



18685 Main Street, Suite 101-601
Huntington Beach • CA • 92648

VIA ELECTRONIC MAIL

June 1, 2021

Joe Navarre
Purchasing Specialist Senior
City of San Marcos
630 E. Hopkins
San Marcos, TX 78666

RE: Financing Quote – 221-165 Traffic Equipment

Dear Mr. Navarre:

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: Tax-exempt Lease/Purchase Financing ("Lease")

Borrower: City of San Marcos, Texas ("City")

Lender: Santander Bank, N.A. ("Santander")

Equipment Financed: \$752,890.60

Description	Brand	Qty	Total
Trailer, Patcher Transportation	Cooper Eqpt. Co.	1	\$92,840.35
Tractor, Semi	Rush Truck Centers	1	\$147,231.95
Dump Truck	Rush Truck Centers	2	\$308,442.30
Roadway Patcher	Santex Truck Centers	1	\$204,376.00

Closing Date: On or before July 20, 2021

Option #1: 7 annual payment with the first payment due on October 1, 2021 in the amount of \$113,425.42 @ 1.69%.

Option #1: Rate = 1.69%

	Date	Payment	Interest	Principal	Balance
	7/20/2021				752,890.60
1	10/1/2021	113,425.42	2,580.11	110,845.31	642,045.29
2	10/1/2022	113,425.42	10,850.57	102,574.85	539,470.44
3	10/1/2023	113,425.42	9,117.05	104,308.37	435,162.07
4	10/1/2024	113,425.42	7,354.24	106,071.18	329,090.89
5	10/1/2025	113,425.42	5,561.64	107,863.78	221,227.11
6	10/1/2026	113,425.42	3,738.74	109,686.68	111,540.43
7	10/1/2027	113,425.42	1,884.99	111,540.43	0.00
Grand Totals		793,977.94	41,087.34	752,890.60	

Prepayment Terms: On any payment date with no prepayment penalty.

Tax Assumption: Interest income received by Santander will be exempt from Federal and State Income Tax.

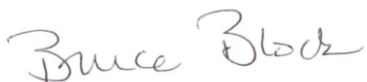
Credit Review: Upon award by the City, Santander will complete the credit approval process after receiving a complete credit package which consists of the equipment list/vendor quotes and an executed Lease Application from the City.

Closing Costs and Fees: The City will be responsible for any fees or expenses with respect to its (i) legal counsel and financial advisor fees and (ii) permits, titles and registration fees, if applicable. 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