

STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

SECOND RESTATED AS AMENDED TAX ABATEMENT AGREEMENT
by and between
FORT BEND COUNTY
and
SPERA PHARMCEUTICALS, INC.

By agreement, effective April 14, 2009, Fort Bend County 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, and a First Amendment on July 21, 2009, amending Owner's name to SPIRRA PHARMACEUTICALS, INC and extending the time to commence 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 Second Restated as Amended Tax Abatement Agreement.

AGREEMENT

This Tax Abatement Agreement, hereinafter referred to as "Agreement," is executed by and between **FORT BEND COUNTY, TEXAS**, hereinafter referred to as "County," acting by and through its Commissioners' Court, **BOURNEWOOD PARTNERS, LP.**, hereinafter referred to as "Owner," **SPIRRA PHARMACEUTICALS, INC.** and **HEALIX, INC.**, hereinafter referred to as "Lessee" 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 Fort Bend County, Texas, which was approved by the County's Commissioners Court on February 3, 2009. County 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 County 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 **BOURNEWOOD PARTNERS, L.P.**, 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 Fort Bend County Commissioners’ Court.

- h. “Lessees” means Spirra Pharmaceuticals, Inc. and Healix, Inc.
- i. “County” means the County of Fort Bend, Texas.
- j. “District” 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 Fort Bend County Appraisal District has established the base year values for the subject property as of January 1, 2009.

4. Responsibility of Owner and Lessee

In consideration of receiving the tax abatement granted herein, Owner and Lessee represent and agree:

- (a) That construction of the Improvements shall be completed on or before January 1, 2012. 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.
- (b) That the Certified Appraised Value of the Improvements on January 1, 2012, 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.
- (c) That Owner and Lessees have, as of the effective date of this Agreement, the financial resources to implement the above representations.
- (d) 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.
- (e) **OWNER AND/OR LESSEES 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.

- (f) **OWNER AND/OR LESSEES 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 COUNTY.**

5. Value and Term of Abatement

(a) This Agreement shall be effective on the date executed by County, Owner and Lessees, 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 County any taxes abated under this Agreement shall not terminate until the abated taxes are paid.

(b) Lessee (Spirra Pharmaceuticals, Inc.) was granted a tax abatement under the Agreement and First Amendment for tax years 2010-2019. Owner and Lessees hereinafter are eligible for a tax abatement for the remainder of the term under the Agreement and First Amendment.

(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>
	2012	50%
	2013	50%
	2014	50%
	2015	50%
	2016	50%
	2017	50%
	2018	50%
	2019	50%

- (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 Fort Bend Central Appraisal District's determination of values shall be used to determine the value of the property subject to this Agreement. If Owner and/or Lessees protest 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 and/or Lessees shall certify in writing to Fort Bend County Tax Assessor/Collector 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 Central Appraisal District.

7. **Event of Default**

- (a) County may declare Owner and/or Lessees in default of this Agreement if: (1) Owner or Lessees fail to comply with any material term of this Agreement or (2) Owner allows County ad valorem taxes on the Real Property, or any property located thereon, to become delinquent.
- (b) County shall notify Owner and/or Lessees of any default in writing specifying the default. Owner and/or Lessees (as applicable) shall have thirty (30) days from the date of the notice to cure any default. If Owner or Lessees fail to cure the default within sixty (60) days from receipt of notice, County may terminate this Agreement by written notice.
- (c) If this Agreement is terminated by County, Owner and Lessees agree that they are liable for and will pay to County 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) County 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, County shall provide written notice to Owner and/or Lessees of the default and this Agreement shall automatically terminate on

the 30th day after the date of the notice of default from County to Owner and/or Lessees. In the event of termination under this paragraph, Owner or Lessees shall repay to County 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 Fort Bend County Tax Assessor/Collector or her designee. Owner and/or Lessees (as applicable) shall allow employees or other representatives of County 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 and Lessees may accompany the inspector.

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

(c) The Chief Appraiser of the Fort Bend County Appraisal District 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 or Lessees 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 and/or Lessees (as applicable) 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 County 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 County. No assignment shall be effective or approved if either County 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 County. Approval shall not be unreasonably withheld, conditioned or delayed.

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 Owner and Lessees, in performing their obligations hereunder, are acting independently, and County assumes no responsibilities or liabilities in connection therewith to third parties. **OWNER AND LESSEES AGREE TO DEFEND, INDEMNIFY AND HOLD HARMLESS COUNTY AND THE CENTRAL APPRIASAL DISTRICT FROM ANY AND ALL CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ARISING OUT OF OWNER AND/OR LESSEES OBLIGATIONS HEREUNDER EXCEPT THAT THE INDEMNITY SHALL NOT APPLY TO THAT PORTION OF RESPONSIBILITIES AND LIABILITIES RESULTING FROM THE FAULT OR NEGLIGENCE OF COUNTY OR TAXING UNITS, THEIR RESPECTIVE OFFICERS, AGENTS OR EMPLOYEES. OWNER AND/OR LESSEES'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. OWNER AND/OR LESSEES SHALL BE**

RESPONSIBLE FOR ALL FEES INCURRED BY COUNTY 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 OWNER AND/OR LESSEES. NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED TO PROHIBIT COUNTY FROM INCURRING REPRESENTATION OF ANY SUCH CLAIM, SUIT OR CAUSE OF ACTION AND OWNER AND/OR LESSEES SHALL NOT BE RESPONSIBLE FOR ANY SUCH COSTS AND OR FEES SO INCURRED.

11. Force Majeure

If by reason of force majeure, Owner or Lessees are unable to perform any obligation of this Agreement, it shall give notice of the force majeure to County in writing within thirty (30) calendar days of the occurrence relied upon. The obligation of Owner or Lessees, to the extent and for the period of time affected by the force majeure, shall be suspended. Owner and Lessees 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 or Lessees.

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 and/or Lessees 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 County, Owner and Lessees 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, Lessees or County at the following addresses:

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

To Owner: Alan B. Chavaleh
Bournewood Partners, LP
14140 Southwest Freeway
Sugar Land, Texas 77478

To Lessees: Kamy Behzadi, Ph.D., President
Spirra Pharmaceuticals, Inc.
14140 Southwest Freeway, 4th Floor
Sugar Land, Texas 77478

Alan B. Chavaleh, President
Healix, Inc.
14140 Southwest Freeway, 4th Floor
Sugar Land, Texas 77478

To County: Fort Bend County
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 or Lessees to provide County 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.

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18. Execution

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by County and Owner as of the dates below stated. Owner and Lessees warrant and represent that the individuals executing this agreement on behalf of Owner and Lessees have full authority to execute this Agreement and respectively bind Owner and Lessees to the same.

FORT BEND COUNTY

By:

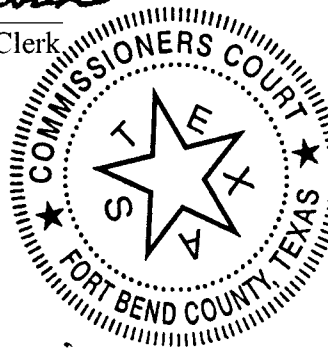
Robert E. Hebert
Robert E. Hebert, County Judge

Date:

5-1-2012

ATTEST:

Dianne Wilson
Dianne Wilson, County Clerk



OWNER:

BOURNEWOOD PARTNERS, LP

By:

Name:

Monica Baran
Monica Baran

Title:

General Partner

Date:

4/25/2012

Date:

ATTEST:

Kelly A. Davis

LESSEE:

SPIRA PHARMACEUTICALS, INC.

By:

Name:

Kamy A. Berladi
KAMY A. BERLADI

Title:

President & CEO

Date:

4/19/12

Date:

ATTEST:

Kelly A. Davis

LESSEE:

HEALIX, INC.

By:

Name:

Alan B. Chaveleh
Alan B. Chaveleh

Title:

President & CEO

Date:

4/18/12

Date:

4/18/12

ATTEST:

Kelly A. Davis

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.AMEND(07102009)

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:

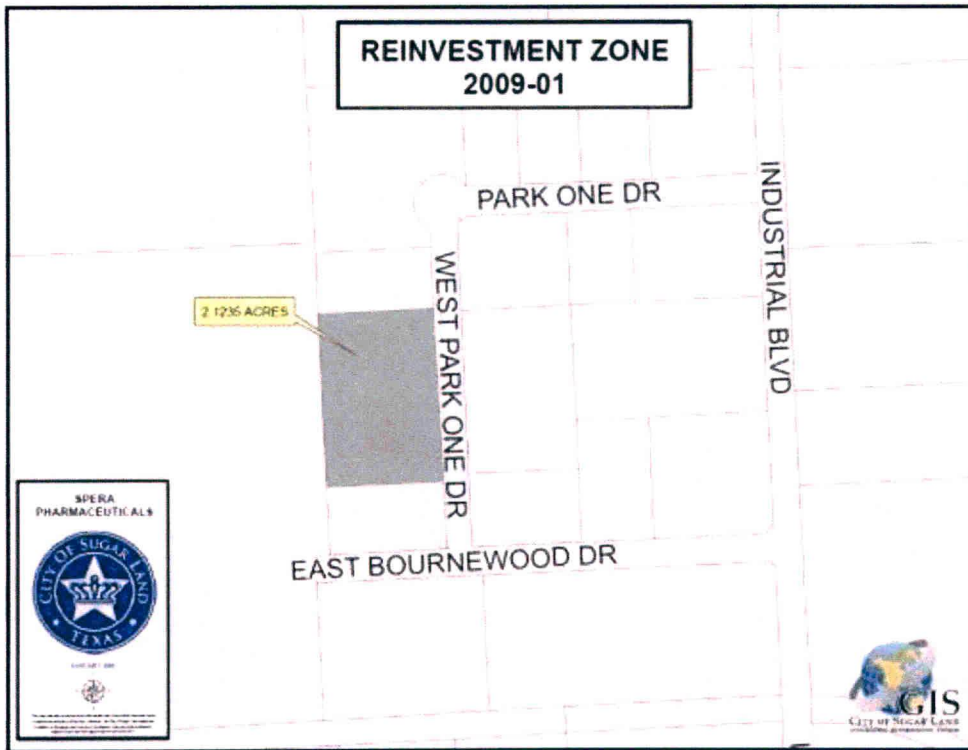
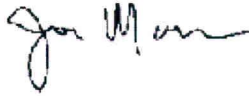


EXHIBIT A CONTINUED

**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 Bournemouth 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 (dlt 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* *EAS*
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*

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3

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.

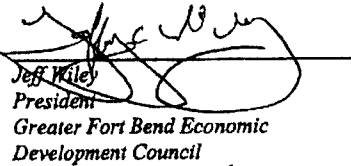
By Authorized Representative:


Signature

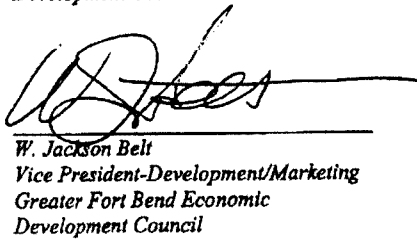
2/26/09
Date

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

Spera Pharmaceuticals, Inc. Tax Abatement Analysis 30,000 sf facility proposed for West Park One Drive, Sugar Land Business Park.



- Based on 2008 tax rates
- Assumes 50% per year for 10 years County property tax abatement on improvements only
- This analysis is for illustrative purposes only. Tax abatement terms & conditions must be approved by taxing jurisdiction.
- City of SL and MUD#21 agreed to 50% for 10 yrs on improvements and on Personal Property.
- Assumes Freeport Exemption from FBISD; 5% of inventory qualifying for the exemption.
- Assumes MUD 21 Option for Personal Property Abatement over Freeport Exemption; 5% of inventory qualifying for the exemption, and that at end of Abatement Term, company will utilize Freeport Exemption on inventory.

	City of Sugar Land	Fort Bend County	MUD 21	FBISD
Annual Taxes Collected with 50% Abatement for 10 Year Term				
Land	\$ 0.30000	\$ 0.50176	\$ 0.39000	\$ 1.27000
Value of Improvements	\$ 500,000	\$ 2,509	\$ 1,950	\$ 6,350
Personal Property-Furniture, Fixtures & Equipment	\$ 3,000,000	\$ 4,900	\$ 7,528	\$ 38,100
Inventory	\$ 10,000	\$ 30	\$ 50	\$ 121
Totals	\$ 6,510,000	\$ 25,138	\$ 13,869	\$ 82,671
Total Taxes Collected Annually During Abatement	\$ 132,028			
Annual Taxes Collected After Expiration of Abatement				
Land	\$ 0.30000	\$ 0.50176	\$ 0.39000	\$ 1.27000
Value of Improvements	\$ 500,000	\$ 2,509	\$ 1,950	\$ 6,350
Personal Property-Furniture, Fixtures & Equipment	\$ 3,000,000	\$ 9,000	\$ 15,053	\$ 11,700
Inventory	\$ 10,000	\$ 30	\$ 50	\$ 121
Totals	\$ 6,510,000	\$ 32,685	\$ 25,387	\$ 82,671
Total Taxes Collected Annually After Expiration of Abatement	\$ 160,252			
Annual Savings from Abatement County Taxes Only	\$ 7,528			
Total Annual Value of Abatement and Freeport All Sources during Abatement Term	\$ 28,224			
MUD #21 Personal Property Taxes at 100%	\$ 11,700			
MUD #21 Personal Property Taxes abated at 50%	\$ 7,800			
MUD #21 Savings from Abatement Option	\$ 3,900			
MUD #21 Inventory Taxes at 100%	\$ 39			
MUD #21 Inventory Taxes after Freeport Exemption Applied	\$ 37			
MUD #21 Savings from Freeport Exemption on Inventory	\$ 2			
			MUD #21 Savings from Abatement	\$ 7,800
			MUD #21 Savings from Freeport	\$ 2
			Advantage of Abatement Option	\$ 7,798