

PRESIDENT'S EMPLOYMENT AGREEMENT

This Agreement is made between the **BOARD OF TRUSTEES OF THE UNIVERSITY OF AKRON**, 302 East Buchtel Common, Akron, Ohio 44325 ("**Board**"), and Dr. Scott L. Scarborough ("**President**" or "**Dr. Scarborough**") to be effective as of the 1st day of July, 2014.

WITNESSETH, THAT:

WHEREAS, the Board wishes to employ Dr. Scarborough as President of The University of Akron ("**University**") and Dr. Scarborough wishes to serve as President and be its employee, subject to the terms of this Agreement and applicable law;

WHEREAS, both the Board and Dr. Scarborough desire to set forth their respective rights and obligations in this Agreement; and

WHEREAS, this Agreement has been duly approved and its execution has been duly authorized or ratified by the Board at the regular meeting of the Board of Trustees held on June 11, 2014.

NOW, THEREFORE, in consideration of the covenants and agreements set forth herein, the adequacy and sufficiency of which are hereby acknowledged, the President and the Board agree as follows:

1.0 Appointment as President.

1.1 The Board hereby appoints and employs Dr. Scarborough to be The President of The University, and to serve as the chief executive officer of The University under policies, rules, supervision, and direction of its Board and its Executive Officers (Chairperson and Vice Chairpersons). The President hereby accepts and agrees to such employment.

1.2 The President shall perform all duties in accordance with federal, state and local law, the terms of this Agreement, and the rules of the Board as adopted and from time to time hereafter amended and which by custom and practice are performed by a State of Ohio public university president including, but not limited to the following:

1.2.1 Institutional, faculty, and educational leadership;

1.2.2 Fund raising, development, public, government and alumni relations;

1.2.3 Long-range strategic planning; budget formulation; administration of the affairs of The University as best serves The University consistent with Board policy;

1.2.4 Student recruitment and services; faculty recruitment;

1.2.5 Appointing, supervising, promoting, and dismissing employees in accord with law and Board policies;

1.2.6 Recommending regulations, rules, and procedures useful for the welfare of The University; and

1.2.7 Performing such other duties commensurate with his position that President may from time to time be assigned by the Board.

2.0 Devote Best Efforts to the Work as President.

2.1 The President agrees to faithfully, industriously, and with maximum application of experience, ability, and talent, devote full-time attention and energies to the duties as President of The University.

2.2 Such duties shall be rendered at the campus of The University in Akron, Ohio, and at such other place or places as the Board or the President shall deem appropriate for the interest, needs, business, or opportunity of The University.

2.3 The President shall not, without prior written permission from the Board, render services of any professional nature to or for any person or firm for remuneration other than to the Board, and shall absolutely not engage in any activity that may reasonably be deemed competitive with or adverse to the best interest of the Board or The University. The President shall not engage in any activity or conduct in violation of Ohio's ethics laws applicable to public officers and public employees. The making of passive and personal investments and the conduct of private personal business affairs shall not be prohibited hereunder.

2.4 The Board agrees that certain outside activities by the President advance and enhance the image of The University. Among these are memberships on corporate boards, memberships on boards and committees of national bodies and community organizations and holding of office in such national bodies or community organizations. Further, the President may accept invitations for speaking engagements and accept honoraria therefor so long as such engagements do not unreasonably interfere with the performance of his other duties. Before accepting any appointment to a corporate board or committee, the President shall first inform and obtain the approval of the Chair of the Board, which approval shall not be unreasonably withheld.

3.0 Term of Appointment; Evaluation; Renewal.

3.1 Unless earlier terminated as provided for in this Agreement or unless extended by mutual written agreement of the parties, this Agreement shall terminate on June 30, 2019. The parties shall meet no later than October 1, 2018 to discuss renewal, extension or non-renewal of this Agreement.

3.2 It is the expectation of the parties that each year, a committee of Board appointed by the Chairman of the Board shall meet with the President to evaluate and discuss the President's performance. To aid the Board in such annual job performance reviews, (a) the President agrees to furnish such oral and written reports as may be reasonably required by the Board, and (b) the Board shall provide the President metrics which the Board shall use to measure the President's performance. Such metrics shall be developed by the Board based on consultation with the Board's compensation consultants and the President.

4.0 Compensation.

4.1 For all services rendered under this Agreement, the Board shall pay the President an annual base salary of Four Hundred Fifty Thousand Dollars (\$450,000) commencing as of the effective date of this Agreement and payable in equal monthly installments, less applicable deductions and withholding. The parties acknowledge and agree that deductions for the President's portion (as an employee) of The University-provided employee benefits costs, if any such benefits are elected, shall be taken from the President's base salary amount, subject to group health care plan costs adjustments applicable to all of The University employees.

4.2 The President's annual base salary shall be reviewed annually by the Board and may be adjusted at the discretion of the Board. Such annual salary review will be in conjunction with a review of the performance of the President by the Board or a Board committee. Merit increases for the President will be considered and determined by the Board on no less than an annual basis during the term of this Agreement. The Board generally acts upon recommendations regarding merit increases at its April meeting each year. However, such recommendations may be considered by the Board at other meetings as appropriate. Merit increases to base salary are considered separate from the incentive compensation plan (i.e., performance bonus) for the President.

4.3 The President shall be responsible for any federal, state or local income tax liability incurred as a result of payments made as compensation or benefits provided to the President pursuant to this Agreement.

4.4 The Board and the President shall work together to craft a mutually agreeable incentive compensation plan (i.e., performance bonus), the terms of which shall be reduced to writing and made part of this Agreement. The annual maximum amount of the performance bonus payout shall be Eighty Thousand Dollars (\$80,000.)

4.5 During the term of this Agreement, the Personnel and Compensation Committee of the Board, or such Special Committee of the Board as may be appointed by the Chairman of the Board, shall generally meet in March of each year to begin the process of setting and reviewing goals and performance with the President. The results of this process shall be reviewed with the entire Board and shall provide the basis upon which both goals, other than those made part of any incentive compensation plan, shall be mutually established by the Board and the President. Such mutually established goals shall be reduced in writing annually and made a part of this Agreement. The evaluation of the President's performance for awarding merit increases shall include consideration of the duties and responsibilities as outlined in Sections 1.0 and 2.0 of this Agreement, any other achievements of the President not expressly referenced herein, as well as meeting mutually established performance goals which shall constitute the basis for any incentive compensation (i.e., performance bonus).

5.0 Insurance, Retirement, Deferred Compensation, and Benefits.

5.1 The Board shall make available to the President health care and term life insurance coverage and disability insurance in accord with its employer-provided plans applicable to faculty and contract professionals. An annual physical examination for the President shall be

provided by the Board at no cost to the President at a mutually agreeable facility, with results made available to the Chairperson and Vice Chairpersons of the Board; or, at the President's election and subject to the prior written approval of the Chairperson of the Board, the President shall be reimbursed annually up to \$2,500 for the costs of other wellness or health-related services or equipment incurred by the President.

5.3 The President shall be an employee of the University of Akron for the purposes of being covered by Workers' Compensation.

5.4 The University shall establish and maintain for the benefit of the President a plan described in Section 403(b) of the Code to which The University shall annually contribute to a funding vehicle maintained in connection with such Code Section 403(b) plan (TIAA/CREF or another eligible funding vehicle as selected by The University) an amount equal Eighty Thousand Dollars (\$80,000). It is understood by the parties that, as used in this Section 5.4, the term "compensation" shall be subject to the dollar limitation imposed under Sections 403(b)(12)(A)(i) and 401(a)(17) of the Code.

5.5 The President shall be eligible for retirement benefits under the applicable Ohio public retirement system or Alternative Retirement Plan (ARP), at President's option and as permitted by law.

5.6 The President's natural and adoptive children shall be entitled to receive full undergraduate and graduate tuition and fee benefits at any of the thirteen (13) four-year public universities in Ohio through the academic term in which they shall attain the age of 26.

6.0 Sick Leave.

6.1 The President shall be allowed fifteen (15) regularly scheduled workdays (Monday through Friday) of sick leave per year, which may be accumulated without limit, and administered in accord with the Board policy applicable to twelve-month full time contract professionals.

7.0 Housing.

7.1 As a condition of the President's employment, the President shall be provided with and be expected to reside in the University's Presidential residence. The University will maintain the facility at University expense, including but not limited to providing for normal repairs, maintenance and necessary replacements, housekeeping maintenance such as carpet and window cleaning as necessary, payment of utilities, and landscaping and grounds maintenance and snow removal. The parties shall mutually decide what furnishings for such housing will be provided by the President and what furnishings shall be provided by The University. The University will provide insurance for all such furnishings. From time to time, The University may make improvements to the House to maintain its utility and value for use as a University Residence.

7.2 The parties acknowledge and agree that to carry out various duties and responsibilities of the President of The University, the President shall from time to time entertain visiting dignitaries and community leaders, hold receptions, meetings, fund raising or otherwise host a variety of events for mixed business and social purposes benefiting the interests of The

University. In such instances, cooking, catering, and/or housekeeping services shall be provided and/or paid for by The University at the President's request.

7.3 The Board shall pay all necessary and appropriate cleaning expenses for the housing contemplated by this Section 7.0.

7.4 Should the President die while employed by the Board and actively working as President, the President's spouse shall be permitted, without cost, to remain in the housing contemplated by this Section 7.0 for not less than ninety (90) days following the President's death, and The University shall pay up to \$15,000 in moving expenses for the President's spouse to move from such housing during or at the end of that ninety (90) day period.

7.5 Except in the case of termination for cause, as provided for in Section 15.1 of this Agreement, upon the conclusion of the President's service as President of the University, the University will reimburse him for necessary and reasonable moving expenses. Prior to incurring such expenses, the President will present to the Chair of the Board an estimate of the anticipated moving expenses.

7.6 The University shall include on the President's W-2, any required reporting for tax purposes.

7.7 The current University President has resided in the Residence since 1999, and shall not vacate the Residence until July 1, 2014. It is anticipated that The University will need a period of time after July 1, 2014 to prepare the Residence for occupancy, including but not limited to performing some or all of the following activities at the University's discretion: conduct and/or provide for repairs, maintenance, replacements and improvements, renovations, furnishings as mutually agreeable, etc. It is anticipated that the University President's Residence shall not be available for occupancy for a reasonable period of time following July 1, 2014 in order to effect the above, and therefore the University shall provide at University expense alternate living facilities for the President until such time as the University Residence shall be ready for occupancy by the President.

8.0 Automobile.

8.1 During the term of this Agreement, the University shall provide to the President a stipend of \$1,500.00 per month to be applied toward the purchase or lease of an automobile for the business and personal use of President. Any automobile expense beyond the amount of the monthly stipend as well as any liability, collision and comprehensive insurance and all additional operational expenses associated with the use of said automobile shall be procured and borne by the President. The President shall be entitled to submit for reimbursement of business mileage in accord with University rules. The University shall, in accordance with applicable Internal Revenue Service authority, include in the President's compensation for income tax purposes only the value attributable to the President's non-business use of said automobile.

9.0 Professional Dues and Meetings.

9.1 The Board will provide and pay for reasonable expenses incurred by the President to attend educational conferences, conventions, courses, seminars, and other similar professional growth activities, including membership in professional organizations.

10.0 Travel, Entertainment and Incidental Expenses.

10.1 The Board shall pay or reimburse the President and President's spouse for reasonable entertainment expenses, travel expenses, hotel bills, and other necessary and proper expenses in accord with established travel and expense reimbursement policies of the Board, except that travel expense payments will be made or reimbursed on behalf of the President's spouse only when the presence of the President's spouse is reasonably appropriate or necessary to further the interests of The University. This provision shall be liberally construed to encourage the participation of the President's spouse.

10.2 The University shall reimburse the President for reasonable moving and relocation expenses in accordance with University Policy and applicable law, provided however that the maximum amount the University shall reimburse shall not exceed \$15,000.

11.0 Memberships in Service Organizations and Clubs.

11.1 The Board will provide the President, at The University's expense, with a family membership at the Portage Country Club and the Union Club (in both Cleveland and Columbus) in the name of (or on behalf of) The University, and shall pay monthly dues and expenses as provided under Board rules. The parties acknowledge and agree that based upon substantiation of information to be provided by the President, The University shall include in the President's compensation for income tax purposes only the value attributable to the President's non-business (i.e., personal) uses of such clubs.

11.2 The President agrees to maintain and furnish an accounting of expenses provided for in this Agreement in accord with standard requirements of The University.

12.0 Faculty Appointment

12.1 Upon appointment as President, the Board shall support and advocate his nomination as a faculty member in the College of Business as a full "Professor of Practice".

12.2 If this agreement is terminated for any reason other than for cause as provided in Section 15, the President shall have the option to become a full-time nine-month faculty member on the date this agreement terminates and receive an annual academic salary which shall be the greater of (a) the salary of the highest paid full-time faculty member at the College of Business of The University of Akron (adjusted for 12 months); or (b) 65% of the President's final annual base salary as President.

12.2.1 The full-time paid faculty appointment shall be for a period of not less than five years. If employee elects to become a full-time faculty member upon the termination

of this agreement, he shall have no rights to any severance or other payments provided for Section 15.3.

13.0 Vacations and Time Off.

13.1 The President shall be entitled annually to twenty-two (22) regularly scheduled days (Monday through Friday) of paid vacation in accord with established policies governing twelve-month appointments for faculty and contract professionals. Attendance at business and professional meetings and conferences shall not be construed as vacation time. Such vacation shall accumulate from year to year in accord with established University policies.

13.2 The President shall not take vacation, if such leave interferes with properly discharging the duties of President under the terms of this Agreement. The Board's verification of the President's compliance with this Section 13.2 shall be in accordance with the provisions of Section 25.0.

14.0 Working Facilities.

14.1 The President will be furnished with a private office, secretarial assistance, and such other facilities and services suitable to the position and adequate for the performance of the duties. Further, the Board recognizes that the President will perform many official University duties in his residence and agrees to furnish an office at the President's residence which will contain customary office furnishings and equipment such as a personal computer, fax machine, telephone, file cabinet, desk, desk chair, etc. Such furnishings and equipment shall at all times remain the property of The University.

15.0 Termination and Liquidated Damages.

15.1 **Termination by The Board for Cause.** Notwithstanding any Board rules pertaining to termination, the parties agree that the Board may terminate this Agreement at any time for "cause" without further liability under this Agreement, except for any earned but unpaid wages or vested benefits. "Cause" shall mean the any of the following:

15.1.1 Any conduct of the President that constitutes moral turpitude, or that would tend to bring public disrespect, contempt, or ridicule upon The University;

15.1.2 A material violation by the President of any law, rule, regulation, constitutional provision or by-law of The University, or local, state, or federal law, which, in the reasonable judgment of the Board, reflects adversely upon The University;

15.1.3 The President's prolonged absence from work without the Board's consent except such absence as is attributable to illness or disability or approved vacation;

15.1.4 Any misappropriation of the funds of the University;

15.1.5 A conviction or guilty, "no contest," or "Alford" plea to a felony; and

15.1.6 Any other material violation or neglect by the President of the duties, terms and conditions set forth in this Agreement, or refusal to perform such duties in good faith and to the best of President's abilities, any of which are not remedied after thirty (30) days written notice thereof to the President.

15.2 Termination by the Board Without Cause. The parties agree that the Board may terminate this Agreement prior to its normal expiration, without cause, as follows:

15.2.1 Regardless of any other provision of this Agreement, this Agreement shall terminate automatically, without further liability of the Board except for applicable medical, insurance and vested benefits provided in this Agreement, if the President dies.

15.2.2 Notwithstanding any reasonable accommodation which the Board may provide the President, if as a result of the President's disability or incapacitation, the Board reasonably deems the President incapable of performing the essential functions of his employment as President, the Board reserves the right to terminate this Agreement.

15.2.3 If the President: (1) dies or (2) becomes incapable of carrying out the duties of office, due to permanent disability and is terminated, the Board shall be liable to the President or the President's personal representative, as the case may be, for any accrued but unpaid compensation together with a proportionate part of any other compensation and benefits which would be due and payable to the President, or personal representative, as the case may be, by reason of death or disability during employment by the Board.

15.2.4 This Agreement may be terminated at any time by the Board by delivering to the President written notice of the Board's intent to terminate this Agreement without cause, which notice shall be effective one hundred twenty (120) days after the date the notice is delivered to the President.

15.3 Liquidated Damages. If The University terminates this Agreement without cause under Section 15.2.4 above, the President's employment obligations hereunder shall cease and the Board shall pay the President, as liquidated damages, an amount equal to 100% of the President's annual base salary on a monthly basis prorated over twelve (12) months following the effective date of the termination and shall be subject to the President's duty to mitigate as set forth below. The President will be entitled to continue to participate in The University's health insurance plan and group life insurance at the President's expense for up to twelve (12) months from the effective date of termination but will not be entitled to any other benefits except as otherwise provided or required by applicable law. In no case shall The University be liable for the loss of any collateral business opportunities or any other benefits, perquisites, or income from any sources that may ensue as a result of the Board's termination of this Agreement without cause. The parties have bargained for and agreed to the foregoing liquidated damages provision, giving consideration to the fact that termination of this Agreement by The University without cause prior to its natural expiration may cause loss to the President, which damages are extremely difficult to determine with certainty. The parties further agree that the payment of such liquidated damages by the Board and acceptance thereof by the President shall constitute adequate and reasonable compensation to the President for the damages and injury suffered.

15.4 **Mitigation of Damages.** Regardless of the liquidated damages provisions, the President agrees to mitigate the Board's obligations to pay liquidated damages under this Agreement, by making reasonable and diligent efforts to obtain other employment commensurate with the President's training and experience. After the President obtains such new employment, the Board's obligations to make monthly payments of liquidated damages under this Agreement shall be reduced by the amount of the President's new monthly direct, base compensation for the remaining months of the Board's obligations under the liquidated damages provision.

15.5 **Termination by President.** The President may terminate this Agreement and his employment as President at any time by the President delivering to the Board one hundred twenty (120) days advance written notice of such termination. Upon termination by the President of this Agreement by notice as provided in this Section 15.5, any further obligations of the Board under this Agreement to President shall cease and in no event shall The University be liable for the loss of any benefits, perquisites, or income from any other sources as a result of such termination.

16.0 Entire Agreement; Modification.

16.1 The parties acknowledge and agree that this document contains the entire Agreement of the President and the Board as to his employment effective July 1, 2014.

16.2 This Agreement can be changed or modified by the parties only in a writing signed by the President and the Board.

17.0 Severability.

The terms of this Agreement are severable such that if any term or provision is declared by a court of competent jurisdiction to be illegal, void, or unenforceable, the remainder of the provisions shall continue to be valid and enforceable.

18.0 Governing Law; Forum.

18.1 This Agreement shall be interpreted and construed in accordance with the laws of the State of Ohio. Claims arising under this Agreement or relating to the employment relationship between the parties shall be filed in the Ohio Court of Claims. If the Ohio Court of Claims does not have jurisdiction over the subject matter of the dispute, venue shall lie in the appropriate state or federal district court covering Summit County, Ohio.

18.2 This Presidential Employment Agreement shall be subject to the applicable provisions of Chapter 3345 of the Ohio Revised Code, including the performance evaluation, suspension of authority, duties and pay, and termination provisions required by Ohio Revised Code Section 3345.77.

19.0 Waiver.

No delay or failure to enforce any provision of this Agreement shall constitute a waiver or limitation of rights enforceable under this Agreement.

20.0 Non-Assignable.

This Agreement is not assignable but shall be binding upon the heirs, executors, administrators, personal representatives, successors, and assigns of both parties.

21.0 Compliance with State Law.

21.1 Payment of salary under this Agreement is subject to the appropriation of funds by the Ohio Legislature and to the determination of the adequacy of such funds for that purpose by the Board. However, the parties agree and understand that funding for The University comes from a number of sources other than appropriations by the State of Ohio. It is not the intention of the Board to use any reduction in appropriations as a reason to reduce the salary of the President if other funds are available for such purpose.

22.0 Survival of Certain Provisions.

The rights and obligations set forth in Sections [12.0], 15.0, and 24.0 shall survive any termination or expiration of this Agreement.

23.0 Counterparts.

This Agreement may be executed by the parties in counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same documents.

24.0 Mutual Covenants.

Each party to this Agreement recognizes the importance of continuing to develop and maintain healthy and constructive relationships, to consult often and communicate directly with the other, and to minimize conflict and win-lose situations. Each party to this Agreement recognizes that the members of the Board and the President, as public officials, are required to exercise their discretion and the related public interest in encouraging the vigorous exercise of their official authority and responsibility. Each party to this Agreement recognizes that universities are complex structures that involve multiple constituencies and generate multiple pressures that impinge on decision makers, including both the members of the Board and the President. Each party to this Agreement acknowledges that it is the responsibility of both parties to develop and maintain constructive relationships among and between the members of the Board, the Board and the President, and among and between The University's various constituencies. In carrying out their respective responsibilities, each party shall endeavor to support the other to achieve the greatest good for both The University and the taxpayers of the State of Ohio.

25.0 Assistance and Verification.

The Board designates its internal auditor or other designee to (i) assist the President in maintaining; and (ii) review and verify, appropriate records to satisfy the terms and conditions of this Agreement.

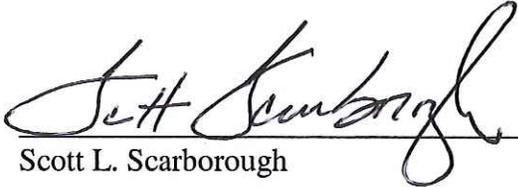
IN WITNESS WHEREOF, this Agreement is executed to be effective as of the date first set forth above.

THE UNIVERSITY OF AKRON

By: Richard W. Pogue

Its: Chairman

Date: 6/11/14


Scott L. Scarborough

Office of General Counsel
The University of Akron
Reviewed and Approved for
Legal Form and Sufficiency
By: [Signature]
Date: 6/11/2014

THE UNIVERSITY OF AKRON

RESOLUTION 7-12-14

First Addendum to President's Employment Agreement for

Dr. Scott L. Scarborough

WHEREAS, the **BOARD OF TRUSTEES OF THE UNIVERSITY OF AKRON**, ("**Board**"), and Dr. Scott L. Scarborough ("**President**" or "**Dr. Scarborough**") entered into a President's Employment Agreement to be effective as of the 1st day of July, 2014; and,

WHEREAS, the Board and Dr. Scarborough desire to amend the President's Employment Agreement; and,

WHEREAS, this Resolution shall constitute the First Addendum to the President's Employment Agreement, and upon execution thereof by the Chairman of the Board and by Dr. Scarborough, shall become a part of the President's Employment Agreement;

NOW, THEREFORE, in consideration of the covenants and agreements set forth herein, the adequacy and sufficiency of which are hereby acknowledged, the President and the Board agree to the following amendments to the President's Employment Agreement:

- A. Paragraph 5.4 of Section 5.0 of the President's Employment Agreement shall be amended as follows:

Section 5.0 Insurance, Retirement, Deferred Compensation, and Benefits

5.4 The University shall provide and maintain for the benefit of the President a plan described in Section 403(b) of the Code ("403(b) Plan") to which the University shall annually contribute to a funding vehicle maintained in connection with such 403(b) Plan (TIAA/CREF or another eligible funding vehicle as selected by the University) an amount equal to Eighty Thousand Dollars (\$80,000) ("University Contribution"). **Notwithstanding the foregoing, to the extent that the Code limits or prohibits such contributions from being made to the 403(b) Plan, the University shall contribute such amounts to a defined contribution plan that is a nonqualified deferred compensation plan.** It is understood by the parties that, as used in this Section 5.4, the term "compensation" shall be subject to the dollar limitation imposed under Sections 403(b)(12)(A)(i) and 401(a)(17) of the Code. **The University Contribution shall be contributed to the 403(b) Plan in substantially equal monthly installments.**

B. Paragraph 7.1 of Section 7.0 of the President's Employment Agreement shall be amended as follows:

Section 7.0 Housing

7.1 The University shall include on the President's W-2, any required reporting for tax purposes. In the event the University's Presidential Residence shall not satisfy the requirements of Treas. Reg. §119-1(b) for complete exclusion of the value of the Residence from the gross income of the University President, the University shall adopt the safe harbor provisions under Code §119(d) and include, on an annual basis, 5% of the appraised value of the Residence in the gross income of the University's President. In such event, inasmuch as the President is required as a condition of his employment to reside in the University's Presidential Residence, the University will make an additional payment to the President in an amount equal to the additional income tax incurred by the President due to this addition in his gross income.

C. Paragraph 8.1 of Section 8.0 of the President's Employment Agreement shall be amended as follows:

Section 8.0 Automobile

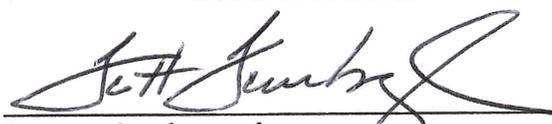
8.1. During the term of this Agreement, the University shall provide to the President a stipend of \$1,500.00 per month to be applied toward the purchase or lease of an automobile for the business and personal use of President. Any automobile expense beyond the amount of the monthly stipend as well as any liability, collision and comprehensive insurance and all additional operational expenses associated with the use of said automobile shall be procured and borne by the President. The President shall be entitled to submit for reimbursement of business mileage in accord with University rules. The University shall, in accordance with applicable Internal Revenue Service authority, include in the President's compensation for income tax purposes the total amount of the stipend as taxable income in the year paid, and the President shall be entitled to submit for reimbursement for business mileage in accordance with University policy. ~~only the value attributable to the President's non-business use of said automobile.~~



Ted A. Mallo, Secretary
Board of Trustees

THE UNIVERSITY OF AKRON

By: 
Richard W. Pogue, Chairman



Scott L. Scarborough

July 30, 2014

Second Addendum to President's Employment Agreement for

Dr. Scott L. Scarborough

WHEREAS, the Board of Trustees of The University of Akron ("Board"), and Dr. Scott L. Scarborough ("President") entered into a President's Employment Agreement to be effective as of the 1st day of July, 2014; and,

WHEREAS, Section 4.4 of the President's Employment Agreement provides, in part, that the Board and the President shall "...*work together to craft a mutually agreeable incentive compensation plan (i.e., performance bonus), the terms of which shall be reduced to writing and made a part of this Agreement...*"; and,

WHEREAS, the Board and the President have mutually agreed upon Incentive Compensation Goals for Fiscal Year 2015 in accord with Section 4.4 of the President's Employment Agreement and reduced such goals to writing so that they may be made a part of the President's Employment Agreement;

NOW, THEREFORE, in consideration of the covenants and agreements set forth herein, the adequacy and sufficiency of which are hereby acknowledged, the President and the Board agree to this Second Addendum in order to make the following Incentive Compensation Goals for Fiscal Year 2015 a part of the President's Employment Agreement and provide an assessment process for evaluation by the Board:

Incentive Compensation Goals for 2015

Major Goal: Identify and propose bold and strategic initiatives for the Board's consideration which are designed to raise the University of Akron's stature in Ohio and Nationally.

Supportive Goals:

1. Redesign the organizational structure of the Senior Management team that reports to the President and fill key positions.
2. Increase the diversity of the University's Senior Management team.
3. Analyze the University's financial condition as of June 30, 2014, and report financial strengths and deficiencies to the Board of Trustees.
4. Identify the key metrics by which University performance should be measured, and begin to build a reporting system by which those metrics are reported to the Board of Trustees.

5. Develop a fiscal year 2015-16 annual operating budget and capital plan that is cash flow positive and funds an acceptable level of capital investment as specified by the Board of Trustees.
6. Recommend plans to improve the performance of the following entities: (1) UPA, (2) ABIA, (3) E.J. Thomas, (4) Athletics, and (5) satellite campuses.
7. Recommend strategies to stabilize and increase University enrollment and graduation rates over a five-year period of time.
8. Recommend strategies to leverage the University's core strength in polymer research to grow polymer-related businesses in NE Ohio.
9. Pursue partnerships to leverage the University's core strengths, increase enrollments, and reduce administrative costs.

Assessment Process:

The Board and the President shall mutually agree upon the manner by which the President shall report to the Board on achievement of these goals (i.e. in writing or verbally). The Board shall meet with the President in Executive Session to assess achievement of these goals and award Incentive Compensation commensurate with the Board's assessment.

THE UNIVERSITY OF AKRON

By Richard W. Pogue
Richard W. Pogue, Chairman

Scott L. Scarborough
Scott L. Scarborough

Ted A. Mallo
Ted A. Mallo, Vice President &
General Counsel
Date _____

Third Addendum to President's Employment Agreement for

Dr. Scott L. Scarborough

WHEREAS, the Board of Trustees of The University of Akron ("Board"), and Dr. Scott L. Scarborough ("President") entered into a President's Employment Agreement to be effective as of the 1st day of July, 2014; and,

WHEREAS, Section 4.4 of the President's Employment Agreement provides, in part, that the Board and the President shall "...*work together to craft a mutually agreeable incentive compensation plan (i.e., performance bonus), the terms of which shall be reduced to writing and made a part of this Agreement...*"; and,

WHEREAS, the Board and the President have mutually agreed upon Incentive Compensation Goals for Fiscal Year 2016 in accord with Section 4.4 of the President's Employment Agreement and reduced such goals to writing, to be effective as of the first day of July, 2015, so that they may be made a part of the President's Employment Agreement;

NOW, THEREFORE, in consideration of the covenants and agreements set forth herein, the adequacy and sufficiency of which are hereby acknowledged, the President and the Board agree to this Third Addendum in order to make the following Incentive Compensation Goals for Fiscal Year 2016 a part of the President's Employment Agreement and provide an assessment process for evaluation by the Board:

Incentive Compensation Goals for Fiscal Year 2016

Major Goal: With a primary focus on student success, implement budget changes and strategic initiatives to strengthen the university's financial condition and stabilize the university's declining enrollment.

Supportive Goals:

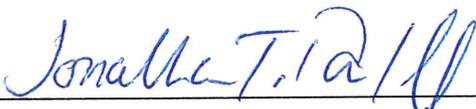
1. Improve student success measured by student retention, graduation rates and career placement.
2. Improve faculty and staff relations by embracing the principles of shared governance and collaborative decision making.
3. Improve relations with alumni, key donors and community members.
4. Address the declining enrollment trend through enhanced recruiting, improved student retention and new initiatives.

5. Stabilize the university's financial position by effectively implementing cost controls identified in the 2015-16 budget, identifying and developing plans to enhance revenue generation and developing a cash flow positive annual operating budget and capital plan for 2016-17.

Assessment Process:

The Board and the President shall mutually agree upon the manner by which the President shall report to the Board on achievement of these goals (i.e. in writing or verbally). The Board shall meet with the President in Executive Session to assess achievement of these goals and award Incentive Compensation commensurate with the Board's assessment.

THE UNIVERSITY OF AKRON

By 
Jonathan T. Pavloff, Chairman


Scott L. Scarborough


Ted A. Mallo, Vice President &
General Counsel