

Monday, October 14, 2024

Carl Young  
County Administrator  
County of Huerfano  
401 Main Street  
Walsenburg, CO 81089

**VIA E-MAIL**

**RE: Proposal for Lease-Purchase Financing**

Mr. Young:

Holman Capital Corporation (“HCC”) is pleased to present to the Huerfano County its proposal for project financing. The terms and conditions of our proposal are outlined as below:

Option	Financing Amount	Interest Rate	Payments		Semi-Annual	
			Per Year	Term	Arrears	Total Payments
A	\$ 1,000,000.00	5.249%	2	5	\$114,995.05	\$ 1,149,950.50
B	\$ 1,000,000.00	5.439%	2	10	\$65,484.69	\$ 1,309,693.80
C	\$ 1,000,000.00	5.649%	2	15	\$49,868.69	\$ 1,496,060.70
D	\$ 1,000,000.00	5.979%	2	20	\$43,188.98	\$ 1,727,559.20

**LESSEE:** County of Huerfano. Lessee is a state or political subdivision within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the “Code”).

**LESSOR:** Holman Capital Corporation, or its Assignee

**TYPE OF FINANCING:** Lease Purchase Agreement secured by a ground lease on essential, unencumbered in-use property. The ground lease will extend 10 years beyond the lease purchase agreement. The acquired facility will have an insured value equal to or greater than \$1,000,000. Reasonable and customary terms applicable in general to lease/leaseback financings for California public agencies shall apply. The Agreement shall be subject to the annual appropriation of funds.

**BANK QUALIFICATION:** The financing will be Bank Qualified (Small Issuer). The Borrower expects to issue less than \$10,000,000.00 in new tax-exempt debt or capital leases in the current calendar year.

**USE OF PROCEEDS:** Emergency 911 Call Center Modernization Project – Remodel Existing Community Healthcare Facility into Emergency 911 Call Center

**PURCHASE OPTION:**

The purchase option can be exercised on any scheduled payment date.

The current payment and purchase option are due should the Lessee decide to exercise the option.

**ESCROW FUNDING:**

HCC has assumed funding of an escrow account for this transaction on or about **December 10, 2024**. The Project/Acquisition fund will be used to pay equipment vendors/contractors and any escrow expenses.

Escrow Agent will be selected by Lessee subject to HCC's credit approval. HCC to review and approve escrow disbursements prior to Escrow Agent disbursing of funds.

The Escrow Account will be in the name of the Lessee and all interest earnings will accrue for benefit of Lessee. This proposal also does not take into consideration the application of any interest earnings from the escrow fund of the account.

**ESCROW DISBURSEMENTS:**

HCC will request the following information from the Lessee to authorize disbursement of funds to vendors and or the Lessee from the escrow account:

- Executed Disbursement Request Form
- Executed Acceptance Certificate
- Grants Approval Letters
- Copy of Alta Tile Insurance Policy
- Proof of Payment (required if Lessee is requesting a reimbursement)
- Proof of Insurance (both Liability and Property and Casualty Coverage)

**REIMBURSEMENT:**

If Lessee intends to be reimbursed for any project cost associated with this Agreement, intent for reimbursement from the proceeds of this Agreement must be evidenced, and must qualify under the Treasury Regulation Section 1.150.2.

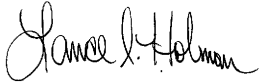
**INSURANCE:**

The Lessee shall furnish confirmation of all risk physical damage insurance coverage for the full cost of the property plus one million (\$1,000,000.00) dollars combined single limit property damage and bodily injury insurance covering the property. HCC shall be named as loss payee and additional insured on such coverage.

<b>AUTHORIZED SIGNORS:</b>	The Lessee's governing board shall provide HCC with its resolution or ordinance authorizing this Agreement and shall designate the individual(s) to execute all necessary documents used therein.
<b>LEGAL OPINION:</b>	The Lessee's counsel shall furnish HCC with an opinion covering this transaction and the documents used herein. This opinion shall be in a form and substance satisfactory to HCC.
<b>LEGAL TITLE:</b>	Title to the facilities and land will be in the name of Lessee. Lessor will be granted a lease-hold interest in the land and facilities.
<b>ENVIRONMENTAL ASSESSMENT:</b>	The Lessor may require a Phase I Environmental Assessment. All environment assessment cost will be responsibility of the Lessee.
<b>DOCUMENTATION:</b>	Utilize standard HCC lease agreement that will cover all facets of the transaction, pending the Lessee's review. A copy of the lease agreement will be forwarded to the Lessee upon acceptance of the proposal. The Lessee will be responsible for a \$20,000.00 documentation fee that can be included in the financing amount or paid at closing.
<b>ALTA TITLE INSURANCE:</b>	The Lessee will be required to attain an ALTA Title Insurance Policy. All title insurance costs will be the responsibility of the Lessee.
<b>RATE LOCK EXPIRATION:</b>	If funding does not take place by <b>December 10, 2024</b> , the Lease Rate and Lease Payment Amounts will be adjusted to market conditions three (3) days prior to funding. Once set, the Lease Rate will remain fixed for the Lease Term.
<b>FINANCIAL STATEMENTS:</b>	<p>Lessee shall provide to Lessor three (3) years of current financial statements, budgets, demographics, and proof of appropriation for the ensuing Fiscal Year and such other financial information relating to the ability of Lessee to continue this Agreement as may be reasonably requested by Lessor.</p> <p>This proposal is subject to final credit approval by the Credit/Investment Committee of Holman Capital Corporation and approval of the lease documents in Holman Capital Corporation's sole discretion. To render a credit decision, Lessee shall provide HCC with the information requested above. Upon receipt of the signed proposal, we will endeavour to provide you with a timely commitment.</p>

It is a pleasure to offer this proposal to you and we look forward to your favorable acknowledgment.

Sincerely,

A handwritten signature in black ink that reads "Lance Holman".

Lance Holman  
President & CEO

**AGREED TO AND ACCEPTED BY:**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



HOLMAN CAPITAL CORPORATION  
LEASE PURCHASE FINANCING PROPOSAL

LESSEE: COUNTY OF HUERFANO, CO  
LESSOR: HOLMAN CAPITAL CORPORATION  
COMMENCEMENT: 10-Dec-2024  
TERM: 5 YEARS  
1ST PAYMENT DUE: 10-Jun-2025  
RATE: 5.249%

OPTION A					
PAYMENT NO.	DATE	PAYMENT	INTEREST COMPONENT	PRINCIPAL COMPONENT	PURCHASE OPTION
0	12/10/2024				
1	6/10/2025	\$ 114,995.05	\$ 26,245.00	\$ 88,750.05	\$ 947,699.95
2	12/10/2025	\$ 114,995.05	\$ 23,915.75	\$ 91,079.30	\$ 852,977.48
3	6/10/2026	\$ 114,995.05	\$ 21,525.38	\$ 93,469.67	\$ 755,769.02
4	12/10/2026	\$ 114,995.05	\$ 19,072.27	\$ 95,922.78	\$ 656,009.33
5	6/10/2027	\$ 114,995.05	\$ 16,554.77	\$ 98,440.28	\$ 553,631.44
6	12/10/2027	\$ 114,995.05	\$ 13,971.21	\$ 101,023.84	\$ 448,566.64
7	6/10/2028	\$ 114,995.05	\$ 11,319.84	\$ 103,675.21	\$ 340,744.42
8	12/10/2028	\$ 114,995.05	\$ 8,598.88	\$ 106,396.17	\$ 230,092.41
9	6/10/2029	\$ 114,995.05	\$ 5,806.51	\$ 109,188.54	\$ 116,536.33
10	12/10/2029	\$ 114,995.05	\$ 2,940.89	\$ 112,054.16	\$ -
<b>Grand Totals</b>		<b>\$ 1,149,950.50</b>	<b>\$ 149,950.50</b>	<b>\$ 1,000,000.00</b>	

5 YEARS  
SEMI-ANNUAL PAYMENTS IN ARREARS



**HOLMAN CAPITAL CORPORATION  
LEASE PURCHASE FINANCING PROPOSAL**

**LESSEE:** COUNTY OF HUERFANO, CO  
**LESSOR:** HOLMAN CAPITAL CORPORATION  
**COMMENCEMENT:** 10-Dec-2024  
**TERM:** 10 YEARS  
**1ST PAYMENT DUE:** 10-Jun-2025  
**RATE:** 5.439%

OPTION B					
PAYMENT NO.	DATE	PAYMENT	INTEREST COMPONENT	PRINCIPAL COMPONENT	PURCHASE OPTION
0	12/10/2024				
1	6/10/2025	\$ 65,484.69	\$ 27,195.00	\$ 38,289.69	\$ 1,009,795.83
2	12/10/2025	\$ 65,484.69	\$ 26,153.71	\$ 39,330.98	\$ 968,498.30
3	6/10/2026	\$ 65,484.69	\$ 25,084.11	\$ 40,400.58	\$ 926,077.69
4	12/10/2026	\$ 65,484.69	\$ 23,985.41	\$ 41,499.28	\$ 882,503.44
5	6/10/2027	\$ 65,484.69	\$ 22,856.84	\$ 42,627.85	\$ 837,744.20
6	12/10/2027	\$ 65,484.69	\$ 21,697.57	\$ 43,787.12	\$ 791,767.73
7	6/10/2028	\$ 65,484.69	\$ 20,506.78	\$ 44,977.91	\$ 744,540.92
8	12/10/2028	\$ 65,484.69	\$ 19,283.61	\$ 46,201.08	\$ 696,029.79
9	6/10/2029	\$ 65,484.69	\$ 18,027.17	\$ 47,457.52	\$ 646,199.39
10	12/10/2029	\$ 65,484.69	\$ 16,736.56	\$ 48,748.13	\$ 595,013.85
11	6/10/2030	\$ 65,484.69	\$ 15,410.86	\$ 50,073.83	\$ 542,436.33
12	12/10/2030	\$ 65,484.69	\$ 14,049.10	\$ 51,435.59	\$ 488,428.96
13	6/10/2031	\$ 65,484.69	\$ 12,650.31	\$ 52,834.38	\$ 432,952.86
14	12/10/2031	\$ 65,484.69	\$ 11,213.48	\$ 54,271.21	\$ 375,968.09
15	6/10/2032	\$ 65,484.69	\$ 9,737.57	\$ 55,747.12	\$ 317,433.62
16	12/10/2032	\$ 65,484.69	\$ 8,221.53	\$ 57,263.16	\$ 257,307.30
17	6/10/2033	\$ 65,484.69	\$ 6,664.26	\$ 58,820.43	\$ 195,545.85
18	12/10/2033	\$ 65,484.69	\$ 5,064.64	\$ 60,420.05	\$ 132,104.79
19	6/10/2034	\$ 65,484.69	\$ 3,421.51	\$ 62,063.18	\$ 66,938.46
20	12/10/2034	\$ 65,484.69	\$ 1,733.78	\$ 63,750.91	\$ -
<b>Grand Totals</b>		<b>\$ 1,309,693.80</b>	<b>\$ 309,693.80</b>	<b>\$ 1,000,000.00</b>	

**10 YEARS  
SEMI-ANNUAL PAYMENTS IN ARREARS**



**HOLMAN CAPITAL CORPORATION  
LEASE PURCHASE FINANCING PROPOSAL**

**LESSEE:** COUNTY OF HUERFANO, CO  
**LESSOR:** HOLMAN CAPITAL CORPORATION  
**COMMENCEMENT:** 10-Dec-2024  
**TERM:** 15 YEARS  
**1ST PAYMENT DUE:** 10-Jun-2025  
**RATE:** 5.649%

OPTION C					
PAYMENT NO.	DATE	PAYMENT	INTEREST COMPONENT	PRINCIPAL COMPONENT	PURCHASE OPTION
0	12/10/2024				
1	6/10/2025	\$ 49,868.69	\$ 28,245.00	\$ 21,623.69	\$ 1,037,078.89
2	12/10/2025	\$ 49,868.69	\$ 27,634.24	\$ 22,234.45	\$ 1,013,510.37
3	6/10/2026	\$ 49,868.69	\$ 27,006.23	\$ 22,862.46	\$ 989,276.16
4	12/10/2026	\$ 49,868.69	\$ 26,360.48	\$ 23,508.21	\$ 964,357.46
5	6/10/2027	\$ 49,868.69	\$ 25,696.49	\$ 24,172.20	\$ 938,734.93
6	12/10/2027	\$ 49,868.69	\$ 25,013.74	\$ 24,854.95	\$ 912,388.68
7	6/10/2028	\$ 49,868.69	\$ 24,311.72	\$ 25,556.97	\$ 885,298.29
8	12/10/2028	\$ 49,868.69	\$ 23,589.86	\$ 26,278.83	\$ 857,442.73
9	6/10/2029	\$ 49,868.69	\$ 22,847.61	\$ 27,021.08	\$ 828,800.39
10	12/10/2029	\$ 49,868.69	\$ 22,084.40	\$ 27,784.29	\$ 799,349.04
11	6/10/2030	\$ 49,868.69	\$ 21,299.64	\$ 28,569.05	\$ 769,065.85
12	12/10/2030	\$ 49,868.69	\$ 20,492.70	\$ 29,375.99	\$ 737,927.30
13	6/10/2031	\$ 49,868.69	\$ 19,662.98	\$ 30,205.71	\$ 705,909.25
14	12/10/2031	\$ 49,868.69	\$ 18,809.82	\$ 31,058.87	\$ 672,986.85
15	6/10/2032	\$ 49,868.69	\$ 17,932.56	\$ 31,936.13	\$ 639,134.55
16	12/10/2032	\$ 49,868.69	\$ 17,030.52	\$ 32,838.17	\$ 604,326.09
17	6/10/2033	\$ 49,868.69	\$ 16,103.01	\$ 33,765.68	\$ 568,534.47
18	12/10/2033	\$ 49,868.69	\$ 15,149.30	\$ 34,719.39	\$ 531,731.91
19	6/10/2034	\$ 49,868.69	\$ 14,168.65	\$ 35,700.04	\$ 493,889.87
20	12/10/2034	\$ 49,868.69	\$ 13,160.30	\$ 36,708.39	\$ 454,978.98
21	6/10/2035	\$ 49,868.69	\$ 12,123.47	\$ 37,745.22	\$ 414,969.04
22	12/10/2035	\$ 49,868.69	\$ 11,057.36	\$ 38,811.33	\$ 373,829.03
23	6/10/2036	\$ 49,868.69	\$ 9,961.13	\$ 39,907.56	\$ 331,527.02
24	12/10/2036	\$ 49,868.69	\$ 8,833.94	\$ 41,034.75	\$ 288,030.19
25	6/10/2037	\$ 49,868.69	\$ 7,674.92	\$ 42,193.77	\$ 243,304.79
26	12/10/2037	\$ 49,868.69	\$ 6,483.15	\$ 43,385.54	\$ 197,316.12
27	6/10/2038	\$ 49,868.69	\$ 5,257.73	\$ 44,610.96	\$ 150,028.50
28	12/10/2038	\$ 49,868.69	\$ 3,997.69	\$ 45,871.00	\$ 101,405.24
29	6/10/2039	\$ 49,868.69	\$ 2,702.07	\$ 47,166.62	\$ 51,408.62
30	12/10/2039	\$ 49,868.69	\$ 1,369.99	\$ 48,498.70	\$ -
Grand Totals		\$ 1,496,060.70	\$ 496,060.70	\$ 1,000,000.00	

**15 YEARS  
SEMI-ANNUAL PAYMENTS IN ARREARS**



**HOLMAN CAPITAL CORPORATION  
LEASE PURCHASE FINANCING PROPOSAL**

**LESSEE:** COUNTY OF HUERFANO, CO  
**LESSOR:** HOLMAN CAPITAL CORPORATION  
**COMMENCEMENT:** 10-Dec-2024  
**TERM:** 20 YEARS  
**1ST PAYMENT DUE:** 10-Jun-2025  
**RATE:** 5.979%

OPTION D						
PAYMENT NO.	DATE	PAYMENT	INTEREST COMPONENT	PRINCIPAL COMPONENT	PURCHASE OPTION	
0	12/10/2024					
1	6/10/2025	\$ 43,188.98	\$ 29,895.00	\$ 13,293.98	\$ 1,045,908.38	
2	12/10/2025	\$ 43,188.98	\$ 29,497.58	\$ 13,691.40	\$ 1,031,395.50	
3	6/10/2026	\$ 43,188.98	\$ 29,088.27	\$ 14,100.71	\$ 1,016,448.74	
4	12/10/2026	\$ 43,188.98	\$ 28,666.73	\$ 14,522.25	\$ 1,001,055.16	
5	6/10/2027	\$ 43,188.98	\$ 28,232.59	\$ 14,956.39	\$ 985,201.39	
6	12/10/2027	\$ 43,188.98	\$ 27,785.47	\$ 15,403.51	\$ 968,873.67	
7	6/10/2028	\$ 43,188.98	\$ 27,324.98	\$ 15,864.00	\$ 952,057.83	
8	12/10/2028	\$ 43,188.98	\$ 26,850.73	\$ 16,338.25	\$ 934,739.28	
9	6/10/2029	\$ 43,188.98	\$ 26,362.29	\$ 16,826.69	\$ 916,902.99	
10	12/10/2029	\$ 43,188.98	\$ 25,859.26	\$ 17,329.72	\$ 898,533.49	
11	6/10/2030	\$ 43,188.98	\$ 25,341.19	\$ 17,847.79	\$ 879,614.83	
12	12/10/2030	\$ 43,188.98	\$ 24,807.63	\$ 18,381.35	\$ 860,130.60	
13	6/10/2031	\$ 43,188.98	\$ 24,258.12	\$ 18,930.86	\$ 840,063.89	
14	12/10/2031	\$ 43,188.98	\$ 23,692.18	\$ 19,496.80	\$ 819,397.28	
15	6/10/2032	\$ 43,188.98	\$ 23,109.32	\$ 20,079.66	\$ 798,112.84	
16	12/10/2032	\$ 43,188.98	\$ 22,509.04	\$ 20,679.94	\$ 776,192.10	
17	6/10/2033	\$ 43,188.98	\$ 21,890.81	\$ 21,298.17	\$ 753,616.04	
18	12/10/2033	\$ 43,188.98	\$ 21,254.11	\$ 21,934.87	\$ 730,365.08	
19	6/10/2034	\$ 43,188.98	\$ 20,598.36	\$ 22,590.62	\$ 706,419.02	
20	12/10/2034	\$ 43,188.98	\$ 19,923.02	\$ 23,265.96	\$ 681,757.10	
21	6/10/2035	\$ 43,188.98	\$ 19,227.48	\$ 23,961.50	\$ 656,357.91	
22	12/10/2035	\$ 43,188.98	\$ 18,511.15	\$ 24,677.83	\$ 630,199.42	
23	6/10/2036	\$ 43,188.98	\$ 17,773.41	\$ 25,415.57	\$ 603,258.91	
24	12/10/2036	\$ 43,188.98	\$ 17,013.61	\$ 26,175.37	\$ 575,513.02	
25	6/10/2037	\$ 43,188.98	\$ 16,231.10	\$ 26,957.88	\$ 546,937.67	
26	12/10/2037	\$ 43,188.98	\$ 15,425.19	\$ 27,763.79	\$ 517,508.05	
27	6/10/2038	\$ 43,188.98	\$ 14,595.19	\$ 28,593.79	\$ 487,198.63	
28	12/10/2038	\$ 43,188.98	\$ 13,740.38	\$ 29,448.60	\$ 455,983.12	
29	6/10/2039	\$ 43,188.98	\$ 12,860.01	\$ 30,328.97	\$ 423,834.41	
30	12/10/2039	\$ 43,188.98	\$ 11,953.33	\$ 31,235.65	\$ 390,724.62	
31	6/10/2040	\$ 43,188.98	\$ 11,019.54	\$ 32,169.44	\$ 356,625.01	
32	12/10/2040	\$ 43,188.98	\$ 10,057.83	\$ 33,131.15	\$ 321,505.99	
33	6/10/2041	\$ 43,188.98	\$ 9,067.38	\$ 34,121.60	\$ 285,337.10	
34	12/10/2041	\$ 43,188.98	\$ 8,047.31	\$ 35,141.67	\$ 248,086.93	
35	6/10/2042	\$ 43,188.98	\$ 6,996.75	\$ 36,192.23	\$ 209,723.16	
36	12/10/2042	\$ 43,188.98	\$ 5,914.79	\$ 37,274.19	\$ 170,212.52	
37	6/10/2043	\$ 43,188.98	\$ 4,800.47	\$ 38,388.51	\$ 129,520.70	
38	12/10/2043	\$ 43,188.98	\$ 3,652.85	\$ 39,536.13	\$ 87,612.40	
39	6/10/2044	\$ 43,188.98	\$ 2,470.92	\$ 40,718.06	\$ 44,451.26	
40	12/10/2044	\$ 43,188.98	\$ 1,253.83	\$ 41,935.15	\$ -	
<b>Grand Totals</b>		<b>\$ 1,727,559.20</b>	<b>\$ 727,559.20</b>	<b>\$ 1,000,000.00</b>	<b>\$ -</b>	