

**CONFIDENTIAL MEMORANDUM**

**TO:** VCEDA Project Review Committee

**FROM:** Jonathan Belcher, VCEDA Executive Director/General Counsel

**DATE:** September 27, 2018

**RE:** Request from Project Jonah to Extend Loan Closing Deadline

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On August 17, 2017, the VCEDA Board conditionally approved up to \$10,000,000.00 in loan funds for the Project Jonah fish farm project which is looking at Tazewell/Russell Counties (see enclosed letter dated August 22, 2017 for exact terms). This loan approval is set to expire on December 31, 2018, and Project Jonah has submitted the enclosed letter (marked confidential and proprietary) requesting a one-year extension of the loan closing deadline to December 31, 2019. VCEDA's initial conditional earmark of funds on this project was on December 19, 2013. Project Jonah also has requested that the VCEDA board go into closed session when their request is discussed.

**DRAFT MOTION**

Motion to (*recommend, not recommend, or table to*) approve 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.

# VIRGINIA COALFIELD ECONOMIC DEVELOPMENT AUTHORITY

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



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

August 22, 2017

## Confidential

Mr. John Schiering, Chief Operating Officer  
Ms. Lala Korall, Vice President  
Dominion Aquaculture, LLC  
1928 Front Street  
Richlands, Virginia 24641

Dear John and Lala:

I am writing to inform you that at a meeting of the Board of the Virginia Coalfield Economic Development Authority ("VCEDA") held on August 17, 2017, the VCEDA Board approved up to a Ten Million (\$10,000,000.00) (U.S.) loan to Dominion Aquaculture, LLC ("Project Jonah") to be used for workforce development and training (as specified below), for a vertically integrated aquaculture facility to be located in Tazewell and Russell Counties, Virginia, subject to the following basic terms and conditions:

1. The loan shall be due and payable in eighty-four (84) consecutive monthly payments, with the first monthly payment to begin three (3) years from the date of the promissory note (the "Note"). Provided, however, that on each annual anniversary date of the Note, beginning with the fourth annual anniversary date of the Note and ending on the tenth annual anniversary date of the Note, that Project Jonah has at least two hundred (200) full-time employees in the VCEDA region with an average full-time wage of at least \$50,000 per year, eight percent (8%) of the outstanding balance of the Note shall be forgiven and converted into a grant. If Project Jonah fails to meet any of the foregoing employment milestones on the specified dates, then the loan forgiveness amount for that particular milestone is void and shall no longer apply. If as provided above, Project Jonah qualifies for loan forgiveness, and the outstanding balance of the Note at the time of such loan forgiveness is less than the amount to be forgiven (as provided above), then the amount forgiven shall be adjusted and reduced to the outstanding balance of the Note at the time of the forgiveness, and in no event shall Project Jonah be entitled to a grant or a carry-over for any excess between the amount to be forgiven and the outstanding balance of the Note.





**Mr. John Schiering**  
**Ms. Lala Korall**  
**August 22, 2017**  
**Page 2 (Confidential)**

2. Notwithstanding anything to the contrary, per the Guidelines for the VCEDA Coalfield Regional Opportunity Fund, Project Jonah shall warrant the performance of at least 80% of the jobs (200 full-time) and private investment (\$212 million) over a thirty-six (36) month period as represented in the letter from Project Jonah dated August 1, 2017. If Project Jonah does not meet at least 80% (160 full-time jobs and \$169.6 million private investment) of the foregoing private investment and new jobs commitment, then Project Jonah shall immediately repay to VCEDA that part of the loan that is proportional to the shortfall.
3. The interest rate shall be 0% until the third annual anniversary date of the Note, at which point, it will be 2.125% thereafter.
4. This loan shall be funded from the VCEDA Coalfield Regional Opportunity Fund. The term "workforce development and training" as used above shall have the same definition as in Section 3(c) of the Guidelines for the VCEDA Coalfield Regional Opportunity Fund.
5. VCEDA shall be provided with a copy of an MOU between Southwest Virginia Community College and Project Jonah concerning workforce development and training, which MOU shall be acceptable to VCEDA.
6. This loan shall not be closed until, and this loan approval is specifically contingent upon, collateral for the loan being determined that is acceptable to the VCEDA Board, and the approval of the VCEDA Board at a duly called meeting of the VCEDA Board.
7. This loan shall not be closed until, and this loan approval is specifically contingent upon, Project Jonah providing written evidence satisfactory to the VCEDA Board of the closing and availability of at least \$110 million (U.S.) of private funds for the project in Tazewell and Russell Counties, Virginia, and the approval of the VCEDA Board at a duly called meeting of the VCEDA Board.
8. This loan shall not be closed until, and this loan approval is specifically contingent upon, Project Jonah providing written evidence satisfactory to the VCEDA Board that at least \$25 million (U.S.) in non-VCEDA, private funds have been expended on site development, facilities construction, and/or equipment at the project location in Tazewell and Russell Counties, Virginia (excluding engineering and permitting fees), and the approval of the VCEDA Board at a duly called meeting of the VCEDA Board.



**Mr. John Schiering**  
**Ms. Lala Korall**  
**August 22, 2017**  
**Page 3 (Confidential)**

9. This loan shall not be closed until, and this loan approval is specifically contingent upon, VCEDA's receipt of an updated letter of support for the project from the Virginia Economic Development Partnership ("VEDP"), which shall be satisfactory to the VCEDA Board.
10. The loan closing fee on this loan shall be reduced to one-half percent (1/2%), as an additional incentive to the project.
11. The loan closing deadline on this loan shall be December 31, 2018. If the VCEDA loan agreement has not been signed by that date, then this loan approval shall automatically expire.
12. The loan disbursement deadline on this loan shall be three (3) years from the date of the loan agreement.

The foregoing is non-binding and is not intended as a legal agreement or as formal loan documentation, but only as information of the VCEDA Board's action on August 17, 2017. Please keep us apprised of the status of the contingencies listed above and the project. After all of the above contingencies have been satisfied and the VCEDA Board has authorized the closing of the loan, then formal loan documentation will be drafted and sent to you, along with a list of any remaining items needed for closing (e.g., company borrowing resolution, etc.). In the meantime, if you have any questions whatsoever, please do not hesitate to let me know.

Sincerely,



Jonathan S. Belcher  
Executive Director/  
General Counsel



8F Asset Management Pte. Ltd.  
(Unique Entity Number 201627523G)  
160 Robinson Road  
#24-01, 02, 03 SBF Center  
Singapore 068914

26 September 2018

Mr. Jonathan Belcher  
Executive Director  
VCEDA  
527 East Main Street  
Lebanon  
Virginia 24266

CC: VCEDA Board

CONFIDENTIAL AND PROPRIETARY

Dear Mr. Jonathan Belcher,

I am writing to update you about 8F Asset Management Pte. Ltd.'s ("**8F AM**") progress in fundraising for 8F Aquaculture Fund I (the "**Fund**"), which will fund Dominion Aquaculture LLC and in turn the vertically integrated aquaculture facility to be located in Tazewell and Russell counties, Virginia (the "**Virginia Facility**").

In this letter I will cover our progress on fundraising, securing of strategic partners and investors, delivering the proof of concept facility in Poland and progress with negotiations with additional strategic partners in the field of distribution.

The Fund has secured or is in documentation stages for total commitments to the Fund of about US\$ 70 million. Furthermore, we have a large number of potential investors who have started detailed due diligence on 8F AM and the Fund. We have retained a global placement agent headquartered in the USA to distribute the Fund. They assists in raising capital for funds managed by some of the largest private equity firms, hedge funds, real assets and real estate funds in the world.

The potential investors we are speaking to (some of whom have already been onboarded) are large corporates, public pension funds, insurers, sovereign wealth funds, investment companies and high net worth individuals. Several of these investors (who have completed several stages of the diligence but have not yet signed) are awaiting specific milestones to be achieved by 8F AM and the Fund, including, for a full batch of salmon at the proof of concept facility to reach market size (of 4kg and above), for additional strategic partners to join the Fund (several of the potential investors are specifically awaiting a distribution partner), and, in other cases, for a significant institutional investor to join the Fund. I hope that our progress with regards to all of these milestones, described below, will give you comfort that our fund raising process is well underway and all the required financing for the Virginia Facility can be secured in the near future.

At the end of Q2 2018, the first strategic investor, the Louis Dreyfus Company ("**LDC**"), completed their investment in the Fund. Founded in 1851, LDC is a world leading merchant and processor of agricultural goods with a diversified portfolio covering the entire value chain, from origination to distribution, and present in 100+ countries with annual revenues in 2015 of US\$ 55.7 billion. LDC is a major exporter of cotton, a leading producer and wholesaler of frozen concentrated orange juice, and



is among the largest exporters of wheat soybeans and corn from the USA. Prior to making the investment, LDC completed a detailed and in-depth diligence on 8F AM and the Fund, including a visit by the CEO and LDC's executive team, to the Fund's proof of concept facility in Poland. The investment is in line with LDC's published sustainability goals.

The joint Fund and AquaMaof's proof of concept facility is located in Poland, about 70km north of Warsaw ("Poland Facility"). This was formerly an operational tilapia facility that has been upgraded and transformed into a salmon facility in 2017. Having such a proof of concept facility is a significant competitive advantage of the Fund and AquaMaof. The facility will produce 580 tons of whole fish per annum and its importance is one of proof of concept, training facility and R&D centre, as well as tasting location for buyers and due diligence location for investors. The first trial batches of eggs of Atlantic salmon were brought to the Poland Facility in Q1 2017, with about 22 months growth-cycle. These trial batches are expected to reach full market size (of 4kg and above) in late 2018, with some of the largest fish ("runners") having exceeded 4kg in August this year.

Trial tastings of the first trial batches have started since the fish in these batches reached 2kg. Tastings were carried out with a number of clients, both potential investors as well as distribution partners who are interested in securing the offtake from 8F AM's future facilities including the Virginia Facility. Feedback has been very positive. The typical comments received were that 8F's salmon has a good, clean taste with the right texture and fat content. It was noted that the taste will improve further as the fish get larger and closer to the harvest weight of 4kg. I include pictures of the Poland Facility, the trial batches of salmon and full testimonials from tastings in the Appendix to this letter. Having the full trial batch of salmon reaching market size is a significant milestone for some of the potential investors (and for some, the only remaining milestone before they commit to invest). We are glad that the Fund is very close to reaching this milestone.

8F AM is also currently in negotiations with several potential distribution partners to discuss significant sizes of offtake for its future facilities. These potential distribution partners are large corporates having an annual trading revenue of over US\$ 10.0 billion. They have already visited the Poland Facility and tasted the Atlantic salmon of the trial batches. They have also already performed extensive due diligence on 8F AM, the Fund, AquaMaof and their subsidiaries. Securing offtake agreements with one of these potential distribution partners will satisfy the milestone in the field of distribution, which is a material milestone to some of the investors, due to the relatively early stages of the land-grown Atlantic salmon industry.

By way of additional information, 8F AM has also recently engaged two well-credentialed executives in the USA. Both bring a wealth of experience in their respective fields.

I hope you can see that from our (i) progress in fundraising, (ii) advancements in securing a strategic partnership and investment from the Louis Dreyfus Company, (iii) significant progress in the proof of concept facility, and (iv) talks with potential offtake partners, that 8F AM remains strongly committed to its vision of becoming a leading global producer of land-grown Atlantic salmon and, in particular, together with Dominion Aquaculture LLC, completing fundraising for the Virginia Facility, meeting milestones set out in the VCEDA letter dated 22 August 2017, and commencing the project construction.

At the local level, we have started the permitting process with 3B Consulting Services, working with the very experienced Mr. Preston Breeding. The first phase, which is the survey of the two properties, has been completed. The Fund is in advanced stages of approving the Geotechnical engineering and drilling task, which is important for the investors and is part of the Fund's fiduciary duty to its investors. The next steps will be the completion of the permitting. As the Fund continues to work on all of the above, our timeline predicts the start of the final engineering of the facility by the end of Q1 2019.

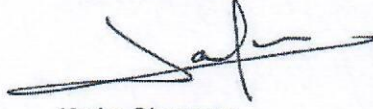
During the design phase of the project, the Fund / Dominion Aquaculture will start with the purchase of materials and equipment and with preparatory site works, which, once triggered, will quite rapidly reach tens of millions of US\$.

Based on the progress achieved and the Fund's above outline of the timelines, we respectfully request for the loan closing deadline of the VCEDA loan, per your letter dated 22 August 2017 to be extended to 31 December 2019, at which point all contingencies should have been fulfilled.



Finally, please be assured that we will continue to update you as key project milestones are achieved.

Yours sincerely,



Karim Ghannam  
Chief Executive Officer  
8F Asset Management Pte. Ltd.



Appendix

The proof of concept facility in Poland



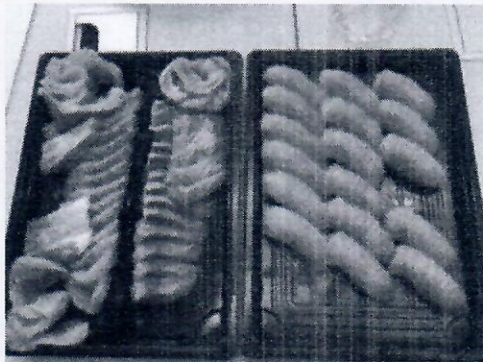
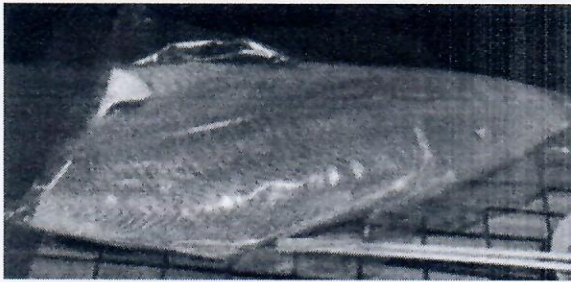
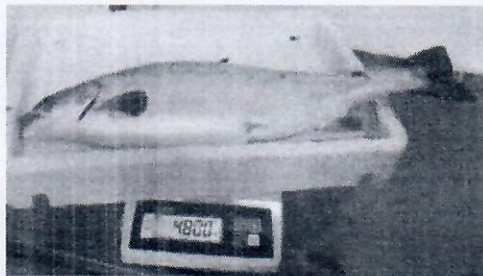
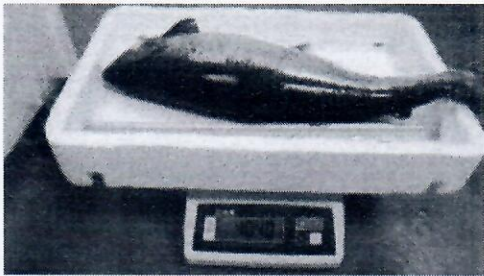
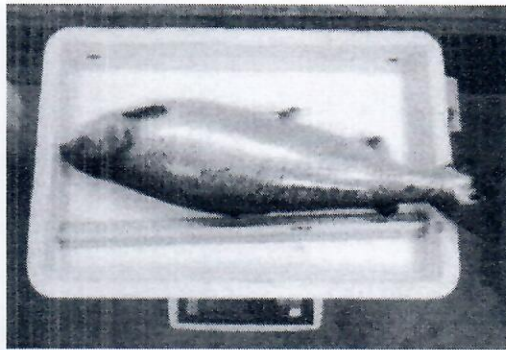
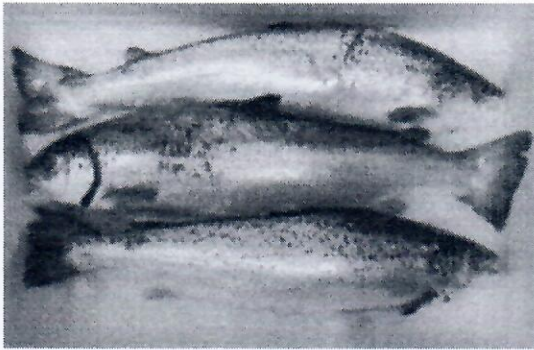
There are a total of 15 staff on the ground in the Poland Facility led by the General Manager Eran Huppert and the Head of Production Maciej Klimczak.



Potential distribution partners and investors visiting the Poland Facility.



First trial batches of Atlantic salmon





Taste trial testimonials (June 2018)



"Texture and consistency is nice, fat content also.... I can truly recommend Global Fish Salmon for all kinds cuisine."

*Adrian Budziński, Sushi Master, Tomo Sushi Restaurant*



"We were very impressed for a salmon of 2/3 kg. Color, texture, fat % and taste were up to my expectation."

*Emmanuel Sebag, Seafood Director, Leafresh*



"Colour of fish meat was bright as it should be on high quality salmon."

*Miroslav Skrabal (Board Chairman & Head of Investments) & Miroslav Horak (Head of Processing & Gastro&Food Expert), Taneco*



"The results were very clear, and showed the fish to be clean of the tested bacteria and fungi."

*Yoav Dagan, Co-Founder, AquaMaof*



"I am extremely happy with the tasting and the similarity with the Norwegian salmon and I am excited by the prospect of the taste improving even further."

*David Cahill, Global Head of Production, Pure Salmon*



**CONFIDENTIAL MEMORANDUM**

**TO:** VCEDA Project Review Committee

**FROM:** Jonathan Belcher, VCEDA Executive Director/General Counsel

**DATE:** October 16, 2019

**RE:** Request from Project Jonah to Extend Loan Closing Deadline

---

On August 17, 2017, the VCEDA Board conditionally approved up to \$10,000,000.00 in loan funds for the Project Jonah fish farm project which is looking at Tazewell/Russell Counties (see enclosed letter dated August 22, 2017 for exact terms). This loan approval is set to expire on December 31, 2019, and Project Jonah has submitted the enclosed letter (marked proprietary and confidential) requesting a one-year extension of the loan closing deadline to December 31, 2020. VCEDA's initial conditional earmark of funds on this project was on December 19, 2013. Project Jonah also has requested that the VCEDA board go into closed session when their request is discussed.

**DRAFT MOTION**

Motion to (*recommend, not recommend, or table to*) approve 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.



# VIRGINIA COALFIELD ECONOMIC DEVELOPMENT AUTHORITY

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



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

August 22, 2017

## Confidential

Mr. John Schiering, Chief Operating Officer  
Ms. Lala Korall, Vice President  
Dominion Aquaculture, LLC  
1928 Front Street  
Richlands, Virginia 24641

Dear John and Lala:

I am writing to inform you that at a meeting of the Board of the Virginia Coalfield Economic Development Authority ("VCEDA") held on August 17, 2017, the VCEDA Board approved up to a Ten Million (\$10,000,000.00) (U.S.) loan to Dominion Aquaculture, LLC ("Project Jonah") to be used for workforce development and training (as specified below), for a vertically integrated aquaculture facility to be located in Tazewell and Russell Counties, Virginia, subject to the following basic terms and conditions:

1. The loan shall be due and payable in eighty-four (84) consecutive monthly payments, with the first monthly payment to begin three (3) years from the date of the promissory note (the "Note"). Provided, however, that on each annual anniversary date of the Note, beginning with the fourth annual anniversary date of the Note and ending on the tenth annual anniversary date of the Note, that Project Jonah has at least two hundred (200) full-time employees in the VCEDA region with an average full-time wage of at least \$50,000 per year, eight percent (8%) of the outstanding balance of the Note shall be forgiven and converted into a grant. If Project Jonah fails to meet any of the foregoing employment milestones on the specified dates, then the loan forgiveness amount for that particular milestone is void and shall no longer apply. If as provided above, Project Jonah qualifies for loan forgiveness, and the outstanding balance of the Note at the time of such loan forgiveness is less than the amount to be forgiven (as provided above), then the amount forgiven shall be adjusted and reduced to the outstanding balance of the Note at the time of the forgiveness, and in no event shall Project Jonah be entitled to a grant or a carry-over for any excess between the amount to be forgiven and the outstanding balance of the Note.





**Mr. John Schiering**  
**Ms. Lala Korall**  
**August 22, 2017**  
**Page 2 (Confidential)**

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4. This loan shall be funded from the VCEDA Coalfield Regional Opportunity Fund. The term "workforce development and training" as used above shall have the same definition as in Section 3(c) of the Guidelines for the VCEDA Coalfield Regional Opportunity Fund.
5. VCEDA shall be provided with a copy of an MOU between Southwest Virginia Community College and Project Jonah concerning workforce development and training, which MOU shall be acceptable to VCEDA.
6. This loan shall not be closed until, and this loan approval is specifically contingent upon, collateral for the loan being determined that is acceptable to the VCEDA Board, and the approval of the VCEDA Board at a duly called meeting of the VCEDA Board.
7. This loan shall not be closed until, and this loan approval is specifically contingent upon, Project Jonah providing written evidence satisfactory to the VCEDA Board of the closing and availability of at least \$110 million (U.S.) of private funds for the project in Tazewell and Russell Counties, Virginia, and the approval of the VCEDA Board at a duly called meeting of the VCEDA Board.
8. This loan shall not be closed until, and this loan approval is specifically contingent upon, Project Jonah providing written evidence satisfactory to the VCEDA Board that at least \$25 million (U.S.) in non-VCEDA, private funds have been expended on site development, facilities construction, and/or equipment at the project location in Tazewell and Russell Counties, Virginia (excluding engineering and permitting fees), and the approval of the VCEDA Board at a duly called meeting of the VCEDA Board.



**Mr. John Schiering**  
**Ms. Lala Korall**  
**August 22, 2017**  
**Page 3 (Confidential)**

9. This loan shall not be closed until, and this loan approval is specifically contingent upon, VCEDA's receipt of an updated letter of support for the project from the Virginia Economic Development Partnership ("VEDP"), which shall be satisfactory to the VCEDA Board.
10. The loan closing fee on this loan shall be reduced to one-half percent (1/2%), as an additional incentive to the project.
11. The loan closing deadline on this loan shall be December 31, 2018. If the VCEDA loan agreement has not been signed by that date, then this loan approval shall automatically expire.
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The foregoing is non-binding and is not intended as a legal agreement or as formal loan documentation, but only as information of the VCEDA Board's action on August 17, 2017. Please keep us apprised of the status of the contingencies listed above and the project. After all of the above contingencies have been satisfied and the VCEDA Board has authorized the closing of the loan, then formal loan documentation will be drafted and sent to you, along with a list of any remaining items needed for closing (e.g., company borrowing resolution, etc.). In the meantime, if you have any questions whatsoever, please do not hesitate to let me know.

Sincerely,



Jonathan S. Belcher  
Executive Director/  
General Counsel





October 15, 2019

Mr Jonathan Belcher  
Executive Director - VCEDA  
527 Main Street  
Lebanon 24226, VA

**Proprietary and Confidential**

Dear Mr Belcher,

On behalf of 8F Asset Management, Pte. Ltd.'s ("8F AM"), this letter is to update you on the progress of fundraising 8F Aquaculture Fund I (the "Fund"), which will fund Dominion Aquaculture LLC and in turn the vertically integrated aquaculture facility to be located in Tazewell and Russell counties, Virginia (the "Virginia Facility") as well as progress to date in order to secure the land and move forward with the project.

The Fund has raised to date ca. US\$ 147 million, onboarding an additional USD55.75m, with additional investors finalising their due diligence of US\$117.25m, leading the Fund to reach its target of USD 320m by year end 2019. Our investors are all leading corporates, public pension funds, insurers, sovereign wealth funds, investment companies and high net worth individuals. I hope that our progress with regards to all of these capital raising milestones, will give you comfort, that our fund raising process is well underway and all the required equity financing for the Virginia Facility has been secured.

The co-investment between Fund and AquaMaof's in Poland, Pure Salmon Poland, has moved beyond a proof of concept facility and is now producing commercially viable 4-5kg Atlantic salmon that has been tested across the world by retailers, leading chefs and restaurants as well as industry experts, with generally very good feedback received. In addition, the quality of the fish has secured a 10,000 ton per year off take in Japan by one of the leading fresh food distributor and importer. Finally, Pure Salmon Poland has now started selling its production across Europe.

At the local level, the first phase, namely the survey of the 2 properties has been completed. In addition, the Fund is in advanced stages of approving the geotechnical engineering and drilling tasks, which is an important due diligence item to be completed on the land. Once the land due diligence is completed, the fund will look to complete the required permitting and the acquisition of the land. As the Fund continues to work on all of the above items, our current timeline forecasts a start of the final engineering and design of the facility by the end of Q1 2020. Once the design completed, the Fund through its US entity, will look to engage construction providers in order to start construction by end of Q3 2020, leading to significant financial commitments.

Based on the progress achieved and the Fund's above outline of the timelines, we respectfully request for the loan closing deadline of the VACEDA loan, per your letter dated Aug 22, 2017 to be extended through December 31, 2020, at which point all contingencies should have been fulfilled.

8F AM, with our partner AquaMaof, remains strongly committed to its vision of becoming a leading global producer of land-grown Atlantic salmon and commencing the construction of the Virginia Facility rapidly.

Finally, please be assured that we will continue to update you as key project milestones are achieved.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Sarah Ho'.

Sarah Ho  
CFO  
8F Asset Management Pte. Ltd.