

Texas Municipal Reports

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Arlington, City of (Waterworks & Sewer System)

Tarrant County

Last Revised 10/15/2013

TMR # 1061

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FOR OTHER BONDS FOR FOR THIS ISSUER, SEE SEPARATE MUNICIPAL REPORTS

FINANCIAL STATEMENT (As of September 30, 2012)*

Special Obligation Debt
Senior Lien \$136,855,000

Special Fund Balances
I&S \$10,254,362
Reserve \$8,400,638

*Includes \$8,930,000 Water & Wastewater System Revenue Bds, Ser 2013A and \$8,250,000 Water & Wastewater System Revenue Refunding Bds, Ser 2013B dated June 1, 2013.

PAYMENT RECORD: The City has never defaulted on Revenue Bonds. The City has not defaulted on its General Obligation Bonds since 1935 when all bonds were refunded at par with a reduction in interest rate.

DETAILS OF REVENUE DEBT

Details of Senior Lien Debt (Outstanding 9/30/2012)

W & Wastewater Sys Rev Ref Bds Ser 2003

Lien: Senior
Tax Treatment: Tax Exempt
Original Issue Amount \$11,720,000.00
Dated Date: 02/15/2003
Sale Date: 02/25/2003
Delivery Date: 03/27/2003
Sale Type: Competitive
TIC: 3.3648%
Record Date: MSRB
Bond Form: BE
Denomination \$5,000
Interest pays Semi-Annually: 12/01, 06/01
1st Coupon Date: 06/01/2003

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
Bond Counsel: Vinson & Elkins
Lead Manager: Legg Mason Wood Walker, Inc.

Insurance: Assured Guaranty Municipal Corp. (FSA)

Use of Proceeds: Refunding.

Refunding Notes: THIS ISSUE DEFEASED MTY(S) 06/01/2004-06/01/2012 OF WW & SS REV BDS SER 93.
THIS ISSUE DEFEASED MTY(S) 06/01/2005-06/01/2013 OF WW & SS REV BDS SER 94.
THIS ISSUE DEFEASED MTY(S) 06/01/2010-06/01/2015 OF WW & SS REV BDS SER 96.

| Maturity | Amount | Coupon | Orig Reoffering Price/Yield |
|-------------------|------------|---------|-----------------------------|
| 06/01/2013 | 970,000.00 | 4.0000% | 3.820% |
| -----\$970,000.00 | | | |

Call Option: Non Callable

Refunded Notes: Maturities refunded by W & WW Sys Rev Ref Bds Ser 2013B

| Refunded Amount | Mat Date | Sched Call | Price |
|-----------------|------------|------------|-------|
| 530,000 | 06/01/2014 | 08/10/2013 | Par |
| 520,000 | 06/01/2015 | 08/10/2013 | Par |

W & Wastewater Sys Rev Bds Ser 2004

Lien: Senior

Tax Treatment: Tax Exempt
Original Issue Amount \$15,000,000.00
Dated Date: 02/15/2004
Sale Date: 02/24/2004
Delivery Date: 03/23/2004
Sale Type: Competitive
TIC: 3.7814%
Record Date: MSRB
Bond Form: BE
Denomination \$5,000
Interest pays Semi-Annually: 06/01, 12/01
1st Coupon Date: 12/01/2004

Paying Agent: US Bank N.A., Dallas, TX
Bond Counsel: Vinson & Elkins L.L.P.
Lead Manager: BOSC, Inc.
Co-Manager: Legg Mason Wood Walker Inc.
Co-Manager: Coastal Securities
Co-Manager: Citigroup Global Markets Inc.
Member: Charles Schwab & Co.
Member: Borean Capital, Inc.

Insurance: Assured Guaranty Municipal Corp. (FSA)

Use of Proceeds: Water & Wastewater.

| Maturity | Amount | Coupon | Orig Reoffering Price/Yield |
|---------------------|------------|---------|-----------------------------|
| 06/01/2013 | 790,000.00 | 3.3000% | 3.330% |
| 06/01/2014 | 790,000.00 | 3.5000% | 3.550% |
| -----\$1,580,000.00 | | | |

Call Option: Non Callable

Refunded Notes: Maturities refunded by W & WW Sys Rev Ref Bds Ser 2013B

| Refunded Amount | Mat Date | Sched Call | Price |
|-----------------|------------|------------|-------|
| 790,000 | 06/01/2015 | 06/01/2014 | Par |
| 790,000 | 06/01/2016 | 06/01/2014 | Par |
| 790,000 | 06/01/2017 | 06/01/2014 | Par |
| 790,000 | 06/01/2018 | 06/01/2014 | Par |
| 790,000 | 06/01/2019 | 06/01/2014 | Par |
| 790,000 | 06/01/2020 | 06/01/2014 | Par |
| 790,000 | 06/01/2021 | 06/01/2014 | Par |
| 785,000 | 06/01/2022 | 06/01/2014 | Par |
| 785,000 | 06/01/2023 | 06/01/2014 | Par |

W & Wastewater Sys Rev Bds Ser 2005

Lien: Senior
Tax Treatment: Tax Exempt
Original Issue Amount \$17,000,000.00
Dated Date: 03/01/2005
Sale Date: 03/08/2005
Delivery Date: 04/05/2005
Sale Type: Competitive
TIC: 4.1363%
Record Date: MSRB
Bond Form: BE
Denomination \$5,000
Interest pays Semi-Annually: 06/01, 12/01
1st Coupon Date: 12/01/2005

Paying Agent: Wells Fargo Bank, N.A., Dallas, TX
Bond Counsel: Vinson & Elkins L.L.P.
Lead Manager: Morgan Stanley

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Insurance: National Public Finance Guarantee Corporation

Use of Proceeds: Water & Wastewater.

| Maturity | Amount | Coupon | Orig Reoffering Price/Yield |
|----------------------|------------|---------|-----------------------------|
| 06/01/2013 | 895,000.00 | 5.0000% | 3.700% |
| 06/01/2014 | 895,000.00 | 5.0000% | 3.800% |
| 06/01/2015 | 895,000.00 | 4.0000% | 3.950% |
| 06/01/2016 | 895,000.00 | 4.0000% | 4.030% |
| 06/01/2017 | 895,000.00 | 4.0000% | 4.100% |
| 06/01/2018 | 895,000.00 | 4.0000% | 4.170% |
| 06/01/2019 | 895,000.00 | 4.1250% | 4.250% |
| 06/01/2020 | 895,000.00 | 4.2000% | 4.300% |
| 06/01/2021 | 895,000.00 | 4.2500% | 4.360% |
| 06/01/2022 | 895,000.00 | 4.2500% | 4.440% |
| 06/01/2023 | 895,000.00 | 4.3750% | 4.500% |
| 06/01/2024 | 890,000.00 | 4.5000% | 4.560% |
| -----\$10,735,000.00 | | | |

Call Option: Bonds maturing on 06/01/2016 to 06/01/2024 callable in whole or in part on any date beginning 06/01/2015 @ par.

W & Wastewater Sys Rev Bds Ser 2007

Lien: Senior

Tax Treatment: Tax Exempt

Original Issue Amount \$24,000,000.00

Dated Date: 07/15/2007

Sale Date: 07/24/2007

Delivery Date: 08/21/2007

Sale Type: Competitive

TIC: 4.4928%

Record Date: MSRB

Bond Form: BE

Denomination: \$5,000

Interest pays: Semi-Annually: 06/01, 12/01

1st Coupon Date: 12/01/2007

Paying Agent: Wells Fargo Bank, N.A., Austin, TX
 Bond Counsel: Vinson & Elkins L.L.P.
 Lead Manager: Banc of America, N.A.

Insurance: National Public Finance Guarantee Corporation

Use of Proceeds: Water & Sewer.

| Maturity | Amount | Coupon | Orig Reoffering Price/Yield |
|----------------------|--------------|---------|-----------------------------|
| 06/01/2013 | 1,200,000.00 | 5.0000% | 3.950% |
| 06/01/2014 | 1,200,000.00 | 5.0000% | 4.010% |
| 06/01/2015 | 1,200,000.00 | 5.0000% | 4.060% |
| 06/01/2016 | 1,200,000.00 | 5.0000% | 4.130% |
| 06/01/2017 | 1,200,000.00 | 5.0000% | 4.200% |
| 06/01/2018 | 1,200,000.00 | 4.2500% | 4.320% |
| 06/01/2019 | 1,200,000.00 | 4.2500% | 4.410% |
| 06/01/2020 | 1,200,000.00 | 4.2500% | 4.480% |
| 06/01/2021 | 1,200,000.00 | 4.3750% | 4.540% |
| 06/01/2022 | 1,200,000.00 | 4.5000% | 4.610% |
| 06/01/2023 | 1,200,000.00 | 4.5000% | 4.630% |
| 06/01/2024 | 1,200,000.00 | 4.5000% | 4.650% |
| 06/01/2027T | 3,600,000.00 | 4.5000% | 4.680% |
| -----\$18,000,000.00 | | | |

Call Option: Bonds maturing on 06/01/2018 to 06/01/2024 and 06/01/2027 callable in whole or in part on any date beginning 06/01/2017 @ par. The following term bonds are subject to mandatory sinking fund redemption each 6/1 @ par as follows: Mty 06/01/2027: 1,200M-06/01/2025; 1,200M-06/01/2026; 1,200M matures 06/01/2027.

Term bonds maturing on 06/01/2027:

| Mandatory Redemption Date | Principal Amount |
|---------------------------|------------------|
| 06/01/2025 | \$1,200,000 |
| 06/01/2026 | \$1,200,000 |
| 06/01/2027 | \$1,200,000 |

W & WW Sys Rev Bds Ser 2008

Lien: Senior

Tax Treatment: Tax Exempt

Original Issue Amount \$38,000,000.00

Dated Date: 06/15/2008

Sale Date: 06/17/2008

Delivery Date: 07/22/2008

Sale Type: Private Placement

Record Date: MSRB

Bond Form: BE

Denomination: \$5,000

Interest pays: Semi-Annually: 06/01, 12/01

1st Coupon Date: 12/01/2008

Paying Agent: Wells Fargo Bank, N.A., Austin, TX
 Bond Counsel: Vinson & Elkins
 Financial Advisor: First Southwest Company, Fort Worth, TX
 Purchaser: Texas Water Development Board

Use of Proceeds: Wastewater.

| Maturity | Amount | Coupon | Orig Reoffering Price/Yield |
|----------------------|--------------|---------|-----------------------------|
| 06/01/2013 | 1,900,000.00 | 1.6500% | N/A |
| 06/01/2014 | 1,900,000.00 | 1.8000% | N/A |
| 06/01/2015 | 1,900,000.00 | 1.9500% | N/A |
| 06/01/2016 | 1,900,000.00 | 2.1500% | N/A |
| 06/01/2017 | 1,900,000.00 | 2.2500% | N/A |
| 06/01/2018 | 1,900,000.00 | 2.4000% | N/A |
| 06/01/2019 | 1,900,000.00 | 2.5500% | N/A |
| 06/01/2020 | 1,900,000.00 | 2.7000% | N/A |
| 06/01/2021 | 1,900,000.00 | 2.8000% | N/A |
| 06/01/2022 | 1,900,000.00 | 2.8500% | N/A |
| 06/01/2023 | 1,900,000.00 | 2.9500% | N/A |
| 06/01/2024 | 1,900,000.00 | 3.1000% | N/A |
| 06/01/2025 | 1,900,000.00 | 3.1500% | N/A |
| 06/01/2026 | 1,900,000.00 | 3.2000% | N/A |
| 06/01/2027 | 1,900,000.00 | 3.2500% | N/A |
| 06/01/2028 | 1,900,000.00 | 3.2500% | N/A |
| -----\$30,400,000.00 | | | |

Call Option: Bonds maturing on 06/01/2019 to 06/01/2028 callable in whole or in part inversely on any date beginning 12/01/2018 @ par.

W & WW Sys Rev Ref Bds Ser 2009

Lien: Senior

Tax Treatment: Tax Exempt

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Original Issue Amount \$13,760,000.00
 Dated Date: 04/15/2009
 Sale Date: 04/21/2009
 Delivery Date: 05/27/2009
 Sale Type: Negotiated
 Record Date: MSRB
 Bond Form: BE
 Denomination \$5,000
 Interest pays Semi-Annually: 06/01, 12/01
 1st Coupon Date: 12/01/2009

Paying Agent: Wells Fargo Bank, N.A., Austin, TX
 Bond Counsel: Vinson & Elkins L.L.P.
 Financial Advisor: Estrada Hinojosa & Co., Inc., Dallas, TX
 Lead Manager: Wells Fargo Brokerage Services, LLC
 Co-Manager: Piper Jaffray & Co.
 Co-Manager: Siebert Brandford Shank & Co.

Use of Proceeds: Refunding.

Refunding Notes: This issue defeased mty(s) 6/1/2010 and 6/1/2016 of WW & SS Ref & Imp Rev Bds Ser 97 @ par.
 This issue defeased mty(s) 6/1/2010-6/1/2018 of Water & Wastewater Sys Rev Bds Ser 99 @ par.
 This issue defeased mty(s) 6/1/2015-6/1/2019 of Water & Wastewater Sys Rev Bds Ser 2001 @ par.

| Maturity | Amount | Coupon | Orig Reoffering Price/Yield |
|------------|--------------|---------|-----------------------------|
| 06/01/2013 | 985,000.00 | 2.0000% | 1.950% |
| 06/01/2014 | 955,000.00 | 2.7500% | 2.330% |
| 06/01/2015 | 1,965,000.00 | 5.0000% | 2.580% |
| 06/01/2016 | 1,960,000.00 | 5.0000% | 2.810% |
| 06/01/2017 | 1,360,000.00 | 5.0000% | 3.040% |
| 06/01/2018 | 1,355,000.00 | 5.0000% | 3.260% |
| 06/01/2019 | 955,000.00 | 4.0000% | 3.520% |
| | | | -----\$9,535,000.00 |

Call Option: Non Callable

W & WW Sys Rev & Ref Bds Ser 2010

Lien: Senior
 Tax Treatment: Tax Exempt
 Original Issue Amount \$21,515,000.00
 Dated Date: 06/15/2010
 Sale Date: 06/22/2010
 Delivery Date: 07/20/2010
 Sale Type: Negotiated
 Record Date: MSRB
 Bond Form: BE
 Denomination \$5,000
 Interest pays Semi-Annually: 06/01, 12/01
 1st Coupon Date: 12/01/2010

Paying Agent: Wells Fargo Bank, N.A., Austin, TX
 Bond Counsel: Vinson & Elkins L.L.P.
 Financial Advisor: Estrada Hinojosa & Co., Inc., Dallas, TX
 Lead Manager: Morgan Keegan & Co., Inc.
 Co-Manager: Bank of America Merrill Lynch
 Co-Manager: First Southwest Company
 Co-Manager: Siebert Brandford Shank & Co.

Use of Proceeds: Refunding, Improvements.

Refunding Notes: This issue defeased mty(s) 6/1/2012-6/1/2014, 6/1/2020 of Water & Wastewater Sys Rev Bds Ser 2001 @ par.
 This issue defeased mty(s) 6/1/2013-6/1/2021 of Water & Wastewater Sys Rev Bds Ser 2002 @ par.

| Maturity | Amount | Coupon | Orig Reoffering Price/Yield |
|------------|--------------|---------|-----------------------------|
| 06/01/2013 | 2,415,000.00 | 4.0000% | 1.200% |
| 06/01/2014 | 2,405,000.00 | 4.0000% | 1.570% |
| 06/01/2015 | 1,350,000.00 | 2.0000% | 1.930% |
| 06/01/2016 | 1,325,000.00 | 2.5000% | 2.350% |
| 06/01/2017 | 1,305,000.00 | 3.0000% | 2.680% |
| 06/01/2018 | 1,290,000.00 | 4.0000% | 2.940% |
| 06/01/2019 | 1,275,000.00 | 3.0000% | 3.170% |
| 06/01/2020 | 2,300,000.00 | 4.0000% | 3.330% |
| 06/01/2021 | 1,245,000.00 | 5.0000% | 3.480% |
| 06/01/2022 | 490,000.00 | 4.0000% | 3.690% |
| 06/01/2023 | 490,000.00 | 4.0000% | 3.830% |
| 06/01/2024 | 490,000.00 | 4.0000% | 3.910% |
| 06/01/2025 | 490,000.00 | 4.0000% | 100.00% |
| 06/01/2026 | 490,000.00 | 4.0000% | 4.050% |
| 06/01/2027 | 490,000.00 | 4.0000% | 4.120% |
| 06/01/2028 | 490,000.00 | 4.0000% | 4.190% |
| 06/01/2029 | 490,000.00 | 4.1250% | 4.260% |
| 06/01/2030 | 485,000.00 | 4.2500% | 4.330% |
| | | | -----\$19,315,000.00 |

Call Option: Bonds maturing on 06/01/2021 to 06/01/2030 callable in whole or in part on any date beginning 06/01/2020 @ par.

W & WW Sys Rev Bds Ser 2010

Lien: Senior
 Tax Treatment: Tax Exempt
 Original Issue Amount \$13,885,000.00
 Dated Date: 11/19/2010
 Sale Date: 10/19/2010
 Delivery Date: 11/19/2010
 Sale Type: Private Placement
 Record Date: MSRB
 Bond Form: BE
 Denomination \$5,000
 Interest pays Semi-Annually: 12/01, 06/01
 1st Coupon Date: 06/01/2011

Paying Agent: Wells Fargo Bank, N.A., Austin, TX
 Bond Counsel: Vinson & Elkins L.L.P.
 Financial Advisor: First Southwest Company
 Purchaser: Texas Water Development Board

Use of Proceeds: Water & Wastewater.

| Maturity | Amount | Coupon | Orig Reoffering Price/Yield |
|------------|------------|---------|-----------------------------|
| 06/01/2013 | 695,000.00 | 0.0000% | N/A |
| 06/01/2014 | 695,000.00 | 0.0000% | N/A |
| 06/01/2015 | 695,000.00 | 0.0000% | N/A |
| 06/01/2016 | 695,000.00 | 0.0000% | N/A |
| 06/01/2017 | 695,000.00 | 0.0000% | N/A |
| 06/01/2018 | 695,000.00 | 0.2000% | N/A |
| 06/01/2019 | 695,000.00 | 0.4000% | N/A |
| 06/01/2020 | 695,000.00 | 0.6500% | N/A |

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|----------------------|------------|---------|-----|
| 06/01/2021 | 695,000.00 | 0.8000% | N/A |
| 06/01/2022 | 695,000.00 | 0.9500% | N/A |
| 06/01/2023 | 695,000.00 | 1.0500% | N/A |
| 06/01/2024 | 695,000.00 | 1.2000% | N/A |
| 06/01/2025 | 695,000.00 | 1.3000% | N/A |
| 06/01/2026 | 695,000.00 | 1.4000% | N/A |
| 06/01/2027 | 695,000.00 | 1.5000% | N/A |
| 06/01/2028 | 695,000.00 | 1.6000% | N/A |
| 06/01/2029 | 690,000.00 | 1.6500% | N/A |
| 06/01/2030 | 690,000.00 | 1.7000% | N/A |
| -----\$12,500,000.00 | | | |

Call Option: Bonds maturing on 06/01/2021 to 06/01/2030 callable in whole or in part inversely on any date beginning 12/01/2020 @ par.

W & WW Sys Rev Bds Ser 2012

Lien: Senior
 Tax Treatment: Tax Exempt
 Original Issue Amount \$16,640,000.00
 Dated Date: 06/01/2012
 Sale Date: 06/05/2012
 Delivery Date: 06/28/2012
 Sale Type: Competitive
 TIC: 2.9005%
 Record Date: MSRB
 Bond Form: BE
 Denomination \$5,000
 Interest pays Semi-Annually: 06/01, 12/01
 1st Coupon Date: 12/01/2012

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
 Bond Counsel: Bracewell & Giuliani LLP
 Financial Advisor: Estrada Hinojosa & Co., Inc., Dallas, TX
 Lead Manager: Hutchinson Shockey Erley & Co.

Use of Proceeds: Water.

| Maturity | Amount | Coupon | Orig Reoffering Price/Yield |
|----------------------|------------|---------|-----------------------------|
| 06/01/2013 | 830,000.00 | 3.0000% | 0.400% |
| 06/01/2014 | 835,000.00 | 4.0000% | 0.580% |
| 06/01/2015 | 835,000.00 | 2.0000% | 0.700% |
| 06/01/2016 | 835,000.00 | 2.0000% | 0.850% |
| 06/01/2017 | 835,000.00 | 3.0000% | 1.100% |
| 06/01/2018 | 835,000.00 | 3.0000% | 1.450% |
| 06/01/2019 | 835,000.00 | 4.0000% | 1.650% |
| 06/01/2020 | 835,000.00 | 3.0000% | 1.880% |
| 06/01/2021 | 835,000.00 | 2.2500% | 2.100% |
| 06/01/2022 | 830,000.00 | 2.5000% | 2.230% |
| 06/01/2023 | 830,000.00 | 2.5000% | 2.600% |
| 06/01/2024 | 830,000.00 | 3.0000% | 2.800% |
| 06/01/2025 | 830,000.00 | 4.0000% | 2.900% |
| 06/01/2026 | 830,000.00 | 3.0000% | 3.050% |
| 06/01/2027 | 830,000.00 | 3.1000% | 3.200% |
| 06/01/2028 | 830,000.00 | 3.2000% | 3.300% |
| 06/01/2029 | 830,000.00 | 3.2500% | 3.400% |
| 06/01/2030 | 830,000.00 | 3.3750% | 3.500% |
| 06/01/2031 | 830,000.00 | 3.5000% | 3.580% |
| 06/01/2032 | 830,000.00 | 3.5000% | 3.630% |
| -----\$16,640,000.00 | | | |

Call Option: Bonds maturing on 06/01/2023 to 06/01/2032 callable in whole or in part on any date beginning 06/01/2022 @ par.

W & WW Sys Rev Bds Ser 2013A

Lien: Senior
 Tax Treatment: Tax Exempt
 Original Issue Amount \$8,930,000.00
 Dated Date: 06/01/2013
 Sale Date: 06/18/2013
 Delivery Date: 07/10/2013
 Sale Type: Competitive
 TIC: 3.3862%
 Record Date: MSRB
 Bond Form: BE
 Denomination \$5,000
 Interest pays Semi-Annually: 06/01, 12/01
 1st Coupon Date: 12/01/2013

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
 Bond Counsel: Bracewell & Giuliani LLP
 Financial Advisor: Estrada Hinojosa & Co., Inc., Dallas, TX
 Lead Manager: Raymond James
 Co-Manager: Morgan Stanley

Use of Proceeds: Water & Sewer.

| Maturity | Amount | Coupon | Orig Reoffering Price/Yield |
|---------------------|--------------|---------|-----------------------------|
| 06/01/2014 | 445,000.00 | 2.0000% | 0.400% |
| 06/01/2015 | 450,000.00 | 2.0000% | 0.540% |
| 06/01/2016 | 450,000.00 | 3.0000% | 0.790% |
| 06/01/2017 | 450,000.00 | 3.0000% | 1.080% |
| 06/01/2018 | 450,000.00 | 3.0000% | 1.410% |
| 06/01/2019 | 450,000.00 | 3.0000% | 1.720% |
| 06/01/2020 | 450,000.00 | 3.0000% | 2.000% |
| 06/01/2021 | 445,000.00 | 3.0000% | 2.310% |
| 06/01/2022 | 445,000.00 | 3.0000% | 2.560% |
| 06/01/2023 | 445,000.00 | 3.0000% | 2.730% |
| 06/01/2024 | 445,000.00 | 4.0000% | 3.020% |
| 06/01/2025 | 445,000.00 | 4.0000% | 3.160% |
| 06/01/2026 | 445,000.00 | 4.0000% | 3.290% |
| 06/01/2027 | 445,000.00 | 3.5000% | 3.640% |
| 06/01/2028 | 445,000.00 | 3.6250% | 3.750% |
| 06/01/2031T | 1,335,000.00 | 4.0000% | 100.00% |
| 06/01/2033T | 890,000.00 | 4.0000% | 4.100% |
| -----\$8,930,000.00 | | | |

Call Option: Bonds maturing on 06/01/2024 to 06/01/2028 and term bonds maturing on 06/01/2031 and 06/01/2033 callable in whole or in part on any date beginning 06/01/2023 @ par.

Term Call: Term bonds maturing on 06/01/2031:

| Mandatory Redemption Date | Principal Amount |
|---------------------------|------------------|
| 06/01/2029 | \$445,000 |
| 06/01/2030 | \$445,000 |
| 06/01/2031 | \$445,000 |

Term bonds maturing on 06/01/2033:

| Mandatory Redemption Date | Principal Amount |
|---------------------------|------------------|
| 06/01/2032 | \$445,000 |
| 06/01/2033 | \$445,000 |

W & WW Sys Rev Ref Bds Ser 2013B

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Lien: Senior
 Tax Treatment: Tax Exempt
 Original Issue Amount \$8,250,000.00
 Dated Date: 06/01/2013
 Sale Date: 06/18/2013
 Delivery Date: 07/10/2013
 Sale Type: Competitive
 TIC: 1.9813%
 Record Date: MSRB
 Bond Form: BE
 Denomination \$5,000
 Interest pays Semi-Annually: 06/01, 12/01
 1st Coupon Date: 12/01/2013

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
 Bond Counsel: Bracewell & Giuliani LLP
 Financial Advisor: Estrada Hinojosa & Co., Inc., Dallas, TX
 Lead Manager: Piper Jaffray & Co.

Use of Proceeds: Refunding.

Refunding Notes: This bond refunded maturities from the following issues:
 W & Wastewater Sys Rev Ref Bds Ser 2003

| Refunded Amount | Mat Date | Sched Call | Price |
|-----------------|------------|------------|-------|
| 530,000 | 06/01/2014 | 08/10/2013 | Par |
| 520,000 | 06/01/2015 | 08/10/2013 | Par |

W & Wastewater Sys Rev Bds Ser 2004

| Refunded Amount | Mat Date | Sched Call | Price |
|-----------------|------------|------------|-------|
| 790,000 | 06/01/2015 | 06/01/2014 | Par |
| 790,000 | 06/01/2016 | 06/01/2014 | Par |
| 790,000 | 06/01/2017 | 06/01/2014 | Par |
| 790,000 | 06/01/2018 | 06/01/2014 | Par |
| 790,000 | 06/01/2019 | 06/01/2014 | Par |
| 790,000 | 06/01/2020 | 06/01/2014 | Par |
| 790,000 | 06/01/2021 | 06/01/2014 | Par |
| 785,000 | 06/01/2022 | 06/01/2014 | Par |
| 785,000 | 06/01/2023 | 06/01/2014 | Par |

| Maturity | Amount | Coupon | Orig Reoffering Price/Yield |
|------------|--------------|---------|-----------------------------|
| 06/01/2014 | 585,000.00 | 2.0000% | 0.400% |
| 06/01/2015 | 1,365,000.00 | 2.0000% | 0.450% |
| 06/01/2016 | 825,000.00 | 2.0000% | 0.710% |
| 06/01/2017 | 810,000.00 | 2.0000% | 1.010% |
| 06/01/2018 | 800,000.00 | 2.0000% | 1.320% |
| 06/01/2019 | 795,000.00 | 2.5000% | 1.650% |
| 06/01/2020 | 785,000.00 | 3.0000% | 1.900% |
| 06/01/2021 | 775,000.00 | 3.0000% | 2.210% |
| 06/01/2022 | 760,000.00 | 3.0000% | 2.440% |
| 06/01/2023 | 750,000.00 | 3.0000% | 2.580% |

-----\$8,250,000.00

Call Option: Non Callable

GRAND TOTAL===== > \$136,855,000.00

BOND DEBT SERVICE

| Period Ending | Principal | Interest | Debt Service |
|---------------|---------------|--------------|---------------|
| 09/30/2013 | 10,680,000.00 | 4,208,318.88 | 14,888,318.88 |

| | | | |
|------------|---------------|--------------|---------------|
| 09/30/2014 | 10,705,000.00 | 4,024,677.86 | 14,729,677.86 |
| 09/30/2015 | 10,655,000.00 | 3,735,698.75 | 14,390,698.75 |
| 09/30/2016 | 10,085,000.00 | 3,424,598.75 | 13,509,598.75 |
| 09/30/2017 | 9,450,000.00 | 3,110,123.75 | 12,560,123.75 |
| 09/30/2018 | 9,420,000.00 | 2,809,673.75 | 12,229,673.75 |
| 09/30/2019 | 9,000,000.00 | 2,501,983.75 | 11,501,983.75 |
| 09/30/2020 | 9,060,000.00 | 2,219,610.00 | 11,279,610.00 |
| 09/30/2021 | 7,990,000.00 | 1,921,102.50 | 9,911,102.50 |
| 09/30/2022 | 7,215,000.00 | 1,654,167.50 | 8,869,167.50 |
| 09/30/2023 | 7,205,000.00 | 1,424,877.50 | 8,629,877.50 |
| 09/30/2024 | 6,450,000.00 | 1,192,173.75 | 7,642,173.75 |
| 09/30/2025 | 5,560,000.00 | 968,583.75 | 6,528,583.75 |
| 09/30/2026 | 5,560,000.00 | 775,098.75 | 6,335,098.75 |
| 09/30/2027 | 5,560,000.00 | 588,268.75 | 6,148,268.75 |
| 09/30/2028 | 4,360,000.00 | 401,188.75 | 4,761,188.75 |
| 09/30/2029 | 2,455,000.00 | 266,027.50 | 2,721,027.50 |
| 09/30/2030 | 2,450,000.00 | 189,655.00 | 2,639,655.00 |
| 09/30/2031 | 1,275,000.00 | 111,500.00 | 1,386,500.00 |
| 09/30/2032 | 1,275,000.00 | 64,650.00 | 1,339,650.00 |
| 09/30/2033 | 445,000.00 | 17,800.00 | 462,800.00 |

 136,855,000.00 35,609,779.24 172,464,779.24
 =====

COMPUTED ON BASIS OF MANDATORY REDEMPTION

DEBT AMORTIZATION RATES

| Period Ending | Principal | % of Principal |
|---------------|---------------|----------------|
| | | Retired |
| 09/30/2013 | 10,680,000.00 | 07.80% |
| 09/30/2014 | 10,705,000.00 | 15.63% |
| 09/30/2015 | 10,655,000.00 | 23.41% |
| 09/30/2016 | 10,085,000.00 | 30.78% |
| 09/30/2017 | 9,450,000.00 | 37.69% |
| 09/30/2018 | 9,420,000.00 | 44.57% |
| 09/30/2019 | 9,000,000.00 | 51.15% |
| 09/30/2020 | 9,060,000.00 | 57.77% |
| 09/30/2021 | 7,990,000.00 | 63.60% |
| 09/30/2022 | 7,215,000.00 | 68.88% |
| 09/30/2023 | 7,205,000.00 | 74.14% |
| 09/30/2024 | 6,450,000.00 | 78.85% |
| 09/30/2025 | 5,560,000.00 | 82.92% |
| 09/30/2026 | 5,560,000.00 | 86.98% |
| 09/30/2027 | 5,560,000.00 | 91.04% |
| 09/30/2028 | 4,360,000.00 | 94.23% |
| 09/30/2029 | 2,455,000.00 | 96.02% |
| 09/30/2030 | 2,450,000.00 | 97.81% |
| 09/30/2031 | 1,275,000.00 | 98.74% |
| 09/30/2032 | 1,275,000.00 | 99.67% |
| 09/30/2033 | 445,000.00 | 100.00% |

PERTINENT PROVISIONS OF THE WATERWORKS AND SEWER SYSTEM REVENUE BOND INDENTURE

1. Nature of Pledge: First lien on and pledge of the Net Revenues from the operation of the Waterworks & Sewer System.

2. Special Funds Created by Indenture:

I&S Fund: Receives equal monthly deposits sufficient to meet debt service requirements.

Reserve Fund: Receives monthly deposits from system net revenues in an amount equal to 1/24 of the average annual debt service until an ultimate balance is met.

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3. Coverage Required as a Condition to Issuance of Parity Bonds: For the completed fiscal year or a consecutive 12 month period out of the last 15 months preceding the date of the bonds, Net Revenues shall have been not less than 1.25 times average annual requirements, after giving effect of the additional bonds, or had rates in effect for at least 60 days prior to the end of the period covered by the accountant's certificate, which, in the opinion of an independent engineer, would have produced net revenues of 1.25 times average annual requirements, including the additional bonds, if such rates had been in effect for the entire period.

4. Rate Covenant: Pursuant to Rates and Charges Section of Series 1997 Bond Ordinance, the City covenants to fix rates sufficient to produce net revenues each year in an amount not less than 1.25 times average annual debt service requirements.

WATERWORKS AND SEWER SYSTEM OPERATING EXPERIENCE The following condensed statements have been compiled using accounting principles customarily employed in the determination of net revenues available for debt service, and in all instances exclude depreciation, transfers, debt service payments, and expenditures identified as capital.

| | Fiscal Year Ended | | | |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 09-30-2012 | 09-30-2011 | 09-30-2010 | 09-30-2009 |
| Revenues: | | | | |
| Charges for Services | \$109,936,000 | \$118,415,000 | \$102,349,000 | \$103,434,000 |
| Other | 5,253,000 | 5,709,000 | 6,242,000 | 6,251,000 |
| | ----- | ----- | ----- | ----- |
| Total Revenues | \$115,189,000 | \$124,124,000 | \$108,591,000 | \$109,685,000 |
| Expenses: | | | | |
| TRA Contract | \$23,979,000 | \$23,987,000 | \$20,873,000 | \$22,126,000 |
| Water Supply | 17,931,000 | 16,531,000 | 13,676,000 | 13,082,000 |
| Other | 28,390,000 | 27,406,000 | 26,181,000 | 28,199,000 |
| | ----- | ----- | ----- | ----- |
| Total Expenses | \$70,300,000 | \$67,924,000 | \$60,730,000 | \$63,407,000 |
| Available For Debt Service | \$44,889,000 | \$56,200,000 | \$47,861,000 | \$46,278,000 |
| Revenue Average Reqmts | \$8,338,093 | \$8,400,639 | \$8,690,461 | \$8,419,402 |
| Coverage On Revenue Bds | 5.38X | 6.69X | 5.51X | 5.50X |
| Customer Count: | | | | |
| Sewer | 97,930 | 104,039 | 97,185 | 96,895 |
| Water | 99,862 | 99,484 | 99,288 | 99,141 |

WATER SUPPLY The Tarrant Regional Water District (TRWD), formerly Tarrant County Water Control and Improvement District #1, transfers water from its Cedar Creek Reservoir and Richland Chambers Reservoir into Lake Arlington and the John F. Kubala Treatment Plant under the terms and provisions of a water supply contract between the City and the District dated July 13, 1971. Under that contract, the District agreed to supply all of the City's municipal water requirements during its term. In August, 1998 the District also began delivering water from the U.S. Army Corps of Engineers owned reservoir Lake Benbrook.

On September 1, 1982, TRWD entered into a revised water supply contract with the City and the Cities of Fort Worth and Mansfield and the Trinity River Authority. Under the Revised Water Contract, the City is required to purchase all of its raw water needs from the District and the District is obligated to provide those needs by developing additional water supply sources. If the District is unable to supply all of the City's raw water requirements or if it should become apparent that the District will become unable to supply such

requirements, the Revised Water Contract provides a procedure by which the City would be permitted to develop or obtain a supplemental water supply to meet its needs. The City is depending upon the District to meet its full raw water needs under the Revised Water Contract and at the present the City has no assurance of the availability of a supplemental water supply if the District should fail to meet such needs. The District's current sources will provide adequate water supply through 2030. TRWD has participated in the statewide regional water planning effort authorized by the 1997 passage of Senate Bill 1. The regional plan for the Dallas-Fort Worth region includes plans for TRWD to develop an additional 622 MGD through the year 2060 at an estimated cost of \$3.6 billion.

Under the terms of the Revised Water Contract, the City pays to the District an amount equal to the City's proportionate share of the District's "Annual Requirement." Said Annual Requirements include the costs of operation and maintenance of the District's raw water supply facilities and debt service on the District's bonds. Based upon the projected usage of the City for the 2011-2012 fiscal year, the monthly purchase price to be paid by the City for water under the Revised Water Contract was \$1,554,847 which resulted in a rate of approximately \$0.87291 per one thousand gallons. Such amount is subject to adjustment as provided in the Revised Water Contract. The City is obligated to pay the District for all water used by it, and under the Revised Contract, the minimum amount of water the City shall be deemed to have used shall be calculated at an amount equal to the greater of 30 MGD or the average MGD actually used by the City during the period of the immediately preceding five consecutive annual periods (13,597 MGD as of September 30, 2012). The District had \$673,000,000 Revenue Bonds outstanding as of September 30, 2013. (See TMR # 5803)

The Revised Water Contract provides that all payments to be made under said Contract shall constitute reasonable and necessary operating expenses of the City's combined waterworks and sewer system.

WASTEWATER TREATMENT CONTRACTS Although the City owns and maintains an extensive wastewater collection system, it does not treat its own wastewater. Wastewater produced in the City is treated by TRA's Central Regional Wastewater System under the terms of a 50-year contract dated October 10, 1973.

TRINITY RIVER AUTHORITY CENTRAL REGIONAL WASTEWATER PROJECT (See TMR #5861 for additional information, including all contracting parties.)

Date City entered into Contract: October 10, 1973
 Length of Contract: 50 years
 Bonds Outstanding: \$975,080,000 as of November 30, 2012.

All payments made by the City constitute operating expenses of the waterworks and sewer system as defined in Article 113, RCST, 1925.

Amounts provided by Arlington under this contract for Authority's fiscal year end November 30:

| Year | Amount |
|------|--------------|
| 2009 | \$21,236,016 |
| 2010 | 22,869,413 |
| 2011 | 23,305,661 |
| 2012 | 24,026,950 |
| 2013 | 25,368,560* |

*Budgeted

Nature of Contract: TRA to construct a regional wastewater system to serve contracting parties. Additional funding for the system was provided by over \$85 million in Federal construction grants.

Terms of Contract: The City has agreed to pay the Authority its proportionate share of the net cost of operation and maintenance, including debt service

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requirements.

TRINITY RIVER AUTHORITY On October 10, 1973, the City entered into an additional contract with the Trinity River Authority for its issuance of contract revenue bonds for benefit of certain water supply and sewage disposal improvements to the City's system. Bonds issued by the Authority include \$2,625,000 Waterworks & Sewer System Revenue Bonds, Series 1973 and \$1,250,000 Contract Revenue Bonds, Series 1974. As of September 30, 2000 the bonds had been paid in full.

The City pumps water belonging to the Authority and purchased from Tarrant Regional Water District. In 1986, the City entered into a revised agreement whereby the Authority would lease/purchase the City's north raw water pump station. These monthly payments are recognized as revenues by the City. Annual payments vary from \$100,000 to \$125,000. The last payment received was in November 2002.

WASTEWATER TREATMENT CONTRACT WITH THE CITY OF FORT WORTH Until September, 2000, approximately 35% of the City's wastewater was treated at the City of Fort Worth's Village Creek Regional Plant. Under the terms of a five year contract dated July 11, 1996, the City completed the pipeline and other facilities to divert its wastewater and sludge to the TRA's Central Regional Wastewater System Plant. The City has negotiated a contract with Fort Worth for the transportation charges associated with the right to divert excess wastewater from their Village Creek Interceptor to the Arlington Rush Creek Interceptor until improvements can be constructed by Fort Worth to carry this flow or until the treatment capacity allotted to the City is maximized.

WATER RATES (Monthly billing) Historical rate changes effective October 2008, October 2010, October 2011 and October 2012.

Old Rates (Effective October 2011)

| Gallons | Rate |
|-------------|----------|
| First 2,000 | \$1.42/M |
| Next 8,000 | 2.02/M |
| Next 5,000 | 2.98/M |
| Next 15,000 | 3.41/M |
| Over 30,000 | 4.08/M |

New Rates (Effective October 2012)

| Gallons | Rate |
|-------------|----------|
| First 2,000 | \$1.42/M |
| Next 8,000 | 2.02/M |
| Next 5,000 | 2.98/M |
| Next 15,000 | 3.44/M |
| Over 30,000 | 4.11/M |

SEWER RATES (Monthly billing)(Based on water consumption) Historical rate changes effective October 2008, October 2010, October 2011, and October 2012.

Old Rates (Effective October 2011)

Monthly charge of \$4.20 to \$768.10 min. depending on meter size plus \$3.22 charge per every 1,000 gallons.

New Rates (Effective October 2012)

Monthly charge of \$4.20 to \$806.50 min. depending on meter size plus \$3.33 charge per every 1,000 gallons.

REVENUE BONDS AUTHORIZED BUT UNISSUED None

NON-FUNDED DEBT PAYABLE (As of September 30, 2012)

The City reports additional debt in the principal amount of \$1,534,000 under W&S Fund as follows:

| | Amount Outstanding | Reported Under |
|----------------------|--------------------|----------------|
| Compensated Absences | \$1,534,000 | W&S Fund |

ECONOMIC BACKGROUND

The City of Arlington is located in the eastern part of Tarrant County between Dallas and Fort Worth on IH-30. The City's location places it at the exact geographical center of the Dallas-Fort Worth Metropolitan Area. The 2010 population was 365,438, a 9.75% increase since 2000. The City's economic base is centered around its industrial, manufacturing, and distributing plants. The City is known as the entertainment capital of the Southwest and includes Six Flags Over Texas, one of the nation's oldest and most successful theme parks, Hurricane Harbor water park, the Ballpark at Arlington, home of the Texas Rangers professional baseball club, and the Dallas Cowboy Stadium. The Great Southwest Industrial District, comprising 2,800 acres located mostly within Arlington, features approximately 800 firms. The Dallas-Fort Worth International Airport, the world's largest in size and sixth busiest in the world, is located eight miles north of the City.

COUNTY CHARACTERISTICS: Tarrant County was created in 1849 from Navarro County. The County is a manufacturing and wholesale trade center for much of west Texas, with its economy closely tied in with the Dallas/Fort Worth urban area. Tarrant County is one of the largest manufacturing counties in the United States. Southwestern Baptist Theological Seminary and The College of St. Thomas Moore are also located in Fort Worth. There were 419.0 million cubic feet of natural gas recovered in 2008. The County was the 2nd largest gas production in 2009.

COUNTY SEAT: Fort Worth

2010 census: 1,809,034 increasing 25.1 % since 2000
2000 census: 1,446,000 increasing 23.6 % since 1990
1990 census: 1,170,103

ECONOMIC BASE

Mineral: stone, sand, gravel, gas and cement.

Industry: tourism, plastics plant, planes, mobile homes, helicopters, food, electronic equipment, chemicals, automobiles and airport.

Agricultural: wheat, horticulture, horses, hay and beef cattle.

CIVIL / MILITARY PERSONNEL

| Year | Description | Volume |
|------|--------------------------------------|---------------|
| 2008 | Naval Air Station-Joint Reserve Base | 4,064 Members |
| 2009 | Naval Air Station-Joint Reserve Base | 4,658 Members |

RETAIL SALES & EFFECTIVE BUYING INCOME*

| Year | 2012 | 2011 | 2010 |
|--------------------------------------|----------|----------|----------|
| Retail Sales | \$26.1B | \$26.1B | \$22.5B |
| Effective Buying Income (EBI) | \$39.4B | \$38.9B | \$39.4B |
| County Median Household Income | \$44,837 | \$44,943 | \$46,785 |
| State Median Household Income | \$47,613 | \$47,705 | \$49,723 |
| % of Households with EBI below \$25K | 12.4 % | 12.3 % | 12.1 % |
| % of Households with EBI above \$25K | 67.6 % | 69.2 % | 69.4 % |

EMPLOYMENT DATA

| | 2013 | | 2012 | | 2011 | |
|--------|----------|----------|----------|----------|----------|----------|
| | Employed | Earnings | Employed | Earnings | Employed | Earnings |
| 1st Q: | 790,131 | \$9.9B | 767,938 | \$9.5B | 746,019 | \$8.7B |

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| | | | | | |
|------------|-----|---------|---------|---------|--------|
| 2nd Q: N/A | N/A | 780,475 | \$9.1B | 762,250 | \$8.9B |
| 3rd Q: N/A | N/A | 783,198 | \$9.3B | 764,131 | \$9.1B |
| 4th Q: N/A | N/A | 795,775 | \$10.1B | 771,375 | \$9.4B |

Phone: 817-459-6100
Fax: 817-459-6116

MAJOR COLLEGES AND UNIVERSITIES: University of North Texas Health Science Center, The University of Texas at Arlington, The College of St. Thomas More, Texas Wesleyan University, Texas Christian University, Tarrant County College District (Trinity River), Tarrant Co College District (Southeast Campus), Tarrant Co College District (South Campus), Tarrant Co College District (Northwest Campus), Tarrant Co College District (Northeast Campus)

City Secretary
Mary Supino
P. O. Box 90231
Arlington, TX 76004-3231
Phone: 817-459-6186
Fax: 817-459-6189
mary.supino@arlingtontx.gov

COLLEGES AND UNIVERSITIES

| Year | Total | Fall Enrollment |
|------|-------|-----------------|
| 2012 | 10 | 114,121 |
| 2011 | 10 | 112,983 |
| 2010 | 10 | 110,716 |
| 2009 | 10 | 97,846 |
| 2008 | 9 | 80,652 |

Controller
Sherry Wright CPA
101 S. Mesquite Street, Suite 800
Arlington, TX 76010
Phone: 817-459-6306
Fax: 817-459-6315
sherry.wright@arlingtontx.gov

* DemographicsUSA County Edition

Any data on population, value added by manufacturing or production of minerals or agricultural products are from US Census or other official sources.

Chief Financial Officer
April Nixon
P. O. Box 90231
Arlington, TX 76004-3231
Phone: 817-459-6300
Fax: 817-459-6315
april.nixon@arlingtontx.gov

| Major Employers* | # Employees |
|---|-------------|
| Arlington ISD Public Education | 8,000 |
| University of Texas at Arlington Higher Education | 5,300 |
| Six Flags Over Texas (a) Amusement Park | 3,800 |
| The Parks at Arlington Retail | 3,500 |
| General Motors (b) Automobile Assembly | 2,900 |
| City of Arlington Municipality | 2,462 |
| JP Morgang Chase Bank Banking Services | 1,965 |
| Texas Rangers Baseball Club (a) Major League Baseball & Hockey | 1,881 |
| Americredit Retail | 1,591 |
| Arlington Memorial Hospital Healthcare | 1,400 |

Cash & Debt Administrator
Erin Roseman
P. O. Box 90231
Arlington, TX 76004-3231
Phone: 817-459-6634
Fax: 817-459-6315
Erin.Roseman@arlingtontx.gov

Treasury Manager
Ethan Klos
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Fax: 817-459-6315
Ethan.klos@arlingtontx.gov

Director of Water Utilities
Walter Pishkur
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Arlington, TX 76004-3231
Phone: 817-459-6600
Fax: 817-459-6626
Walter.Pishkur@arlingtontx.gov

* Source: City of Arlington CAFR dated September 30, 2012.

(a) Includes part-time and peak seasonal employees. Six Flags of Texas filed for bankruptcy protection in 2009. Texas Rangers Baseball filed voluntary Chapter 11 bankruptcy on May 26, 2010.

(b) General Motors filed for bankruptcy protection in 2009.

KEP

FINANCE CONNECTED OFFICIALS

Mayor
Dr. Robert N. Cluck
P. O. Box 90231
Arlington, TX 76004-3231
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