



18685 Main Street, Suite 101-601  
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**VIA ELECTRONIC MAIL**

January 11, 2022

John Buchanan  
Finance Director  
City of Hendersonville  
160 Sixth Avenue E  
Hendersonville, NC 28792

**RE: RFP #20221008003 (Installment Financing Agreement)**

Dear Mr. Buchanan,

Santander Bank is pleased to submit the following proposal for your review and acceptance. Our proposed terms and conditions are as follows:

**Company Overview:** Santander Bank is a market leader in providing cost-effective financing to public entities nationwide. With over \$3 billion in financings we have the knowledge, flexibility and financial strength that is unmatched in the finance industry.

Our public finance team of professionals has a thorough understanding of the municipal market to ensure transactions are completed quickly, efficiently and cost effectively.

Santander Bank was founded in Northern Spain in 1857, with over \$1.7 trillion in assets. Santander is one of the world’s strongest, safest and most successful banks and has grown to become one of the five largest banks in the world by profit.

**Structure:** Installment Financing Agreement (“IFA”)

**Borrower:** City of Hendersonville, NC (“City”)

**Lender:** Santander Bank, N.A. (“Santander”)

**Equipment:** (1) 2021 Mack LRU w/ Heil Rear-loading Body  
(1) 2020 Freightliner Pac-Mac Model KB20H Body

**Amount Financed:** \$409,113.00

**Projected Closing Date:** February 18, 2022

**Interest Rates:** 5 Years @ 1.58%  
7 Years @ 1.79%

- Interest rates are valid thru closing on or before 2/28/2022;
- Semi-annual payments with the 1<sup>st</sup> payment due 07/01/2022.

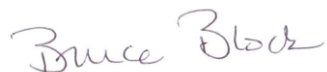
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- Prepayment Terms:** The City may prepay the IFA with no prepayment premium on any payment date after the 1<sup>st</sup> anniversary date of the IFA.
- Escrow Agreement:** Santander will establish an Internal Escrow account for the IFA. In this case, there will be no fee assessed to the City for establishing the Internal Escrow account. All interest earnings shall be retained by Santander in consideration of managing the Internal Escrow account.
- Tax Assumption:** Interest income received by Santander will be exempt from Federal and State Income Tax.
- Credit Review:** Upon award by the City, Santander will complete the credit approval process after receiving a complete credit package which consists of the last (2) years audited financial statements, most recent approved budget, vendor quote(s) and an executed Financing Application.
- Fees/Closing Costs:** None other than those listed herein, however the City will be responsible for any fees or expenses with respect to its (i) legal counsel, and (ii) permits, registration and title fees, if any. Santander is willing to finance any expenses related to closing the transaction.

This proposal is subject to final credit approval and final documentation. Please feel free to call me at 631-531-0626 with any questions or further clarification.

Thank you for the opportunity to present this proposal.

Sincerely,



Bruce Block  
Senior Vice President

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### Amortization Schedule

5 Annual Payments @ 1.58%

	Date	Payment	Interest	Principal	Balance
	2/18/2022				409,113.00
1	7/1/2022	42,622.47	2,388.08	40,234.39	368,878.61
2	1/1/2023	42,622.47	2,914.14	39,708.33	329,170.28
3	7/1/2023	42,622.47	2,600.45	40,022.02	289,148.26
4	1/1/2024	42,622.47	2,284.27	40,338.20	248,810.06
5	7/1/2024	42,622.47	1,965.60	40,656.87	208,153.19
6	1/1/2025	42,622.47	1,644.41	40,978.06	167,175.13
7	7/1/2025	42,622.47	1,320.68	41,301.79	125,873.34
8	1/1/2026	42,622.47	994.40	41,628.07	84,245.27
9	7/1/2026	42,622.47	665.54	41,956.93	42,288.34
10	1/1/2027	42,622.47	334.13	42,288.34	0.00
Grand Totals		426,224.70	17,111.70	409,113.00	

7 Annual Payments @ 1.79%

	Date	Payment	Interest	Principal	Balance
Loan	2/18/2022				409,113.00
1	7/1/2022	31,149.45	2,705.49	28,443.96	380,669.04
2	1/1/2023	31,149.45	3,406.99	27,742.46	352,926.58
3	7/1/2023	31,149.45	3,158.69	27,990.76	324,935.82
4	1/1/2024	31,149.45	2,908.18	28,241.27	296,694.55
5	7/1/2024	31,149.45	2,655.42	28,494.03	268,200.52
6	1/1/2025	31,149.45	2,400.39	28,749.06	239,451.46
7	7/1/2025	31,149.45	2,143.09	29,006.36	210,445.10
8	1/1/2026	31,149.45	1,883.48	29,265.97	181,179.13
9	7/1/2026	31,149.45	1,621.55	29,527.90	151,651.23
10	1/1/2027	31,149.45	1,357.28	29,792.17	121,859.06
11	7/1/2027	31,149.45	1,090.64	30,058.81	91,800.25
12	1/1/2028	31,149.45	821.61	30,327.84	61,472.41
13	7/1/2028	31,149.45	550.18	30,599.27	30,873.14
14	1/1/2029	31,149.45	276.31	30,873.14	0.00
Grand Totals		436,092.30	26,979.30	409,113.00	