Building a better working world

Statement of Work #2

This Statement of Work, dated December 2, 2016 (this "SOW"), is made by Ernst & Young LLP ("we" or "EY") and **The University of Akron** ("you" or "Client"), pursuant to the Agreement, dated August 23, 2016 (the "Agreement"), between EY and **The University of Akron**.

Except as otherwise set forth in this SOW, this SOW incorporates by reference, and is deemed to be a part of, the Agreement. The additional terms and conditions of this SOW shall apply only to the transaction advisory Services covered by this SOW and not to Services covered by any other Statement of Work pursuant to the Agreement. Capitalized terms used, but not otherwise defined, in this SOW shall have the meanings in the Agreement, and references in the Agreement to "you" or "Client" shall be deemed references to you.

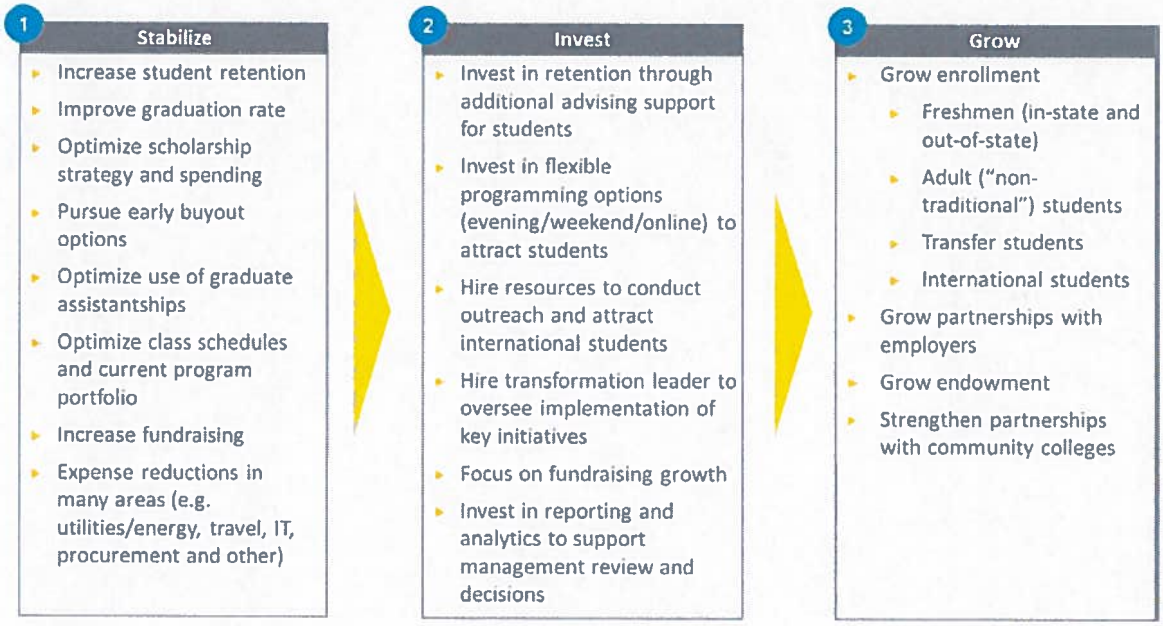
I. Scope of services

We will assist you as set forth below in connection with the Client's development and implementation of the Client's transformation plan (as described in Table 1 below), with a primary focus on the general fund and those funds that impact or are impacted by the general fund. The Client has identified a number of initiatives as key components of the transformation plan. These initiatives are listed in Table 2 on the page 3.

The Client will designate an individual on behalf of the University to coordinate broadly between Client and EY as to the implementation of and progress towards initiatives.

EY will provide Reports[1] to the Client as described in Sections II and III of this SOW #2.

Table 1: The University's Transformation Plan



[1] "Report" is defined in the General Terms and Conditions as including all information, advice, recommendations, templates or other content of any reports, presentations, or other communications we provide to you.

- The broad goals of the University's transformation plan are outlined in Table 1 above. The University's specific plan initiatives are identified in Table 2 on page 3. These initiatives fall into the following three broad categories:
    - Student-related
    - Faculty/staff-related
    - Non-personnel cost reduction initiatives
- The goal for the University's transformation plan is to achieve $45 million of revenue increases or cost savings prior to June 2019. The $45 million is equivalent to meeting ~68% of the cumulative two-year target goals set out in Table 2.
- Table 2 illustrates how Client's Leadership broke out the preliminary overall estimated revenue and/or cost savings targets by initiative:
    - The majority of initiatives labeled as Phase 1 have preliminary target estimates. These estimates are based on preliminary discussions among Client's Leadership and are subject to further refinement and validation by Client's Leadership, pending additional analysis of available data by EY, to be conducted under this Statement of Work.
    - The majority of initiatives labeled as Phase 2 do not yet have preliminary target estimates (hence the "TBD" next to these initiatives). Target estimates for these initiatives will be developed by Client's Leadership pending additional analysis of available data by EY, as requested by the Client, to be conducted under this Statement of Work.
- As stated in Section IX. Timetable, the initial Term for this SOW #2 will be from December 8, 2016 through June 30, 2017. During this time, EY will focus on initiatives labeled as Phase 1 (Priority 1) unless directed to reprioritize the initiatives by the Client.
- Table 2 notes whether the initiative is the sole responsibility of the Client or whether the initiative requires support from EY.
- Table 2 also identifies the Client representative responsible for each initiative (the "Lead"). The Lead person is responsible for convening the appropriate group or groups of Client's employees ("Working Groups"), and leading the Client's respective Working Groups through the Define, Design, Deliver, and Learn and Refine stages for each initiative.
- EY resources/staff will provide support to the Leads and Working Groups on selected initiatives as requested by the Client, as identified in Table 2. Additional description of EY resources (core team) is provided further below in Section V.

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Table 2: University's Transformation Plan – Key Initiatives and Client's Preliminary Targets

Initiative	Phase/ Priority	Client Responsibility and EY Support	Client Lead	FY 2018 Target	FY 2019 Target	2-Year Total
Student-related						
1. International student strategy	1	Client	President Wilson	$500,000	$4,000,000	$4,500,000
2. Student lifecycle/ retention strategies	1	Client with EY Support	John Messina	$4,500,000	$4,500,000	$9,000,000
3. Graduate student assistantships	1	Client with EY Support	Chand Midha	$1,000,000	$6,000,000	$7,000,000
4. Scholarship effectiveness	1	Client with EY Support	Diane Raybuck / Kimberly Gentile	$1,000,000	$6,000,000	$7,000,000
5. Flexible programs ("evening college")	1	Client with EY Support	Jarrod Tudor	$1,000,000	$2,500,000	$3,500,000
6. SSI funding	1	Client with EY Support	Chand Midha	$500,000	$1,000,000	$1,500,000
7. Enrollment increases	1	Client with EY Support	Lauri Thorpe	TBD*	TBD*	TBD
8. Athletics	1	Client with EY Support	Larry Williams	$1,000,000	$1,500,000	$2,000,000
9. Fundraising/gifts	1	Client with EY Support	Kim Cole	$1,000,000	$1,500,000	$2,500,000
10. Transfer student increases	2	Client with EY Support	Lauri Thorpe	TBD*	TBD*	TBD*
11. Residence hall occupancy increase	2	Client with EY Support	John Messina	TBD*	TBD*	TBD*
12. UARF restructuring	2	Client with EY Support	Nathan Mortimer	TBD*	TBD*	TBD*
SUBTOTAL				**$10,500,000**	**$27,000,000**	**$37,500,000**
Faculty/Staff-related						
13. Buyout	1	Client	Nathan Mortimer	$8,000,000	$12,000,000	$20,000,000
14. Adjunct faculty	1	Client with EY Support	Rex Ramsier	$1,500,000	$2,500,000	$4,000,000
15. Leadership structure	2	Client with EY Support	President Wilson	TBD*	TBD*	TBD*
16. Academic program optimization	2	Client with EY Support	Rex Ramsier	TBD*	TBD*	TBD*
SUBTOTAL				**$9,500,000**	**$14,500,000**	**$24,000,000**
Non-personnel cost reductions						
17. Utilities/energy spend	1	Client with EY Support	Nathan Mortimer	$300,000	$300,000	$600,000
18. IT spend	2	Client with EY Support	TBD	TBD*	TBD*	TBD*
19. Facilities	2	Client with EY Support	Nathan Mortimer	TBD*	TBD*	TBD*
20. Sourcing	2	Client with EY Support	Luba Cramer	$1,000,000	$1,000,000	$2,000,000
21. Auxiliaries	2	Client with EY Support	Nathan Mortimer	$500,000	$500,000	$1,000,000
22. Capital spend	2	Client with EY Support	Nathan Mortimer	TBD*	TBD*	TBD*
23. Travel spend	2	Client	Nathan Mortimer	$400,000	$400,000	$800,000
SUBTOTAL				**$2,200,000**	**$2,200,000**	**$4,400,000**
GRAND TOTAL**				**$22,200,000**	**$43,700,000**	**$65,900,000**

* *Target estimates for these initiatives will be developed by Client's Leadership pending additional analysis of available data by EY, as requested by the Client.*

** *Target: $45 million for 2-year period (68% of the $65.4 million total). Target set by Client's Leadership.*

Legend:

Client sole responsibility
Phase/Priority 1: Initiatives that require EY support, as determined by Client's Leadership. Prioritized by the Client for this Scope of Work (first 6 months). All work will not be completed in 6 months for this phase. Additional detail is provided on pages 7-9 of this document.
Phase/Priority 2: Initiatives that require EY support, as determined by Client's Leadership. Next level of priority.

II. Nature of EY support: Data and analytics

EY will provide analytics support to enable:

(a) Data-informed recommendations at the Working Group level:

- Work with initiative leads to help identify core questions for Working Groups to address
- Help identify data elements required to conduct analysis and answer key questions
- Provide advice to Client staff supporting analyses for Working Groups on how to present data to facilitate insight generation and recommendation/option generation
- When necessary and requested by Client, conduct supporting analysis and present analysis output in formats that facilitate discussions about specific options and trade-offs, and enable Working Groups to make recommendations

(b) Data-informed decision-making at the Client Leadership level:

- Work with designated Client Leadership (e.g. Senior Vice President and Provost) to develop a performance tracking system and dashboard customized to the needs of the Client. Elements may include:
    - Assisting Client in developing a template for a reporting dashboard for various Client Leadership (e.g. Board of Trustees, President/Provost; Deans; and other Client leaders)
    - Populate dashboards using data provided and synthesized by Client's staff, with guidance from EY
    - Identify data that might be currently missing/not tracked and help Client develop plan to collect and track this data
    - Create a monthly reporting package that incorporates key trends based on the key data
    - Facilitate the use of analytics dashboards and monthly reporting package by Client decision makers to inform key decisions to be made by Client and highlight areas for further evaluation
    - Advise Client on roadmap for future analytics and performance monitoring plan through:
        - Supporting the Client in developing appropriate processes to collect and track data
        - Assisting the Client in identifying any system/application barriers that may need to be corrected or improved
        - Advising the Client on the development of relevant analytics training for key Client personnel designated to assist with performance monitoring and evaluation

III. Methodologies

EY anticipates that each initiative will follow a similar four step-process. EY will undertake the following types of activities to support the efforts of the Client Leadership and Working Groups. These activities are expressed in general terms below, but if necessary and requested by Client and implemented, will be aligned to the specific needs of the initiatives that are highlighted in Table 2 as requiring EY support:

(a) Define:

- Support Client Leads in kicking off the initiative by providing recommendations for initial initiative steps (e.g. formation of appropriate groups, agreement on core objectives, challenges to be addressed, etc.)
- Support Working Groups with rapid assessment of the current status of the initiative area through interviews and data and analytics support:
    - Depending on the needs of the Working Group, this may be limited to providing initial guidance on the types of questions to answer and the data needed to answer these questions, or may include conducting the actual analyses to address specific questions (if the Client does not have sufficient capacity to undertake the analyses).
- Assist Client to: summarize, present and assess current status of the initiative area; and assist Working Groups and Client Leadership in formulating recommendations

(b) Design:

- Support Working Groups in the design of options to improve the current situation, with the goal of realizing the revenue (or cost) targets identified in Table 1.
- Assist Working Groups to estimate the financial impact of each option.
- Assist Working Groups to articulate the pros and cons of the options prioritized by the Working Groups, to advise on decision-making at the Client Leadership level

(c) Deliver:

- Support Working Groups to create recommended implementation plans
- Assist Client Leadership to identify individuals and departments potentially necessary to implement initiatives and to define the scope of responsibility for those individuals
- Assist Client Leadership to develop metrics to track initiative progress, and to design dashboards and processes to track and evaluate initiative performance on key metrics
- Assist Client Leadership to track the potential financial impact of each initiative and to assess whether each initiative is on track to meet revenue (or cost savings) targets

(d) Learn and Refine:

- Assist Client Leadership in developing a repetitive/recurring approach to analytics and reporting within the institution:

  - Assist Client Leadership to institute a process to track and report out on performance, by initiative and overall, with key Client constituents (e.g., deans, heads of administrative units, Board)

- If any initiative appears not to be meeting its revenue (or cost savings) target, assist the Client to identify strategies to meet targets or to revise initiative goals
- Prepare a Report(s) as needed by Client Leadership based on transformation plan development and implementation. It is anticipated that EY may assist Client's Leadership in preparing analyses and recommendations to be presented to the Client's President and its Board of Trustees in executive session in anticipation that the Reports will involve matters subject to confidentiality pursuant to Ohio Revised Code Section 121.22(G).

Potential Cash Flow Forecasting, based on Client-defined assumptions: If Client requests assistance with identifying and tracking cash flow information and projections related to initiative progress, EY may provide the following services:

- Assist Client with reporting monthly comparison of budget to actual financial performance
- Assist Client with development of longer-term forecasting based on Client-defined assumptions, including:
  - determination and validation of the financial impact associated with various cost reduction initiatives and strategies;
  - development of implementation plan for cost reduction initiatives;
  - development of five-year financial forecast, incorporating impact of initiatives and relevant assumptions
- Assist Client with cash flow monitoring and forecasting, based on Client-defined assumptions, including:
  - development of monthly cash-flow projections through FY18;
  - identification of potential risks and opportunities in the cash forecast;
  - establishment of reporting process for unrestricted cash (i.e. General Fund and Auxiliaries cash) in order to monitor cash sources and uses on a weekly basis;
  - assessment of the impact of cost reduction initiatives and strategies on unrestricted cash balance;
  - development and assessment of cash conservation initiatives and strategies, if necessary;
  - reporting of cash flow activity, forecasts, and variance analysis to Board members

IV. Sample areas of analysis – selected initiatives

The following are potential key questions for which EY would offer assistance within the context of each initiative. These key questions are not intended to be comprehensive; rather they represent the types of analyses needed to provide Client with options to consider for each initiative:

Student Lifecycle and Retention Strategies

- What are Client's current student retention trends? How does retention differ across various student segments?
- Which colleges appear to be doing a better job with retention and why? What practices are they following that could be applied elsewhere?
- What are the strengths and challenges of Client's current student advising models?
- What are the "red flags" that can indicate a student is at risk of stopping out? How can the Client engage with those students to support their success?
- What strategies and actions have other universities taken to successfully increase student retention?
- How can Client's current advising and student support strategy be adjusted to deepen student engagement and increase student retention?

Graduate Assistantships (GAs)

- How does total spending and spending per student compare across other Ohio higher education institutions (relevant benchmarks)?
- How many graduate assistants are there across the Client by school, discipline, and degree program?
- How many of these students are teaching vs. conducting research vs. performing administrative duties?
- How much is each student receiving for stipends by degree? From Client or from external? What is the potential to include some portion of GA cost in grants?
- How much is each student receiving in tuition waivers? How many are paying vs getting free tuition for each degree? Are there degrees that have only free tuition?
- How much SSI funding does Client receive per graduate student receiving a stipend?
- How much would it cost to replace a GA? (E.g., a part time faculty member)
- Could existing some or all GAs be deployed more strategically, e.g., in support of student retention strategies (tutoring, advising, mentoring, learning communities, etc.)?
- What are the options to reduce cost – cost savings and cost avoidance?

Scholarship Effectiveness

- What is the breakout of scholarship dollars by:
    - Athletics vs. non-athletics admits
    - Level of academic performance
    - Location/origin (e.g., county)

  - High school
  - Program of study/selected major
- What is the range of grants? What percentage of the student's tuition does this represent? Are students with higher scholarships more likely to return, year-over-year?
- What is the "return" on an investment in scholarships?
  - What is the retention rate for students with scholarships? E.g., what percentage of first time full time freshmen return for their sophomore year?
  - How does this retention rate vary by level of academic performance, school/selected major?
  - What is the graduation rate for students with scholarships (if available)?
- What might be the financial impact of changing the scholarship strategy?
  - E.g., simplifying the model
  - Giving out lower scholarships but guaranteeing scholarship for duration of stay with the Client and awarding additional scholarship dollars if certain performance criteria are met

Flexible Programming

- What programmatic areas are in-demand in the local labor market? What can we learn from secondary sources (such as Bureau of Labor Statistics, Ohio Department of Commerce, or Akron Chamber of Commerce) and what can we learn directly from Ohio (Akron) employers?
- What can Client learn from local competitors? What flexible programs already exist at other local colleges and universities, and at what price points?
- Are there programmatic areas with unmet demand?
- How do Client's programmatic strengths align with identified opportunities for flexible programming?
- What additional staff and capabilities does Client need to develop and manage the additional programming?
- What is the breakeven size of these programs (to cover marginal/operating expenses)?
- How do these new programs impact current faculty load models?

SSI Funding:

- How are at-risk students captured in the SSI formula?
- What is the maximum at-risk SSI benefit?
- How are the student factors included in the at-risk definition tracked and reported today? Is the Client sure it is fully capturing all risk factors in order to maximize the at-risk SSI component?
- What is the impact of performance improvement/deterioration of at-risk students relative to other students?

Enrollment Increases

- What is the effect of recent initiatives on student enrollment? Overall, by county of origin, by student segment?
- What other initiatives could allow the Client to grow enrollment of first-time full-time freshmen?
- What preliminary target will the Client set for FY18 and FY19 enrollment increases?

Adjunct Faculty

- How many adjunct faculty are there, overall, school, by discipline, and by program?
- What is their workload and how are they compensated?
- How could the Client optimize the use of adjunct faculty, full-time faculty and GAs?
- Are there opportunities to consolidate/convert partial teaching loads to full-time roles?
- What is the financial impact of the different options under consideration?

Utilities/Energy Spend

- What are the terms of the Client's existing utilities contracts (including price, product structure, length of contract, market price at time of execution, market price at time of all commodity locks)?
- What opportunity exists to renegotiate contract terms?

V. EY resource considerations

The President and Provost of the Client will have access to a core team of EY resources (Tammy Izzo, Kasia Lundy, Mary Kryska, Dan Jerneycic, Tim Blackmun, Deven Patel, Jeremiah Peterson, Elliot Wagner, and Elise Lang). Other resources, with more specialized areas of experience, may be brought on at different points of the project to help assist on specific strategies. To the extent any staffing changes need to be made during the project, these staffing changes will be reviewed first with the Client.

We anticipate that in Phase 1, EY resources will be deployed approximately 85 to 90% of the time to the Data and Analytics activities described in Sections II, III and IV, which include the cash flow and budgeting as described in Section III. The remaining time would be spent on issues related to cost/expense reduction. This split of effort across the two core categories of work will be somewhat fluid from month to month, depending on the needs of the project.

VI. Limitations on scope

You have retained us to act solely as your advisor and not in any fiduciary or agency capacity, for you, any other entity, or on your behalf.

We have not been engaged to identify, address or correct any errors or defects in your computer systems (or those of the Business), other devices or components thereof ("Systems"), whether or not due to imprecise or ambiguous entry, storage, interpretation or processing or reporting of

data. However, should we encounter any such errors or defects during our analysis, we will identify such errors or defects to you. We will not be responsible for any defect or problem arising out of or related to data processing in any Systems.

We will not, in connection with the performance of the Services or otherwise, (i) act as a broker for the sale of any securities, (ii) solicit any potential buyer or seller (including you) to engage in any transaction, or (iii) act as a negotiator of a transaction.

VII. Your specific obligations

Except as otherwise provided in the Agreement between the parties, You will not, and you will not give permission to others to, quote or refer to the Reports, any portion, summary or abstract thereof, or to EY or any other EY Firm, in any document filed or distributed in connection with (i) a purchase or sale of securities to which the United States or state securities laws ("Securities Laws") are applicable, or (ii) periodic reporting obligations under Securities Laws. You will not contend that any provisions of Securities Laws could invalidate any provision of this Agreement.

We also draw your attention to the reservations set out in paragraph 5 of the General Terms and Conditions of the Agreement, as well as your management responsibilities under paragraph 6, your obligations under paragraphs 11 and 12, and your representation, as of the date hereof, under paragraph 26 thereof.

VIII. Specific additional terms and conditions

The Services are advisory in nature. EY will not render an assurance report or assurance opinion under the Agreement, nor will the Services constitute an audit, review or examination of any entity's financial statements or prospective financial statements in accordance with generally accepted auditing standards or other applicable professional standards. None of the Services or any Reports will constitute any legal opinion or advice. We will not conduct a review to detect fraud or illegal acts, nor will we render any opinion as to the fairness or advisability of the proposed transaction or any other transaction.

The provisions of this SOW that give either of us rights beyond its termination shall survive any such termination and shall survive if you file for bankruptcy under Chapter 9 of the United Bankruptcy Code, or otherwise. If you file for protection under Chapter 9, then we shall execute a new Agreement and SOW subject to approval by the bankruptcy Court.

Notwithstanding anything to the contrary in the Agreement or this SOW, we do not assume any responsibility for any third-party products, programs or services, their performance or compliance with your specifications or otherwise.

We will base any comments or recommendations as to the functional or technical capabilities of any products in use or being considered by you solely on information provided by their vendors, directly or through you. We are not responsible for the completeness or accuracy of any such information or for confirming any of it. We represent that we do not receive any benefit, including financial, as a result of our recommending any third party products, programs or services.

EY and other EY Firms may render professional services to a potential buyer of any of your

business or assets, in connection with your proposed restructuring or otherwise. You agree, in general, that any EY Firm may render services to such potential buyers, as long as (a) no member of the EY team performing Services under this SOW (the "EY Team") is part of any team advising or serving other clients in connection with a transaction involving you or the Business while Services under this SOW are being performed, and (b) the EY Team does not disclose to any other such team any confidential information relating to you or the Business (except as required by applicable law, regulation or professional obligation), in either case without your prior written consent. If we identify any such potential buyer while Services under this SOW are being performed, we will ask you specifically to confirm that the EY Firm may perform such services for such buyer.

Your ability to achieve any business plan, estimates of future cash flow, and/or any restructuring plan depends upon a variety of factors, including, without limitation, (a) future market conditions for your services, (b) future capital market conditions, (c) the cost and availability of financing and external funding, (d) the ability of your management to implement your business plan successfully, (e) your ability to retain and attract key management personnel, (f) your reputation among your customers and suppliers, and (g) the cost and availability of materials and services. We make no representation or warranty, and assume no responsibility with respect to any of these factors or with respect to your estimated cash flows, fair values or business plans or the assumptions underlying any thereof. You assume full responsibility for all such assumptions, as well as for their reasonableness, and for the implementation and ultimate achievability of any of your business plans, strategies, or estimates.

You represent and warrant that the prospective financial information (the "PFI") you provide us in connection with these Services (i) presents, to the best of your knowledge, your expected financial position, results of operations, and cash flows for the PFI period and (ii) is based on assumptions reflecting both the conditions you expect to exist and the course of action you expect to take during the PFI period. We will not examine, compile, or apply agreed-upon procedures to the PFI in accordance with attestation standards established by the AICPA, and we will not express any opinion, conclusion or assurance of any kind on the PFI presented.

You shall disclose to us any known information that might affect the ultimate realization of the PFI results. Your assumptions should have a reasonably objective basis and you shall provide appropriate documentation supporting your assumptions. We will make factual findings and observations about specific assumptions and components of the PFI where we have sufficient evidence of a reasonable basis for them. Except as otherwise provided in the Agreement or this SOW #2, we will not prepare, assemble or gather information necessary to prepare the PFI or the assumptions underlying it, nor will we assist you to do so. If we are unable to conclude that your underlying assumptions provide a reasonable basis for the PFI, or if we determine that your documentation supporting your assumptions is insufficient, we may be unable to complete the Services and will not include the PFI in the Reports.

There usually will be differences between the PFI and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. The Reports will contain a statement to that effect. We have no responsibility to update the Reports in light of events or circumstances occurring after the completion of the Report.

Except as otherwise provided in this Agreement and SOW #2, we will not prepare, assemble, formulate, develop or process the PFI data or assumptions used to generate the PFI. Our Reports may include tables aggregating quantified vulnerabilities to illustrate the effects of possible alternative assumptions. These tables, if presented, are not a restatement of the PFI, or preparation of revised PFI; they are provided as a means of summarizing our findings and to assist you in the assessment of their implications for the proposed transaction.

To facilitate performance of the Services, we may (and may, subject to additional terms and conditions, including license agreements, permit your authorized representatives to) use, certain software and tools that allow us to collaborate with you electronically, including Ernst & Young *eRoom* (collectively, "Collaboration Tools"). You shall not, and shall not permit third parties to, copy or modify any Collaboration Tools, or decompile, reverse engineer, or in any way derive any source code from, or create any derivative work of, any Collaboration Tools. COLLABORATION TOOLS ARE PROVIDED "AS IS," AND NONE OF EY OR ANY OTHER PARTY INVOLVED IN THE CREATION, PRODUCTION OR DELIVERY OF ANY COLLABORATION TOOL MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO ANY ENGAGEMENT TOOL, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR USE, NON-INFRINGEMENT, TITLE, OR THAT THE OPERATION OF ANY COLLABORATION TOOL WILL BE UNINTERRUPTED, ERROR FREE OR THAT IT WILL BE COMPATIBLE WITH ANY OF YOUR HARDWARE OR SOFTWARE. EY WILL NOT SUPPORT, MAINTAIN OR UPGRADE ANY COLLABORATION TOOL EXCEPT AS NECESSARY FOR CLIENT TO PERFORM ITS OBLIGATIONS HEREUNDER. YOU ASSUME SOLE RESPONSIBILITY FOR YOUR OWN USE OF ANY COLLABORATION TOOL AND THE RESULTS THEREOF, EXCEPT TO THE EXTENT THAT THE RESULTS ARE PREPARED BY EY. Your use of Collaboration Tools (or use on your behalf) is not a substitute for any documentation or system of records you must create or maintain pursuant to law, including, without limitation, Internal Revenue Code Section 6001. You alone are responsible for maintaining separate copies of any documentation you input into any Collaboration Tool.

The Reports will be based on facts of which EY is aware, estimates, assumptions and other information derived from its research, knowledge of the industry and meetings with you or your advisors. We will state our information sources and the basis of our estimates and assumptions in any presentation and in any written Reports. All such estimates and assumptions are inherently subject to uncertainty and variation depending upon future events, which cannot be accurately foreseen. Our estimates will in any event be based on general economic conditions as they exist on the date of the analysis and will not contemplate the potential for any sudden or sharp rise or decline in those conditions. We make no representation, and give no assurance, that any estimates or results can or will be achieved. Actual results may vary materially from the estimates presented.

After the Services under this SOW have been completed, we may disclose to present or prospective clients, or otherwise in our marketing materials, that we have performed the Services for you, and we may use your name in a non-endorsing manner solely for that purpose, in accordance with applicable professional obligations. In addition, we may use your name,

trademark, service mark and logo only as reasonably necessary to perform the Services and in correspondence, including proposals, from us to you.

IX. Timetable

Unless otherwise agreed, and subject to the General Terms and Conditions of the Agreement, the initial Term for this SOW #2 will be from December 8, 2016 through June 30, 2017. The SOW #2 thereafter shall continue on a month-to-month basis automatically, but in no event shall be extended beyond December 31, 2018. Notwithstanding the foregoing, either party may terminate this SOW #2 at any time by providing no less than thirty (30) days prior written notice to the other party.

X. Contacts

You have identified Mr. Matthew Wilson as your contact with whom we should communicate about these Services. Your contact at EY for these Services will be Tammy Izzo.

XI. Fees

The General Terms and Conditions of the Agreement address our fees and expenses generally.

For this SOW #2, fees will be fixed at $200,000 per month plus reasonable expenses for the work performed for the period from December 8, 2016 through June 30, 2017. Should the parties extend this SOW #2 pursuant to Article IX above, the fee: (a) will remain fixed at $200,000 per month plus reasonable expenses through December 31, 2017; and (b) thereafter will be fixed at $150,000 per month plus reasonable expenses through December 31, 2018. This scope will continue to be prioritized by the Client based on estimated financial impact towards the University's transformation plan.

EY will be reimbursed for all reasonable and necessary expenses including, but not limited to, transportation costs, lodging, food and messenger services related specifically to this SOW #2.

EY shall provide invoices monthly as of the 23rd of the month in arrears for that month's services under this SOW #2. (The only exception to this format will be for services performed in June. For the month of June only, EY will submit its invoice in advance, so that EY can meet its year-end close obligations.) Requests for reimbursement of reasonable expenses shall be specific and EY shall provide supporting documentation upon request by Client monthly on a separate invoice. Description of services provided, manpower allocated and hours will be provided by EY monthly. All EY travel must be consistent with University reimbursement guidelines. In the event the staffing, timetable, scope, or fees need to be amended and/or extended, EY will work in conjunction with the Client. Any such modification shall be subject to the prior written approval of Client.

If you terminate the contract with EY prior to the end of the then-current term for reasons other than breach or non-performance by EY, you will be responsible for paying only for any unbilled fees for services provided by EY up until the notice of termination. The contract is a fixed fee to allow consistency in budgeting and cash flow for the Client during this transformation period which requires significant assistance.

All payment for open invoices must be paid by June 24th for our year-end close.

Except as otherwise provided in the Agreement, your obligation to pay our fees and expenses is not contingent upon the results of the Services or the consummation of any proposed transaction; but is contingent upon our performance of the Services in accordance with this Statement of Work and the Agreement.

In witness whereof, the parties have executed this SOW as of the date set forth above.

Ernst & Young LLP

By: _____
Tamara Izzo
Coordinating Partner

The University of Akron

By: _____
Matthew J. Wilson
President