

## **Cooperation Agreement**

### **Kenaitze/Salamatof Tribally Designated Housing Entity**

#### **Elder Housing Project and Eadies Way Project**

This agreement is effective January 1, 2026, and entered into by and between the Kenaitze/Salamatof Tribally Designated Housing Entity (hereinafter called the “Recipient”), and the Kenai Peninsula Borough and the City of Kenai (hereinafter collectively called the “Local Governing Bodies”).

In consideration of the mutual covenants hereinafter set forth, the parties do hereby agree as follows:

1. Whenever used in this agreement:

- a. The term “projects” shall mean the following properties developed or acquired by the Recipient with financial assistance of the United States of America, acting by and through the Secretary of the Department of Housing and Urban Development (“Government”), and under the Native American Housing Assistance and Self Determination Act of 1996 or the United States Housing Act of 1937 (“Laws”):
  - A housing project to be constructed at 1000 Redoubt Avenue in Kenai, Alaska (“Elder Housing”), consisting of 36 units. The Elder Housing project will consist solely of improvements constructed for the project, and will not include any part of the land in the parcel on which the project will be located. The land is not included in the Elder Housing project due to the fact that the project will occupy a small portion of the 160-acre parcel and will not be subdivided as part of the housing project.
  - Existing property to be acquired for a housing project, located at 408, 410, and 412 Eadies Way in Kenai, Alaska (“Eadies Way”), consisting of 12 units, and inclusive of both the land and all structures thereon.
- b. The term “commencement date” shall mean:
  - For the Elder Housing project, the date on which construction of the project is substantially complete.
  - For the Eadies Way project, the later of January 1, 2026 or the date the Recipient acquires the Eadies Way property.
- c. The term “low-income rental or lease-purchase homeownership purposes” shall mean (1) providing housing to persons with an income at or below 80 percent of the median income for the Kenai Peninsula Borough and (2) providing housing and relocation assistance to the tenants of a property, to the extent consistent with and mandated by Government regulations and the Laws.

- d. The term “elder housing rental or lease-purchase homeownership purposes” shall mean providing housing to persons aged 55 years or older.
  - e. The term “shelter rent” shall mean the total of all charges to all tenants of a project for dwelling rents, excluding all other income of such project.
2. The Recipient shall endeavor to secure funding from the Government for the cost to develop and administer the projects. The projects are located within the jurisdictional limits of the Local Governing Bodies. The obligations of the parties hereto shall apply to each such project, and the units therein, within the jurisdictional limits of the Local Governing Bodies as those jurisdictional limits are delineated on the date of this agreement and hereafter may be modified.
  3. For each project, beginning on the commencement date and thereafter so long as the project continues to be used exclusively for elder housing and/or low-income rental or lease-purchase homeownership purposes, the Recipient shall make Payments in Lieu of Taxes (“PILOT”) payments to support public services and facilities furnished from time to time without other cost or charge to the project.
  4. For each project, beginning on the commencement date and thereafter so long as (1) the Recipient continues to make PILOT payments and (2) the project continues to be used exclusively for elder housing and/or low-income rental or lease-purchase homeownership purposes, the Local Governing Bodies shall not levy or impose any real and personal property taxes upon such projects or upon the Recipient, the Kenaitze Indian Tribe, or the Salamatof Tribe with respect thereto as required by Section 101(d) of the Native American Housing and Self Determination Act of 1996, 25 U.S.C. § 4111(d).
  5. Nothing in this agreement shall be construed to express an opinion by any party as to whether the projects, or other properties used for elder housing and/or low-income rental or lease-purchase homeownership purposes, would be eligible for tax exemptions enumerated in the Kenai Peninsula Borough Code and applicable state law.
  6. PILOT payments shall be made to the Local Governing Bodies annually at the time when real and personal property taxes on such projects would be paid if they were subject to taxation, in an amount equal to the greater of \$150 per dwelling unit or ten percent (10%) of the difference between the shelter rent and the utility costs per dwelling unit. The allocation of each annual payment between the Local Governing Bodies shall be determined between them by mutual agreement. For each project, a representative template rental agreement and documentation of actual rents charged for each unit will be provided to the KPB Assessor on an annual basis; however, the names of occupants and any other personal identifying information may be redacted or withheld.
  7. The Kenai Peninsula Borough does not levy special assessments within the City of Kenai and the parties to this agreement agree that all of the proposed projects are within the city boundaries of the City of Kenai. This agreement does not exempt the Recipient from City of Kenai special assessments benefitting the projects (the costs of which will be spread proportionately among property owners subject to the assessments, including the Recipient).

8. Notwithstanding the Recipient's agreement to make PILOT payments, the Local Governing Bodies agree that no lien against the projects or assets of the Recipient shall attach, nor shall any interest or penalties accrue or attach on account thereof, for the failure to make such PILOT payments. This clause does not apply to City of Kenai special assessments benefitting the properties.
9. For each project, beginning on the commencement date and thereafter so long as (1) the Recipient continues to make PILOT payments and (2) the project continues to be used exclusively for elder housing and/or low-income rental or lease-purchase homeownership purposes, the Local Governing Bodies, without cost or charge to the Recipient or the tenants of such projects other than PILOT payments or special assessments as described above, shall furnish or cause to be furnished to the Recipient and the tenants of such projects any and all public services, facilities, and infrastructure of the same character and to the same extent as are furnished from time to time without cost or charge to other dwellings and inhabitants within the Local Governing Bodies' jurisdictional limits.
10. If, by reason of the Local Governing Bodies' failure or refusal to furnish or cause to be furnished any and all public services, facilities, and infrastructure which it has agreed hereunder to furnish or to cause to be furnished to the Recipient or to the tenants of the projects, the Recipient incurs any expense to obtain such services or facilities, then the Recipient may deduct the amount of such expense from any PILOT payments due or to become due to the Local Governing Bodies with respect to the projects.
11. No cooperation agreement previously entered into between the Local Governing Bodies and the Recipient shall be construed to apply to the projects covered by this agreement.
12. The Recipient grants to the Local Governing Bodies a limited waiver of its sovereign immunity from suit, for the sole purpose of allowing a suit to be filed seeking enforcement of the Local Governing Bodies' rights and the Recipient's obligations under the terms of this agreement, subject to the following conditions:
  - a. Suit must be filed in the Alaska Superior Court located in either Anchorage or Kenai, Alaska.
  - b. The Recipient's sovereign immunity is not waived as to the Recipient's employees, Board members, or agents of the Recipient, and no personal assets of the Recipient's employees, Board members, or agents are subject to levy or execution, or other mechanisms to enforce a judgment.
  - c. No provision of this limited waiver of sovereign immunity shall be interpreted as granting the Recipient's consent for a suit to be brought directly against the Recipient by any party other than the Local Governing Bodies, nor shall this limited waiver be construed as creating in any person or entity a third-party benefit or to otherwise authorize any person or entity not a party to the agreement to maintain a suit under the terms of this agreement.
  - d. Nothing in this agreement permits, nor shall be construed as permitting, a waiver of the

sovereign immunity of the Kenaitze Indian Tribe, the Salamatof Tribe, or their employees, officials, Council members, or agents for any purpose.

- e. Nothing in this agreement shall be construed as a waiver or consent to levy any judgment, lien, or encumbrance upon the funds, assets, or income of the Recipient, or real property of the Recipient other than the projects.
  - f. Nothing in this agreement shall be construed as a waiver or consent to levy any judgment, lien, or encumbrance upon the funds, assets, income, or real property of the Kenaitze Indian Tribe or the Salamatof Tribe, and the Tribes shall not be liable for the debts or obligations of the Recipient.
  - g. This limited waiver of sovereign immunity shall remain in effect so long as the agreement remains in effect, plus the statute of limitations period on any cause of action or claim permitted under this limited waiver.
13. This agreement shall not be abrogated, changed, or modified without the consent of both the Local Governing Bodies and the Recipient. The privileges and obligations of the parties hereunder shall remain in full force and effect with respect to each project so long as the Recipient holds title to such projects. However, if at any time the title to, or possession of, the projects is held by a public body or governmental agency, including the Government, the provisions hereto shall inure to the benefit of and may be enforced by such public body or governmental agency, including the Government. If at any time the title to, or possession of the projects is held neither by the Recipient nor by a public body or governmental agency, this agreement shall terminate.

**IN WITNESS WHEREOF**, the parties hereto have executed this agreement as of the day and year first above written.

Kenai Peninsula Borough

Kenaitze/Salamatof Tribally Designated  
Housing Entity

\_\_\_\_\_  
By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
By: Kaarlo Wik

Title: Chair

Date: \_\_\_\_\_

City of Kenai

\_\_\_\_\_  
By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_