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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 Amplisine Labs, LLC. 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.

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

Lubbock, Texas
May 27, 2014

**Lubbock Economic Development Alliance, Inc. Agreement with
Amplisine Labs, LLC
For the period from March 1, 2013 through February 28, 2014-Restated**

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 Amplisine Labs, LLC (hereinafter referred to as "the Company") on June 17, 2013.

The terms of the agreement provide incentives to the Company for the creation of new jobs. The general terms of the agreement allow the Company to receive up to \$528,500 for the creation and maintenance of one-hundred fifteen (115) new full-time jobs over a five year period. Jobs created over the five year period are projected as follows: Year 1 – eighteen (18) jobs; Year 2 – nineteen (19) jobs; Year 3 – twenty-six jobs (26); Year 4 – twenty-six jobs (26); Year 5 – twenty-six (26) jobs; for a total of one-hundred fifteen (115) primary jobs (hereinafter referred to as "Target Positions"). The incentive payout per job will be \$4,595.65 and will be paid out only for the year the job is created. Thus, the Company will be able to earn the following incentives based on the projected job creation timeline:

- Year 1 – eighteen (18) jobs created = \$82,721.70 incentive payout
- Year 2 – nineteen (19) jobs created = \$87,317.60 incentive payout
- Year 3 – twenty-six (26) jobs created = \$119,486.90 incentive payout
- Year 4 – twenty-six (26) jobs created = \$119,486.90 incentive payout
- Year 5 – twenty-six (26) jobs created = \$119,486.90 incentive payout

Should the Company fail to attain the Target Job Positions on any measurement date, the incentive payout will be reduced by \$4,595.65 per job not created. Should the Company exceed the projected Target Job positions on any measurement date, the incentive payout will be increased by \$4,595.65 per job created. Total five year payout will not exceed \$528,500.

Objective, Scope and Procedures Performed:

Our objective was to determine if The Company 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 2-28-2013 & 2-28-2014.

- Obtained the quarterly Texas Workforce Commission (TWC) reports for the quarters ended 6-30-2013 through 12-31-2013, and obtained payroll reports for the periods 3-1-2013 through 3-31-2013 and 1-1-2014 through 2-28-2014.
- Reviewed wages reported on the TWC reports and the payroll 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 the Company 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:

- The Company had nine (9) full-time Lubbock employees as of the March 1, 2013 baseline measurement date.
- The Company had thirteen (13) full-time Lubbock employees as of February 28, 2014.

Based on the above, the Company created four (4) new Target Positions in the initial measurement period. In accordance with the performance agreement, the Company earns \$4,595.65 in incentives for each of the four (4) new Target Positions; thus, the Company has earned first-year incentives totaling \$18,382.60.

In connection with our previously-issued report, dated March 6, 2014, for the February 28, 2014 measurement date, we determined that the Company did not earn any first-year incentives. As a result of this restated report, LEDA should pay the Company a total of \$18,382.60, for incentives earned in the initial measurement period.