



NEWSFLASH!

Rice Financial Outperforms All Other Co-Managers in \$483 Million DART Transaction



On February 4, 2016, Rice Financial Products Company served as a co-managing underwriter on a \$482 million Senior Lien Sales Tax Revenue

Refunding Bond issue for Dallas Area Rapid Transit (DART). The underwriting syndicate for the transaction consisted of a leading bulge bracket firm acting as senior manager, 3 co-senior managers, and 9 co-managers that were a mix of regional and national firms.

With group net as the highest priority, **Rice Financial generated the most priority orders of all the co-managers.** In fact, Rice's priority orders doubled those of the second highest co-manager, a leading bulge bracket firm.

Rice Financial Products Company is an investment banking firm founded in 1993. The firm provides financial solutions to municipalities and higher education issuers in underwriting and fixed income brokerage. In 2015, Rice Financial served as a managing underwriter on issues totaling \$37.6 billion, earning a 17th place ranking nationally.

Rice Financial acquired Texas-based Apex Securities in 1998. Over the years, the firm has provided underwriting services on more than 500 municipal bond transactions in Texas, totaling \$64.2 billion.

OFFICIAL STATEMENT DATED FEBRUARY 4, 2016



Ratings:
S&P: AA+
Moody's: Aa2

SEE "RATINGS OF BONDS" HEREIN

NEW ISSUE - BOOK-ENTRY-ONLY

In the opinions of Co-Bond Counsel, under existing law interest on the Series 2016A Bonds is excludable from gross income for federal income tax purposes, and the Series 2016A Bonds are not "private activity bonds." See "TAX MATTERS" herein for a discussion of the opinions of Co-Bond Counsel regarding the Series 2016A Bonds, including a description of alternative minimum tax consequences for corporations.

\$482,530,000
Dallas Area Rapid Transit
Senior Lien Sales Tax
Revenue Refunding Bonds,
Series 2016A

Dated: Date of Delivery

Due: December 1, as shown on inside cover

This Supplemental Official Statement supplements our Annual Disclosure Statement for the Period Ended September 30, 2014 (the "2014 Annual Disclosure Statement"), dated February 24, 2015 (attached as Appendix B). Collectively, these documents constitute the Official Statement for the Senior Lien Sales Tax Revenue Refunding Bonds, Series 2016A offered hereby and are referred to herein collectively as the or this "Official Statement." The 2014 Annual Disclosure Statement and this Supplemental Official Statement have been filed as public records with the Municipal Securities Rulemaking Board and are posted on our website at <http://www.dart.org>.

The Bonds - Dallas Area Rapid Transit ("DART" or the "Issuer") is issuing \$482,530,000 in principal amount of our Dallas Area Rapid Transit Senior Lien Sales Tax Revenue Refunding Bonds, Series 2016A (the "2016A Bonds" or the "Bonds"). Proceeds of the Bonds, together with other funds of DART, will be used to refund all or a portion of the Issuer's Senior Lien Sales Tax Revenue Bonds described in Schedule I (the "Refunded Bonds") and to pay some or all of the costs of issuance of the Bonds.

You should carefully consider the investment considerations beginning on page S-15 of this Supplemental Official Statement and on page 19 of the 2014 Annual Disclosure Statement.

Security for the Bonds - Lien Ranking - As authorized under the provisions of our Master Debt Resolution, adopted January 23, 2001 (as amended and supplemented from time to time, the "Master Debt Resolution"), we have previously issued various series of our Senior Lien Obligations of which \$3,374,250,000 are currently outstanding. The Bonds are being issued, subject to certain conditions described in the Master Debt Resolution, as Additional Senior Lien Obligations under the Master Debt Resolution on a parity with the outstanding Senior Lien Obligations and any other Additional Senior Lien Obligations that are subsequently issued. See "THE BONDS-Compliance with Financial Tests for the Issuance of Additional Senior Lien Obligations." The Bonds are payable from and are secured by a first lien on the (i) Gross Sales Tax Revenues, (ii) Pledged Farebox Revenues, (iii) Federal Interest Subsidy payments that are deposited to the Senior Lien Debt Service Fund and (iv) investment earnings credited to the Gross Sales Tax Revenue Fund. See the 2014 Annual Disclosure Statement, "OUTSTANDING OBLIGATIONS AND OUR FINANCING PLANS—Security for the Obligations—Flow of Funds."

Delivery, Legality - The Bonds are offered, when, as and if issued by DART and accepted by the Underwriters, subject, among other things, to the approving opinion of the Attorney General of the State of Texas as to legality and the approving opinions of Bracewell LLP, Dallas, Texas and West & Associates L.L.P., Dallas, Texas ("Co-Bond Counsel"). Certain legal matters will be passed on for the Underwriters by their co-counsel, Andrews Kurth, LLP, Dallas, Texas and Escamilla & Ponck LLP, Dallas, Texas ("Co-Underwriters' Counsel"). Delivery of the Bonds is expected through the facilities of The Depository Trust Company ("DTC") on or about February 18, 2016.

MORGAN STANLEY

CITIGROUP

LOOP CAPITAL MARKETS

PIPER JAFFRAY & CO.

DREXEL HAMILTON, LLC

JEFFERIES

RAMIREZ & CO., INC.

RICE FINANCIAL PRODUCTS COMPANY

SAMCO CAPITAL MARKETS, INC.

SIEBERT BRANDFORD SHANK & CO.

STERN BROTHERS & CO.

STIFEL NICOLAUS & COMPANY

THE WILLIAMS CAPITAL GROUP

Source: Thomson Reuters SDC Platinum, full credit to each manager. 2015 ranking based on dollar volume.

Smart. Creative. Rice.

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Rice Financial Products Company conducts its bond underwriting, sales and trading business, and municipal advisor services through its broker-dealer subsidiary, Rice Securities, LLC, Member FINRA/SIPC/MSRB, d/b/a Rice Financial Products Company. MSRB Rule G-17 requires an underwriter to deal fairly at all times with both the municipal issuers and investors. The underwriter's primary role is to purchase securities with a view to the distribution of those securities in an arm's length transaction. Unlike municipal advisors, an underwriter does not have a federal fiduciary duty to issuers and is not required to act in the issuer's best interests without regard to its own or other interests. An underwriter has a duty to purchase securities from an issuer at a fair and reasonable price but must balance that duty to sell securities to investors at fair and reasonable prices. An underwriter reviews official statements in accordance with, and as part of, its responsibilities to investors under federal securities laws.

Rice Financial is not acting as, or seeking to act as, your financial advisor or Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and as defined in Section 15B of the Exchange Act of 1934, as amended) and shall not have a fiduciary duty to you in connection with the matters contemplated by these materials. In connection with any underwriting services contemplated herein, Rice Financial would serve as a principal in an arm's length commercial transactional relationship and would not serve as a financial advisor or Municipal Advisor. You should consult your own financial and other advisors to the extent you deem appropriate. Rice Financial does not provide accounting, tax or legal advice. Nothing in these materials represents an expressed or implied commitment by Rice Financial to act in any capacity. Any such commitments to perform services would be set forth by a separate agreement.

For purposes of Section 15B of the Securities Exchange Act of 1934 (Rule 15Ba1 et seq.) (the "Municipal Advisor Rule") relating to the registration of municipal advisors, Rice Financial's- Taxable Fixed Income Group does not provide any advice with respect to the investment of proceeds of municipal securities or the brokerage of municipal escrow investments. Rice Financial's - Taxable Fixed Income Group serves as your broker (or agent) and executes orders solely upon your instruction. It is not our intention to serve as your municipal advisor, but to conduct arm's-length commercial transactions with you.

