

EMPLOYMENT AGREEMENT ("AGREEMENT")

BETWEEN

ERIE COUNTY GAMING REVENUE AUTHORITY ("AUTHORITY")

AND

PERRY WOOD ("WOOD")

WHEREAS, the Authority and Wood desire to continue the Authority's employment of Wood as its Executive Director;

WHEREAS, the parties wish to confirm the terms of Wood's continued employment.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements herein, and intending to be legally bound hereby, the parties mutually agree as follows:

1. Employment. The Authority hereby agrees to continue employing Wood as its Executive Director, and Wood hereby accepts employment in the position, pursuant to the provisions set forth herein.

2. Term of Employment. Wood's employment hereunder shall continue for a period of three (3) years from April 1, 2014, or unless terminated sooner pursuant to paragraph 5 hereof.

3. Duties and Responsibilities.

(a) Wood shall continue to have the duties and responsibilities normally assigned to him in the past, subject to modification from time to time by the Authority, including, but not limited to:

- (i) supervising and managing the business affairs of the Authority;
- (ii) supervising and managing the employees of the Authority;
- (iii) implementing policies and procedures established by the Authority;
- (iv) developing and recommending the implementation of policies and procedures to the Authority;
- (v) monitoring and accounting for the monthly income and operating expenses of the Authority and providing monthly

reports to the Authority reflecting such income and operating expenses;

- (vi) preparing annual budgets, statements of financial condition and other financial reports in coordination with the Treasurer and the Authority's accountant;
- (vii) developing and recommending the implementation of a grant application process, including project applications, policies, procedures and guidelines relating to the disposition of gaming revenue, to the Authority, in coordination with Authority committees;
- (viii) evaluating grant applications for gaming revenue and recommending project applications and applicants to the Board, in coordination with Authority committees;
- (ix) developing and evaluating contracts and agreements in conjunction with the Authority's solicitor and, with the consent of the Authority, entering into contracts and agreements on behalf of the Authority;
- (x) serving on Authority committees and, with the consent of the Authority, serving on community task forces and other community groups;
- (xi) securing documents generated by the business operations of the Authority, including, but not limited to, the Authority's Charter, Bylaws, Rules and Procedures, Minutes and Resolutions, Authority policies and procedures, financial documents, agreements, grant applications, policies and procedures, application materials, exhibits and correspondence, and all other business records;
- (xii) managing, monitoring and reporting to the Authority with respect to the status of contracts approved by the Authority, distributed gaming revenue and projects awarded by the Authority;
- (xiii) developing and presenting to the Board, within three (3) months of complete execution of this Agreement, a metrics system by which Wood's performance shall be measured, subject to Board approval; and
- (xiv) performing faithfully, and to the best of his abilities, such other duties and obligations as may be assigned to him by the Authority from time to time.

(b) Wood's employment will be generally in accordance with the Authority's policies and procedures;

(c) Wood will report to the Board of Directors;

(d) Wood shall devote his exclusive, full-time efforts to the faithful, efficient and competent performance of his duties;

(e) Wood will promote the success and reputation of the Authority at all times and avoid all activities which are detrimental to the success and/or reputation of the Authority; and

4. Compensation, Insurance and Other Fringe Benefits. The Authority will provide Wood with the following:

(a) Compensation. Wood will receive an annual salary of eighty-five thousand dollars (\$85,000.00), payable in accordance with the Authority's usual payroll practices. Wood's salary shall be subject to a minimum annual increase equal to the annual percent change of the *CPI-U U.S. City Average: All Items Not Seasonally Adjusted, 1982-84 = 100 Reference Base*.

(i) The minimum annual increase shall be calculated through utilizing the following methodology:

Subtract the semiannual average index for the 2nd half of the preceding year from semiannual average index of the 2nd half of two years prior to determine the index point change. Divide the percent change of the 2nd half of two years prior (denominator) by the index point change (numerator) and multiply the result by 100% to determine the CPI-U change for the year.

(ii) Example Calculation:

CPI-U for 2 nd half 2012:	230.338
CPI-U for 2 nd half 2011:	<u>226.280</u>
Index point change:	4.058
Divided by 2 nd half 2011:	226.280
Equals:	.017934
Result x 100:	1.793353
Equals percent change:	1.8%

(b) Compensation Increase in Excess of Minimum Annual Increase.

In the Board's sole discretion, Wood may receive a salary increase in excess of the minimum salary increase. Any such increase, if offered by the Board, shall be based upon Wood's performance during the previous year as measured by the metrics system created and approved pursuant to Section 3(a)(xiii) of this Agreement. In no case shall any increase in excess of the minimum annual increase exceed three percent (3%) of the previous year's base salary.

(c) Insurance and Other Fringe Benefits.

The Authority shall provide Wood with a quarterly benefit offset payment of three thousand one hundred seventy-five dollars (\$3,175.00) in lieu of Wood availing himself of certain fringe benefits offered to other similarly situated employees of the Authority pursuant to its Personnel Policy. Such fringe benefits include medical, dental, and vision coverage and long and short term disability insurance. This benefit offset payment specifically does not include any retirement benefit offered by the Authority. The benefit offset payment may be reduced, in an amount determined by the Authority, in the event Wood avails himself of any or all of the fringe benefits identified in this paragraph.

(d) Expenses.

The Authority shall reimburse Wood for all out-of-pocket expenses incurred by him in the performance of his duties pursuant to this Agreement, and for any other expenses in excess of five hundred dollars (\$500.00) that have been authorized in advance by the Authority. Expense reimbursement shall be in accordance with the Authority's Personnel Policy. For the purposes of this provision, "out-of-pocket expenses" shall be determined to be those unbudgeted and individual purchases of goods or services that are necessary for the day-to-day operations of the Authority.

5. Termination.

(a) Termination for Cause.

Wood's employment is subject to immediate termination in the event he engages in any of the following:

- (i) Conduct that results in an investigation or legal proceedings against the Authority by a federal, state, county or municipal regulatory agency that results in a final negative finding or conviction;
- (ii) Conduct that threatens to bring Wood or the Authority into public disrepute, contempt, scandal or otherwise jeopardizes the reputation and/or success of the Authority;
- (iii) Commission of, conviction of and/or guilty plea of a felony;
- (iv) Material acts of theft, breach of fiduciary duty, or gross negligence;
- (v) Gross negligence and/or failure to satisfy his obligations under this Agreement, which is not corrected by Wood within

fifteen (15) days of his receipt of written notice by the Authority.

In the event Wood's employment hereunder is terminated for cause, he shall be entitled to payment of his salary and any applicable benefits through the date of separation but nothing further.

(b) Termination for Lack of Funding. The Authority shall have the right to terminate Wood's employment immediately in the event the Authority is dissolved, terminated or defunded. Should Wood's employment be terminated pursuant to this subparagraph, he shall be entitled to payment of his salary and any applicable benefits for a period of ninety (90) days from the date upon which the Authority notifies him, in writing, of its intent to terminate his employment.

6. Death or Disability of Wood. In the event Wood becomes disabled from the performance of his obligations under this Agreement, or dies during the term of this Agreement, his employment hereunder will be subject to termination and his right to any further compensation and benefits will cease. "Disability" will mean failure of Wood to fully perform his duties on a full-time basis for ninety (90) consecutive days as a result of Wood's incapacity due to physical or mental illness or injury.

7. No Conflict. Wood represents and warrants to the Authority that neither Wood's performing any obligation pursuant to this Agreement, nor the Executive's employment by the Authority, whether before or after the date of this Agreement, will violate or conflict with any obligation Wood has to any other person. If such representation or warranty is untrue or misleading in any respect, Wood shall indemnify and hold harmless the Authority from and against all claims, costs, damages, expenses, indebtedness, liabilities, and losses incurred by the Authority or arising in connection therewith.

8. Notice. Any notice required by this Agreement must be in writing and shall be considered given when mailed by registered mail, return receipt requested, to the following:

Authority: Erie County Gaming Revenue Authority
5240 Knowledge Parkway, Suite 1
Erie, PA 16510

Wood: Perry Wood
5763 Platinum Drive
Erie, PA 16510

9. Waiver. Waiver by the Authority of a breach of any provision of this Agreement by Wood shall not be considered as a waiver by the Authority of any subsequent breach by Wood.

Authority Wood

10. Assignment. All rights and obligations under this Agreement shall be personal to Wood and shall not be assignable by him. The rights and obligations of the Authority under this Agreement shall inure to the benefit of and shall be binding upon the Authority and its assigns.

11. Entire Agreement. This Agreement, including all attachments, contains the entire understanding between the parties hereto. There have been no oral or other agreements of any kind whatsoever as a condition, precedent or inducement to the signing of this Agreement or otherwise concerning this Agreement or the subject matter hereof. Any prior communications between the parties, including the Authority's representatives, which are not included in this Agreement, are not binding.

12. Modification. No changes, modifications or alterations of any of the terms and provisions contained in this Agreement shall be effective unless changed, modified or altered in writing and signed by both parties hereto.

13. No Third Party Rights. Nothing in this Agreement shall be construed as created or giving rise to any rights to any third parties or any persons other than the parties hereto, with the exception of the Authority.

14. Severability. In the event any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provisions are not contained herein. If, moreover, any one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to time, geographical scope, activity or subject, it shall be construed, by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable law as it shall then appear in the jurisdiction.

15. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania. All disputes arising under this Agreement shall be brought in either the Court of Common Pleas of Erie County, Pennsylvania or the United States District Court for the Western District of Pennsylvania, Erie Division.

16. Headings. Any headings preceding the text of the paragraphs hereof are inserted solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

[SIGNATURE PAGE TO FOLLOW]

Authority Wood

Executed by the parties this ____ day of _____, 20__, intending to be legally bound.

WITNESS/ATTEST:

PERRY WOOD

WITNESS/ATTEST:

ERIE COUNTY GAMING REVENUE
AUTHORITY

BY _____

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