

From the Cooperation Agreement with the city

- (b) to develop and administer such Project and Projects, each of which shall be located within the corporate limits of the Municipality. The obligations of the parties hereto shall apply to each such Project.
- 3. Notwithstanding any order, judgment, or decree of any court (including any settlement order), before making any amounts available for use for the development of any housing or other property not previously used as public housing, the Authority shall:
 - (a) notify the Municipality of such use, and
 - (b) pursuant to the request of the Municipality, provide such information as may reasonably be requested by the Municipality regarding the public housing to be so assisted (except to the extent otherwise prohibited by law).
- 4. Tax Exemption and Payment in Lieu of Taxes
 - (a) Under the constitution and statutes of the State of Texas all Projects are exempt from all real and personal property taxes and special assessments levied or imposed by any Taxing Body. With respect to any Project, so long as either
 - (i) such a Project is owned by a public body or governmental agency and is used for low-rent housing purposes, or
 - (ii) any contract between the Authority and the Government for loans or annual contributions, or both, in connection with such Project remains in force and effect, or
 - (iii) any bonds issued in connection with such Project or any monies due to the Government in connection with such Project remain unpaid, whichever period is the longest, or
 - (iv) such a Project, if owned by a public facility corporation, housing development corporation or similar entity created by the Authority, has at least 20% of its units reserved for public housing units, or at least 50% of the units reserved for families earning less than 80% of the median income for the area;the Municipality agrees that it will not levy or impose any real or personal property taxes or special assessments upon such Project or upon the Authority with respect thereto. During such period, the Authority shall make annual payments (herein called "Payments in Lieu of Taxes") in lieu of such taxes and special assessments and in payment for the Public services and facilities furnished from time to time without other cost or charge for or with respect to such Project.
 - (b) Each such annual Payment in Lieu of Taxes shall be made after the end of the fiscal year established for such Project, and shall be in an amount equal to either

- (i) ten percent (10%) of the aggregate Shelter Rent Charged by the Authority in respect to such Project during such fiscal year, or
 - (ii) the amount permitted to be paid by applicable State law in effect on the date such payment is made,
- whichever amount is the lower.

- (c) The Authority shall distribute the Payments in Lieu of Taxes among the Taxing Bodies in the proportion which the real property taxes which would have been paid to each Taxing Body for such year if the Project were not exempt from taxation bears to the total real property taxes which would have been to all Taxing Bodies for such year if the Project were not exempt from taxation; provided, however, that no payment for any year shall be made to any Taxing Body in excess of the amount of the real property taxes which would have been paid to such Taxing Body for such year if the Project were not exempt from taxation.
- (d) Upon failure of the Authority to make any Payment in Lieu of Taxes, no lien against any Project or assets of the Authority shall attach, nor shall any interest or penalties accrue or attach on account thereof.

5. During the period commencing with the date of the acquisition of any part of the site or sites of any Project and continuing so long as either
- (i) such Project is owned by a public body or governmental agency and is used for low-rent housing purposes, or
 - (ii) any contract between the Authority and the Government for loans or annual contributions, or both, in connection with such Project remains in force and effect, or
 - (iii) any bonds issued in connection with such Project or any monies due to the Government in connection with such Project remain unpaid,
- which ever period is the longest, the Municipality without cost or charge to the Authority or the tenants of such Project (other than the Payments in Lieu of Taxes) shall:

- (a) Furnish or cause to be furnished to the Authority and the tenants of such Project public services and facilities 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 in the Municipality;
- (b) Vacate such streets, roads, and alleys within the area of such Project as may be necessary in the development thereof, and convey without charge to the Authority such interest as the Municipality may have in such vacated areas, and, insofar as it is lawfully able to do so without cost or expense to the Authority or to the Municipality, cause to be removed from such vacated areas, insofar as it may be necessary, all public or private utility lines and equipment.