

SCHEDULE 'A'

THIS AGREEMENT MADE THE 4th day of September, 1997.

BETWEEN:

CORPORATION OF THE TOWN OF PELHAM

(hereinafter referred to as "the Corporation")

- and -

Lloyd James Hodge

(hereinafter referred to as "the Employee")

WHEREAS the Corporation desires to retain the services of Lloyd James Hodge as its Director of Operations and Lloyd James Hodge desires to accept the Corporation's engagement all upon the terms and conditions herein contained;

NOW THEREFORE THIS AGREEMENT WITNESSETH that the parties hereto, in consideration of the mutual covenants and agreements hereinafter set-forth, covenant and agree with each other as follows:

PART 1

Position and Term

1. The Corporation hereby appoints Lloyd James Hodge to the position of Director of Operations of the Town of Pelham for the period commencing September 5th, 1997, and ending September 4th, 1998.

Responsibilities

2. Lloyd James Hodge shall well and faithfully perform all the duties of Director of Operations as provided in the job description attached hereto and such additional duties as may from time to time be prescribed by the Council of the Town of Pelham, either by By-law or resolution, or the Chief Administrative Officer.

Remuneration

3. For the above term of employment by the Corporation as Director of Operations, the Corporation shall pay Lloyd James Hodge an annualized salary of Sixty-six thousand and Thirty-seven dollars (\$66,037.00) together with such benefits as are hereinafter set forth.

PART II

Standard Corporation Benefit Plans

4. Lloyd James Hodge shall participate in all standard benefit plans as may be prescribed from time to time for the Corporation's managerial group of employees including but not restricted to:
 - a) Group life insurance;
 - b) Dental plan;
 - c) Health Care Insurance Plan;
 - d) Major medical and supplementary hospital plan;
 - e) Long Term and Short Term Disability Plans
5. Lloyd James Hodge authorizes the Corporation to make all necessary payroll deductions and to convey all necessary confidential information for the Director of Operations' participation in the above plans or in any other benefit arrangement provided for in this Agreement.

Associations and Continuing Education

6. Lloyd James Hodge at the expense of the Corporation shall attend such professional development courses and seminars as may be recommended or approved by Council of the Corporation and the Chief Administrative Officer and Lloyd James Hodge may attend meetings and sessions of the Ontario Good Roads Association at the expense of the Corporation and as approved in the annual budget of the Corporation.

Vacation

7. Lloyd James Hodge shall be entitled to vacation of fifteen (15) days per annum and seven (7) days in lieu of meetings.

PART III

Termination

8. Lloyd James Hodge acknowledges that the Corporation may terminate this Agreement at any time without notice or compensation in lieu thereof for just cause.

9. The Corporation acknowledges that Lloyd James Hodge may terminate this Agreement, without cause, at any time upon first giving one (1) month notice in writing. Lloyd James Hodge acknowledges that in such a case he shall be entitled to no compensation or benefits under this Agreement upon the expiry of the said (1) month.
- 9A. Upon termination of employment (termination of Agreement) Lloyd James Hodge hereby expressly waives and releases any and all rights, claims and interests whatsoever which he now has, or may have in future, arising out of this Agreement or his employment save as to those expressly provided in this agreement and he does hereby discharge the Corporation from all liabilities therefore and this provision may be pleaded as a full and effective answer and estoppel to any such claims which he may assert in any civil proceeding. This provision shall be binding upon and enure to the benefit of the respective heirs, executor, administrators, and successors of the parties hereto.
10. The Corporation and Lloyd James Hodge both acknowledge and agree that, in the event the Corporation shall terminate this Agreement without just cause, the Corporation shall pay, in lieu of notice, to Lloyd James Hodge compensation equal to two (2) month's salary as Director of Operations and that upon such payment Lloyd James Hodge shall have no further claim or claims against the Corporation for such termination. In no event shall the compensation in lieu of notice provided by this paragraph be less than such amounts as are prescribed under the Employment Standards Act R.S.O. 1990 ch. E. 14.

PART IV

Miscellaneous

11. Lloyd James Hodge acknowledges the right of the Corporation to promulgate policies and governing its employees and agrees to be bound by all such policies and procedures save and except where they specifically contradict the terms of this Agreement.

12. Lloyd James Hodge shall devote his full time and attention to the discharge of his duties under this Agreement in that he shall devote that amount of time and attention normally expected of the Director of Operations of a municipal corporation. Lloyd James Hodge undertakes and agrees not to commence any employment for or with any other person during the term of this Agreement. Lloyd James Hodge acknowledges that this is a reasonable restriction on the part of the Corporation.
13. Lloyd James Hodge acknowledges that any trade secrets or confidential information he becomes aware of or develops in the performance of his duties under this Agreement shall be held by him in the strictest of confidence and not released without the express prior approval of the Town Council. Lloyd James Hodge acknowledges that any benefits arising from the development of such trade secrets shall be the sole property of the Corporation. Lloyd James Hodge further acknowledges that this restriction is reasonable on the part of the Corporation and shall survive the termination of this Agreement.
14. The Employee specifically acknowledges that he was not induced by the Corporation to leave his current or previous employment and agrees to indemnify and hold the Corporation harmless from any claim directly or indirectly for wrongful inducement or conspiracy to breach a previous contract of employment.
15. The Employee acknowledges having read and understood the Personnel Policies Handbook adopted by the Corporation and agrees to abide by its applicable terms and conditions.
16. The Employee acknowledges having obtained or was afforded the opportunity to obtain independent legal advice in connection with this agreement.
17. Any notice under this Agreement shall be deemed to be valid if given in writing and delivered by hand as follows:
 - (a) To the Corporation:

M. Hackett, Chief Administrative Officer
20 Pelham Town Square
Pelham, Ontario L0S 1E0
 - (b) To Lloyd James Hodge

5134 St. Georges Dr.,
Beamsville, Ont. L0R 1B7

or such other residential address as Lloyd James Hodge shall provide by letter to the Chief Administrative Officer.

18. Lloyd James Hodge acknowledges that his performance of the duties and obligations pursuant to this Agreement is subject to review by the Chief Administrative Officer and Council. It is acknowledged that the review process will be structured to provide Lloyd James Hodge with an opportunity to provide input and response to the Chief Administrative Officer.
19. If any provision of the Agreement is determined to be invalid or unenforceable, all or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.
20. This Agreement is not assignable, either in whole or in part.
21. This Agreement shall be governed by the laws of the Province of Ontario.
22. This Agreement constitutes the entire agreement between the parties, and there are no other collateral representations or warranties.

IN WITNESS WHEREOF Lloyd James Hodge has hereunto placed his hand and seal and the Corporation has hereunto affixed its seal as witnessed by the hands of its proper signing officers duly authorized in that behalf the day and year first above written.

TOWN OF PELHAM

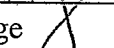
PER: B. J. [Signature]

Mayor

PER: Mary Hackett
Clerk

SIGNED, SEALED AND DELIVERED
in the presence of:

Witness

)
)
)
)
)
)
)
)


Lloyd James Hodge