LUBBOCK ECONOMIC DEVELOPMENT ALLIANCE

PERFORMANCE AGREEMENT WITH RENTZEL PUMP MANUFACTURING, LP

AGREED-UPON PROCEDURES REPORT

FOR THE PERIOD BEGINNING APRIL 16, 2016 AND ENDING APRIL 15, 2017
LUBBOCK ECONOMIC DEVELOPMENT ALLIANCE

PERFORMANCE AGREEMENT WITH RENTZEL PUMP MANUFACTURING, LP

AGREED-UPON PROCEDURES

FOR THE PERIOD BEGINNING APRIL 16, 2016 AND ENDING APRIL 15, 2017

TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Page Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Independent Accountant’s Report</td>
</tr>
<tr>
<td>2</td>
<td>Procedures and Results</td>
</tr>
</tbody>
</table>
Independent Accountant’s Report

To the Board of Directors and
Management of
Lubbock Economic Development Alliance

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 Performance Agreement with regard to job creation incentives only, for Rentzel Pump Manufacturing, 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 information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Certified Public Accountants

Lubbock, Texas
June 7, 2017
LUBBOCK ECONOMIC DEVELOPMENT ALLIANCE
PERFORMANCE AGREEMENT WITH RENTZEL PUMP MANUFACTURING, LP
FOR THE PERIOD BEGINNING APRIL 16, 2016 AND ENDING APRIL 15, 2017

Procedures and Results

Background:

The Lubbock City Council established the Lubbock Economic Development Alliance, Inc. (hereinafter referred to as LEDA) to stimulate and foster economic activity in Lubbock and the surrounding area. To this end, LEDA entered into a contract with Rentzel Pump Manufacturing, LP (hereinafter referred to as “the Company”) on April 16, 2012.

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 $46,500 for the creation of ten (10) new full-time jobs by April 15, 2013, and the maintenance of these jobs through April 15, 2017. The Company will earn incentives ranging from $2,500 to $10,000 for each job created according to an annual compensation schedule, and these 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 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 April 15, 2017.
- Obtained the Texas Workforce Commissions (TWC) reports for quarters ending June 2016 through March 2017 and obtained the year-to-date payroll register ending April 15, 2017.
- Reviewed wages reported on the payroll register and TWC reports to verify annual compensation levels and to corroborate dates of hire and/or termination while comparing to employee census.

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 and prior year agreed-upon procedure reports:

- The Company had eleven (11) full-time Lubbock employees as of April 15, 2012 (baseline).
- The Company had fifteen (15) full-time Lubbock employees as of April 15, 2013.
- The Company had twelve (12) full-time Lubbock employees as of April 15, 2014.
- The Company had fourteen (14) full-time Lubbock employees as of April 15, 2015.
- The Company had eleven (11) full-time Lubbock employees as of April 15, 2016.
- The Company had eleven (11) full-time Lubbock employees as of April 15, 2017.

Based on the above, the Company did not exceed the baseline employment level and is not currently entitled to receive fifth-year incentives.

Based on procedures performed, there were no questions or issues raised that needed to be discussed with company personnel.