COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN #: 1576000722A2

INSTITUTION:
Medical University of South Carolina
19 Hagood Avenue, Suite 608
P.O. Box 250806
Charleston SC 29425-1024

DATE: November 28, 2005
FILING REF.: The preceding Agreement was dated June 17, 2005

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>
</thead>
<tbody>
<tr>
<td>PRED.</td>
<td>07/01/03 06/30/05</td>
<td>46.0</td>
<td>On-Campus</td>
<td>Organized Research</td>
</tr>
<tr>
<td>PRED.</td>
<td>07/01/03 06/30/05</td>
<td>35.9</td>
<td>On-Campus</td>
<td>Instruction</td>
</tr>
<tr>
<td>PRED.</td>
<td>07/01/03 06/30/05</td>
<td>30.0</td>
<td>On-Campus</td>
<td>Other Spon Act</td>
</tr>
<tr>
<td>PRED.</td>
<td>07/01/03 06/30/05</td>
<td>26.0</td>
<td>Off-Campus</td>
<td>All Activities</td>
</tr>
<tr>
<td>PROV.</td>
<td>07/01/05 UNTIL AMENDED</td>
<td>Use same rates and conditions as those cited for fiscal year ending June 30, 2005.</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, 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.
**SECTION I: FRINGE BENEFITS RATES**

<table>
<thead>
<tr>
<th>RATE TYPES: FIXED</th>
<th>EFFECTIVE PERIOD</th>
<th>RATE(%)</th>
<th>LOCATIONS</th>
<th>APPLICABLE TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIXED</td>
<td>07/01/04 06/30/05</td>
<td>28.2</td>
<td>All</td>
<td>Staff</td>
</tr>
<tr>
<td>FIXED</td>
<td>07/01/04 06/30/05</td>
<td>17.9</td>
<td>All</td>
<td>Post Docs/Temps</td>
</tr>
<tr>
<td>FIXED</td>
<td>07/01/05 06/30/06</td>
<td>5.2</td>
<td>All</td>
<td>Student/Temp-No Bene</td>
</tr>
<tr>
<td>FIXED</td>
<td>07/01/05 06/30/06</td>
<td>28.6</td>
<td>All</td>
<td>Staff</td>
</tr>
<tr>
<td>FIXED</td>
<td>07/01/05 06/30/06</td>
<td>19.3</td>
<td>All</td>
<td>Post Docs/Temps</td>
</tr>
<tr>
<td>FIXED</td>
<td>07/01/05 06/30/06</td>
<td>12.1</td>
<td>All</td>
<td>PhD Students</td>
</tr>
<tr>
<td>FIXED</td>
<td>07/01/05 06/30/06</td>
<td>5.7</td>
<td>All</td>
<td>Stud/Temp - Ltd Bene</td>
</tr>
</tbody>
</table>

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

Use same rates and conditions as those cited for fiscal year ending June 30, 2006.
INSTITUTION:
Medical University of South Carolina

AGREEMENT DATE: November 28, 2005

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:
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 are not made for the costs of these paid absences.

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. Grants or contracts will not be subject to more than one F&A cost rate. If more than 50% of a project is performed off-campus, the off-campus rate will apply to the entire project.

Fringe Benefits include: FICA/Medicare, Retirement, Deferred Compensation, Health & Dental Insurance, Unemployment Insurance, Workers Compensation, Termination Pay, Employee Tuition Assistance, Sabbatical Leave, Employee Assistance Program and Employee Health Services.

Equipment means an article of nonexpendable tangible personal property having a useful life of more than one year, and an acquisition cost of $5,000 or more per unit.

Effective October 1, 2005, the rates in this agreement are also applicable to grants and contracts awarded to the University of South Carolina Research Foundation (USCRF).

APPLICATION OF INDIRECT COST RATES TO DOD CONTRACTS/SUBcontracts:

In accordance with DFARS 2231.303, 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 following rates do not reflect the application of the 26% limitation on administrative indirect costs imposed by OMB Circular A-21.

<table>
<thead>
<tr>
<th>PRED.</th>
<th>03/01/02 to 06/30/05</th>
<th>49%</th>
<th>On-Campus</th>
<th>Organized Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRED.</td>
<td>03/01/02 to 06/30/05</td>
<td>29%</td>
<td>Off-Campus</td>
<td>Organized Research</td>
</tr>
<tr>
<td>PROV.</td>
<td>07/01/05 Until Amended</td>
<td>Use same rates and conditions as FYE 06/30/05</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NOTES: This Rate Agreement is issued for the sole purpose of updating the inclusion of the USCRF. All other definitions from the previous Rate Agreement dated June 17, 2005 remain the same.
AGREEMENT DATE: November 28, 2005

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 A above. The organization may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

BY THE INSTITUTION:
Medical University of South Carolina

[Signature]
Patrick J. Wamsley
Chief Financial Officer
December 9, 2005

ON BEHALF OF THE FEDERAL GOVERNMENT:

[Signature]
William G. Logan
Chief Financial Officer
Division of Cost Allocation
November 28, 2005

NFRC REPRESENTATIVE: Steven Zuraf
Telephone: (202) 401-2008