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***INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES***

Mr. John Osborne
Chief Executive Officer
Lubbock Economic Development Alliance, Inc.
1500 Broadway, Suite 600
Lubbock, TX 79401

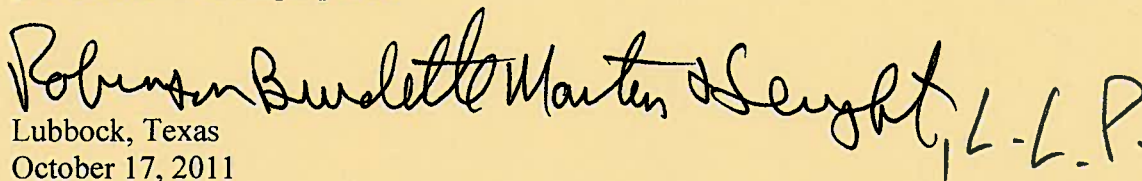
Dear Mr. Osborne:

We have performed the procedures enumerated in the attached supplement, which were agreed to by you, the specified user, solely to assist you with respect to determining the amounts payable pursuant to the Economic Development Grant Contracts with regard to job creation incentives only, for J & B Industrial Services, L.P. and CSJB Holdings, Inc. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified user of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and the findings as a result thereof, are enumerated in the attached supplement which is an integral part of this report.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the specified user listed above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.


Lubbock, Texas
October 17, 2011

Lubbock Economic Development Alliance, Inc. Agreement with J&B Industrial Services, L.P. and CSJB Holdings, Inc.
For the period from September 1, 2010 through August 31, 2011

Background:

The Lubbock City Council established the Lubbock Economic Development Alliance, Inc. (hereinafter referred to as LEDA) to promote local economic development and stimulate business and commercial activity in Lubbock and the surrounding area. To this end, LEDA entered into a performance agreement with J&B Industrial Services, L.P. and CSJB Holdings, Inc. (both companies hereinafter referred to as JBIS) on November 6, 2007.

The general terms of the agreement provide capital incentives to JBIS for project costs conditioned upon the creation of primary jobs as defined in the agreement. Specifically, JBIS may receive up to \$37,500 for the creation and maintenance of eleven (11) new full-time jobs with an annual aggregate salary of \$390,000 from September 1, 2006 through August 31, 2011. If JBIS does not create new full-time jobs with an annual aggregate salary of \$390,000, the incentives will be adjusted according to LEDA's job creation incentives sliding scale. All incentives will be earned in one-fifth (1/5) increments as of each annual measurement date.

Objective, Scope and Procedures Performed:

Our objective was to determine if JBIS met the job creation requirements of their agreement with LEDA. A summary of the procedures used is as follows:

- Reviewed the pertinent agreement.
- Reviewed employee census data indicating names, dates of hire, dates of termination, job titles, full or part-time status and compensation as of August 31, 2006, August 31, 2007, August 31, 2008, August 31, 2009, August 31, 2010, and August 31, 2011.
- Reviewed the Texas Workforce Commission (TWC) reports for the quarters ended 9-30-06 through 6-30-11 and earnings reports from 7-1-11 through 8-31-11 for both companies.
- Reviewed wages reported on the TWC reports to verify annual compensation levels and to corroborate dates of hire and/or termination.
- Discussed questions and issues raised as a result of the above steps with JBIS personnel.
- Discussed agreement interpretation and variances with LEDA personnel.
- Obtained representation from JBIS as to the accuracy and truthfulness of the information provided and as to JBIS' entitlement to the incentives as required by the agreement.

Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Findings:

Per our review of the above data, we find the following:

- JBIS had twenty-three (23) full-time employees and two (2) part-time employees as of August 31, 2006.
- JBIS had thirty-one (31) full-time employees and five (5) part-time employees as of August 31, 2007.
- JBIS had forty-one (41) full-time employees and two (2) part-time employees as of August 31, 2008.
- JBIS had forty-one (41) full-time employees and one (1) part-time employee as of August 31, 2009.
- JBIS had fifty (50) full-time employees and two (2) part-time employees as of August 31, 2010.
- JBIS had seventy (70) full-time employees and zero (0) part-time employees as of August 31, 2011.

There has been a net increase of forty-seven (47) full-time positions as of August 31, 2011 since the inception of the contract. The annual aggregate salary of the forty-seven (47) full-time positions exceeds \$390,000. Accordingly, JBIS is currently entitled to receive the fifth and final installment of total earned incentives of \$37,500 as of August 31, 2011, or \$7,500.