

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
JUNE 8, 2010

MEMBERS PRESENT:	Paul Cannon Dani Ramsay Marelyn Shedd	Mike Schweikhard Scott Senter
STAFF PRESENT:	Richard Burdine Dan Santee	Kim Tarrant
GUESTS PRESENT:	Jaime Adame	Abilene Reporter-News

1. **CALL TO ORDER.** Paul Cannon called the meeting to order at 1:30 p.m. in the Develop Abilene conference room located at 174 Cypress Street, 3rd floor, Abilene, TX.
2. **APPROVAL OF MINUTES FROM THE MAY 25, 2010 BOARD MEETING.** Scott Senter moved to approve the minutes from the May 25, 2010 board meeting. Dani Ramsay seconded and the motion carried.
3. **STATUS OF FUNDS REPORT FOR APRIL 2010.** Total assets as of April 30, 2010 were \$60.1 million, total liabilities were \$694,137 and the DCOA undesignated fund balance was nearly \$12.3 million.
4. **EXECUTIVE SESSION.** I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, .072, and .087 to consult with our legal counsel, discuss real property transactions, and discuss economic development negotiations involving a business prospect, as set forth on the agenda. Any vote or action will be taken in open session.

President Paul Cannon announced the date is June 8, 2010, and the time is 1:40 p.m. Mr. Cannon then announced the date is still June 8, 2010, and the time is 3:33 p.m. No vote or action was taken in Executive Session.

5. **DISCUSSION & POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING ASSISTANCE FOR PROJECT BW.** Project BW is a company formed in 2009 for the purpose of applying patented drug development technologies from research to manufacturing for clinical trials and commercial sales. The company has developed several technologies to improve the therapeutic efficacy of drugs, thereby reducing side effects, dosing variations and the affects of food.

Project BW wants to lease approximately 1,800 sq. ft. in the Abilene Life Sciences Accelerator (ALSA) but compliance with Good Manufacturing Practices (GMP) is required to ensure nothing will compromise the production process. Necessary alterations and additions are HVAC/humidity controls, a walk-in freezer, an external concrete pad, and installation of a nitrogen tank plus piping and consulting services to

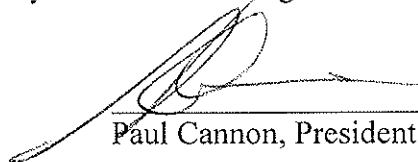
make sure everything achieves GMP compliance, including operating protocols. The estimated cost of these improvements and associated services is \$180,000. Also, the company must have exclusive use of manufacturing and analytical equipment to be acquired for their lab at an estimated cost of \$400,000 for a total cost of \$580,000. Project BW will lease their space for a seven-year term with lease payments for the first year being deferred and paid in years 2 through 7 on top of the annual \$54,000 base lease payment. In addition, the DCOA will recover \$165,000 of the \$580,000 by prorating and adding this amount to the payments, making the lease payments in years 2 through 7 \$90,500 per year.

Project BW will employ up to 28 people within four years with salaries averaging \$52,322/year and a total annual payroll of \$1,465,300. With the projected employment, the company would be eligible for up to \$414,105 in job creation incentives payable over five years; however, instead of making a cash disbursement for the first \$250,000 earned, the earnings will instead be applied against the equipment balance (as described below).

In addition to recovery through lease payments, the DCOA will also retain a lien of \$250,000 against the equipment purchased, which will be earned annually via application of the first \$250,000 of job creation incentives earned. Any unearned balance at the end of the lease would become due and payable.

A motion was made by Scott Senter to approve Resolution No. DCOA-2010.18 authorizing expenditures of \$580,000 for ALSA alterations, additions and equipment, and up to \$414,105 for job creation, for total funding of \$994,105. The amount of actual cash outlay is less by \$250,000, which will instead be applied toward the lien taken on equipment purchased with DCOA funds. Dani Ramsay seconded and the motion carried.

6. ADJOURNMENT. The next regularly scheduled meeting is June 22nd.



Paul Cannon, President