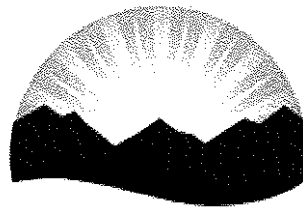


MEMORANDUM OF AGREEMENT

On

Community Economic Development



BRITISH
COLUMBIA

The Best Place on Earth

BETWEEN

THE PROVINCE OF BRITISH COLUMBIA

represented by the Minister of Community and Rural Development (the "Province")

AND

THE DISTRICT OF VANDERHOOF

(the "Municipality")

BACKGROUND:

The government of British Columbia is committed to creating a regulatory environment that increases British Columbia's business and economic competitiveness, and to increasing the ability of communities and citizens to access the programs and services they need to prosper and grow.

The Rural BC Secretariat (RBCS) of the Ministry of Community and Rural Development (MCD) was established to support and facilitate sustainable community and economic development in British Columbia's rural regions. The RBCS will partner with communities, provincial government ministries, the federal government and other stakeholders to build strong, competitive local and regional economies, support collaborative approaches to community development, and assist in removing barriers to growth.

This work will be accomplished by working directly with communities to improve access to government supports, creating tailored responses to their needs, and positioning RBCS to identify and mobilize partners to respond to priority opportunities or challenges.

As part of this focus, the MCD has adopted the objective of ensuring that rural communities have access to the programs and services that support their economic development. The RBCS has initiated a pilot project to develop integrated community agreements (Communities First Agreements) with local governments that demonstrate either urgency or unique opportunity in relation to community economic development.

Communities First Agreements (CFAs) signal a new approach to how the Ministry works with individual communities. Through individual CFAs, communities will strategically prioritize their community and economic development needs and the government will commit to providing tailored support to assist that community in meeting its goals. Successful implementation of community priorities will assist in building strong local economies, collaborative regional relationships, and a regulatory environment that responds to innovation and entrepreneurship.

PREAMBLE:

Vanderhoof is a relatively stable community that has weathered the demand driven economic challenges of the past few years reasonably well. Its population declined by 15% between 2001 and 2008, and local forest companies have experienced at least four shift curtailments or temporary closures since 2007. Although the forestry industry here has been relatively stable compared to many communities in B.C., these events, combined with the downturn in the world economy, have contributed to a degree of uncertainty in Vanderhoof, as the municipality depends on the forest industry for 36% of its municipal tax revenue, 27% of its employment and 42% of the area's economic activity. The District has also been fortunate thus far in that it has not yet been greatly affected by the Mountain Pine Beetle, but the community is expecting to see those consequences develop over the next few years and wishes to be proactive in preparing for those impacts and responding to the challenges it has experienced.

This proactive approach to maintaining and increasing the community's sustainability is evident in Vanderhoof's community economic development efforts. Since 2005 the District has employed an economic development officer to help advance its goals, which include the completion of an Economic Development Plan. The EDO's activities are complemented by the municipality's involvement in the Stuart Nechako Regional Economic Development Society and

the Omineca Beetle Action Coalition, and build on the community's many economic advantages, including a strong base in agriculture, a developing mining and mineral exploration sector and its role as a retail and service centre for the surrounding region.

Vanderhoof's efforts in community and economic development have received significant financial support over the past two fiscal years, with over \$3.3 million in Provincial and NDIIT funding being distributed to them in 2008/09 and over \$2 million in Provincial and NDIIT funding being distributed in 2009/10, for projects including recreation facilities, airport infrastructure, and economic development capacity building.

The RuralBC Secretariat will be building on these investments by partnering with the District of Vanderhoof to help them work toward a strong and diversified local economy through the projects included in this Agreement.

PURPOSE:

The purpose of this Memorandum of Agreement (Agreement) is to provide a mechanism for the District of Vanderhoof and the Province of British Columbia to work together to take action on the economic development priorities of the municipality. This is not an Agreement to provide financial assistance to the Municipality. Any financial obligations will be outlined in a separate written Agreement between the parties.

The parties agree to abide by the underlying principles established in this agreement.

WHEREAS:

- A. British Columbia's rural communities have made long-term and significant contributions to the province's economy.
- B. Strong regional and rural economies are key to the future development of British Columbia.
- C. British Columbia is committed to rural communities achieving economic, social and environmental sustainability within healthy, diverse regional economies.
- D. The Province created the three development trusts to stimulate regional economic growth and job creation.
- E. The *Community Charter* was created to provide municipalities with the ability to respond more effectively and efficiently to community needs.
- F. The Ministry of Community and Rural Development administers multiple funding programs to support community development.
- G. The RuralBC Secretariat has been established by Premier Gordon Campbell to provide a one-window access to government support and create tailored responses to equip local governments with the tools they need to create more liveable and resilient communities.

- H. To foster economic development and diversification, in partnership with the Provincial government, the District of Vanderhoof has participated in a number of programs and initiatives in 2009:

Funding Type	Amount	Purpose(s)
2008/09		
Strategic Community Investment Fund (MCD)	\$658,516	
Small Community Grant (MCD)	\$472,946	
Towns for Tomorrow (MCD)	\$320,000	Ice Arena Energy Efficiency Retrofit project
Climate Action Revenue Incentive Program (MCD)	\$2,035	
Small Community Grant (MCD)	\$424,937	
LocalMotion	\$315,205	Community Trail System – Phase 1
Olympic/Paralympic Live Sites	\$330,000	Construction of grass playing field
Transportation Partnerships Program (MoT)	\$388,000	Vanderhoof Airport Lighting and Navigation Project
Cross Regional Account (NDIT)	\$7,500	Grant Writer Funding (Feb 12 2009)
Cross Regional Account (NDIT)	\$35,000	Ec. Dev. Capacity Building Funding (Feb 19 2009)
Pine Beetle Recovery Account (NDIT)	\$372,917	Vanderhoof Airport Lighting and Navigation Project (July 31 2008)
2008/09 Total:	\$3,327,056	
2009/10		
Build Canada Fund (Provincial portion)	\$1,759,933	4 th Street Improvement Program
Strategic Community Investment Fund (MCD)	\$236,125	
Torch Relay Grant (MTCA)	\$8,000	
Prince George Regional Development Account - NDIT	\$8,333	Vanderhoof Arena Sound System Project (Aug 26 2009)
Prince George Regional Development Account - NDIT	\$30,000	Vanderhoof Ball Diamond Bleachers Project (Aug 26 2009)
2009/10 Total (as of Feb 1 2010):	\$2,042,391	

- I. The District of Vanderhoof has been selected as a municipality which has demonstrated resiliency in the face of the impacts of a cyclical global economy.
- J. The District of Vanderhoof Council has:
1. agreed to be a pilot participant in a Communities First Agreement;
 2. passed a resolution to sign this Memorandum of Agreement on Community Economic Development; and
 3. committed to meeting the Agreement deliverables.

NOW THEREFORE, the parties agree to the following:

1. The District of Vanderhoof shall:
 - Commit to prioritize the projects outlined in Schedule A for its community economic development, and to take action on these initiatives.
 - Commit to developing an action plan for each initiative outlining specific objectives, resources, timeframes and outcomes.
 - Commit to ensuring that they will work with the Province to identify economic development opportunities and ensure the community is prepared for new investment.

2. The Province shall:
 - Provide a primary contact from the RBCS who will liaise between the municipality's needs and provincial support.
 - Commit to a quarterly meeting schedule between the District of Vanderhoof and the RBCS.
 - Provide information resources through the RuralBC website (www.ruralbc.gov.bc.ca).
 - Consider, advocate and promote the agreement projects and activities to give effect to the principles and intent of the Agreement.
 - Work to facilitate the provision of appropriate funding and other resources to projects and activities through existing provincial programming.

3. Decisions and actions under the Agreement will be guided by the following principles:
 - **Openness and cooperation:** the parties commit to a undertaking a transparent approach, and to sharing information and strategies with each other and neighbouring communities in order to contribute to the overall economic development of the region and the province.
 - **Collaboration:** where appropriate, the parties commit to taking collaborative action in the implementation of the projects identified in Appendix A of the Agreement.
 - **Mutual Respect:** the parties recognize that each has specific mandates, policies and areas of jurisdiction.
 - **Respect for Diversity:** the parties recognize that diverse interests will be represented in the community development process, and that to the best extent possible, they will be understood, supported and balanced.
 - **Community engagement:** where possible, the parties will engage community members in inclusive and accessible participation processes, and these processes will assist with decision-making.
 - **Harmonization:** where possible, the parties commit to harmonizing projects or initiatives so as to maximize efficiency and effectiveness.
 - **Accountability:** the parties will ensure that there is accountability for public funds.

4. Term, Commencement and Extensions
 - Notwithstanding the actual date of execution of this Agreement, the term of this Agreement will commence on June 1st, 2010 and will end on May 31st, 2011. The Agreement can be extended subject to the agreement of both parties.

5. Amendments to this Agreement

- This Agreement may be amended from time to time by written agreement of the Parties.

6. Communications

- The parties will meet at least quarterly to ensure orderly progress of the initiatives or more or less frequently as the parties may determine from time to time.
- The Province will provide the municipality with any program information it has that may assist the municipality in fulfilling its economic vision.

7. Notice and transmission

- Any notice required to be given under this Agreement must be made in writing to the Province at:

Ministry of Community and Rural Development
RuralBC Secretariat
Assistant Deputy Minister's Office
PO Box 9824 Stn Prov Govt
Victoria, BC V8W 9W4
Fax: (250) 387-7973

and if to the Municipality:

District of Vanderhoof,
Box 900,
Vanderhoof, BC V0J 3A0
Fax: (250) 567-9169

SIGNATURES

IN WITNESS WHEREOF each of the parties has executed this Agreement as of the

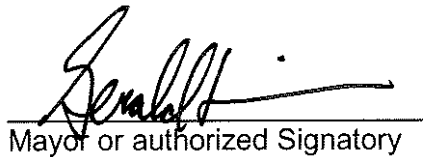
15 of June of 2010.

SIGNED on behalf of Her Majesty
The Queen in Right of the Province
of British Columbia by the Minister of
Community and Rural Development
or a duly authorized representative



Minister of Community
and Rural Development
or authorized Signatory

SIGNED by the Mayor of the
District of Vanderhoof
or his duly authorized
Officer established by bylaw.



Mayor or authorized Signatory

SCHEDULE A – PROJECTS

1. Economic initiatives with an educational component

1.1 Commercial Pilot Training Program

Local interests, including the College of New Caledonia and Guardian Aerospace have completed a study to prove the feasibility of delivery of a Commercial Pilot Training Program in Vanderhoof. This would enhance activities at the Vanderhoof Municipal Airport and provide needed economic stimulus to the local community.

Expected Results:

Development of a Commercial Pilot Training Program and delivery of the program through the Vanderhoof campus of CNC.

Municipal Commitment	Provincial Commitment
<ul style="list-style-type: none"> • The District of Vanderhoof will continue to actively participate in the CNC Advisory Committee. • District staff will actively support CNC to bring the program to fruition. • The District will ensure that facilities and infrastructure to support this program are in place. 	<ul style="list-style-type: none"> • The RuralBC Secretariat will investigate opportunities for funding to support program development and implementation. • The RBCS Regional Manager will work with the Project Advisory Committee to further develop the program.

1.2 Training opportunities specific to mining

Mining is expected to be a growing industry in the region. Terrane Metal’s Mount Milligan property has received an environmental assessment certificate and is poised for development. Other properties in the region are working towards the development and operational stages. This additional activity will require skilled workers. Vanderhoof is committed to supporting the development of skilled mine workers for current and potential residents.

Expected Results

The Development and delivery of a mining-specific training program through the College of New Caledonia at Vanderhoof and other regional campuses.

Municipal Commitment	Provincial Commitment
<ul style="list-style-type: none"> • The District of Vanderhoof will continue to actively participate in the CNC Advisory Committee. • The District will continue to participate in the Mount Milligan Sustainability committee. • District staff will actively support the efforts of Terrane Metals and CNC to bring the program to fruition. • The District will continue to participate in the Environmental Assessment Review Process for TTM Resources Inc. – Chu Property with a view to influencing local training opportunities. 	<ul style="list-style-type: none"> • The RuralBC Secretariat will assist with coordination of a Regional Workforce Collaboration Pilot Project (RWCP) designed to support the regional development of appropriate skills for mining operations. • RBCS will investigate opportunities for funding to support a regional labour force market assessment • The RBCS Regional Manager will work with the Project Advisory Committee (RWCP) to further develop the program.

1.3 Regional Health Training Facility

St. John Hospital in Vanderhoof has the facilities to become a centre for regional health training, providing opportunities for rural health practitioners (physicians, nurses, etc.) to train in a rural setting and gain experience with rural facilities. Such training will assist with the recruitment and retention of health personnel in Vanderhoof and other rural communities.

Expected Results:

Training opportunities for rural health professionals in Vanderhoof.

Municipal Commitment	Provincial Commitment
<ul style="list-style-type: none"> • The District of Vanderhoof will work with Northern Health Authority to determine the potential for Vanderhoof to be a regional health training centre. • The District will continue negotiating membership in Northern Medical Program Trust. 	<ul style="list-style-type: none"> • The RuralBC Secretariat will assist with coordination of meetings between Northern Health Authority, UNBC Medical Program, other health recruitment agencies and the District of Vanderhoof.

2. Assist with the Manufacturing Development

2.1 Manufacturing business development program

Vanderhoof has a relatively strong manufacturing sector, primarily focussed on supporting the forest and other resource sectors. These manufacturing companies are by and large small companies. There is opportunity in identifying those companies that are ready to expand and assisting them to increase and diversify markets and grow employment.

Expected Results:

Access to supports to plan and develop new business activities in Vanderhoof resulting in expanded production, sales and employment.

Municipal Commitment	Provincial Commitment
<ul style="list-style-type: none"> • The District of Vanderhoof will develop a plan to identify and support businesses poised for development and expansion. • The District will work with identified businesses to facilitate expansion and job creation. • The District will explore a partnership with CFDC-SN on program delivery. 	<ul style="list-style-type: none"> • The RuralBC Secretariat will support this project through providing information on existing programs and initiatives that support business development activity. • RBCS will provide advice and facilitate development of partnerships as appropriate to assist with the expansion of businesses identified by the District of Vanderhoof.

3. Foster Business Development at the Airport

3.1 Airport land development

The District of Vanderhoof wishes to exempt lands from the ALR for commercial aviation related use at or near the airport to facilitate economic diversification and growth.

Expected Results:

Progress towards changing allowed use on District owned airport land for commercial aviation related use.

Progress towards a marketing plan for sale of identified parcels of airport land.

Municipal Commitment	Provincial Commitment
<ul style="list-style-type: none"> The District of Vanderhoof will complete a capital plan and prepare a submission to the ALC for access to land suitable for development at the airport. The District will commit to developing a marketing plan to sell identified land. 	<ul style="list-style-type: none"> The RuralBC Secretariat will provide information and advice with respect to similar submissions by other local governments in BC.

4. Improve Business Climate

An improvement in the business climate in Vanderhoof will encourage the retention and expansion of local business and attract new businesses.

4.1 Business Care Program

Local businesses have expressed the desire to have more effective communication with local government. The District of Vanderhoof plans to develop and implement a Business Care program. This initiative would include visits with local businesses to understand their needs and determine how the District might best respond to those needs.

Expected Results:

Local business retention and expansion

Municipal Commitment	Provincial Commitment
<ul style="list-style-type: none"> The District of Vanderhoof will commit human and if necessary financial resources to design and implement a Business Care program. 	<ul style="list-style-type: none"> The RuralBC Secretariat will assist with identifying “good practices” in business care programs and provide information on case studies, programs, and tools currently employed by other small, rural communities. RBCS will work with the District to design an appropriate business care program suited to local conditions and resources.

4.2 New business enquiries / services

Current information describing the assets and advantages of Vanderhoof will assist with responding to business enquiries and in attracting new business to the community.

Expected Results:

New business attraction

Municipal Commitment	Provincial Commitment
<ul style="list-style-type: none"> The District of Vanderhoof will provide input on the profile template, review the draft updated profile and suggest changes as necessary. The District will make print and electronic copies of the profile readily available to potential investors. 	<ul style="list-style-type: none"> The RuralBC Secretariat will provide funding to support updating the community profile. RBCS will connect potential investors with Vanderhoof by providing investors with information on accessing the profile.

5. Investment Readiness and Investment Attraction

5.1 Municipal Land Inventory

The District of Vanderhoof has an interest in identifying parcels of industrial, commercial and residential land for future use and investment.

Expected Results:

A map identifying priority properties for future industrial, commercial and residential development.

Municipal Commitment	Provincial Commitment
<ul style="list-style-type: none"> The District of Vanderhoof will commit resources to map locations and attributes of available industrial, commercial and residential sites. 	<ul style="list-style-type: none"> The RuralBC Secretariat will provide assistance and advice on the project terms of reference. RBCS will explore opportunities for funding.

5.2 Brownfields remediation

Existing brownfields could help meet the need for industrial and commercial land if they were remediated and made available for re-development. The District is keen to develop a policy for brownfield redevelopment which includes an approach to remediation of contaminated lands. This could include interim use and visual remediation (beautification).

Expected Results:

Map locations of available land and identify an approach to developing policy for local brownfields remediation and redevelopment.

Municipal Commitment	Provincial Commitment
<ul style="list-style-type: none"> • The District of Vanderhoof will commit resources to mapping existing brownfield sites. • The District work with landowners and public agencies to devise a local policy for brownfield redevelopment. 	<ul style="list-style-type: none"> • The RuralBC Secretariat will provide assistance with links to brownfields information and contacts within the Ministry of Agriculture and Lands and other agencies actively involved in brownfields re-development. • RBCS will investigate experiences in other communities with regard to policies and practices with respect to brownfields remediation, including any provincial and local polices with respect to brownfields remediation. • RBCS will research opportunities for remediation and explore negotiating specifically with CN Rail resolution to the current state of CN Lands.

6. Tourism Marketing

6.1 Community Tourism Marketing

The District would like to enhance marketing of tourism opportunities in the community.

Expected Results:

A negotiated contract with the Chamber of Commerce to deliver marketing services.

Municipal Commitment	Provincial Commitment
<ul style="list-style-type: none"> • The District will commit resources to negotiate a contract. • The District will commit financial resources to meet marketing obligations. 	<ul style="list-style-type: none"> • The RuralBC Secretariat will assist the District in defining a terms of reference for services to be delivered. • RBCS will facilitate developing partnerships with NBC Tourism and other marketing agencies.