

Agenda

D-3

November 03, 2009

Charlie Lake, BC

Attention : Chair & P.R.R.D. Board

We the North Pine Farmers Institute (N.P.F.I.) would like an audience with the P.R.R.D. Board on November 12th , to discuss ways of acquiring Rail Head Land in Fort St. John to serve the Peace River Farm Community.

**Yours truly,
Larry Houley
President of N.P.F.I.**



NOV 12 2009

BCR Land Lot 21 Purchase Proposal

Formed in 1930 under the Societies Act, The North Pines Farmers Institute's mission is to:

1. *Improve conditions of rural life, so that settlement may be permanent and prosperous in the farming communities;*
2. *Promote home economics, public health and child-welfare, education and better schools, legislation, immigration and settlement;*
3. *Encourage agriculture, home and local industries; and to*
4. *Promote social intercourse, mutual helpfulness, and the diffusion of knowledge; to make settlers welcome and improve community conditions.*

Today's North Pines Farmers Institute members see a unique opportunity which will benefit the North Peace Agricultural community by positively increasing the farmer's bottom line and increases efficiencies in transportation. It will also reduce greenhouse gases and assist in reducing the carnage on the highways and roads in the North Peace region by utilizing the existing rail system in the North Peace region to get their product to market.

This opportunity is the availability of the BCR Properties Lot 21 which has rail access and existing facilities (elevators, chemical and seed warehouse and a grain dryer). The North Pines Farmers Institute entered into a Contract of Purchase and Sale with BCR Properties to acquire Lot 21, located at 93 Avenue Elevator Road, Fort St. John, BC. for the amount of six hundred and twenty –four thousand dollars (\$624,000). A deposit of five thousand dollars (\$5,000) was received on June 16, 2009 and will form part of the Purchase Price. An addendum was accepted by BCR Properties to extend the completion, possession and adjustment dates from October 15, 2009 to read December 11, 2009.

Cargill Ltd. owns the leasehold improvements of the operating grain elevator, warehousing and machinery on Lot 21 and The North Pines Farmers Institute has entered into an Agreement of Purchase and Sale with Cargill Ltd. dated September 22, 2009.

Mr. Stephen MacAdam, of Stephen MacAdam Law Corporation can confirm that the North Pine Farmers Institute is an institute in good standing under the BC legislation, namely the "Farmers and Women's Institute Act". A "Farmers' Institute" is not a society, cooperative, corporation, or any other usual legally created "person". It is instead a throwback to frontier days, when "Institutes" were created by rural groups of like-minded people to gain the legal power to hold land and other assets in a lawfully recognized communal entity, separate and apart from their individual property. The legislation in fact invites people to organize as an Institute, as an Institute is given a superior and successor position to any normally incorporated society. Therefore, in Mr. MacAdam's opinion, The North Pine Farmers Institute may own a Title of Land.

The North Pine Farmers Institute is seeking funding to secure Lot 21. An operational plan will be developed upon the securing the land. In preparing for this opportunity The North Pines Farmers Institute paid for an initial feasibility and business plan in the amount of twenty-five thousand dollars (\$25,000). Additional funding will be sought for the acquisition of the grain elevator, warehouses and machinery from Cargill Ltd. once Lot 21 has been secured.

D-3

The use of the funds includes:

- | | |
|-------------------------|-----------------|
| 1. Land Purchase | \$624,000.00 |
| 2. Provincial Sales Tax | TBD |
| 3. GST (if applicable) | TBD |
| 4. Water and Sewer | obtaining quote |
| 5. Appraisal | TBD |

Why invest in this opportunity?

- Approximately 1/3 of BC's agriculture area farmed is in the Peace River Regional District.
- The access to existing rail system allows for greater efficiencies:
 - Ability to load out bulk commodities (grains, oilseeds and peas)
 - Ability to unload products (fertilizer)
 - Eliminates the need to truck the areas production to Dawson Creek or further onto Rycroft, Alberta
 - Reduction of greenhouse gases in the North Peace region
 - Reduction of heavy traffic on the busy two-lane highway
- Existing facilities:
 - Elevators
 - Chemical and seed warehouses
 - Grain drier
- The opportunity to lease out a portion of the land to other businesses creating additional revenue;
- The fertile lands of the Peace River Region which are in the Agricultural Land Reserve are preserved by provincial legislation and local government for food production;
- The ease and reduced costs of transportation will allow the agricultural community in the North Peace region to explore new markets such as bio-fuels; and
- Agriculture is the foundation and essence of the community.