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**

<table>
<thead>
<tr>
<th>TYPE</th>
<th>EFFECTIVE PERIOD</th>
<th>RATE(%)</th>
<th>LOCATIONS</th>
<th>APPLICABLE TO</th>
</tr>
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<tbody>
<tr>
<td>PRED. 07/01/06 06/30/07</td>
<td>48.5</td>
<td>On-Campus</td>
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<td>OSA</td>
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</tr>
<tr>
<td>PROV. 07/01/07 UNTIL AMENDED</td>
<td>Use same rates and conditions as those cited for fiscal year ending June 30, 2007.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*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, student 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.
INSTITUTION:
University of Maine System

AGREEMENT DATE: April 30, 2007

SECTION I: FRINGE BENEFITS RATES**

<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>FIXED</td>
<td>07/01/06 06/30/07</td>
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<td>All</td>
<td>NonFaculty-Temp</td>
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<tr>
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<td>All Other Employees</td>
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<td>40.9</td>
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<td>All Other Employees</td>
</tr>
</tbody>
</table>

**DESCRIPTION OF FRINGE BENEFITS RATE BASE:
Salaries and wages.

(2)
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.

1. The rates cited herein are applicable to all universities of the University of Maine System which include but are not limited to Augusta, Machias, Southern Maine, Orono, Farmington, Presque Isle, Fort Kent, and System Wide Services.

2. Use of Off-Campus Indirect Cost Rate: The use of the off-campus rate is determined by agreement between the University and individual grantor agencies. If projects are principally conducted on-campus with occasional trips off-campus, the project is assumed to be utilizing campus facilities and the on-campus rate is used. If projects are principally conducted off-campus with occasional trips on-campus, the off-campus rates are used.

3. Equipment means an article of nonexpendable tangible personal property having a useful life of more than one year and an acquisition cost of $5000 or more per unit.

4. 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 8, 1996. No rate affecting the institution's fiscal periods beginning on or after October 1, 1991 contains total administrative cost components in excess of that 26 percent cap.

5. The fringe benefits rate consists of FICA, Worker's Compensation, Dental Insurance, Unemployment Insurance, Tuition, Medical Insurance, Long Term Disability, Life Insurance, Pension, Sabbaticals, TIRA/CREF and the change in the accumulated unused vacation leave liability.

Effective 7/1/99 tuition support for dependents of University of Maine employees is no longer an allowable fringe benefit expense and is not included in the approved rates.

This Rate Agreement updates Fringe Benefit Rates only.
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 created 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-11 Circular, 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 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 Maine System

(SIGNATURE)
Joanne Yestrawski
(NAME)
CFO & Treasurer
(TITLE)
May 2, 2007
(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(SIGNATURE)
Robert L. Aaronson
(NAME)
DIRECTOR, DIVISION OF COST ALLOCATION
(TITLE)
April 10, 2007
(DATE) 0479

LEG REPRESENTATIVE: Council Moore
Telephone: (212) 264-2069