



CONTACT:

Wayne B. Placide

Managing Director

1201 Elm Street, Suite 3500

Dallas, Texas 75270

Direct 214.953.4024

Fax 214.953.4050

[Wayne.Placide@hilltopsecurities.com](mailto:Wayne.Placide@hilltopsecurities.com)

Emily Hundley

Vice President

1201 Elm Street, Suite 3500

Dallas, Texas 75270

Direct 214.953.8858

Fax 214.953.4050

[Emily.Hundley@hilltopsecurities.com](mailto:Emily.Hundley@hilltopsecurities.com)



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# 2017 Subordinate Lien Vehicle Registration Fee Revenue Bonds Pricing Summary Analysis

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April 12, 2017

**Camino Real RMA**

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A.	Executive Summary
B.	Pricing Summary

# Executive Summary

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Tab A

PRICING SUMMARY ANALYSIS

## Executive Summary

### Tone of the Market – Day of Pricing (March 22, 2017)

- Despite the Fed's efforts last week with a rate hike, US fixed income markets held firm, unconvinced that substantially faster growth or higher inflation is a significant risk.
- This week's new issuance supply is estimated to be \$4.498 billion. Up slightly from last week's total of \$4.352 billion but down significantly from previous weeks average of \$9.480 billion. Last week's reduced supply could be the result issuers not coming to market during spring break.
- Camino Real RMA represented a unique credit this week to the marketplace, which lead Underwriter, Citigroup, considered a positive to the Authority. A different credit provided investors with an alternative compared to what has been offered in the market recently. Citigroup didn't see a lot of other bond sales getting in the way of the sale which was a benefit to the Authority.
- Lighter issuance and marketing efforts helped Camino Real RMA achieve an aggressive pricing that lead to reduction of yields on eight maturities. TIC reduced 2 basis points from the preliminary pricing scale.
- The book of business was stronger in the long maturities. Term Bonds in 2037 and 2046 were about 5x oversubscribed.
- Presidential Election-to-Date: The MMD AAA scale increased by 49 basis points in 5 years, 59 basis points in 10 years, 59 basis points in 20 years and 56 basis points in 30 years as of March 22, 2017.

## Executive Summary

### Structuring Assumptions

- Dated / Delivery Dates: April 13, 2017
- Bond Rates: Negotiated “AA-” Insured Market Rates as of Wednesday, March 22, 2017 (“A-” Underlying)
- Amortization: Structured to achieve 1.10x coverage to maximize Bond Proceeds
- Project Fund: \$35.406 Million
- DS Reserve Funds:
  1. 100% MADS funded with VRF Surplus Revenues
  2. 100% MADS funded with Surety Policy (3.75%)
- Insurance: 18 Basis Points
- First Interest: December 1, 2017
- First Principal: June 1, 2018
- Final Maturity: June 1, 2046
- Cost of Issuance: \$483,950
- Underwriters Discount: \$5.70 / Bond

# Pricing Summary

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TAB B

PRICING SUMMARY ANALYSIS

# Pricing Summary



## Bond Summary Statistics Comparison

	<b>Camino Real RMA 2017 Sub. Lien VRF Rev Bonds FINAL PRICING<sup>(1)</sup></b>	
<b>Bonding Sources Summary</b>		
Par Amount	\$	34,700,000
Bond Premium		1,505,978
Total Bond Proceeds	\$	36,205,978
<b>Other Sources of Funds Summary</b>		
External Equity for Contingent Liability Account	\$	2,818,431
External Equity for 2nd Reserve - Surety Policy		105,691
Total Sources of Funds	\$	39,130,101
<b>Uses of Funds Summary</b>		
Project Fund Deposit	\$	35,406,158
Cost of Issuance		483,950
Underwriter's Discount		197,632
Contingent Liability Account (Funded Externally)		2,818,431
2nd Reserve - Surety Policy (Funded Externally)		105,691
Bond Insurance		118,239
Total Use of Funds	\$	39,130,101
Pricing Date:		3/22/2017
AGM Insured Bond Rating (S&P):		AA-
Underlying Bond Rating (S&P):		A-
Total Debt Service (\$)		65,688,243
Maximum Annual Debt Service (\$)		6,138,000
True Interest Cost (%)		4.015%
All-Inclusive Interest Cost (%)		4.140%
Insurance Premium (%)	0.180% of Total Debt Service	
Surety Premium (%)	3.75% of DSR Requirement	

(1) Actual Pricing from March 22, 2017.

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# Pricing Summary

## Debt Service Schedule – Actual Pricing from March 22, 2017

Period Ending	Principal	Coupon	Interest	Debt Service
8/31/2018	\$ 20,000	2.000%	\$ 1,711,631	\$ 1,731,631
8/31/2019	310,000	5.000%	1,509,863	1,819,863
8/31/2020	415,000	5.000%	1,494,363	1,909,363
8/31/2021	520,000	5.000%	1,473,613	1,993,613
8/31/2022	550,000	5.000%	1,447,613	1,997,613
8/31/2023	580,000	5.000%	1,420,113	2,000,113
8/31/2024	610,000	5.000%	1,391,113	2,001,113
8/31/2025	640,000	5.000%	1,360,613	2,000,613
8/31/2026	670,000	5.000%	1,328,613	1,998,613
8/31/2027	700,000	5.000%	1,295,113	1,995,113
8/31/2028	735,000	5.000%	1,260,113	1,995,113
8/31/2029	775,000	5.000%	1,223,363	1,998,363
8/31/2030	815,000	5.000%	1,184,613	1,999,613
8/31/2031	855,000	5.000%	1,143,863	1,998,863
8/31/2032	900,000	3.500%	1,101,113	2,001,113
8/31/2033	930,000	3.625%	1,069,613	1,999,613
8/31/2034	960,000	3.625%	1,035,900	1,995,900
8/31/2035	1,000,000	3.625%	1,001,100	2,001,100
8/31/2036	1,030,000	3.750%	964,850	1,994,850
8/31/2037	1,070,000	3.750%	926,225	1,996,225
8/31/2038	1,115,000	5.000%	886,100	2,001,100
8/31/2039	1,170,000	5.000%	830,350	2,000,350
8/31/2040	1,225,000	5.000%	771,850	1,996,850
8/31/2041	1,285,000	5.000%	710,600	1,995,600
8/31/2042	1,355,000	5.000%	646,350	2,001,350
8/31/2043	1,415,000	4.000%	578,600	1,993,600
8/31/2044	1,475,000	4.000%	522,000	1,997,000
8/31/2045	5,675,000	4.000%	463,000	6,138,000
8/31/2046	5,900,000	4.000%	236,000	6,136,000
	<b>\$ 34,700,000</b>		<b>\$ 30,988,243</b>	<b>\$ 65,688,243</b>

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(1) Actual Pricing from March 22, 2017.



# Pricing Summary



## Cash Flow Summary

Year	Assumed VRF	Series 2014	Senior Lien	Series 2017	Total Series 2014	Senior &
	Revenues	Debt Service	DS Coverage	Debt Service (1)	& Series 2017	Subordinate Lien
					Debt Service	DS Coverage
8/31/2017	\$ 6,364,565	\$ 4,141,700	1.54	\$ -	\$ 4,141,700	1.54
8/31/2018	6,460,034	4,139,700	1.56	1,731,631	5,871,331	1.10
8/31/2019	6,556,934	4,138,700	1.58	1,819,863	5,958,563	1.10
8/31/2020	6,655,288	4,139,700	1.61	1,909,363	6,049,063	1.10
8/31/2021	6,755,118	4,142,450	1.63	1,993,613	6,136,063	1.10
8/31/2022	6,755,118	4,141,700	1.63	1,997,613	6,139,313	1.10
8/31/2023	6,755,118	4,137,450	1.63	2,000,113	6,137,563	1.10
8/31/2024	6,755,118	4,139,700	1.63	2,001,113	6,140,813	1.10
8/31/2025	6,755,118	4,137,950	1.63	2,000,613	6,138,563	1.10
8/31/2026	6,755,118	4,142,200	1.63	1,998,613	6,140,813	1.10
8/31/2027	6,755,118	4,141,950	1.63	1,995,113	6,137,063	1.10
8/31/2028	6,755,118	4,142,200	1.63	1,995,113	6,137,313	1.10
8/31/2029	6,755,118	4,137,700	1.63	1,998,363	6,136,063	1.10
8/31/2030	6,755,118	4,138,450	1.63	1,999,613	6,138,063	1.10
8/31/2031	6,755,118	4,138,950	1.63	1,998,863	6,137,813	1.10
8/31/2032	6,755,118	4,138,950	1.63	2,001,113	6,140,063	1.10
8/31/2033	6,755,118	4,138,200	1.63	1,999,613	6,137,813	1.10
8/31/2034	6,755,118	4,141,450	1.63	1,995,900	6,137,350	1.10
8/31/2035	6,755,118	4,138,200	1.63	2,001,100	6,139,300	1.10
8/31/2036	6,755,118	4,141,400	1.63	1,994,850	6,136,250	1.10
8/31/2037	6,755,118	4,140,000	1.63	1,996,225	6,136,225	1.10
8/31/2038	6,755,118	4,139,000	1.63	2,001,100	6,140,100	1.10
8/31/2039	6,755,118	4,138,200	1.63	2,000,350	6,138,550	1.10
8/31/2040	6,755,118	4,142,400	1.63	1,996,850	6,139,250	1.10
8/31/2041	6,755,118	4,141,200	1.63	1,995,600	6,136,800	1.10
8/31/2042	6,755,118	4,139,600	1.63	2,001,350	6,140,950	1.10
8/31/2043	6,755,118	4,142,400	1.63	1,993,600	6,136,000	1.10
8/31/2044	6,755,118	4,139,200	1.63	1,997,000	6,136,200	1.10
8/31/2045	6,755,118	-		6,138,000	6,138,000	1.10
8/31/2046	6,755,118	-		6,136,000	6,136,000	1.10
<b>Total</b>	<b>\$ 201,669,889</b>	<b>\$ 115,920,700</b>		<b>\$ 65,688,243</b>	<b>\$ 181,608,943</b>	

(1) Actual Pricing from March 22, 2017.

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