

THIS AGREEMENT made this 30th day of September, 2003 A.D.

BETWEEN:

THE 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 continue to retain the services of the Employee as its Director of Operations and the Employee desires to continue the Corporation's engagement upon all 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 the Employee to the position of Director of Operations of the Corporation for the period commencing September 5, 2003, and continuing indefinitely thereafter until terminated in accordance with Part III below.

Responsibilities

2. The Employee 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 Corporation, 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 the Employee an annualized salary of eighty thousand nine hundred and forty-seven dollars (\$8-,947.00) together with such benefits as are hereinafter set forth and "across the board" salary increases approved for the Corporation's full-time staff.

PART II

Standard Corporation Benefit Plans

4. The Employee 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; and,
 - (E) long term and short term disability plans.
5. The Employee 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. The Employee, 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 the employee 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. Further the Corporation agrees to pay the employee's annual Professional Engineers of Ontario membership.

Vacation

7. The Employee shall be entitled to vacation in accordance with the Corporation's vacation policy as set out in the Corporation's Personnel Policies Handbook. In accordance therewith and for the purpose of calculating the vacation entitlement, the Employee shall be credited with any period of previous employment with any other Ontario municipality. The Employee shall also be entitled to five (5) days of vacation in lieu of time spent at the Corporation's Council and/or Committee meetings.

PART III

Termination

8. The Employee acknowledges that the Corporation may terminate this agreement at any time without notice or compensation in lieu thereof for just cause.
9. The Employee acknowledges that the Corporation may terminate this agreement and his employment, without just cause, at its sole discretion, upon providing the Employee with payment in lieu of notice, together with employee benefits, on the following basis: payment in lieu of notice and a continuation of all employee benefits for a period equal to one (1) month per year (or part year) of service to a maximum of eighteen (18) months.
10. The Corporation acknowledges that the Employee may terminate this agreement, at any time upon first giving one (1) month notice in writing. The Employee acknowledges that in such case he shall be entitled to no compensation or benefits under this agreement upon the expiry of the said one (1) month.
11. Upon termination of employment and the resulting termination of this agreement, the Employee hereby expressly waives and releases any and all rights, claims and interests whatsoever which he now has, or may have in the 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, executors, administrators and successors of the parties hereto.

PART IV

Miscellaneous

12. The Employee acknowledges the right of the Corporation to promulgate policies governing its employees and subject to receiving notice of any new or modified policy agrees to be bound by all such policies and procedures save and except where they specifically contradict the terms of this agreement.
13. The Employee 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. The Employee undertakes and agrees not to commence any employment for or with any other person during the term of this Agreement. The Employee acknowledges that this is a reasonable restriction on the part of the Corporation.
14. The Employee 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 Corporation's Council, or as required by him in the proper or normal execution of his duties or as otherwise required by law. The Employee acknowledges that any benefits arising from the development of such trade secrets shall be the sole property of the Corporation. The Employee further acknowledges that this restriction is reasonable on the part of the Corporation and shall survive the termination of this agreement.

15. The Employee continues to acknowledge that he was not induced by the Corporation to leave his 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.
16. The Employee acknowledges having read and understands the Personnel Policies Handbook adopted by the Corporation and agrees to abide by its applicable terms and conditions.
17. The Employee acknowledges having obtained or was afforded the opportunity to obtain independent legal advice in connection with this agreement.
18. 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 at:
Gord Cherney
Chief Administrative Officer
The Corporation of the Town of Pelham
20 Pelham Town Square
Fonthill, Ontario
L0S 1E0

(B) to the Employee at:
5134 St. Georges Drive
Beamsville, Ontario
L0R 1B7

or at such other residential address as the Employee shall provide in writing to the Chief Administrative Officer.

19. The Employee acknowledges that it is reasonable for the Chief Administrative Officer and/or the Corporation's Council to set, on an annual basis, such goals, expectations and priorities, relating to the employ and the duties the Employee is responsible for. The Employee acknowledges that a review of his performance shall reflect the reasonableness of these goals, expectations and priorities, and the attainment by the Employee and his department of

these goals, expectations and priorities, shall be considered in the said review.

20. If any provision of this agreement is determined to be invalid or unenforceable, or partially invalid or unenforceable, 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.
21. This agreement is not assignable, either in whole or in part.
22. This agreement shall be governed by the laws of the Province of Ontario.
23. This agreement constitutes the entire agreement between the parties and there are no other collateral representations or warranties.

IN WITNESS WHEREOF the Employee has hereunto placed his hand and seal and the Corporation has hereunto affixed its seal duly attested to by its proper signing officers in that behalf as of the day and year first-above written.

SIGNED, SEALED AND DELIVERED) THE CORPORATION OF THE TOWN

In the Presence of) OF PELHAM

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) PER: Ralph B...

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MAYOR

) PER: Cheryl M...

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CLERK

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As to the signature of

Lloyd James Hodge

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LLOYD JAMES HODGE

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