

AGENDA ITEM

D2

FORT BEND COUNTY FY 2009
DRAINAGE DISTRICT AGENDA REQUEST FORM

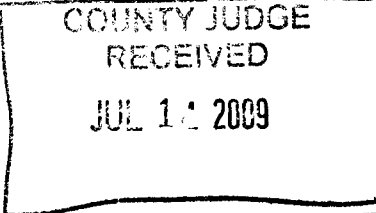
Return Completed Form by E-Mail to: Agenda Coordinator, County Judge's Office

Date Submitted:	07/14/2009	Submitted By:	Mary Reveles
Court Agenda Date:	07/21/2009	Department:	County Attorney
		Phone Number:	341-4554

SUMMARY OF ITEM:

DRAINAGE DISTRICT:

Take all appropriate action on First Restated As Amended Tax Abatement Agreement between the Fort Bend County Drainage District and Spear Pharmaceuticals, Inc., changing name of owner to SPIRRA PHARMACEUTICALS, INC.

FINANCIAL SUMMARY:	BUDGETED ITEM:	YES <input type="checkbox"/>	NO <input type="checkbox"/>	N/A <input type="checkbox"/>
FUNDNG SOURCE:	Accounting Unit:	Account Number:		
	Activity (If Applicable):			
DESCRIPTION OF LAWSOM ACCOUNT: N/A				

Instructions to submit Agenda Request Form:

- Completely fill out agenda form: incomplete forms will not be processed.
- Agenda Request Forms should be submitted by e-mail, fax, or inter-office mail, and all back-up information must be provided by Wednesday at 2:00 p.m. to all those listed below.
- All original back-up must be received in the County Judge's Office by 2:00 p.m. on Wednesday.

DISTRIBUTION:

Original Form Submitted with back up to County Judge's Office (✓ when completed)
 If by E-Mail to ospindon@co.fort-bend.tx.us If by Fax to (281) 341-8609

Distribute copies with back-up to all listed below. If by fax, send to numbers below:

<input checked="" type="checkbox"/> Auditor (281-341-3774)	<input checked="" type="checkbox"/> Comm. Pct. 1 (281-342-0587)
<input checked="" type="checkbox"/> Budget Officer (281-344-3954)	<input checked="" type="checkbox"/> Comm. Pct. 2 (281-403-8009)
<input type="checkbox"/> Facilities/Planning (281-633-7022)	<input checked="" type="checkbox"/> Comm. Pct. 3 (281-242-9060)
<input type="checkbox"/> Purchasing Agent (281-341-8642)	<input checked="" type="checkbox"/> Comm. Pct. 4 (281-980-9077)
<input checked="" type="checkbox"/> Tax Assessor/Collector	<input checked="" type="checkbox"/> County Clerk (281-341-8697)
<input checked="" type="checkbox"/> Drainage District	<input checked="" type="checkbox"/> County Atty (281-341-4557)

RECOMMENDATION / ACTION REQUESTED:

Special Handling Requested (specify): This agreement simply changes the name from Spera Pharmaceuticals, Inc. to Spirra Pharmaceuticals, Inc. because US Patent Office did not approve the original name (Spera Pharmaceuticals).

7-22-09 2 orig's ret. to Mary at Co. Attorney

STATE OF TEXAS

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COUNTY OF FORT BEND

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FIRST RESTATED AS AMENDED TAX ABATEMENT AGREEMENT

by and between

FORT BEND COUNTY DRAINAGE DISTRICT

and

SPERA PHARMCEUTICALS, INC.

By agreement, effective April 14, 2009, Fort Bend County Drainage District entered into a tax abatement agreement with SPERA PHARMACEUTICALS, INC., hereinafter referred to as "Owner" of such real property and improvements located within the City of Sugar Land Reinvestment Zone No. 2009-01. SPERA PHARMACEUTICALS, INC.'s name was under process of review by the US Patent and Trademark Office (USPTO) at the time the tax abatement was approved by the Fort Bend County Drainage District. The USPTO review process has resulted in SPERA PHARMACEUTICALS, INC.'s name change to SPIRRA PHARMACEUTICALS, INC. Additionally, construction of the improvements has been delayed and SPERA PHARMACEUTICALS, INC. desires to delay construction of the improvements by sixty (60) days. For the convenience of the parties and for ease of reference, the parties wish to restate the tax abatement agreement with all amendments to date included, if any, in this First Restated as Amended Tax Abatement Agreement.

AGREEMENT

This Tax Abatement Agreement, hereinafter referred to as "Agreement," is executed by and between the **FORT BEND COUNTY DRAINAGE DISTRICT**, hereinafter referred to as "District," acting by and through its Board of Directors, and **SPIRRA PHARMACEUTICALS, INC.**, hereinafter referred to as "Owner," of the improvements located within the City of Sugar Land Reinvestment Zone No. 2009-01.

1. **Authorization:**

- a. This Agreement is authorized by the Property Redevelopment and Tax Abatement Act, Chapter 312 of the TEXAS TAX CODE as it exists on the effective date of this Agreement, and;

- b. The Amended Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones created by the Fort Bend County Drainage District which was approved by the Board of Directors on February 3, 2009. District has determined that the request for Tax Abatement presented by Owner conforms with the criteria established in the Guidelines for Tax Abatement.
- c. No official of District has an interest in the property subject to this Agreement.

2. **Definition:**

As used in this Agreement, the following terms shall have the meanings set forth below:

- a. The “**Certified Appraised Value or Value**” means the value certified as of January 1 of each year of this Agreement regarding the property within City of Sugar Land Reinvestment Zone No. 2009-01 by the Fort Bend County Central Appraisal District.
- b. “**Improvements**” means a building to be used as manufacturing and warehouse facility, containing approximately 30,000 square feet of floor space, and any sidewalks, parking lots, outdoor lighting, landscaping and other improvements to serve the building, all as shown in Exhibit A, attached to and incorporated into this Agreement by reference.
- c. “**Real Property**” means the real property as described in Ordinance No. 1728, which created Reinvestment Zone No. 2009-01 located within City of Sugar Land, described in Exhibit “A” attached hereto and incorporated by reference herein for all purposes.
- d. “**Abatement**” means the full or partial exemption from ad valorem taxes of certain property in City of Sugar Land Reinvestment Zone No. 2009-01 designated for economic development purposes.
- e. “**Eligible Property**” Abatement may be extended to fixed machinery and equipment, necessary to the operation and administration of the facility. Eligible Property is subject to abatement under the same terms as Improvements only if specifically included in Section 5(c).
- f. “**Ineligible Property**” means real property, existing improvements, tangible personal property that the Fort Bend Central Appraisal District classifies as inventory or supplies, real property used primarily to provide retail sales or services to the public, real property used for residential purposes, tangible personal property classified as furnishings, tangible personal property located in the reinvestment zone prior to the execution date of the tax abatement agreement, real property with a productive life of less than 10 years, or any other property for which abatement is not allowed by state law.

- g. “Owner” means SPIRRA PHARMACEUTICALS, INC., the Owner of the Real Property and Improvements subject to this Agreement, or other person or entity to which this Agreement is assigned, with prior approval of the District.
- h. “District” means the Fort Bend County Drainage District.
- i. “CAD” means Fort Bend County Central Appraisal District.

3. Subject Property

City of Sugar Land Reinvestment Zone No. 2009-01 is an area located in Fort Bend County, Texas, being legally described in Exhibit A attached hereto and incorporated herein for all purposes.

The CAD has established the base year values for the subject property as of January 1, 2009.

4. Responsibility of Owner

In consideration of receiving the tax abatement granted herein, Owner represents and agrees:

- (a) That construction of the Improvements will commence on or before September 1, 2009.
- (b) That construction of the Improvements shall be completed on or before March 31, 2010. Owner shall provide Tax Assessor/Collector a certified statement evidencing a minimum of \$3,000,000 project costs with respect to the Improvements within thirty (30) days after completion of the Improvements to be constructed by Owner.
- (c) That the Certified Appraised Value of the Improvements on January 1, 2010, and on each and every January 1 thereafter during the term of this Agreement will not be less than \$3,000,000. Failure to meet the requirements of this section will invalidate the tax abatement for the year this requirement was not satisfied.
- (d) That Owner has, as of the effective date of this Agreement, the financial resources to implement the above representations.
- (e) That Owner will participate in the continuing economic development process in Fort Bend County by becoming a Regular Member of the Greater Fort Bend Economic Development Council for a minimum period coinciding with

the term of this Agreement.

- (f) **OWNER SHALL BE RESPONSIBLE FOR NOTIFYING THE DISTRICT OF THE ABATEMENT, INCLUDING FILING WITH THE DISTRICT ANY APPLICATION OR OTHER FORMS NECESSARY TO QUALIFY FOR OR RECEIVE THE ABATEMENT GRANTED.**
- (g) **OWNER SHALL BE RESPONSIBLE FOR REQUESTING AN ASSIGNMENT OF THIS AGREEMENT IN THE EVENT THE REAL PROPERTY THE SUBJECT OF THIS AGREEMENT IS SOLD, TRANSFERRED OR ASSIGNED. ANY ASSIGNMENT IS NOT EFFECTIVE UNTIL APPROVED IN WRITING BY DISTRICT.**

5. Value and Term of Abatement

(a) This Agreement shall be effective on the date executed by District and Owner, whichever is later, and shall terminate (unless earlier terminated in accordance with the terms hereof) on December 31, 2019. In no event shall this Agreement extend beyond December 31, 2019. This Agreement shall terminate on the completion of the abatement, unless earlier terminated as provided elsewhere herein. Owner's obligation upon default to pay to District any taxes abated under this Agreement shall not terminate until the abated taxes are paid.

(b) In each year that this Agreement is in effect, the amount of abatement shall be an amount equal to the percentage indicated below of the taxes assessed upon the Improvements.

(c) Subject to the limitations imposed by law and conditioned upon the representations outlined in Section 4 herein above, there shall be granted and allowed hereunder a property tax abatement for the following years and in the following amounts on the Value of the Improvements:

<u>Improvements:</u>	<u>Tax Year</u>	<u>Percentage Abatement</u>
	2010	50%
	2011	50%
	2012	50%

2013	50%
2014	50%
2015	50%
2016	50%
2017	50%
2018	50%
2019	50%

TOTAL = 500%

- (1) The abatement granted shall not apply to the value of the Real Property, increases in the value of the Real Property, Eligible Property, Ineligible Property, inventory or supplies.
- (2) All Improvements shall be completed in accordance with applicable laws, ordinances, rules or regulations in effect at the time such Improvements are erected.
- (3) The CAD's determination of values shall be used to determine the value of the property subject to this Agreement. If Owner protests the District's valuation of the property, the valuation placed on the property after the protest is resolved under state law shall be used.
- (4) On or before September 1 of each year of this Agreement, Owner shall certify in writing to District's Tax Assessor/Collector Owner's compliance with each term of this Agreement.

6. Taxability

During the period that this tax abatement is effective, taxes shall be payable as follows:

- (a) The value of Real Property, Eligible Property and Ineligible Property shall be fully taxable, including inventory and supplies;
- (b) The value of existing Improvements shall be determined annually by the CAD.

7. Event of Default

- (a) District may declare Owner in default of this Agreement if: (1) Owner fails to comply with any term of this Agreement or (2) Owner allows District ad

valorem taxes on the Real Property, or any property located thereon, to become delinquent.

- (b) District shall notify Owner of any default in writing specifying the default. Owner shall have thirty (30) days from the date of the notice to cure any default. If Owner fails to cure the default within sixty (60) days from receipt of notice, District may terminate this Agreement by written notice.
- (c) If this Agreement is terminated by District, Owner agrees that they are liable for and will pay to District within thirty (30) days of the termination of this Agreement:
 - (1) The amount of all property taxes abated under this Agreement;
 - (2) Interest on the abated amount at the rate provided for in the TEXAS TAX CODE for delinquent taxes; and
 - (3) Penalties on the amount abated in the year of default, at the rate provided for in the TEXAS TAX CODE for delinquent taxes.
- (d) District shall have a lien against the Real Property and Improvements for the taxes and interest owed because of the recapture of taxes under this paragraph.
- (e) This paragraph is required by Chapter 2264, TEXAS GOVERNMENT CODE and governs over any conflicting provisions of this Agreement. Owner is prohibited from knowingly employing undocumented workers as that term is defined in Section 2264.001, TEXAS GOVERNMENT CODE. If Owner is convicted of a violation under 8 U.S.C. Section 1324a(f), the conviction shall be considered default of this Agreement, from which no cure provisions shall apply. In such event, District shall provide written notice to Owner of the default and this Agreement shall automatically terminate on the 30th day after the date of the notice of default from District to Owner. In the event of termination under this paragraph, Owner shall repay to District the amount of all property taxes abated under this Agreement, plus interest on the abated amount at the rate provided for in the TEXAS TAX CODE for delinquent taxes.

8. Administration and Inspection

(a) This Agreement shall be administered on behalf of the District's Tax Assessor/Collector or her designee. Owner shall allow employees or other representatives of District who have been designated by the Tax Assessor/Collector to have access to the Real Property and Improvements (during normal business hours) during the term of the Agreement. All regular inspections shall be made only after twenty-four (24) hours prior notice and will be conducted in such a manner as not to unreasonably interfere with the construction and/or operation of the facility. A representative of Owner may accompany the inspector.

(b) Upon completion of the Improvements, District shall annually evaluate the Improvements to ensure compliance with the terms and provisions of this Agreement and shall report possible defaults to the Owner.

(c) The Chief Appraiser of the CAD shall annually determine (1) the taxable value under the terms of this abatement of the Improvements subject to this Agreement and (2) the full taxable value without abatement of the Real Property, Eligible Property and Ineligible Property otherwise located at or about the Owner's premises. The Chief Appraiser shall record both abatement taxable value and full taxable value in the appraisal records. The full taxable value figure listed in the appraisal records shall be used to compute the amount of abated taxes that is terminated in a manner that results in recapture.

(d) Owner shall furnish the Chief Appraiser annually such information as provided for under Chapter 22 of the TEXAS TAX CODE as may be necessary for the administration of the abatement. Such information shall also be provided to District's Tax Assessor/Collector in preparation of its annual evaluation for compliance with the terms and provisions of this Agreement.

9. **Assignment**

This Agreement may not be assigned without prior written consent of District. No assignment shall be effective or approved if either District has declared a default hereunder which has not been cured or the assignee is delinquent in the payment of any ad valorem taxes owed to District. Approval shall not be unreasonably withheld.

Any and all assignments shall contain the same terms and conditions as set out in this Agreement and shall be granted for the remaining term of the original tax abatement agreement only.

10. **Indemnity**

It is understood and agreed between the parties that SPIRRA PHARMACEUTICALS, INC. in performing their obligations hereunder, is acting independently, and District assumes no responsibilities or liabilities in connection therewith to third parties. **SPIRRA PHARMACEUTICALS, INC. AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS DISTRICT AND THE CENTRAL APPRIASAL DISTRICT FROM ANY AND ALL CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ARISING OUT OF SPIRRA PHARMACEUTICALS, INC.'s OBLIGATIONS HEREUNDER EXCEPT THAT THE INDEMNITY SHALL NOT APPLY TO THAT PORTION OF RESPONSIBILITIES AND LIABILITIES RESULTING FROM THE FAULT OR NEGLIGENCE OF DISTRICT OR TAXING UNITS, THEIR RESPECTIVE OFFICERS, AGENTS OR EMPLOYEES. SPIRRA PHARMACEUTICALS, INC.'s INDEMNIFICATION OBLIGATIONS INCLUDE THE PAYMENT OF REASONABLE ATTORNEYS FEES AND EXPENSES INCURRED IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, AND CAUSES OF ACTION. SPIRRA PHARMACEUTICALS, INC. SHALL BE RESPONSIBLE FOR ALL FEES INCURRED BY DISTRICT IN THE DEFENSE OF ANY SUCH CLAIMS,**

SUITS, OR CAUSES OF ACTION SO LONG AS DEFENSE COUNSEL AND COURSES OF ACTION ARE DETERMINED SOLEY BY SPIRRA PHARMACEUTICALS, INC. NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED TO PROHIBIT DISTRICT FROM INCURRING REPRESENTATION OF ANY SUCH CLAIM, SUIT OR CAUSE OF ACTION AND SPIRRA PHARMACEUTICALS, INC. SHALL NOT BE RESPONSIBLE FOR ANY SUCH COSTS AND OR FEES SO INCURRED.

11. Force Majeure

If by reason of force majeure, Owner is unable to perform any obligation of this Agreement, it shall give notice of the force majeure to District in writing within thirty (30) calendar days of the occurrence relied upon. The obligation of Owner, to the extent and for the period of time affected by the force majeure, shall be suspended. Owner shall endeavor to remove or overcome the inability with all reasonable effort. For purposes of this provision, "force majeure" shall include, but not be limited to acts of God, landslides, lightning, earthquakes, hurricanes, storms, floods, or other natural occurrences; strikes, lockouts, insurrections, riots, wars or other civil or industrial disturbances; orders of any kind of the federal or state government or of any civil or military authority; explosions, fires, breakage or accidents to machinery, lines, or equipment, or the failure of the system or water supply system; or any other cause not reasonably within the control of the Owner.

12. Commissioners Court Approval

This Agreement is conditioned entirely upon the approval of the Commissioners' Court by the affirmative vote of a majority of the members present at a duly scheduled meeting of the Commissioner's Court.

13. Compliance with State and Local Regulations

This Agreement shall not be construed to alter or affect the obligations of Owner to comply with any city ordinance or federal or state law or regulation.

14. Changes in Tax Laws

The tax abatement provided in this Agreement is conditioned upon and subject to any changes in the state tax laws during the term of this Agreement.

15. Miscellaneous

(a) This Agreement and the rights and obligations of each party shall be construed and enforced under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Fort Bend County, Texas.

(b) In the event of one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

(c) The waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach.

(d) Any amendments of this Agreement shall be of no effect unless in writing and signed by both parties hereto.

16. Notices

Any notice required to be given under the provisions of this Agreement shall be in writing

and shall be duly served when it shall have been deposited, enclosed in a wrapper with the proper postage prepaid thereon, and duly registered or certified, return receipt requested, in a United States Post Office, addressed to District and Owner at the mailing address as hereinafter set out. If mailed, any notice of communication shall be deemed to be received three (3) days after the date of deposit in the United States Mail. Unless otherwise provided in this Agreement, all notices shall be delivered to Owner or District at the following addresses:

To the **Tax Assessor/Collector:** The Honorable Patsy Schultz
Fort Bend County Drainage District
500 Liberty, Suite 101
Richmond, Texas 77469

To **Owner:** Kamy Behzadi, Ph.D., President
Spirra Pharmaceuticals, Inc.
14140 Southwest Freeway
Sugar Land, Texas 77478

To **District:** Fort Bend County Drainage District
301 Jackson, Suite 719
Richmond, Texas 77469
Attention: County Judge

Copy to: Fort Bend County Attorney
301 Jackson, Suite 728
Richmond, Texas 77469

Any party may designate a different address by giving the other parties ten (10) days prior written notice thereof. **Failure of Owner to provide District Tax Assessor/Collector thirty (30) days notice of a change of address may result in termination of this Agreement.**

17. Entire Agreement; Ordinance and Economic Impact Statement


This Agreement contains the entire Agreement among the parties and supercedes all other negotiations and agreements, whether written or oral. This Agreement shall inure to the benefit of and be binding upon the parties hereto and each of their respective successors and assigns. Attached hereto are (a) Exhibit A – City of Sugar Land Ordinance No. 1728 designating Reinvestment Zone

No. 2009-01, including legal description and (b) Exhibit B – Economic Impact Statement/Application for Value Added Tax Abatement, which are made part of this Agreement.

18. Execution

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by District and Owner as of the dates below stated. Owner warrants and represents that the individuals executing this agreement on behalf of Spirra Pharmaceuticals, Inc. has full authority to execute this Agreement and respectively bind Spirra Pharmaceuticals, Inc. to the same.

ATTEST:


Dianne Wilson, County Clerk

ATTEST:



**FORT BEND COUNTY
DRAINAGE DISTRICT**

By:


Robert E. Hebert, County Judge


Date:

July 21, 2009

OWNER:

SPIRRA PHARMACEUTICALS, INC.

By:


Name: KAMY A. BEHLER

Title:

PRESIDENT

Date:

7/12/09

Date:

7/13/09

Attachments: Exhibit A – City of Sugar Land Ordinance No. 1696 Designating Reinvestment Zone No. 2008-02
Exhibit B – Economic Impact Statement/Application for Value Added Tax Abatement

MER:Spera Pharmaceuticals, Inc./City of Sugar Land3195-128(04032009)

EXHIBIT A

ORDINANCE NO. 1728

**AN ORDINANCE OF THE CITY OF SUGAR LAND, TEXAS, CREATING
REINVESTMENT ZONE NO. 2009-01 FOR A 2.1235 ACRE TRACT OF LAND
LOCATED ON WEST PARK ONE DRIVE IN THE SUGAR LAND BUSINESS PARK.**

WHEREAS, the Property Redevelopment and Tax Abatement Act (Tax Code § 312 et seq.) authorizes cities to create reinvestment zones and enter into tax abatement agreements with the owners of qualifying properties in reinvestment zones; and

WHEREAS, the City has received an application requesting tax abatement for real property improvements to be located in the zone; and

WHEREAS, the zone is eligible for tax abatement; and

WHEREAS, a public hearing, for which notice was given as required by law, was held at which interested persons were given an opportunity to present evidence for and against the creation of the zone; and

WHEREAS, the City Council has found that the improvements sought to be located in the proposed reinvestment zone are feasible and practical and would be a benefit to the land to be included in the zone and to the City after the expiration of a tax abatement agreement; and

WHEREAS, the creation of the reinvestment zone will be reasonably likely to contribute to the retention or expansion of primary employment or to attract major investment into the zone that would be a benefit to the property located therein and that will contribute to the economic development of the City of Sugar Land; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY COUNCIL
OF THE CITY OF SUGAR LAND, TEXAS:**

Section 1. That Reinvestment Zone No. 2009-01 is created for the real property described in Exhibit A, attached to and incorporated into this ordinance by reference.

Section 2. That the Reinvestment Zone created herein is eligible for commercial-industrial tax abatement as provided by law.

Section 3. That Reinvestment Zone No. 2009-01 expires five years from the date of this ordinance.

APPROVED on first consideration on _____, 2009.

ADOPTED upon second consideration on _____, 2009.

James A. Thompson, Mayor

ATTEST:

Glenda Gundermann, City Secretary

Reviewed for Legal Compliance:

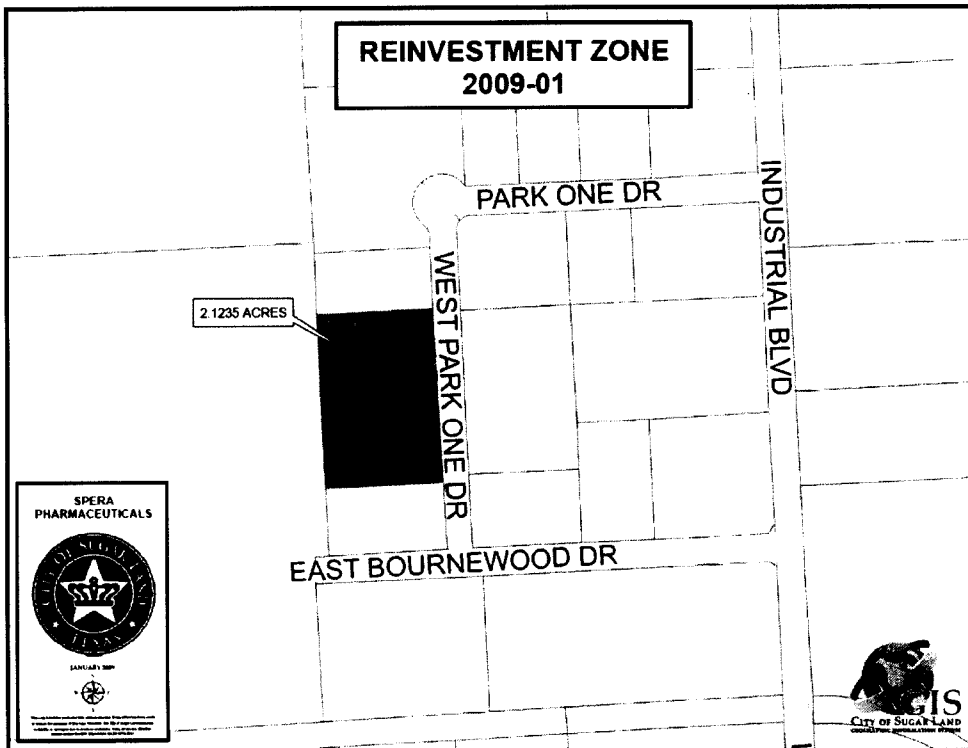
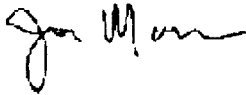


EXHIBIT A CONTINUED

**METES AND BOUNDS DESCRIPTION
2.1235 ACRES (92,500 SQ. FT.)
BROWN & BELKNAP LEAGUE, A-15
FORT BEND COUNTY, TEXAS**

Being a tract or parcel of land containing 2.1235 acres (92,500 square feet) situated in the Brown & Belknap League, Abstract No. 15, Fort Bend County, Texas, and being all of that certain tract of land containing 2.1235 acres, described in Fort Bend County Clerk's File No. 2003026152, said 2.1235 acre tract being more particularly described by metes and bounds as follows (with all bearings referenced to the plat of record in Volume 26, Page 11, of the Map Records of Fort Bend County):

BEGINNING at a 1/2-inch iron rod found for the northeast corner of that certain tract called 0.8322 acres, described in Vol. 2174, Pg. 369, of the Official Records of Fort Bend County, in the west right-of-way line of West Park One Drive (60 feet wide) as dedicated in Slide 1353/B, of the Plat Records of Fort Bend County, being the southeast corner of the herein described 2.1235 acre tract, from which the intersection of Bournewood Drive (60 feet wide) with said west right-of-way line of W. Park One Drive bears S02°39'14"E, 145.00 feet;

THENCE South 87°20'46" West along the north line of said 0.8322 acre tract, a distance of 250.00 feet to a 5/8-inch iron rod set for the northwest corner of said 0.8322 acre tract, same being the southwest corner of the herein described tract, in the east line of that certain 17.355 acre Reserve "A", Sugar Land Business Park Tract 132, described in Sl. 1380/A of the Plat Records of Fort Bend County;

THENCE North 02°39'14" West along the east line of said 17.355 acre tract, a distance of 370.00 feet to a 1-inch iron pipe found for the southwest corner of that certain 0.7805 acre Tract Sixty-Eight as described in Slide 955/A, of the Plat Records of Fort Bend County, being the northwest corner of the herein described tract;

THENCE North 87°20'46" East along the south line of said Tract Sixty-Eight, a distance of 250.00 feet to a 1-inch iron rod found for the southeast corner of said Tract Sixty-Eight in the west right-of-way of said West Park One Drive, being the northeast corner of the herein described tract;

THENCE South 02°39'14" East along the west right-of-way line of said West Park One Drive, a distance of 370.00 feet to the POINT OF BEGINNING and containing 2.1235 acres (92,500 square feet) of land, more or less.

TEJAS SURVEYING, INC.

Ph: 281 240-9099

Job No. 13-0208/P-14

August 2, 2002

Revised May 27, 2006

EXHIBIT B – ECONOMIC IMPACT QUESTIONNAIRE



GREATER FORT BEND
ECONOMIC DEVELOPMENT
COUNCIL

ECONOMIC IMPACT STATEMENT QUESTIONNAIRE

Spera Pharmaceuticals, Inc.
Sugar Land, Fort Bend County, Texas

Based on the information you provide below, the Greater Fort Bend Economic Development Council (GFBEDC) will begin prequalification of your project. The information you provide will allow the GFBEDC to begin to develop your application and economic impact statement for presentation to the taxing entities for consideration of economic incentives. The following factors will be considered as a whole to determine the entire economic impact of the company: location of project, type of business, is the company in one of the city's target industries, number of jobs, skill level of each job, average salary, investment in building improvements or new building, value of taxable inventory, value of taxable personal property and equipment, sales tax revenue generated for the city, impact on local infrastructure, and impact (good or bad) on existing businesses in the County.

1. Please provide a detailed summary statement about your company (its history, type of business and industry, etc.) and clearly describe its operations at the proposed facility in Fort Bend.

Spera Pharmaceuticals is a U.S. specialty pharmaceutical company growing its commercial presence through product licensing and partnering with companies to drive sales of their products in the United States. Generic bulk drug powder (i.e. Vancomycin) is procured and dissolved. This solution is then sterile filtered and aseptically fed to vials that are partially stoppered. The vials are then automatically transferred to a lyophilizer for freeze drying of the solution to obtain the sterile powder. They are then fully stoppered before being returned to the filling line for capping and transferring to finishing. The vials are then inspected, labeled, and packaged. Once packaged, the vials go through machines to be combined as multiple packages into cartons, which are then discharged onto conveyors for palletizing.

2. Information About Your Company

Company Name: Spera Pharmaceuticals, Inc.	
Contact Person: Kamy A. Behzadi, Ph.D.	Title: President
Current Address: 14140 SW Fwy., Sugar Land, TX 77478	
Office #: 281-637-2301	Mobile #: 713-548-4681
Fax #: 281-637-2399	Website: Under Construction
Email Address: kbehzadi@sperapharmaceuticals.com	
The Company's Primary SIC Code:	

3. Type of project (check all that apply):
 Existing business in Fort Bend County
 New business to Fort Bend County

- Expansion of existing facility
- Construction of new facility
- Company will lease facility
- Company will own facility
- Corporate/Regional Headquarters

4. If the company will lease the facility, who will be the owner: *N/A*

5. Location of proposed site(s) in Fort Bend (street address, name of Business Park or other development, city, or name of area if unincorporated):

The 2.1235 acre site is located on the west side of West Park One Drive in Sugar Land Business Park, one block west of Industrial Blvd., between Park One Dr. and East Bournewood Dr. (see attached Site Map).

6. Scope of project:

Size of new facility/expansion:	<i>30,000 sf</i>
Size of existing facility (if applicable):	
Size of lease space in existing facility (if applicable):	
Number of acres at facility site:	<i>2.1 acres</i>
Type of Construction (tilt wall, metal, concrete, etc.):	<i>Tilt Wall/Concrete Slab</i>

7. Please give detailed breakdown of operations within the proposed facility (i.e., 20% office; 25% distribution; 15% metal fabrication; 40% warehouse, etc.):

*10% - Office
70% - Manufacturing & Operational Support
20% - Warehouse & Distribution*

8. Truck traffic to be generated (# daily or weekly): *2 per day*

9. Targeted start of construction: *February/March 2009*

10. Targeted start of operations: *January 2010*

11. Market value (taxable assets) of the firm's property that would be located at the facility in Fort Bend (new property to Fort Bend):

Land	Construction Costs of Building Improvements	Furniture, Fixtures & Equipment	Inventory	Total
\$ 500,000	\$ 3.0million	\$ 3.0million	\$ 10,000	\$ 6,510million

One Fluor Daniel Drive • Sugar Land, Texas 77478 • www.fortbendcounty.org
Main (281) 242-0000 • Fax (281) 242-6739 • Toll Free (888) 500-5668

12. **Estimated percent of inventory that would be Freeport qualified:** *Less than 5%*
Freeport goods are inventories (raw materials, goods-in-process, and finished products) acquired by a business and held for no more than 175 days before being shipped out of state.

13. **Employment information:**

Number of new jobs to Fort Bend County	Number of existing jobs to be retained (if company currently located in Fort Bend)	Total Number of Jobs
25	10	35

14. **Average salary (before benefits):** ~~-\$90,000/yr.~~ *\$60 - \$70,000/yr. WAB CAS*
15. **Amount of initial, annual local payroll to be created:** *\$3,150,000/yr.*
16. **What are the estimated annual total sales at the new facility? What portion of the total sales will be subject to local and state sales taxes?** *N/A Wholesale only. WAB*
17. **Does the company own a corporate airplane that would be housed at a local corporate airport in Fort Bend (i.e., Sugar Land Regional Airport or Houston Southwest Airport)? If so, what is the plane's value:** *No*
18. **Will the company's local business practices necessitate business travel that will bring clients or employees to the Fort Bend facility, resulting in hotel/motel bookings? If so, what is the estimated number of hotel/motel stays per year that will be booked locally:** *150 days/yr.*
19. **If your company currently has operations elsewhere in the State of Texas, please list the name of the communities:** *operations at 14140 SW Fwy, Sugar Land*
20. **Have you received or are you currently receiving tax abatement in Fort Bend:**
 ___ Yes X No
21. **Is this land currently under Agriculture Exemption:** ___ Yes X No
- a. **If so, what will be the increase in taxes paid annually to taxing authorities:** *N/A*
- b. **What is the value of roll back taxes to be collected as a result of being taken out of Ag Exemption:** *N/A*
22. **Productive life of proposed improvements and/or initial term of lease:** *40 yrs.*
23. **The costs to be incurred by local government to provide facilities or services directly resulting from the new improvements:** *None known*
24. **If located in the city limits, do you (or your construction company) agree to declare "situs" for construction sales taxes at the construction site:** *Yes*

When purchasing construction materials for the new facility from a company that is situated outside the city where the new facility will be located, the builder agrees to declare the situs (point of sale) of the materials as the construction site address so the local city receives the sales tax revenue.

25. Will this business compete with existing businesses in the county? If so, please list local companies providing the same services: *Any pharmaceutical manufacturer or distributor of Vancomycin.*
26. Are there possibilities for local businesses to become suppliers? Any new retail opportunities? *Yes; vendors as appropriate.*
27. Do you anticipate your relocation to attract other new businesses to the area? *No*
28. Does the business produce any type of emissions or are there any other environmental matters for the city/county to consider: *No*
29. The company agrees to participate in the continuing economic development process in Fort Bend County by becoming a ~~Trustee~~ ^{Regular} member (at a rate of \$2,000 per year dues) of the GFBEDC for a minimum period coinciding with the term of any County abatement agreement: Yes No
The County Commissioners' Court has placed this item in their evaluation process to have new companies join and participate in the continuance of the economic development process and efforts in Fort Bend County.)
30. By signing and submitting this application you certify that the company, its branches, divisions and departments (company) do not and will not knowingly employ an undocumented worker. An agreement with the company will require the company to repay the total amount of the public benefit received with interest at the rate and according to the terms of the agreement if the company is convicted of a violation under 8 U.S.C. Section 1324a. Repayment will be due no later than the 120th day after the date the City/County notifies the company of the violation as provided in the agreement.

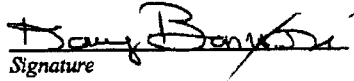
An undocumented worker is an individual who, at the time of employment, is not:
a. (1) lawfully admitted for permanent residence to the United States; or
b. (2) authorized under law to be employed in that manner in the United States.

Please provide the additional information as an addendum to the EIS Questionnaire:

- A. Site Plans & Legal Description of the Property: Commissioners Court will not place a value-added tax abatement request on their agenda without first having a copy of the project site plan, including a metes and bounds description of the site to be designated as the reinvestment zone. Please Attach.

1. Spera Pharmaceuticals, Inc. does hereby certify that all statements and representations made herein are accurate to the best of their knowledge and agree to comply with these terms.

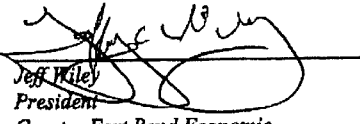
By Authorized Representative:


Signature

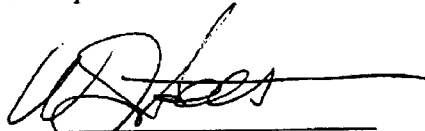
2/26/09
Date

Print Name: Kamy A. Behzadi, Ph.D.
Title: President
Company: Spera Pharmaceuticals, Inc.

2. The Greater Fort Bend Economic Development Council certifies that has met the standard requirements and is qualified for value added tax abatement in Fort Bend County.


Jeff Wiley
President
Greater Fort Bend Economic
Development Council

2/27/09
Date


W. Jackson Belt
Vice President-Development/Marketing
Greater Fort Bend Economic
Development Council

2/27/09
Date

