NEGOTIATION AGREEMENT

INSTITUTION:  NEW MEXICO STATE UNIVERSITY
LAS CRUCES, NM 88003-8001

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 New Mexico State University by all Federal Agencies of the United States of America, in accordance with the cost principles mandated by 2 CFR Part 200. These rates shall be used for forward pricing and billing purposes for the New Mexico State University’s Fiscal Year 2018. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Year 2018.

Section I: RATES - TYPE: FIXED (FIXED)

<table>
<thead>
<tr>
<th>F&amp;A Rates:</th>
<th>Type</th>
<th>From</th>
<th>To</th>
<th>Rate</th>
<th>Base</th>
<th>Applicable To*</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fixed</td>
<td>07/01/17</td>
<td>06/30/18</td>
<td>(a)</td>
<td>PSL Organized Research (1)</td>
<td>On Campus</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fixed</td>
<td>07/01/17</td>
<td>06/30/18</td>
<td>(a)</td>
<td>PSL Organized Research (1)</td>
<td>Off Campus</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fixed</td>
<td>07/01/17</td>
<td>06/30/18</td>
<td>(a)</td>
<td>PSL Organized Research (2)</td>
<td>On Campus</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fixed</td>
<td>07/01/17</td>
<td>06/30/18</td>
<td>(a)</td>
<td>PSL Organized Research (2)</td>
<td>Off Campus</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fringe Benefit Rates:</th>
<th>Type</th>
<th>From</th>
<th>To</th>
<th>Rate</th>
<th>Base</th>
<th>Applicable To</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fixed</td>
<td>07/01/17</td>
<td>06/30/18</td>
<td>36.00%</td>
<td>(b)</td>
<td>Regular Employees</td>
<td>Main Campus</td>
</tr>
<tr>
<td></td>
<td>Fixed</td>
<td>07/01/17</td>
<td>06/30/18</td>
<td>(b)</td>
<td>Regular Employees</td>
<td>PSL</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fixed</td>
<td>07/01/17</td>
<td>06/30/18</td>
<td>20.10%</td>
<td>(b)</td>
<td>Non-Regular Employees</td>
<td>All</td>
</tr>
<tr>
<td></td>
<td>Fixed</td>
<td>07/01/17</td>
<td>06/30/18</td>
<td>1.00%</td>
<td>(b)</td>
<td>Student Employees</td>
<td>All</td>
</tr>
<tr>
<td></td>
<td>Fixed</td>
<td>07/01/17</td>
<td>06/30/18</td>
<td>1.00%</td>
<td>(c)</td>
<td>Graduate Assistant</td>
<td>PSL</td>
</tr>
<tr>
<td></td>
<td>Fixed</td>
<td>07/01/17</td>
<td>06/30/18</td>
<td>(c)</td>
<td>PSL Leave</td>
<td>PSL</td>
<td></td>
</tr>
</tbody>
</table>

*PSL – Physical Sciences Laboratory
DISTRIBUTION BASES

(a) Modified Total Direct Costs (MTDC) means all direct salaries and wages, applicable
fringe benefits, materials and supplies, services, travel, and up to the first $25,000 of each
subaward (regardless of the period of performance of the subawards under the award). MTDC
excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission,
scholarships and fellowships, participant support costs and the portion of each subaward in
excess of $25,000.
(b) Direct staff salaries and wages (including overtime expense, straight or premium) and
employee leave benefits.
(c) Direct staff salaries and wages (excluding overtime expense, straight or premium)

APPLICABLE TO

(1) Applies to DOD contracts awarded before November 30, 1993, all Non-DOD Instruments,
and all DOD grants and other agreements (See Section II, paragraph F). (Capped)
(2) 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, paragraph F). (Uncapped)

SECTION II - GENERAL TERMS AND CONDITIONS

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, 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
recipient were included in its indirect cost pool as finally accepted and that all such costs are
legal obligations of the recipient 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, in like circumstances, have been accorded consistent accounting treatment; (4) that the
information provided by the recipient, which was used as the basis for the acceptance of the rates
agreed to herein and expressly relied upon by the Government in negotiating 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 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, require the 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 to obtain such approval may result in subsequent cost disallowances.

C. FIXED RATES WITH CARRY-FORWARD PROVISIONS: The fixed rates contained in
this agreement are based on estimates of the costs for FY 2018. When actual costs for this fiscal
year are determined, adjustments will be applied to the next subsequent rate negotiation to recognize the difference between the FY 2018 estimated costs used to establish the fixed rates and the negotiated actual FY 2018 costs.

D. Carry Forward Amounts: The following carry-forward amounts were considered in the establishment of the above fixed rates:

<table>
<thead>
<tr>
<th>Rate</th>
<th>FY 14 Estimated</th>
<th>FY 15 Estimated</th>
<th>FY 16 Estimated</th>
<th>Total CFW</th>
</tr>
</thead>
<tbody>
<tr>
<td>F&amp;A</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PSL Research On Campus Capped</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PSL Research Off Campus Capped</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PSL Research On Campus Uncapped</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PSL Research Off Campus Uncapped</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fringe Benefit</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Main Campus Regular Employees</td>
<td>$0</td>
<td>$115,000</td>
<td>$0</td>
<td>$115,000</td>
</tr>
<tr>
<td>PSL Regular Employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-regular Employees</td>
<td>$0</td>
<td>$87,114</td>
<td>($86,614)</td>
<td>$500</td>
</tr>
<tr>
<td>Student Employees</td>
<td>$0</td>
<td>$3,833</td>
<td>$3,167</td>
<td>$7,000</td>
</tr>
<tr>
<td>Graduate Assistant Employees</td>
<td></td>
<td>$13,797</td>
<td>($1,797)</td>
<td>$12,000</td>
</tr>
</tbody>
</table>

E. 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 Part 200. Accordingly, such rates shall be applied to the extent provided in such regulations to grants, contracts and other agreements to which 2 CFR Part 200 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 to provide such agencies with documentary notice of this agreement and its terms and conditions.

F. APPLICATION OF INDIRECT COST RATES TO DOD CONTRACTS: In accordance with DFARS 231.303, for New Mexico State University’s PSL Organized Research Rate, 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 limitation on administrative indirect costs imposed by 2 CFR Part 200, whereas (1) does so.

G. SPECIAL REMARKS: The Government’s agreement with the rates set forth in Section I is not an acceptance of New Mexico State University’s accounting practices or methodologies. Any
reliance by the Government on cost data or methodologies submitted by New Mexico State University is on a non-precedence-setting basis and does not imply Government acceptance.

Accepted:

FOR NEW MEXICO STATE UNIVERSITY

[Signature]
Angela Throneberry
Senior V.P. for Administration & Finance

6/19/17
Date

FOR THE U.S GOVERNMENT:

[Signature]
Betty J. Tingle
Contracting Officer

6/19/17
Date

For information concerning this Agreement contact:
Betty Tingle, Office of Naval Research, Phone: 703.696.7742, Email: betty.tingle@navy.mil