

**NORTH ISLAND COMMUNITY FOREST LIMITED
PARTNERING AGREEMENT**

THIS AGREEMENT dated for reference the ___ day of _____, 2010

AMONG:

DISTRICT OF PORT HARDY

7360 Columbia Street
P.O. Box 68
Port Hardy, B.C.
V0N 2P0

("Port Hardy")

AND:

TOWN OF PORT MCNEILL

1775 Grenville Place
P.O. Box 728
Port McNeill, B.C.
V0N 2R0

("Port McNeill")

AND:

VILLAGE OF PORT ALICE

1061 Marine Drive
P.O. Box 130
Port Alice, B.C.
V0N 2N0

("Port Alice")

(jointly the "**Municipalities**")

AND:

NORTH ISLAND COMMUNITY FOREST LTD., a
British Columbia company with a registered office at

(the "**Corporation**")

WHEREAS:

- A. The Municipalities, with the consent of the Board of the Mount Waddington Regional District, have adopted the North Island Community Forest Municipal Service Establishment Bylaw, which provides that the Municipalities provide the following municipal service outside of the Municipalities boundaries in the area of the North Island Community Forest:

Managing, developing and operating the North Island Community Forest, including:

- a. implementing good forest stewardship activities and minimizing negative environmental impacts;
- b. enhancing outdoor recreation and education opportunities;
- c. conserving and preserving cultural heritage sites and features;
- d. sustaining, expanding and diversifying local forestry related employment; and
- e. promoting opportunities to harvest botanical products

(collectively defined as the “**Services**”);

NOW THEREFORE, in consideration of the mutual covenants and other recited considerations herein, the Municipalities and the Corporation agree as follows:

1. The Municipalities agrees to each lend \$ 33,333.33 on or before January 31, 2011 to the Corporation at an interest rate of 0% per annum (the “**Loan**”) in exchange for the Corporation providing the Services in connection with the North Island Community Forest.
2. The Corporation agrees to repay the Loan to the Municipalities according to the following payment schedule:

SUM	PAYABLE ON OR BEFORE
\$ 99,999.99	December 31, 2015

3. The Corporation agrees to use the Loan exclusively and solely for the purposes of defraying costs and expenses incurred by the Corporation in providing the Services.
4. This Agreement shall be construed and governed by the laws of the Province of British Columbia.
5. Should any provision of this Agreement be illegal or non-enforceable, it shall be considered separate and several from the Agreement and its remaining provision shall remain in force and be binding upon the parties hereto as though the illegal or non-enforceable provision had never been included.
6. This Agreement or any renewal thereof, shall enure to the benefit of and be binding upon the Municipalities and the Corporation and their respective heirs, agents, successors and assigns.
7. The Municipalities pursuant to the *Community Charter*, the *Local Government Act*, other statutes and municipal bylaws for the purpose of administering the Municipalities operations, collects personal information. Information in this

Agreement may routinely be made available to be public under the Freedom of Information legislation.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the year and date first above written.

District of Port Hardy
By the authorized signatories:

Town of Port McNeill
By the authorized signatories:

Village of Port Alice
By the authorized signatories:

North Island Community Forest Ltd.
By the authorized signatory(ies):

NOTES

Community Charter

Services outside Municipalities

13 (1) A Municipalities may provide a service in an area outside the Municipalities, but it must first obtain consent as follows:

(a) if the area is in another Municipalities, the council must obtain the consent of the council of the other Municipalities;

(b) if the area is not in another Municipalities, the council must obtain the consent of the regional Municipalities board for the area.

(2) In giving consent under subsection (1), the other local government may establish terms and conditions, including terms and conditions respecting

(a) limits on the service to be provided in its area, and

(b) the process for terminating provision of the service in its area.

(3) If consent is given as referred to in subsection (1), the municipal powers, duties and functions provided under this or any other Act in relation to the service may be exercised in the area referred to in that subsection, subject to any applicable terms and conditions established under subsection (2).

Partnering agreements

21 If a Municipalities enters into a partnering agreement for the provision of a service on behalf of the Municipalities, the council may

(a) provide assistance, other than tax exemptions, to a business in accordance with the agreement, and

(b) provide assistance by way of a tax exemption in accordance with Division 7 [*Permissive Exemptions*] of Part 7 [*Municipal Revenue*].