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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 Tyler Technologies, 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.

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

Lubbock, Texas
January 27, 2011

**Lubbock Economic Development Alliance, Inc. Agreement with
Tyler Technologies, Inc.
For the period from January 1, 2010 through December 31, 2010**

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 Tyler Technologies, Inc. (hereinafter referred to as Tyler) on June 15, 2009.

The terms of the agreement provide incentives to Tyler for the creation of new jobs. The general terms of the agreement allow Tyler to receive up to \$489,000 for the creation of one hundred seven (107) new full-time jobs in the Lubbock area. Tyler will earn incentives ranging from \$2,500 to \$10,000 for each job created according to an annual compensation schedule over a five year period beginning January 1, 2009 and maintained through December 31, 2015. The earned incentives will be paid out in one-fifth (1/5) increments as of each annual measurement date.

Objective, Scope and Procedures Performed:

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

- Reviewed the pertinent contract.
- Reviewed employee census data indicating names, dates of hire, dates of termination, work locations and compensation as of 12-31-08 (baseline), and 12-31-10 (measurement date).
- Obtained the Texas Workforce Commissions (TWC) reports for quarters ending 3-31-10, 6-30-10, 9-30-10 and 12-31-10.
- 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 Tyler personnel.
- Discussed agreement interpretations with LEDA 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:

- Tyler had one hundred eighty (180) full-time and five (5) part-time Lubbock employees as of December 31, 2008.
- Tyler had one hundred ninety-one (191) full-time Lubbock employees and ten (10) part-time Lubbock employees as of December 31, 2009.
- Tyler had one hundred ninety-one (191) full-time Lubbock employees and four (4) part-time Lubbock employees as of December 31, 2010.
- Of the net increase from baseline of eleven (11) full-time positions in the Lubbock office, the following met the specific compensation requirements for the various levels of incentives:

<u>Number of Employees</u>	<u>Incentive per Employee</u>	<u>Total Incentive</u>
5	\$ 10,000	\$ 50,000
3	\$ 7,500	\$ 22,500
3	\$ 5,000	\$ 15,000
----- 11 =====		----- \$87,500 =====

Based on the above, Tyler is currently entitled to receive one-fifth (1/5) of the total first year earned incentives of \$87,500, or \$17,500.