31/00</td>
<td>50.0</td>
<td>On Campus</td>
<td>Organized Research</td>
</tr>
<tr>
<td>PRED.</td>
<td>06/01/96 05/31/00</td>
<td>26.0</td>
<td>Off Campus</td>
<td>Organized Research</td>
</tr>
<tr>
<td>PRED.</td>
<td>06/01/96 05/31/00</td>
<td>3.0</td>
<td>Moffett Ctr.</td>
<td>All Programs(1)</td>
</tr>
<tr>
<td>PRED.</td>
<td>06/30/96 05/31/00</td>
<td>34.0</td>
<td>On Campus</td>
<td>ESA's</td>
</tr>
<tr>
<td>PRED.</td>
<td>06/01/96 05/31/00</td>
<td>26.0</td>
<td>Off Campus</td>
<td>ESA's</td>
</tr>
<tr>
<td>PROV.</td>
<td>06/30/00 UNTIL AMENDED</td>
<td>Use same rates and conditions as those cited for fiscal year ending May 31, 2000.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Pertains only to projects performed at the Institute-owned Moffett Center, Bedford Park, Illinois.

*BASE:
Total direct costs excluding capital expenditures (buildings, individual items of equipment; alterations and renovations), that portion of each subaward in excess of $25,000; hospitalization and other fees associated with patient care whether the services are obtained from an owned, related or third party hospital or other medical facility; rental/maintenance of off-site activities; student tuition remission and student support costs (e.g., student aid, stipends, dependency allowances, scholarships, fellowships).
TREATMENT OF FRINGE BENEFITS:
Fringe benefits are specifically identified to each employee and are charged individually as direct costs. The directly claimed fringe benefits 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. Actual costs will be apportioned between on-campus and off-campus components. Each portion will bear the appropriate rate.

Equipment Definition -
Through fiscal year ended 05/31/96, equipment means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of $500 or more per unit. Effective 06/01/96, the acquisition cost of equipment, as defined above, is $1,000 or more per unit.

FRINGE BENEFITS:

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>FICA</td>
<td>Tuition Remission</td>
</tr>
<tr>
<td>Retirement</td>
<td>Unemployment Insurance</td>
</tr>
<tr>
<td>Disability Insurance</td>
<td>Health Insurance</td>
</tr>
<tr>
<td>Life Insurance</td>
<td>Dental Insurance</td>
</tr>
</tbody>
</table>

Workmen’s Compensation is included in the Indirect Cost pool.
AGREEMENT DATE: August 18, 1997

SECTION III: 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 pools as finally accepted; such costs are legal obligations of the organization and are allowable under the governing cost principles; (2) The same costs that 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. Changes 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 disallowances.

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 costs 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 in 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:
Illinois Institute of Technology

[INSTITUTION]

Kevin O'Sullivan

[Signature]

Kevin O'Sullivan

(NAME)

Assistant VP for Business & Finance

(TITLE)

10/10/97

(DATE)

BY THE Cognizant AGENCY
ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

[AGENCY]

Merle M. Schmidt

[Signature]

Merle M. Schmidt

(NAME)

Director, Division of Cost Allocation

(TITLE)

August 18, 1997

(DATE)

HHS REPRESENTATIVE: Henry Williams

Telephone: (214) 767-3261 x406