

Goldbelt, Inc.

3025 Clinton Drive

LETTER OF INTENT

April 12, 2023

Attn: Dave Scanlan, Rorie Watt, City Manager

City and Borough of Juneau
City & Borough Manager's Office
155 South Seward Street
Juneau, AK 99801

Re: Gondola Project Revenue Sharing Agreement

Dear Mr. Scanlan and Ms. Watt,

We present this Letter of Intent ("LOI") for the Gondola Project revenue sharing agreement between the City and Borough of Juneau (the "City") and Goldbelt, Incorporated ("Goldbelt"). This LOI sets forth the proposed terms for the negotiations of a Gondola Project revenue sharing agreement (the "Agreement") between the City and Goldbelt to fund, install, and operate the Gondola Project (the "Project") at Eaglecrest Ski Area on Douglas Island. The terms set forth in this LOI will not become binding until a more detailed revenue sharing agreement is negotiated and signed by the parties.

Silent Partner:

Goldbelt, Incorporated

Independent Contractor:

City and Borough of Juneau

Project:

The City will install a gondola system to attract locals, tourists, cruise ship tourists and independent tour operators to the attractions in the area. Goldbelt will provide funds of \$10,000,000 to assist the City with the installation and operation of the Project and in exchange Goldbelt will receive a percentage share of revenues generated by the Gondola per Eaglecrest visitor for a term of 25 years. Goldbelt will not operate the Project, as the City and Goldbelt intend that an Independent Contractor relationship be created by the Agreement.

ROI:

The ROI is dependent upon gross revenue generated by the Project. The projected ROI is \$32,000,000 with a total projected revenue share of \$42,080,520 for Goldbelt over the 25-year term.

Term:

The Term of the Agreement starts on the Effective Date of the Agreement and ends on the twenty-fifth (25th) anniversary of the date that the Project opens to the public. City warrants

Exhibit B - Ordinance 2023-08

opening to the public by May 31, 2027. The Term will extend if Goldbelt has not received 2X its contribution in revenue (\$20,000,000).

Investment: Goldbelt will disburse Contribution funds of \$10,000,000 on or before July 3, 2023.

Termination: The City may terminate the Agreement for convenience: prior to receiving any portion of Goldbelt's investment; if it chooses to terminate deployment or operation of the project; or in the event of non-appropriation. The termination fee will be the amount contributed by Goldbelt minus any revenue sharing received prior to termination. Goldbelt will also receive seven percent (7%) per annum interest compounded monthly up to a cap of 150%, which will be \$5,000,000.

Revenue Sharing: Until Goldbelt has received payments equaling the entire investment amount ("Phase 1"), the City shall pay to Goldbelt a percentage of the gross Summer Operations Receipts. Goldbelt's percentage shall be determined by the number of visitors to the Project, with ranges from 10%-25%. After Goldbelt has received payments equaling its entire investment amount ("Phase 2"), the City shall pay to Goldbelt a percentage of the gross Summer Operations Receipts. Goldbelt's percentage shall be determined by the number of visitors to the Project, with ranges from 10%-12.5%. Payment of Goldbelt's share will be due within sixty (60) days of the City receiving a final statement identifying the gross Summer Operations Receipts for the calendar year of the Term.

Records: Both Parties will provide a written weekly summary report of revenues from the sale of individual, packaged, or summer season passes from the Project and have an end of the year audit summary report. On written notice, both Parties shall permit an audit by an independent certified public accounting firm to verify accuracy of summer revenues.

Future Engagements: Goldbelt and CBJ will share ideas and motivation to build a responsible and prosperous community that will last forever. Because of these shared goals, CBJ intends to continue working with Goldbelt at Eaglecrest to build a successful and sustainable business operation for visitors and residents to enjoy.

Communication: CBJ will communicate with Goldbelt regarding plans to expand Eaglecrest operations near Goldbelt property on the shoreline of Douglas Island.

Exhibit B - Ordinance 2023-08



Goldbelt, Incorporated
By: McHugh Pierre
Its: President & CEO

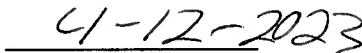


Dave Scanlan

Rorie Watt

April 12, 2023

Date



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