EXHIBIT A

Tax Increment Financing Reinvestment Zone Number One

(Downtown TIF)

2012 Annual Report

City of Denton
Economic Development Office
215 E. McKinney Street
Denton, Texas 76201
940-349-7775
www.dentonedp.com
January 1, 2012 to December 31, 2012
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Mission Statement

The mission of the Tax Increment Financing Reinvestment Zone Number One (Downtown TIF) is to provide a source of funding for public infrastructure improvements to encourage and accelerate necessary development and redevelopment within the Downtown TIF District area.

The Downtown TIF took effect on January 1, 2011 and will terminate on December 31, 2041 or when the budget of $24.8 million has been collected. The City of Denton is the sole participating jurisdiction. The City’s participation is as follows:

<table>
<thead>
<tr>
<th>Years</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5</td>
<td>100%</td>
</tr>
<tr>
<td>6-10</td>
<td>95%</td>
</tr>
<tr>
<td>11-20</td>
<td>90%</td>
</tr>
<tr>
<td>21-30</td>
<td>85%</td>
</tr>
</tbody>
</table>

District Accomplishments

During calendar year 2011, $15,871 was collected; no funds were distributed. During calendar year 2012, $54,820 was collected; no funds were distributed.

Value and Increment Summary

The City of Denton created Texas Increment Financing Reinvestment Zone Number One (known as the Downtown TIF) in 2010. The base year value was $79,356,854. The 2012 taxable assessed valuation increase for the Downtown TIF was $7,947,827 and resulted in approximately $54,820 in ad valorem revenue, which is reported in the City’s Downtown Tax Increment Financing Fund for the 2012-13 adopted budget. The Downtown TIF District’s assessed 2012 value was $89,605,635. Since its inception, the value of the TIRZ has increased $10,248,781, which represents a 12.9% increase in value.

Summary of TIF Board meetings

The Downtown TIF Board met four times in 2012: March 30, June 8, September 12 and December 7.

Board Member List and attendance
Pete Kamp – City Council Member (Attended 3 of 4 meetings)
James King – City Council Member (Attended 3 of 4 meetings)
Bob Moses – Property Owner (Attended 3 of 4 meetings)
Virgil Strange – Property Owner (Attended 3 of 4 meetings)
Marty Rivers – Chamber of Commerce Member (Attended 4 of 4 meetings)
Hank Dickenson – Chamber of Commerce member (Attended 2 of 4 meetings)
Harold Strong – Qualified Voter of the City of Denton (Attended 2 of 4 meetings)

During 2012, the TIF Board took the following action on items:
1. Developed and adopted a mission statement for the TIF Board.
2. Reviewed and recommended the 2011 Annual Report to City Council.
3. Received briefings on: 82nd Legislature changes to Chapter 311 of the Texas Tax Code, the East Hickory Street Corridor Project, the proposed Denton Arts Walk of Fame, the annual ad valorman revenue of TIRZ Number One, the proposed Street Bond election, and the City’s purchase of property located at 300 E. McKinney.

Budget and Spending Status

The Downtown TIF District has established in its Project and Finance Plans a budget for public improvement expenditures necessary to support private investment in the district.

In 2011, $15,871 was collected; no expenditures were made.
In 2012, $54,820 was collected; no expenditures were made.

2012 Work Program

No projects were initiated in 2012; no funds were expended.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount Collected</th>
<th>Amount Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$15,871</td>
<td>$0.00</td>
</tr>
<tr>
<td>2012</td>
<td>$54,820</td>
<td>$0.00</td>
</tr>
<tr>
<td>Totals</td>
<td>$70,691</td>
<td>$0.00</td>
</tr>
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