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VIA ELECTRONIC MAIL

January 14, 2022

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

RE: RFP #20221008004 (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: (5) Vehicles per Bid Specs

Amount Financed: \$630,440.00

Projected Closing Date: February 18, 2022

Interest Rates: 4 Years @ 1.48%

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

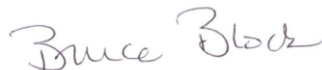
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- Prepayment Terms:** The City may prepay the IFA with no prepayment premium on any payment date after the 1st anniversary date of the IFA.
- Escrow Agreement:** Santander will establish an Internal Escrow account for the IFA. In this case, there will 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

4 Years @ 1.48%

	Date	Payment	Interest	Principal	Balance
	2/18/2022				630,440.00
1	7/1/2022	81,295.55	3,447.11	77,848.44	552,591.56
2	1/1/2023	81,295.55	4,089.18	77,206.37	475,385.19
3	7/1/2023	81,295.55	3,517.85	77,777.70	397,607.49
4	1/1/2024	81,295.55	2,942.30	78,353.25	319,254.24
5	7/1/2024	81,295.55	2,362.48	78,933.07	240,321.17
6	1/1/2025	81,295.55	1,778.38	79,517.17	160,804.00
7	7/1/2025	81,295.55	1,189.95	80,105.60	80,698.40
8	1/1/2026	81,295.55	597.15	80,698.40	0.00
Grand Totals		650,364.40	19,924.40	630,440.00	