

Robinson
Burdette
Martin &
Seright, L.L.P.

a professional services firm of
certified public accountants

9816 Slide Rd.
Suite 301
Lubbock, Texas 79424

telephone (806) 744-3333
fax (806) 747-2106
www.rbmsllp.com

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

Mr. John Osborne
Chief Executive Officer
Market Lubbock, 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 Tyco Fire Products, LP. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these 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
February 7, 2013

Market Lubbock, Inc. Grant to Tyco Fire Products, LP For the period ending December 31, 2012

Background:

The Lubbock City Council established the Market Lubbock Economic Development Corporation (d/b/a Market Lubbock, Inc.) (hereinafter referred to as MLI) to stimulate and foster economic activity in Lubbock and the surrounding area. To this end, MLI entered into a contract with Tyco Fire Products, LP (hereinafter referred to as Tyco) on May 16, 2002

The terms of the contract provide economic assistance in the amount of \$10,000,000 to Tyco for the construction of a new Lubbock plant, equipment for the plant, and employee relocation expenses. The general terms of the contract allow the grantee to receive the assistance as reimbursements for Tyco's costs for the design and construction of the plant, in exchange for Tyco's Repayment Obligation for the assistance. The incentive grant is awarded by reducing the Repayment Obligation by \$1,000,000 for each year that Tyco maintains a minimum annual compensation of \$10,000,000, for the following ten years.

Objective, Scope and Procedures Performed:

Our objective was to determine if the minimum annual compensation required by the contract with MLI was obtained. A summary of the procedures used is as follows:

- Reviewed the pertinent contract.
- Obtained the weekly paycheck summaries for Tyco's Lubbock operations for 2012.
- Summarized the weekly gross pay.
- Discussed questions and issues raised as a result of the above steps with Tyco personnel.
- Discussed agreement interpretations with MLI personnel.

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

Results and Conclusions:

Per our review of the above data, the total annual compensation paid during the year ending December 31, 2012 was \$11,047,460. There were 260 employees at December 31, 2012.

The total annual compensation paid during the year ending December 31, 2011 was \$9,599,964. There were 242 employees at December 31, 2011.

The total annual compensation paid during the year ending December 31, 2010 was \$9,684,573. There were 241 employees at December 31, 2010.

The total annual compensation paid during the year ending December 31, 2009 was \$11,707,354. There were 293 employees at December 31, 2009.

The total annual compensation paid during the year ending December 31, 2008 was \$16,590,180. There were 431 employees at December 31, 2008.

The total annual compensation paid during the year ending December 31, 2007 was \$17,224,073. There were 552 employees at December 31, 2007.

The total annual compensation paid during the year ending December 31, 2006 was \$17,141,720. There were 627 employees at December 31, 2006.

The total annual compensation paid during the year ending December 31, 2005 was \$14,504,961. There were 507 employees at December 31, 2005.

The total annual compensation paid during the year ending December 31, 2004 was \$14,249,485. There were 530 employees at December 31, 2004.

The total annual compensation paid during the year ending December 31, 2003 was \$12,637,962. There were 528 employees at December 31, 2003.

The total annual compensation paid during the year ending December 31, 2002 was \$8,621,264. There were 410 employees at December 31, 2002.

Tyco has met the requirement for the \$1,000,000 Repayment Obligation reduction for the tenth year.

Tyco has fulfilled the requirements of the incentive contract with MLI and has no Repayment Obligation, as defined in the agreement, for amounts granted thereunder.