NONPROFIT RATE AGREEMENT

EIN: 
ORGANIZATION: Desert Research Institute 
2215 Raggio Parkway 
Reno, NV 89512-1095 

DATE: 01/16/2014 
FILING REF.: The preceding agreement was dated 06/28/2013 

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: INDIRECT COST RATES

<table>
<thead>
<tr>
<th>RATE TYPES:</th>
<th>FIXED</th>
<th>FINAL</th>
<th>PROV. (PROVISIONAL)</th>
<th>PRED. (?PREDETERMINED)</th>
</tr>
</thead>
</table>

**EFFECTIVE PERIOD**

<table>
<thead>
<tr>
<th>TYPE</th>
<th>FROM</th>
<th>TO</th>
<th>RATE(%)</th>
<th>LOCATION</th>
<th>APPLICABLE TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROV.</td>
<td>07/01/2013</td>
<td>06/30/2015</td>
<td>66.50</td>
<td>On-Site</td>
<td>All Programs</td>
</tr>
<tr>
<td>PROV.</td>
<td>07/01/2013</td>
<td>06/30/2015</td>
<td>44.00</td>
<td>Off-Site</td>
<td>All Programs</td>
</tr>
</tbody>
</table>

*BASIS*

Total direct costs excluding capital expenditures (building, individual items of equipment; alterations and renovations), and that portion of each subaward in excess of $25,000.
ORGANIZATION: Desert Research Institute
AGREEMENT DATE: 1/16/2014

SECTION I: FRINGE BENEFIT RATES**

<table>
<thead>
<tr>
<th>TYPE</th>
<th>FROM</th>
<th>TO</th>
<th>RATE(%)</th>
<th>LOCATION</th>
<th>APPLICABLE TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIXED</td>
<td>7/1/2013</td>
<td>6/30/2014</td>
<td>46.60</td>
<td>All</td>
<td>Professional</td>
</tr>
<tr>
<td>FIXED</td>
<td>7/1/2013</td>
<td>6/30/2014</td>
<td>34.60</td>
<td>All</td>
<td>Post Doctoral</td>
</tr>
<tr>
<td>FIXED</td>
<td>7/1/2013</td>
<td>6/30/2014</td>
<td>50.30</td>
<td>All</td>
<td>Technical</td>
</tr>
<tr>
<td>FIXED</td>
<td>7/1/2013</td>
<td>6/30/2014</td>
<td>21.10</td>
<td>All</td>
<td>Graduate Students</td>
</tr>
<tr>
<td>FIXED</td>
<td>7/1/2013</td>
<td>6/30/2014</td>
<td>4.30</td>
<td>All</td>
<td>Hourly/Letter of Appointment</td>
</tr>
<tr>
<td>PROV.</td>
<td>7/1/2014</td>
<td>Until amended</td>
<td>(1)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

** DESCRIPTION OF FRINGE BENEFITS RATE BASE:
Salaries and wages excluding vacation, sick leave pay and other paid absences.

(1) Use same rates and conditions as those cited for fiscal year ending June 30, 2014.
SECTION II: SPECIAL REMARKS

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
The costs of vacation, sick leave pay and other paid absences are included in the organization's fringe benefit rate and are not included in the direct cost of salaries and wages. Claims for direct salaries and wages must exclude those amounts paid or accrued to employees for periods when they are on vacation, sick leave or are otherwise absent from work.

DEFINITION OF OFF-SITE
A project is considered off-site if the activity is conducted at locations other than in University or Institution owned facilities and indirect costs associated with physical plant and library are not considered applicable to the project.

DEFINITION OF EQUIPMENT
Equipment is defined as tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of 5,000 or more per unit.

The following fringe benefits are included in the fringe benefit rate(s): FICRA, HEALTH INSURANCE, VACATION, SICK LEAVE, UNEMPLOYMENT, GRANT-IN-AID, DISABILITY INSURANCE, MEDICARE, AND RETIREMENT PLAN.

NEXT PROPOSAL DUE DATES
An indirect cost proposal based on actual costs for fiscal year ending 06/30/14, will be due no later than 12/31/14.
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 indirect cost pool 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 indirect costs are not claimed as direct costs; (3) similar types of costs have been accounted 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 indirect 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-112, and should be applied to grants, contracts and other agreements covered by this Circular, subject to any limitations in A 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 indirect 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 indirect costs allocable to those programs.

BY THE INSTITUTION:
Desert Research Institute

(SIGNATURE) Elric Oppenheim

(NAME) Sr. VP for Finance + Admin, CCO

(TITLE) 2/15/14

ON BEHALF OF THE FEDERAL GOVERNMENT:
DEPARTMENT OF HEALTH AND HUMAN SERVICES

(SIGNATURE) Arif Karim

(NAME) Director, Division of Cost Allocation

(TITLE) 1/16/2014

(NOTE) 0117

HHS REPRESENTATIVE: Ernest Willard

Telephone: (415) 437-7820