

**BIFURCATION AND MUTUAL RELEASE AGREEMENT
HOLTAN HILLS, CYI AND POMEROY**

THIS BIFURCATION AND MUTUAL RELEASE AGREEMENT (this “Agreement”) is made, as of the date last signed below, by and between Holtan Hills, LLC (“HH”), an Alaska limited liability company, CY Investments, LLC (“CYI”), an Alaska limited liability company, and Pomeroy Lodging, LP, a Canadian limited partnership, and Pomeroy Property Development, Ltd., a Canadian corporation, and their related entities (collectively referred to as “Pomeroy”).

RECITALS

A. WHEREAS, the Municipality of Anchorage (“MOA”)and its Heritage Land Bank, an Alaska municipal corporation (the “HLB”), published a Request for Proposal dated April 6, 2021 (the “RFP”), soliciting proposals for the development of property located in Girdwood, Alaska (the “Girdwood Project”);

B. WHEREAS, CYI, Pomeroy, and Seth Andersen (the “original development team”) submitted a joint response to the RFP (the “RFP Response”) and were awarded the RFP;

C. WHEREAS, HH and HLB have or will enter into that certain development agreement (the “Holtan Hills Development Agreement”) for the construction, development, marketing, and sale of a portion of the Girdwood Project in a three-phase residential land development and subdivision project to be known as the Holtan Hills Subdivision and Holtan Hills Development Reserve (the “Holtan Hills Subdivision”);

D. WHEREAS, Pomeroy and HLB have or will enter into that certain development agreement (“Alyeska Village Development Agreement”) for the construction, development, marketing and sale of a portion of the property for residential, lodging, related amenities, and such other uses as may be provided in the Alyeska Village Development Agreement to be known as Alyeska Village, Alyeska Village Reserve, and Alyeska Village Access Road (collectively referred to as “Alyeska Village”).

E. WHEREAS, CYI and HH are both wholly owned by Connie Yoshimura, and upon the written consent of HLB, CYI assigned and transferred to HH, and HH assumed from CYI, all of CYI rights and interest in and duties and obligations for the Holtan Hills Subdivision under the Holtan Hills Development Agreement;

F. WHEREAS, the original development team and HLB agree to permit HH to develop the portion of the Girdwood Project to be developed as a residential subdivision in the RFP under the Holtan Hills Development Agreement and for Pomeroy to develop the portion of the Girdwood Project to be developed for employee housing for the resort, and resort lodging and other amenities in the RFP under the Alyeska Village Development Agreement;

G. WHEREAS, HH and Pomeroy desire to bifurcate the Girdwood Project and release all rights and claims related to the other party’s portion of the Girdwood Project, and HLB consents to such bifurcation of the Girdwood Project.

AGREEMENT

NOW THEREFORE, in consideration of the covenants and agreements stated herein, the parties agree as follows:

1. BIRFURCATION OF PROJECT. Pomeroy and HH hereby agree to bifurcate the Girdwood Project into two separate development projects with HLB, namely the Holtan Hills Subdivision to be controlled under the terms of the Holtan Hills Development Agreement and the Alyeska Village to be controlled under the terms of the Alyeska Village Development Agreement.

2. DISCLAIMER OF INTEREST. Pomeroy disclaims in favor of HH any claim to a right, title, or interest in the participation, ownership or development of the Holtan Hills Subdivision under the RFP and the Holtan Hills Development Agreement, and HH disclaims in favor of Pomeroy any claim to a right, title, or interest in the participation, ownership or development of Alyeska Village under the RFP and the Alyeska Village Development Agreement.

3. MUTUAL RELEASE OF CLAIMS. Without intending to make any admission of liability, this Agreement resolves, releases and waives any and all claims Pomeroy may have against CYI or HH and/or that CYI or HH may have against Pomeroy relating to the RFP, RFP Response, the Girdwood Project, any relationship between CYI or HH and Pomeroy, and/or the distributions of any profits or other interests for the Girdwood Project under the awarded RFP or otherwise.

a. Each party hereby releases the other party and waives all claims against the other relating to the awarded RFP, RFP Response, the Girdwood Project, any partnership or other relationship or arrangement of any nature among CYI or HH and Pomeroy, and/or agreements, events or actions occurring prior to and as of the date of this Agreement.

b. Notwithstanding any provision of this Agreement to the contrary, this Agreement does not preclude a party from bringing an action to enforce the terms of this Agreement. Furthermore, nothing in this Agreement precludes Pomeroy or HH from negotiating with each other with regards to that party's portion of the RFP project and/or from pursuing or carrying out any other current or future development project(s) in Girdwood. If subsequent to this Agreement, HH or MOA terminates HH's role in the Girdwood Project, Pomeroy is free to pursue all or any portion of the Girdwood Project following such termination. If subsequent to this Agreement, Pomeroy or MOA terminates Pomeroy's role in the Girdwood Project, HH is free to pursue all or any portion of the Girdwood Project following such termination.

4. ABILITY TO CONTRACT AS CONSULTANT. If mutually agreeable to HH and Pomeroy, nothing in this Agreement prohibits either party from providing services on the other's portion of the Girdwood Project as an independent consultant, as agreed to in writing by both parties in their respective sole discretion.

5. CONFIDENTIALITY AND CONFIDENTIAL INFORMATION. Each party agrees to keep confidential the confidential information of the other party and any confidential information disclosed regarding the Girdwood Project except (i) as may be required to be disclosed pursuant to applicable laws or in defense or enforcement of its rights hereunder or (ii) on a need to know basis, any such parties' lenders, investors, auditors, consultants and attorneys.

6. DISPUTE RESOLUTION. The parties agree to meet and discuss in good faith any dispute arising out of this Agreement. If the parties are unable to reach a mutual written resolution of the dispute within fifteen (15) days of meeting, then the parties agree to non-binding mediation in Anchorage, Alaska, which may be conducted electronically via telephone or in person video (i.e. Zoom or Teams). The parties shall jointly agree on a mediator. The parties shall share equally the cost of the mediation except each party shall pay its own personal attorney's fees. If the parties are unable to reach a mutual written resolution of the dispute within fifteen (15) days of the mediation, then upon notice by a party to the other party, such dispute shall be submitted to binding arbitration. The dispute shall then be settled by binding arbitration in Anchorage, Alaska in accordance with the Alaska Revised Arbitration Act. If any arbitration is commenced between the parties concerning this Agreement or their respective rights, duties and obligations under this Agreement, the prevailing party in such arbitration shall be entitled to reasonable attorney's fees and arbitration costs, including arbitration fees, as awarded in arbitration.

7. GOVERNING LAW; VENUE. This Agreement shall be governed by the laws of the State of Alaska. Venue shall be in Anchorage, Alaska.

8. SEVERABILITY. Any provision of this Agreement held in violation of any law will be deemed stricken, and all remaining provisions shall continue valid and binding upon the parties. The parties will attempt in good faith to replace any invalid or unenforceable provision(s) of this Agreement with provisions which are valid and which come as close as possible to expressing the intention of the original provisions.

9. CONSTRUCTION. Each party to this Agreement has had an opportunity for independent legal counsel to review and modify the Agreement. The rule of construction that ambiguities in an agreement will be construed against the party who drafted the agreement shall not apply to the interpretation of any provision of this Agreement. Captions and heading in this Agreement are for convenience only and not to be construed as a part hereof.

10. COUNTERPARTS. The Agreement may be executed in counterparts. Each such counterpart shall be deemed an original but all counterparts together shall constitute but one agreement.

11. COMPLETE UNDERSTANDING, MODIFICATIONS. This Agreement shall be construed and interpreted according to its fair meaning and constitutes the full and complete understanding and agreement of the parties, and supersedes all prior discussions, representations, understandings and agreements between the parties. Any waiver, modification, or amendment of any provision of this Agreement shall be effective only if in writing and signed by the parties hereto. Nothing in this Agreement is intended to or shall be construed as changing CYI's obligations, rights and responsibilities under the Development Agreement.

12. BINDING EFFECT. This Agreement shall not be subject to or its effectiveness conditioned upon the execution of the Holtan Hills Development Agreement by HH and HLB or the execution of the Alyeska Village Development Agreement by Pomeroy and HLB. Each party shall be free to enter into the respective Development Agreement in their sole discretion notwithstanding the status or execution of any other development agreement. By signing this Agreement, the parties are agreeing to be bound by its terms, subject to the foregoing conditions.

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the day and year last signed below, intending to be legally bound.

POMEROY PROPERTY DEVELOPMENT, LTD.

By: Ryan Laurie
Ryan Laurie
Director of Asset Management

POMEROY LODGING, LP

By: Ryan Laurie
Its: Director of Asset Management

Date: April 6, 2022

HOLTAN HILLS, LLC

By: _____

Date: _____

CY INVESTMENTS, LLC

By: _____

Date: _____

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POMEROY PROPERTY DEVELOPMENT, LTD.

By: _____
Ryan Laurie
Director of Asset Management

POMEROY LODGING, LP

By: _____
Its: _____
Date: _____

HOLTAN HILLS, LLC

By: _____
Connie Yoshimura, Manager
Date: 4/5/22

CY INVESTMENTS, LLC

By: _____
Connie Yoshimura, Manager
Date: 4/5/22