

VIRGINIA COALFIELD ECONOMIC DEVELOPMENT AUTHORITY

P.O. Box 1060
527 East Main Street
Lebanon, Virginia 24266



Telephone: 276/889-0381
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Jonathan S. Belcher • Executive Director

October 18, 2018

Mr. John H. Schiering, COO
Ms. Lala Korall, Vice President
Dominion Aquaculture, LLC
1928 Front Street
Richlands, Virginia 24641

Dear Mr. Schiering and Ms. Korall:

I am pleased to inform you that at a meeting of the Board of the Virginia Coalfield Economic Development Authority (“VCEDA”) held on October 18, 2018, at Lebanon, Virginia, the VCEDA Board approved a request from Project Jonah to extend the loan closing deadline on the up to \$10,000,000.00 loan conditionally approved by VCEDA on August 17, 2017 for this project, to a new loan closing deadline of December 31, 2019, with all other terms and conditions to remain the same (please refer to the letter to you from VCEDA dated August 22, 2017). If you have any questions, please do not hesitate to let us know.

Sincerely,

J. P. Richardson
Chairman



VIRGINIA COALFIELD ECONOMIC DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
October 18, 2018

The Virginia Coalfield Economic Development Authority Board of Directors met on Thursday, October 18, 2018 at the VCEDA Office, 527 East Main Street, Lebanon, Virginia.

Board members present were: Maggie Asbury, Rick Axthelm, Jim Baldwin, Esther Bolling, Harry Childress, Becky Coleman, Dana Kilgore, Jay Langston, Mark Leonard, Duane Miller, Larry Mosley, J. P. Richardson, Frank Underwood, and Shelbie Willis.

Board members absent were: Josh Ball and Carroll Branham.

Staff present were: Jonathan Belcher, Executive Director/General Counsel; Jean Jordan, Funds Administrator; Marketta Horton, Economic Development Specialist; Susan Copeland, Marketing Coordinator; and Charlotte Mullins and Cathy St. Clair, Marketing Ambassadors.

Chairman J. P. Richardson called the meeting to order at 3:20 p.m.

Upon motion by Harry Childress and duly seconded by Larry Mosley, and unanimously passed with all members present voting in favor thereof, none voting against the same, none abstaining, and with Josh Ball and Carroll Branham absent, the board approved the minutes of the August 16, 2018 meeting.

I. Chairman called for the Executive Director's Report, and Jonathan Belcher reported –

- A. Activity since the last board meeting has focused heavily on marketing and business development activities, with an uptick in prospect activity.
- B. Project Key and Project Hospitality have located to the region since my last report, both of which were VCEDA-generated leads (announcements pending).
- C. A major expansion by an existing manufacturer is pending.
- D. VCEDA announced 3 new small businesses in the region since the last board meeting.
- E. Prospect activity, particularly from manufacturing companies, is looking good.
- F. So far this year, we have had 53 prospect visits, 160 inquiries, and have completed 20 marketing events.

- G. In 2018, 7 loans and 25 grants have been closed for over \$14.3 million in new VCEDA funding involving a projected 547 new full and part-time jobs.
- H. The Juice & Her Smoothie Bar Grant Announcement - On August 16, VCEDA announced the award of a \$10,000 seed capital matching grant to The Juice & Her Smoothie Bar, a new healthy foods business located in North Tazewell. Three full-time and one part-time jobs are projected.
- I. Governor's Visit to AT&T Wireless - On August 17, VCEDA attended Governor Northam's visit to the AT&T Wireless customer service center in Lebanon. AT&T Wireless is looking to fill 170 jobs.
- J. No Holds Barred Sauces Grant Announcement- On August 20, VCEDA announced the award of a \$4,500 seed capital matching grant to No Holds Barred Sauces, LLC of Haysi, Virginia. This new specialty sauce and jam company projects 4 full-time employees.
- K. Conaway Broadband Grant Closing - On August 24, VCEDA closed an up to \$112,000 loan to the Buchanan County IDA to assist with the extension of broadband into the Conaway area of Buchanan County. Charter Communications is matching these funds.
- L. Business of Food Conference - On August 27, VCEDA helped sponsor and had an exhibit booth at the Business of Food Conference held in Abingdon, to market to agriculture/food products businesses.
- M. Adria Auto & Truck Repair Grant Announcement - On August 29, VCEDA announced the award of a \$10,000 seed capital matching fund grant to Adria Auto & Truck Repair in Tazewell County. This new business projects 4 full-time employees.
- N. Ultra Health Grand Opening - On September 10, VCEDA participated in the grand opening/ribbon-cutting ceremony for Ultra Health Town Center in Grundy. VCEDA approved a \$271,800 loan for the diabetes treatment center, with 10 full-time jobs projected.
- O. International Manufacturing Technology Show - On September 10-13, a VCEDA team attended the International Manufacturing Technology Show in Chicago to market to the manufacturing industry. The team had pre-set appointments as well as cold calls at this show, which had over 2,500 manufacturers in attendance.
- P. EWI Reception - On September 17, VCEDA attended a reception held by Columbus, OH-based EWI to mark the start of training of the initial 5 mentees in the cybersecurity mentorship program located by EWI in Buchanan County. VCEDA approved up to a \$509,895 grant for this project.

- Q. Breaks Interstate Park Grant Closing - On September 24, VCEDA closed a \$92,000 grant to the Breaks Interstate Park to be used for various improvements including replacement of roofs, renovation of the adventure outpost building, construction of a climbing wall, and purchase of recreational equipment.
- R. Lyric Theater Grant Closing - On September 25, VCEDA closed a \$40,000 grant to the Town of St. Paul IDA to help renovate the marquee of the historic Lyric Theater in downtown St. Paul, Virginia.
- S. Raven Theater Grand Opening - On September 27, VCEDA participated in the grand opening of the Raven Theater in Tazewell County. VCEDA approved a \$125,000 grant for this project. Five full-time and 7 part-time jobs are projected.
- T. Big Stone Gap Grant Closing - On October 10, VCEDA closed up to a \$90,000 grant to the Big Stone Gap Redevelopment and Housing Authority for the renovation of the Mutual Pharmacy building in Big Stone Gap, which will be developed into a restaurant and short-stay lodging. 10 full-time and 30-45 part-time jobs are projected.
- U. National HUBZone Conference - On October 11-12, VCEDA lead a team at the National HUBZone Conference in Northern Virginia to promote the region to state and federal contractors and to companies needing locations and employees within a HUBZone. A key part of this is the new SW VA Hublink initiative.
- V. CoreNet Global Summit - On October 14-17, VCEDA attended the annual CoreNet Global Summit, held this year in Boston, MA. CoreNet Global is the largest gathering of corporate real estate professionals, with over 2,500 attendees from 32 countries.
- W. Virginia Conference on World Trade - On October 17-18, VCEDA attended the 70th annual Virginia Conference on World Trade, held in Richmond. This event included a special invitation only reception at the Governor's mansion, which VCEDA attended.
- X. Additional Events and Activities:
- August 21 – Project Reclaim Power Plus Grant Announcement, Lebanon
 - September 4 – Southern Gap Transportation and Logistics Center Project Meeting, SWCC
 - September 10 – Virginia Association of Counties regional meeting, Lebanon
 - September 18 – AEROREady Community Certification Meeting, Wise

- September 25 – GO Virginia Region One Agriculture Working Group Meeting, Abingdon
- September 26 – Congressman Griffith’s Office Regional Agriculture Meeting, Abingdon
- September 28 – VCEDA Project Review Committee Meeting to Interview Seed Capital Matching Fund Applicants, Lebanon
- October 3 – GO Virginia Region One Economic Developers Subcommittee Meeting & Regional Council Meeting, Grundy
- October 4 – Southwest Virginia Alliance for Manufacturing Manufacturers’ Awards Banquet, Abingdon
- October 9 – Town of Grundy Industrial Site Meeting
- October 10 – DMME AML Power Plus Committee Meeting, Big Stone Gap
- October 18 – VCEDA Board Meeting

Y. Jonathan Belcher presented a Certificate of Recognition to departing board member Jay Langston on behalf of VCEDA.

II. Executive Committee met, and J. P. Richardson reported -

- A. A Nominating Committee consisting of J. P. Richardson, Rick Axthelm, Esther Bolling, and Frank Underwood has been appointed to nominate a slate of officers for Calendar Year 2019 at the regular December board meeting.
- B. Upon motion by J. P. Richardson and duly seconded by Frank Underwood, and unanimously passed with all members present voting in favor thereof, none voting against the same, none abstaining, and with Josh Ball and Carroll Branham absent, the board approved the agreement with Chmura Economics & Analytics, as presented in the board packet, for an updated economic impact analysis of VCEDA, to be funded from the VCEDA Business Development Budget.
- C. Committee discussed the Coalfield Employment Enhancement Tax Credit Fund, active projects, pending funding requests and the next board meeting (tentatively December 13).

III. Business Development Committee met, and Frank Underwood reported –

- A. Committee discussed FY2019 Marketing Calendar.
- B. Committee discussed the business development activities and reports that the e-Region has had 160 inquiries and 53 prospect visits Y-T-D. Events and activities that have taken place since the last board meeting include the Business of Food Conference, Ultra Health Grand Opening, International Manufacturers Technology Show in Chicago, EWI Reception, Appalachian Skies Initiative panel discussion, GO Virginia Region One Ag working group, Regional Ag meeting,

Raven Theater Grand Opening, GO Virginia Region 1 Economic Development Subcommittee meeting, GO Virginia Region 1 Council meeting, SVAM Manufacturers' Awards Banquet, AML Power + Committee meeting, HUBZone Conference in Chantilly, CoreNet Global Summit in Boston, and the 70th Virginia Conference on World Trade in Richmond.

- C. Committee discussed upcoming events, which include the Governor's Summit on Rural Prosperity in Staunton, 9th Annual Virginia Economic Summit in Williamsburg, and several SWVA Opportunity meetings.
- D. Committee discussed Existing Industry Reports.
- E. Frank Underwood reported that VCEDA staff are currently working thirty-one (31) active projects; two (2) are agriculture related, four (4) are information technology related, ten (10) are manufacturing related, eleven (11) are seed capital related, and four (4) other related.

IV. Finance Committee met, and Esther Bolling reported –

- A. Committee reviewed certificates of deposit, invoices, financial report, loan and grant reports, and available balance reports and found no irregularities.

V. Project Review Committee met, and Rick Axthelm reported –

- A. Committee reviewed loan and grant closings (2018 YTD).
- B. Upon motion by Rick Axthelm and duly seconded by Harry Childress, and unanimously passed with all members present voting in favor thereof, none voting against the same, none abstaining, and with Josh Ball and Carroll Branham absent, the board approved a request from Project Jonah to extend the loan closing deadline on the up to \$10,000,000.00 loan conditionally approved by VCEDA on August 17, 2017 for this project, to a new loan closing deadline of December 31, 2019, with all other terms and conditions to remain the same. The VCEDA Chairman is hereby authorized to execute any documentation associated with the foregoing.
- C. Upon motion by Rick Axthelm and duly seconded by Larry Mosley, and unanimously passed with all members present voting in favor thereof, none voting against the same, none abstaining, and with Josh Ball and Carroll Branham absent, the board approved grants from the VCEDA Seed Capital Matching Fund to the following small businesses and in the following amounts, to be used for purposes allowed under the standard form VCEDA Seed Capital Matching Fund Grant Agreement:

White Mountain Cabin Rentals and ATV Park, LLC \$10,000.00;

Praise Aeronautics LLC \$10,000.00;
Bargain Mart, LLC \$10,000.00;
Bliss Boutique, LLC d/b/a Bliss on Main \$10,000.00;
Remote Agri Drone, LLC \$10,000.00;
Sharina's Wingz LLC \$10,000.00;
Tazewell Co. Mercantile, LLC \$10,000.00;
McPherson's Farm Equipment, LLC \$10,000.00;
BACO Enterprises LLC \$10,000.00;
The Bloom Farm, LLC \$10,000.00; and
Brad Deel Drone Photography & Videography, LLC \$10,000.00.

The VCEDA Chairman is hereby authorized to execute any documentation associated with the foregoing and these grants.

- D. Upon motion by Rick Axthelm and duly seconded by Harry Childress, and unanimously passed with all members present voting in favor thereof, none voting against the same, none abstaining, and with Josh Ball and Carroll Branham absent, the board approved a request from VFP, Inc. to extend the maturity date of the \$581,000.00 loan from VCEDA to VFP, Inc. (reference Loan Agreement and Promissory Note dated October 4, 2013) for an additional thirty-six (36) months at the same interest rate of 1.625%, with the remaining principal and interest balance of the loan to be due and payable in thirty-six (36) consecutive monthly installments of \$8,809.24 each beginning October 4, 2018, with all other terms and conditions to remain the same. The VCEDA Chairman is hereby authorized to execute any documentation associated with the foregoing.
- E. Upon motion by Rick Axthelm and duly seconded by Esther Bolling, and unanimously passed with all members present voting in favor thereof, none voting against the same, none abstaining, and with Josh Ball and Carroll Branham absent, the board approved a request from the Industrial Development Authority of Wise County ("IDA") to consent to the IDA's leasing of a portion of the Appalachia America Energy Research Center in Wise, and associated parking, to Carbon Research and Development Co., generally in the form of the Facilities Lease as presented in the board packet for this VCEDA board meeting.
- F. Upon motion by Rick Axthelm and duly seconded by Harry Childress, and unanimously passed with all members present voting in favor thereof, none voting against the same, none abstaining, and with Josh Ball and Carroll Branham absent, the board approved up to a \$1,400,000.00 loan to Pemco Corporation (doing business as AMR PEMCO) to be used to finance the purchase of equipment, machinery, and tools, building renovations, expansions, and improvements, and costs associated with the foregoing including delivery and installation expenses, to assist with an expansion of AMR PEMCO at 1960 Valley Dale Street, Bluefield, Tazewell County, Virginia, subject to the following terms and conditions:

1. The loan shall be due and payable in eighty-four (84) consecutive monthly payments of principal and interest, with the first such monthly payment due and payable one (1) month from the date of the promissory note. Monthly payments shall be amortized to be as equal as possible in amount, and re-calculated accordingly as loan proceeds are drawn down from VCEDA.
 2. The interest rate shall be 2.50%.
 3. The loan shall be collateralized by a first priority security interest in the equipment, machinery, and tools financed with these VCEDA loan proceeds, and by a deed of trust on the AMR PEMCO facility located at 1960 Valley Dale Street, Bluefield, Virginia, which deed of trust may be subject to the existing deed(s) of trust on this property securing VCEDA.
 4. This loan shall be funded from the VCEDA Tazewell County Account.
 5. The requirement of a Phase I environmental assessment report is waived on this project, since VCEDA already has Phase I and Phase II reports on file.
 6. The requirement of a lender's title insurance policy is waived on this project, and an attorney's real estate title search opinion may be submitted in lieu thereof.
 7. The VCEDA Chairman is hereby authorized to execute any documentation associated with the foregoing and this loan.
- G. Committee received an update on the status of the Russell County IDA/Lebanon Inn loans.
- H. Upon motion by Rick Axthelm and duly seconded by Larry Mosley, and unanimously passed with all members present voting in favor thereof, none voting against the same, none abstaining, and with Josh Ball and Carroll Branham absent, the board approved a request from the Economic Development Authority of Scott County ("EDA") to extend the loan closing deadline on the up to \$300,000.00 loan approved on October 19, 2017 to the EDA to assist with the development of a new industrial site at the Riverside development, to a new loan closing deadline of April 18, 2019.

Chairman called for old business, and Rick Axthelm invited other board members to attend the next time the Project Review Committee interviews seed capital applicants.

Chairman called for new business, and there was none.

Upon motion by Dana Kilgore, the meeting adjourned at 3:58 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "E. Frank Underwood".

E. Frank Underwood, Secretary

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P.O. Box 1060
527 East Main Street
Lebanon, Virginia 24266



Telephone: 276/889-0381
Fax: 276/889-1830
Jonathan S. Belcher • Executive Director

November 21, 2019

Ms. Lala Korall, Vice President
Dominion Aquaculture, LLC
P.O. Box 42393
Henrico, Virginia 23242

Dear Ms. Korall:

I am pleased to inform you that at a meeting of the Board of the Virginia Coalfield Economic Development Authority ("VCEDA") held on November 21, 2019, at Lebanon, Virginia, the VCEDA Board approved a request from Project Jonah to extend the loan closing deadline on the up to \$10,000,000.00 loan conditionally approved by VCEDA on August 17, 2017 for this project, to a new loan closing deadline of December 31, 2020, with all other terms and conditions to remain the same (please refer to the letter to Dominion Aquaculture from VCEDA dated August 22, 2017). If you have any questions, please do not hesitate to let us know.

Sincerely,

A handwritten signature in black ink that reads "J. P. Richardson".

J. P. Richardson
Chairman

Cc: Mr. John H. Schiering



VIRGINIA COALFIELD ECONOMIC DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
November 21, 2019

The Virginia Coalfield Economic Development Authority Board of Directors met on Thursday, November 21, 2019 at the VCEDA Office, 527 East Main Street, Lebanon, Virginia.

Board members present were: Maggie Asbury, Jim Baldwin, Josh Ball, Esther Bolling, Carroll Branham, Harry Childress, Becky Coleman, Dana Kilgore, Mark Leonard, Duane Miller, Larry Mosley, Troy Nichols, J. P. Richardson, Frank Underwood, and Shelbie Willis.

Board members absent were: Vince Barnett (Rob McClintock attended as a non-voting observer for VEDP).

Staff present were: Jonathan Belcher, Executive Director/General Counsel; Jean Jordan, Funds Administrator; Marketta Horton, Economic Development Specialist; and Susan Copeland, Marketing Coordinator.

Chairman J. P. Richardson called the meeting to order at 3:08 p.m.

Upon motion by Esther Bolling and duly seconded by Duane Miller, and unanimously passed with all members present voting in favor thereof, none voting against the same, none abstaining, and with Vince Barnett absent, the board approved the minutes of the August 15, 2019 meeting.

I. Chairman called for the Executive Director's Report, and Jonathan Belcher reported –

- A. Certificate of Recognition was presented to Dana Kilgore.
- B. See attached presentation.

II. Executive Committee and Nominating Committee met, and J. P. Richardson reported -

- A. Upon motion by J. P. Richardson and duly seconded by Carroll Branham, and unanimously passed with all members present voting in favor thereof, none voting against the same, none abstaining, and with Vince Barnett absent, the board elected the following slate of officers for the Virginia Coalfield Economic Development Authority for Calendar Year 2020: J. P. Richardson, Chairman; Larry Mosley, Vice Chairman; Esther Bolling, Treasurer; and Josh Ball, Secretary.
- B. The committees received an update on the Scott County EDA/Mountain Top

Timber Products loan and the Seed Capital Matching Program and discussed active projects, pending funding requests and the next board meeting (February 20, 2020).

III. Business Development Committee met, and Frank Underwood reported –

- A. Committee discussed the business development activities and reports that the e-Region has had 166 inquiries and 70 prospect visits Y-T-D. Events and activities that have taken place since the last board meeting include the Region One IT Work Group meeting, Opportunity SWVA meetings, Sugar Hill Cidery Grand Opening, National HUBZone Conference in Chantilly, Automotive Composites Conference & Exhibition in Michigan, VEDA Fall Conference/quarterly regional EDO leadership meeting in Richmond, Governor's Workforce meeting, United Way of SWVA Ignite Expo, Regional marketing/planning meeting, Project Oasis briefing, SVAM Manufacturers' Awards Banquet, SWCC Advisory Committee meeting, Solar Workshop, VEDP Property Tour, Tobacco Commission Reception/meeting in Marion, AUVSI Ridge & Valley in Blacksburg, CPPDC CEDS Committee meeting, Boost Your Business, Amazon visit, Appalachian Power Economic Development Forum in Roanoke, 7X24 Exchange Fall Conference & Call Trip in Arizona, VEDP Rural IT Media Tour, VCEDA Local Developers' meeting, Crab Orchard Pisgah Store Expansion Groundbreaking, FABTECH in Illinois, and the Oxbow Center Grand Opening.
- B. Committee discussed upcoming events, which include the Chicago Speed Networking Event with VEDP, an Opportunity SWVA meeting, and the 2020 Legislative Reception to be held in Richmond on January 22 at The Library.
- C. Committee received Existing Industry Reports and discussed the 2019 National HUBZone Conference.
- D. VCEDA staff are currently working forty-eight (48) active projects; one (1) is agriculture related, six (6) are information technology related, ten (10) are manufacturing related, twenty-four (24) are seed capital related, five (5) are tourism related, and two (2) other related.

IV. Finance Committee met, and Esther Bolling reported –

- A. Committee received an update on the Scott County EDA/Mountain Top Timber Products loan and reviewed certificates of deposit, invoices, financial report, loan and grant reports, and available balance reports and found no irregularities.

V. Project Review Committee met, and Harry Childress reported –

- A. Committee reviewed loan and grant approvals and closings (2019 YTD).

- B. Upon motion by Harry Childress and duly seconded by Jim Baldwin, and unanimously passed with all members present voting in favor thereof, none voting against the same, none abstaining, and with Vince Barnett absent, the board approved up to \$10,000.00 grants from the VCEDA Seed Capital Matching Fund to each of the following small businesses, to be used for purposes allowed under the standard form VCEDA Seed Capital Matching Fund Grant Agreement:

Beartown Barbell Club LLC
The Local Mercantile, LLC
Cheesy does it LLC
TP's Home Remodeling Small Engine Repair LLC
Coaltown Taps, LLC
The Red Roof Home, LLC
PK Fitness Inc.
Dismal River Trucking, LLC
Fired Up Pottery
Daisy s Cabins LLC
Viers Medical Clinic PLLC
Down Home Spirits, LLC
Black Diamond Gym & Spa LLC
Frost Bite LLC
Dickenson Shooting Sports
TTGI2, LLC d/b/a Wise Rx
Small Town Fitness LLC
D&LP

The VCEDA Chairman is hereby authorized to execute any documentation associated with the foregoing and these grants. The grants to Coaltown Taps, LLC and Down Home Spirits, LLC are contingent upon them obtaining the necessary ABC licenses, and Wise Rx is contingent upon them obtaining the DEA license.

- C. Upon motion by Harry Childress and duly seconded by Esther Bolling, and unanimously passed with all members present voting in favor thereof, none voting against the same, none abstaining, and with Vince Barnett absent, the board approved a request from the Southwest Virginia Community College Educational Foundation, Inc. to extend the grant disbursement deadline contained in Section 4 of the Grant Agreement dated November 15, 2017 by and between VCEDA and the Southwest Virginia Community College Educational Foundation, Inc., to a new grant disbursement deadline of June 30, 2022, and to approve a request from the Mountain Empire Community College Foundation to extend the grant disbursement deadline contained in Section 4 of the Grant Agreement dated March 27, 2018 by and between VCEDA and the Mountain Empire Community College Foundation, to a new grant disbursement deadline of June 30, 2022.

Also, to acknowledge that both grants also may be used for costs of administering National Career Readiness Certificate testing to any resident of the VCEDA Region, regardless of their enrollment status. The VCEDA Chairman is hereby authorized to execute any documentation associated with the foregoing.

- D. Upon motion by Harry Childress and duly seconded by Carroll Branham, and unanimously passed with all members present voting in favor thereof, none voting against the same, none abstaining, and with Vince Barnett absent, the board approved a request from the Town of Lebanon to modify the grant approval on the up to \$150,000.00 grant approved to the Town of Lebanon on August 15, 2019 for the Russell Theater, to revise and restate the matching funds requirement of the grant approval as follows: "...and disbursement of this grant is contingent upon VCEDA being provided with documentation of the commitment of at least \$500,000.00 in matching funding from source(s) other than VCEDA." The VCEDA Chairman is hereby authorized to execute any documentation associated with the foregoing.
- E. Upon motion by Harry Childress and duly seconded by Carroll Branham, and unanimously passed with all members present voting in favor thereof, none voting against the same, none abstaining, and with Vince Barnett absent, the board approved a request from the Industrial Development Authority of Dickenson County, Virginia ("IDA") to consent to and approve an Addendum to Facilities Lease by and between the IDA and Newport Clintwood Mgmt, LLC, substantially in the form presented in the board packet for this VCEDA board meeting. The VCEDA Chairman is hereby authorized to execute any documentation associated with the foregoing.
- F. Upon motion by Harry Childress and duly seconded by Carroll Branham, and unanimously passed with all members present voting in favor thereof, none voting against the same, none abstaining, and with Vince Barnett absent, the board approved up to a \$433,000.00 grant from the VCEDA Civil Penalties Fund to the Breaks Interstate Park Commission to be used to develop infrastructure and improvements at the Breaks Interstate Park, specifically the additional clearing of right of way for the electrical infrastructure to serve the park, site preparation and hydroseeding, the transfer of utility lines to new poles and the removal of old poles, the replacement of the roof on a park building, the improvement and/or replacement of the septic system for the Adventure Outpost, structural support improvements for the Laurel Lake cabins, replacement and/or repainting of rusted stairwells, the purchase of catering equipment, the construction of the Potter's Flats pedestrian bridge, and costs associated with the foregoing including architectural, engineering, delivery, and installation expenses. The VCEDA Chairman is hereby authorized to execute any documentation associated with the foregoing and this grant.

- G. Upon motion by Harry Childress and duly seconded by Jim Baldwin, and passed with all members present voting in favor thereof, except Josh Ball and Duane Miller voting against the same, none abstaining, and with Vince Barnett absent, the board approved a request from Project Jonah to extend the loan closing deadline on the up to \$10,000,000.00 loan conditionally approved by VCEDA on August 17, 2017 for this project, to a new loan closing deadline of December 31, 2020, with all other terms and conditions to remain the same. The VCEDA Chairman is hereby authorized to execute any documentation associated with the foregoing.
- H. Upon motion by Harry Childress and duly seconded by Maggie Asbury, and passed with all members present voting in favor thereof, none voting against the same, with J. P. Richardson and Frank Underwood abstaining, and with Vince Barnett absent, the board approved up to a \$5,610,000.00 loan to the Industrial Development Authority of Buchanan County (“IDA”) to be used to finance building(s) construction, build-out, and improvements, site development, site grading, parking lot construction, road construction, paving, concrete pad(s) and apron(s), utilities installation, exterior lighting, the purchase of equipment, machinery, and tools, other improvements, and costs associated with the foregoing including architectural, engineering, inspection, permit, legal, delivery, and installation expenses, for an expansion of Paul’s Fan Company to the Southern Gap industrial shell building and approximately 14.5194 acre site (“the Facilities”) located in the Southern Gap industrial park in Buchanan County, Virginia, subject to the following terms and conditions:
1. The loan shall be due and payable in one hundred eighty (180) consecutive monthly payments of principal and interest, with the first such monthly payment due and payable twelve (12) months from the date of the promissory note (the “Note”). The initial one hundred seventy-nine (179) such monthly payments shall be due and payable at the rate of \$15,670.39 per month. The 180th and final monthly payment shall be a balloon payment equal to the remaining unpaid principal and interest balance of the Note. If at least thirty (30) full-time jobs have been averaged at the Facilities during Years 2-6 from the date of the Note, and fifty (50) full-time jobs have been averaged at the Facilities during Years 7-11 from the date of the Note, and sixty (60) full-time jobs have been averaged at the Facilities during Years 12-16 from the date of the Note, then (provided that all payments due on the Note have been paid and the Note is not in default) the 180th monthly payment (as described above) shall be forgiven and converted into a grant. However, if the foregoing employment milestones have not been achieved, then the 180th monthly payment shall be a sum equal to the remaining unpaid principal and interest balance of the Note multiplied by a fraction, the numerator of which shall be the

number of full-time jobs averaged at the Facilities during Years 2-16 from the date of the Note, and the denominator of which shall be eighty (80).

2. The interest rate shall be 0%. Provided, however, that if at least forty (40) full-time jobs have not been averaged at the Facilities during Years 2-6 from the date of the Note, then on the sixth annual anniversary date of the Note, the interest rate shall increase to 2.25%.
3. The loan shall be collateralized by a deed of trust on the Facilities, and by a first priority security interest in any equipment, machinery, and tools financed with these VCEDA loan proceeds. Said deed of trust may be subordinate to any existing deed(s) of trust on the Facilities securing VCEDA.
4. This loan shall be funded from the VCEDA Buchanan County Account.
5. The lease-purchase to Paul's Fan Company and/or its affiliate(s) (including Paul's Repair Shop, Inc. (d/b/a Paul's Fans)) of the real estate, equipment, machinery, and tools securing this VCEDA loan, is hereby approved. Such lease-purchase shall be on terms and conditions acceptable to the VCEDA Executive Director/General Counsel.
6. No loan closing fee shall be required on this loan.
7. The maturity date of the \$2,080,000.00 promissory note dated September 3, 2015 from the IDA to VCEDA (concerning a loan to originally construct the Southern Gap shell building) (the "Shell Building Note") is hereby extended to the same final maturity date as the Note. On this final maturity date, the outstanding principal and interest balance of the Shell Building Note shall be due and payable on the same basis as the final 180th payment on the Note. In other words, if the 180th payment on the Note is forgiven as provided above, then the outstanding principal and interest balance of the Shell Building Note also shall be forgiven and converted into a grant (and the Shell Building Note marked "Paid" and the Credit Line Deed of Trust dated September 3, 2015 from the IDA securing the Shell Building Note shall be released). If the 180th payment on the Note does not qualify for full forgiveness as provided above, then the outstanding principal and interest balance of the Shell Building Note shall be due and payable at the same time as the 180th payment on the Note and based upon the same

percentage as the 180th payment described above (i.e., the amount due and payable on the Shell Building Note shall be a sum equal the outstanding principal and interest balance of the Shell Building Note multiplied by a fraction, the numerator of which shall be the number of full-time jobs averaged at the Facilities during Years 2-16 from the date of the Note, and the denominator of which shall be eighty (80)).

8. On each annual anniversary date of the Note (but not later than 30 days following such), VCEDA shall be provided with a written employment report documenting the number of full-time jobs at the Facilities on the most recent annual anniversary date of the Note, along with the average wage rate of said full-time jobs.
9. The VCEDA Chairman is hereby authorized to execute any documentation associated with the foregoing and this loan.

I. Upon motion by Harry Childress and duly seconded by Larry Mosley, and unanimously passed with all members present voting in favor thereof, none voting against the same, none abstaining, and with Vince Barnett absent, the board approved up to a \$1,025,000.00 loan to Paul's Fan Company to be used to finance the purchase of real estate, building(s) construction, build-out, and improvements, site development, site grading, parking lot construction, paving, access road construction, utilities installation, the purchase of equipment, machinery, and tools, other improvements, and costs associated with the foregoing including architectural, engineering, permit, legal, delivery, and installation expenses, for an expansion of Paul's Fan Company to the Constitutional Oaks industrial shell building and approximately 16.844 acre site (the "Facilities") located in the Constitutional Oaks industrial park in Lee County, Virginia, subject to the following terms and conditions:

1. The loan shall be due and payable in one hundred twenty (120) consecutive monthly payments of principal and interest, with the first such monthly payment due and payable twelve (12) months from the date of the promissory note (the "Note"). The initial one hundred nineteen (119) such monthly payments shall be due and payable at the rate of \$4,411.76 per month. The 120th and final monthly payment shall be a balloon payment equal to the remaining unpaid principal and interest balance of the Note. If at least five (5) full-time jobs have been averaged at the Facilities during Years 2-6 from the date of the Note, and at least ten (10) full-time jobs have been averaged at the Facilities during Years 7-11 from the date of the Note, then (provided that all payments due on the Note have been paid and the Note is not in default) the 120th monthly payment (as described above) shall be forgiven and

converted into a grant. However, if the foregoing employment milestones have not been achieved, then the 120th monthly payment shall be a sum equal to the remaining unpaid principal and interest balance of the Note multiplied by a fraction, the numerator of which shall be the number of full-time jobs averaged at the Facilities during Years 2-11 from the date of the Note, and the denominator of which shall be fifteen (15).

2. The interest rate shall be 0%. Provided, however, that if at least five (5) full-time jobs have not been averaged at the Facilities during Years 2-6 from the date of the Note, then on the sixth annual anniversary date of the Note, the interest rate shall increase to 2.25%.
3. The loan shall be collateralized by a first lien deed of trust on the Facilities, and by a first priority security interest in any equipment, machinery, and tools financed with these VCEDA loan proceeds.
4. The initial up to \$500,000.00 of this loan shall be funded from the VCEDA Lee County Account, and the remaining up to \$525,000.00 of this loan shall be funded from the VCEDA Coalfield Revolving Loan Fund. Payments received on the loan shall be applied first to the amount borrowed from the VCEDA Coalfield Revolving Loan Fund.
5. No loan closing fee or Phase I environmental assessment shall be required on this loan, and an attorney's real estate title opinion shall be provided in lieu of title insurance on this loan.
6. Upon the closing of this loan, VCEDA shall receive \$100,000.00 from the sale by the Economic Development Authority of Lee County (formerly known as the Industrial Development Authority of Lee County) ("IDA") to Paul's Fan Company and/or its affiliate(s) (including Paul's Repair Shop, Inc. d/b/a Paul's Fans) of the Constitutional Oaks Shell Building, which \$100,000.00 shall be applied to the outstanding balance of the \$200,000.00 Promissory Note dated December 17, 2008 owed by the IDA to VCEDA (the "Shell Building Note") concerning the original construction of the shell building. Upon VCEDA's receipt of said \$100,000.00, the remaining principal and interest balance of the Shell Building Note shall be forgiven and converted into a grant, the Shell Building Note shall be marked "Paid", and the Credit Line Deed of Trust dated December 17, 2008 from the IDA to secure the Shell Building Note shall be released.

7. On each annual anniversary date of the Note (but not later than 30 days following such), VCEDA shall be provided with a written employment report documenting the number of full-time jobs at the Facilities on the most recent annual anniversary date of the Note, along with the average wage rate of said full-time jobs.
 8. The VCEDA Chairman is hereby authorized to execute any documentation associated with the foregoing and this loan.
- J. Committee received an update on the Scott County EDA/Mountain Top Timber Products loan.
- K. Upon motion by Harry Childress and duly seconded by Carroll Branham, and unanimously passed with all members present voting in favor thereof, none voting against the same, none abstaining, and with Vince Barnett absent, the board approved up to a \$2,154,240.00 grant to the Industrial Development Authority of Buchanan County, Virginia ("IDA") to be used to finance site grading, site development, road construction, paving, parking lot construction, storm drainage improvements, utilities installations and extensions, fiber optic installations and extensions, other improvements, and costs associated with the foregoing including architectural, engineering, inspection, and permitting expenses, for the development of a paved access road from State Route 744 to the Southern Gap industrial shell building and connecting to the Greenbrier Road extension, the development of two additional project-ready graded sites adjacent to said access road, the extension of utilities along said access road, paving around the industrial shell building and construction of an adjacent parking lot, and extensions of fiber optic broadband in the Southern Gap industrial park and development area in Buchanan County, Virginia. This grant shall be funded from the VCEDA Buchanan County Account. The VCEDA Chairman is hereby authorized to execute any documentation associated with the foregoing and this grant.

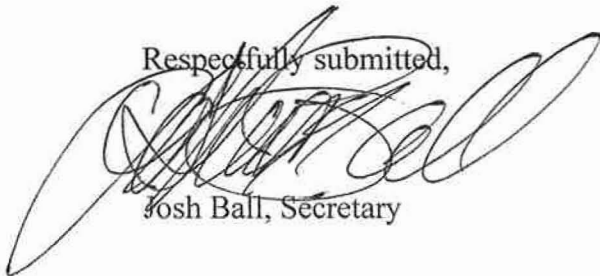
Chairman called for old business, and there was none.

Chairman called for new business, and there was none.

J. P. Richardson noted Rick Axthelm's departure from the board and welcomed Troy Nichols.

Upon motion by Carroll Branham and duly seconded by Jim Baldwin, the meeting adjourned at 4:00 p.m.

Respectfully submitted,



Josh Ball, Secretary

Jonathan Belcher

From: Jonathan Belcher
Sent: Wednesday, April 25, 2018 2:32 PM
To: 'Lala Korall'
Subject: Project Jonah

Lala,

As promised, at the VCEDA Executive Committee meeting last Thursday, I updated the committee on Project Jonah and your request to possibly come in at a future VCEDA board meeting to request a waiver of the provision in Item #8 in my letter to you dated August 22, 2017, that the VCEDA loan could not be closed until Project Jonah has provided satisfactory written evidence that at least \$25 million has been expended in non-VCEDA funds. With the understanding that the VCEDA Executive Committee constitutes only a portion of the board (the officers) and therefore did not take any official action, the individual members of that committee present all indicated they would not be favorably inclined towards such a request.

If you have any questions or need to discuss, just let me know.

Jonathan

Jonathan S. Belcher
Executive Director/General Counsel
Virginia Coalfield Economic Development Authority
P.O. Box 1060
Lebanon, Virginia 24266
Phone (276) 889-0381
Website: www.e-Region.org

Jonathan Belcher

From: Jonathan Belcher
Sent: Tuesday, August 21, 2018 9:43 AM
To: Lala Korall
Subject: RE: October VCEDA Meeting

I think you would present to the Project Review Committee at 2:00pm, and then there would be no need to present again to the full board at 3:00pm unless there are questions. Most of the board sits in on the Project Review Committee anyway.

In order to be placed on the agenda for October 18, I will need an actual letter as to what you are requesting from the board with a brief explanation of the reason(s) for the request. This is similar to what you have provided in the past. I am assuming this time that you are requesting an extension of the loan closing deadline, which currently expires December 31, 2018. I will need that letter prior to September 18.

Thanks,
Jonathan

Jonathan S. Belcher
Executive Director/General Counsel
Virginia Coalfield Economic Development Authority
P.O. Box 1060
Lebanon, Virginia 24266
Phone (276) 889-0381
Website: www.e-Region.org

From: Lala Korall <lala@eurobusdev.com>
Sent: Monday, August 20, 2018 6:58 PM
To: Jonathan Belcher <jonathan@vaceda.org>
Cc: lala@eurobusdev.com
Subject: RE: October VCEDA Meeting

Hello Jonathan,

Thank you very much for your email.
I look forward to receive your confirmation that there will be a quorum.

I suppose that we should present to the project review committee at 2:00 PM and then to the Board at 3:00?

Please consider this email as an official request from Project Jonah to present to the Project Committee and the Board on October 18, 2018.

Looking forward to receive your email.

Respectfully yours,

