

**SECOND AMENDMENT
TO
EMPLOYMENT AGREEMENT**

THIS SECOND AMENDMENT TO EMPLOYMENT AGREEMENT (this "Amendment") is made and entered into this 27th day of May, 2011, by and between Port Authority of Allegheny County, a body corporate and politic, organized and existing under the laws of the Commonwealth of Pennsylvania, (hereinafter "Authority"), and Stephen G. Bland (hereinafter "Employee").

WITNESSETH

WHEREAS, Authority and Employee entered into a certain Employment Agreement, dated May 26, 2006 (the "Agreement"), a true and correct copy of which is attached hereto as Attachment "1";

WHEREAS, Authority and Employee amended the Agreement by entering into an Amendment to Employment Agreement, dated March 30, 2007 (the "First Amendment"), a true and correct copy of which is attached hereto as Attachment "2";

WHEREAS, pursuant to the terms and conditions set forth in the Agreement, as amended by the First Amendment, Authority employs Employee as its General Manager/Chief Executive Officer; and

WHEREAS, the parties now desire to further amend the Agreement in certain respects.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the parties, intending to be legally bound, agree as follows:

1. The aforesaid recitals are incorporated herein and made a part hereof.

2. Paragraph 1 of the Agreement and Exhibit A, as amended, shall be deleted in their entirety and the following shall be substituted therefor:

1. **Employment.** Authority agrees to employ Employee, and Employee agrees to be employed, as the General Manager/Chief Executive Officer of Authority during the term hereof, performing the duties and responsibilities of the position, as set forth in the job description attached hereto as Exhibit "A." Employee shall fully and completely perform the duties and responsibilities of the position and Employee shall devote his time and efforts to performing such duties and responsibilities. Employee shall comply with the policies of the Board, which may be adopted from time to time, and with all applicable laws. The duties and responsibilities may be revised from time to time by Authority, provided that the duties and responsibilities as so revised are commensurate with those of General Manager/Chief Executive Officer.

Employee shall not engage in any activities that conflict or interfere with the performance of his duties and responsibilities as General Manager/Chief Executive Officer.

3. Paragraph 2.a of the Agreement, as amended, shall be deleted in its entirety and the following shall be substituted therefor:

2.a. An authorized base annual salary of \$185,000, with an increase of 2.5% of the annual base salary beginning on June 15, 2013. Thereafter, any further increase in the annual base salary of Employee shall be subject to the approval of the Board.

4. The first sentence of Paragraph 5 of the Agreement, as amended, shall be deleted in its entirety and the following shall be substituted therefor:

5. **Term.** Unless sooner terminated in accordance with the following terms, this Agreement shall commence on June 12, 2011, and shall continue thereafter for a term of three (3) years; except, however, if at least six (6) months prior to the expiration of the term of three (3) years, Authority has not advised Employee, in writing, that it does not plan to renew the Agreement, the term of the Agreement shall automatically renew and extend for an additional two (2) years.

5. Paragraph 5.d of the Agreement, as amended, shall be deleted in its entirety and the following shall be submitted therefor:

5.d. Employee may terminate this Agreement by giving Authority thirty (30) days written notice of his intention to do so, which notice shall be given to the Chairman of Authority Board under the notice provision of Paragraph 6.

6. This Amendment shall become effective June 12, 2011.

7. In all other respects, the terms and conditions contained in the Agreement, as amended, are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed and delivered as of the day and year first above written.

ATTEST:

PORT AUTHORITY OF ALLEGHENY COUNTY

Diane Williamson
Assistant Secretary

By: John W. Brooks
Chairman of the Board

WITNESS:

[Signature]

Stephen G. Bland
Stephen G. Bland



EXHIBIT A

GENERAL MANAGER/CHIEF EXECUTIVE OFFICER

Reports to:

Chairman of Port Authority of Allegheny County (the "Authority") on behalf of the Board, consistent with adopted Board policy.

Supervises directly:

The Assistant General Managers and Directors and the staff of the office of the General Manager/Chief Executive Officer.

General Statement of Duties:

The General Manager/Chief Executive Officer is the chief executive officer of the Authority responsible for all aspects of planning, financing, administration, and operation of Authority's services. The General Manager/Chief Executive Officer serves as Authority's representative with governmental units, agencies, and transit organizations at the local, state, and federal levels. Duties of the General Manager/Chief Executive Officer are to be performed within broad, general policies and plans established by Authority's Board. The General Manager/Chief Executive Officer has overall responsibility for the organization of subordinate staff, including the recruitment, hiring, promotions, development, discipline, evaluations, and delegation of responsibility.

Accountability:

The General Manager/Chief Executive Officer is accountable to the Board of the Authority for:

1. The timely development and effective implementation of operating plans consistent with the policies and objectives established by the Board.
2. The effective development and control of operating and capital financial plans which support the operating plans, current and long-term, adopted by the Board.
3. The development, organization, motivation, and evaluation of a competent staff sufficient to meet the Authority's operational needs.
4. The effective communication of the Authority's policies, programs, and position on issues to its employees, the constituencies it serves, other agencies with which it deals, and the public generally.

ATTACHMENT 1

EMPLOYMENT AGREEMENT

THIS AGREEMENT is made on this the 26th day of May, 2006, by and between Port Authority of Allegheny County, a body corporate and politic, organized and existing under the laws of the Commonwealth of Pennsylvania, (hereinafter called the "Authority") and Stephen G. Bland of Clifton Park, NY (hereinafter called "Employee").

WITNESSETH

Authority desires to employ Employee as its General Manager/Chief Executive Officer with the duties and on the terms and conditions contained in this Agreement, and Employee desires to accept such employment.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, and intending to be legally bound, the parties agree as follows:

1. **Employment.** Authority agrees to employ Employee, and Employee agrees to be employed, as the General Manager/Chief Executive Officer of Authority during the term hereof, performing the duties and responsibilities of the position, as set forth in the job description attached hereto as Exhibit A. Employee shall perform the duties and responsibilities of the position on a full-time basis. Employee shall comply with the adopted policies of the Board and with all applicable laws. The duties and responsibilities may be revised from time to time by Authority, provided that the duties as so revised are commensurate with those of General Manager/Chief Executive Officer.

Employee shall not engage in activities that conflict with the performance of the responsibilities of his position.

2. **Compensation.** As compensation for Employee's services hereunder,

Authority shall pay Employee:

a. A base salary of \$180,000 during the first and second year of the term of this Agreement, with increases of \$5,000 on each anniversary date thereafter during the term of this Agreement; provided, however, that Employee may request Authority to review his base salary in each year after the end of the second year.

b. Deferred compensation in the form of a Fifteen Thousand Dollar (\$15,000.00) contribution to the established Authority 401 A Plan (the "Plan") will be made for each full calendar year (with a pro rata contribution for any partial calendar year) during the term hereof subject to all the terms and conditions of the Plan, as the same may be amended from time to time. Nothing herein shall prevent Employee from making additional contributions to the Plan from his own funds if such contributions are permitted by law and by the terms of the Plan.

c. All fringe benefits provided by Authority to its non-represented employees holding the position of Assistant General Manager, including, but not limited to, medical, dental, life and optical insurance; sick, personal and vacation days; and participation in Authority's Pension Plan for Non-Represented Employees, subject to all terms and conditions thereof; provided that all sick, personal and vacation days shall accrue to Employee in accordance with accrual procedures for similar benefits for all other non-represented employees holding the position of Assistant General Manager; and provided further that, to the extent the fringe benefits provided by Authority to Assistant General Managers are enhanced, Employee shall benefit from any such enhancements.

3. **Automobile.** Authority will provide Employee with an automobile of Authority's designation for Employee's use in the discharge of his duties and responsibilities. Employee shall be entitled to personal use of this automobile subject to the income tax requirements of the Internal Revenue Code.

4. **Business Expenses.** Authority shall reimburse Employee for reasonable and necessary business expenses incurred in the performance of his duties and responsibilities under this Agreement provided that Employee submits reports of those expenses in such form and detail as Authority's normal practice requires.

5. **Term.** This Agreement shall commence on June 12, 2006, and shall continue thereafter for a term of five years, unless terminated sooner in accordance with the following provisions.

a. Authority may terminate this Agreement at any time for just cause including but not limited to fraud, unlawful acts, willful misconduct, or gross misconduct on the part of Employee. In the event of termination for just cause, Employee shall not be entitled to any further compensation or other benefits under this Agreement or otherwise. Authority shall exercise this right of termination only after having given Employee a written statement of the reasons for such termination and after having afforded Employee an opportunity to address a quorum of Authority Board. Under this paragraph, the meeting between Employee and the Board shall be held pursuant to the Sunshine Act, 65 P.S. § 701, et seq., and shall occur in executive session, unless opened to the public by written request of Employee.

b. Authority may terminate this Agreement if Employee is totally disabled because of sickness, accident, injury, mental incapacity, or health for a period of six (6) successive months. For purposes of this provision, the definition of total disability shall be that contained in Authority's long term disability plan in which Employee is eligible to participate.

c. Authority may terminate this Agreement at any time without cause or notice, provided that Authority pay Employee one-half of Employee's then base salary or his base salary for the balance of the term, whichever is less.

d. Employee may terminate this Agreement by giving Authority ninety (90) days written notice of his intention to do so, which notice shall be given to the Chairman of Authority Board under the notice provision of Paragraph 6.

6. **Notices.** Any notice to Authority under this Agreement shall be in writing sent by certified mail, addressed as follows:

Port Authority of Allegheny County
345 Sixth Avenue, Third Floor
Pittsburgh, Pennsylvania 15222-2527
Attention: Chairman of the Board

Any notice to Employee under this Agreement shall be in writing sent by certified mail, addressed as follows:

Mr. Stephen Bland
(home address on file)

7. **Confidential Information.** In his capacity as General Manager/Chief Executive Officer, Employee may, from time to time, have cause to review documents and reports of Authority containing information which is confidential under law. These include, but are not limited to, results of employee drug and alcohol tests, medical reports, personnel evaluations, results of Internal Audit investigations, attorney communications, and litigation records or strategy. This information may not be disclosed during or after employment, except in a manner consistent with law. It is the responsibility of Employee to return to Authority all Authority property at the end of the employment period, including any confidential information.

8. **Financial Disclosure.** Employee agrees to comply with all applicable laws regarding personal financial disclosure, including the State Ethics Act Annual Statement of Financial Interest.

9. **Non-Disparagement.** Employee agrees that, while employed or at any time thereafter, he will not make any disparaging statements to any current, former or potential contractors, vendors or employees of Authority, to any media or to any other person about Authority, its officers, directors, and/or employees. A disparaging statement is any communication which, if publicized, a reasonable person would expect to cause the recipient of the communication to question the business condition, integrity, competence, good character or product quality of the person or entity to whom the communication relates.

10. **Governing Law.** The parties agree that this Agreement shall be enforced and interpreted pursuant to the laws of the Commonwealth of Pennsylvania, excluding the choice of law and forum provisions. Venue for any legal matters arising from this Agreement shall be Allegheny County, Pennsylvania.

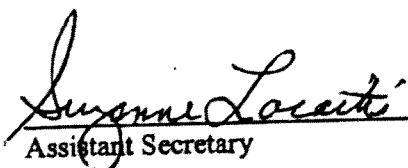
11. **Severability.** Should any provision of this Agreement be void or voidable due to changes in the law or amended by mutual agreement of the parties, only that provision shall be affected and all other provisions shall remain in effect.

12. **Entire Agreement.** This Agreement represents the entire agreement between Authority and Employee and supersedes any prior oral or unwritten agreements or understandings. Any amendment or modification of this Agreement is valid only if in writing and executed by the parties.

IN WITNESS WHEREOF, Authority has caused this instrument to be executed by its Chairman, and its corporate seal thereto affixed, attested by its Assistant Secretary, and Employee has hereunto set his hand and seal the day and year first above written.

ATTEST:

PORT AUTHORITY OF ALLEGHENY
COUNTY


Assistant Secretary

By 
Chairman of the Board

WITNESS:




Stephen G. Bland

EXHIBIT A

GENERAL MANAGER/CHIEF EXECUTIVE OFFICER

Reports to:

Chairman of Authority on behalf of the Board of Directors, consistent with adopted Board policy.

Supervises directly:

The Assistant General Managers and the staff of the office of the General Manager/Chief Executive Officer.

General Statement of Duties:

The General Manager/Chief Executive Officer is the chief executive and operating officer of the Port Authority of Allegheny County (the "Authority") responsible for all aspects of planning, financing, administration, and operation of Authority's services. The General Manager/Chief Executive Officer serves as Authority's representative with governmental units, agencies, and transit organizations at the local, state, and federal levels. Duties of the General Manager/Chief Executive Officer are to be performed within broad, general policies and plans established by Authority Board. The General Manager/Chief Executive Officer has overall responsibility for the organization of subordinate staff, including the recruitment, hiring, promotions, development, discipline, evaluations, and delegation of responsibility.

Accountability:

The General Manager/Chief Executive Officer is accountable to the Board of Directors of the Port Authority for:

1. The timely development and effective implementation of operating plans consistent with the policies and objectives established by the Board of Directors.
2. The effective development and control of operating and capital financial plans which support the operating plans, current and long-term, adopted by the Board of Directors.
3. The development, organization, motivation, and evaluation of a competent staff sufficient to meet the Port Authority's operational needs.
4. The effective communication of the Port Authority's policies, programs, and position on issues to its employees, the constituencies it serves, other agencies with which it deals, and the public generally.

AMENDMENT
TO
EMPLOYMENT AGREEMENT

THIS AMENDMENT is made to an Employment Agreement (the "Employment Agreement"), dated May 26, 2006, by and between Port Authority of Allegheny County, a body corporate and politic, organized and existing under the laws of the Commonwealth of Pennsylvania, (hereinafter called the "Authority") and Stephen G. Bland (hereinafter called "Employee").

WITNESSETH

Authority employs Employee as its General Manager/Chief Executive Officer on the terms and conditions contained in the Employment Agreement, and Employee and Authority now desire to amend the Employment Agreement in certain respects.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, and intending to be legally bound, the parties agree as follows:

1. Paragraph 2a. of the Employment Agreement is revised to provide that Employee's base salary of \$180,000 will not be increased at any time prior to July, 2009.
2. Paragraph 2b. of the Employment Agreement is revised to delete the \$15,000.00 contribution to be made by the Authority to the Plan on behalf of the Employee, effective July 1, 2007.
3. Effective January 1, 2008, Paragraph 2c. of the Employment Agreement shall be deleted and the following shall be substituted therefor:

2c. All fringe benefits provided by Authority to its non-represented employees, including but not limited to, medical, dental, life and optical insurance; sick, personal and vacation days; and participation in Authority's Pension Plan for Non-Represented Employees, subject to all the terms and conditions thereof;

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provided that all sick, personal and vacation days shall accrue to Employee in accordance with accrual procedures for similar benefits for all non-represented employees; and provided further that, to the extent the fringe benefits provided by Authority to non-represented employees are enhanced, Employee shall benefit from any such enhancements.

4. Employee shall contribute to Authority's medical, dental and optical insurance in the same amount and manner as Authority's other non-represented employees.

5. Paragraph 3 of the Employment Agreement is deleted, effective September, 2006.

6. In all other respects, the terms and conditions contained in the Employment Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, Authority has caused this instrument to be executed by its Chairman, and its corporate seal thereto affixed, attested by its Assistant Secretary, and Employee has hereunto set his hand and seal this 30th day of March, 2007.

ATTEST:

PORT AUTHORITY OF ALLEGHENY
COUNTY

Christine L. Nash
Assistant Secretary

By: John W. Brooks
Chairman of the Board

WITNESS:

Suzanne L. Carter

Stephen G. Bland
Stephen G. Bland