

Utah Money Management Council

350 N. State Street, Suite 180
P. O. Box 142315
Salt Lake City, Utah 84114-2315
(801) 538-1883 (801) 538-1465 Fax
mmcouncil@utah.gov



MONEY MANAGEMENT COUNCIL MEETING
THURSDAY MARCH 17, 2016
AT THE UTAH STATE TREASURER'S OFFICE
350 NORTH STATE STREET
SUITE 180
3:00 PM

A G E N D A

1. STATE TREASURER/STATE INVESTMENT OFFICER
2. APPROVAL OF MINUTES OF FEBRUARY 18, 2016
3. MONTHLY & QUARTERLY REPORTS
 - A) Division of Securities
 - B) Department of Financial Institutions
 - C) Deposit and Investment report update
 - 1) Reports with issues
4. UPDATE ON COUNCIL BILL
5. OTHER BUSINESS AS NEEDED
6. SCHEDULE NEXT MEETING AND ADJOURN

In compliance with the Americans with Disabilities Act, individuals needing special accommodations during this meeting should notify Kathy Wilkey, Administrative Assistant, at Room 180 State Capitol Building, (801) 538-1468.

Kirt Slauch Chair
Key Bank
36 S. State Street, Ste 2500
Salt Lake City UT 84111
Phone (801) 297-5717
kirt_w_slauch@keybank.com

John B. Bond
Weber County
2380 Washington Blvd., Ste 350
Ogden, UT 84401
Phone (801) 399-8007
jbond@co.weber.ut.us

Douglas L. DeFries
Bank of Utah
2605 Washington Blvd.
Ogden, UT 84401
Phone (801) 409-5175
ddefries@bankofutah.com

Marina Scott
Salt Lake City
451 S State Street, Rm 228
Salt Lake City, Utah 84111
Phone: 801-535-6565
marina.scott@slcgov.com

Overall Cash and Investments	PC-11
PC-11 Investment Policy 2010	06/30/2011

PBC Source: Allen Rollo, State Treasurer's Office

Investment Policy

State of Utah Public Treasurer's Investment Fund June 2010

I. Policy

It is the investment policy of the State of Utah, Office of the State Treasurer (Treasurer) to invest public funds in a way that ensures maximum safety, provides adequate liquidity to meet all operating requirements, and achieves the highest possible investment return consistent with the primary objectives of safety and liquidity.

II. Scope

This investment policy applies to all public funds held in the Public Treasurer's Investment Fund (PTIF).

III. General Provisions

- A. The investment of funds by the Treasurer's office will comply with applicable statutory provisions including the State Money Management Act, the rules of the State Money Management Council, rules of pertinent bond resolutions or indentures, and other pertinent legal restrictions.
- B. The Investment Officer will invest available funds with the following objectives and priorities:
 - 1. Safety of principal.
 - 2. Liquidity for anticipated and unanticipated expenditures.
 - 3. Yield.
 - 4. Recognition of differing objectives and needs of various accounts.
 - 5. Conformance with state law, pertinent bond resolutions or indentures, or other pertinent legal restrictions.
 - 6. Maximization of the rate of return on investment consistent with the above objectives.
- C. Any funds administered by a public treasurer may be invested in the PTIF. This includes funds held by Utah local governments, city and county treasurers, state

E. Ethics and Conflicts of Interest

The Treasurer and other officers involved in the investment process will refrain from personal business activity that could conflict with proper execution of the investment program, or which would impair their ability to make impartial investment decisions.

F. Reporting Requirements

The Treasurer will report monthly to each PTIF participant their transactions and investment results for the preceding month.

G. Marking to Market

To account for market fluctuations and volatility, the Treasurer's office or its agent (independent pricing agent) will mark to market all securities monthly. If a significant market event takes place during the month that affects the value of the portfolio, the Treasurer's office or its agent will mark the portfolio to market to determine the impact to the portfolio.

H. Matching Term of Maturity to Period of Availability

The term of investments executed by the Treasurer's office may not exceed the period of availability of the funds to be invested. The maximum weighted adjusted average life to maturity of the PTIF will not exceed 90 days. The maximum maturity of any security will not exceed three years. However, a maximum maturity of five years will be allowed for treasury or agency securities whose rate adjusts at least annually. The Investment Officer will, before purchasing any security, calculate the impact on the fund's weighted average maturity.

I. Custodial Safekeeping

All securities will be conducted on a delivery versus payment basis to the Treasurer's safekeeping bank or to the State Treasurer's office. The Treasurer's office or custodian will have custody of all securities purchased or held, and all evidence of deposits and investments of public funds.

J. Investment Strategy

The State Treasurer, Deputy Treasurer, and Investment Officer (the Committee) will meet monthly and review cost, fair market value, net asset value per share, market conditions and market outlook. Together they will agree upon an investment strategy to maintain a stable net asset value that does not deviate by

Utah.

10. Bonds, notes, or other evidence of indebtedness of any county, incorporated city or town, school district, or other political subdivision of the state that are payable from assessments or from revenues or earnings specifically pledged for payment of the principal and interest on these obligations, including bonds offered on a when-issued basis.
11. Shares or certificates in a money market mutual fund that comply with the diversification, quality and maturity requirements of Rule 2a-7 or any successor rule of the Securities and Exchange Commission, and assesses no contingent deferred sales charge or other similar charges.
12. Variable rate negotiable deposits that comply with section 51-7-11.3(m).
13. Variable rate securities that are rated AA@ or higher and comply with Section 51-7-11.3(n).
14. All variable rate securities must have an index or rate formula that has a correlation of at least 90% of the effective Federal Funds rate.

V. Investment Purchasing Guidelines

A. Selection criteria for medium-term corporate notes:

1. >A-/A3' rated issuer must be approved and a maximum position established on a case-by-case basis.
2. Any >A-/A3= rated issuer may not be on negative credit watch.
3. Any >A-/A3= rated issuer may not have been downgraded within the past 12 months.

B. Position size and asset allocation:

1. Positions in any >A= rated issuer may not exceed \$200,000,000.
2. Positions in any AA or better rated issuer exceeding \$300,000,000 will be approved on a case-by-case basis by the committee.
3. The committee may approve exceptions to these guidelines on a case-by-case basis as influenced by market conditions.

C. Liquidation requirements:

1. Evaluate any issuers put on negative credit watch or downgraded.

VI. Prohibited Investments

Mortgages, mortgaged backed securities, mortgage derivative products or any other security making unscheduled periodic principal payments other than optional redemptions are prohibited. Reverse repurchase agreements proceeds which are invested in securities whose maturity is not matched with the maturity of the reverse repurchase agreement are prohibited. This list is not intended to be all inclusive.

STATE MONEY MANAGEMENT COUNCIL-MINUTES
THURSDAY FEBRUARY 18, 2016

The regular meeting of the State Money Management Council was held in the Offices of the Utah State Treasurer, 350 North State Street, Suite 180, at 3:00 p.m., Thursday February 18, 2016. In attendance were:

Kirt Slaugh, Chair
John Bond, Vice Chair
Doug DeFries
Marina Scott
Ann Pedroza, Staff
Tom Bay, Division of Financial Institutions
Michael Green, Attorney General's Office
Michele Black, Securities Division
Jason Williams, Moreton Asset Management
Ryan Stoker, Moreton Asset Management

Minutes of January 21, 2016 Meeting

The minutes of the January 21, 2016 meeting were approved unanimously.

Monthly Reports

Securities Division:

Ms. Black informed the Council that the only changes were to the Certified Dealers list with one agent deleted from Morgan Stanley and the same agent added to RBC Capital Markets. Additionally there is one agent added to Moreton Capital Markets. Council reviewed the lists briefly.

Financial Institutions' Report:

Mr. Bay reviewed the monthly report with the Council noting that Gunnison Valley Bank was using 94% of their uninsured public funds allotment and that he had sent out a letter to them reminding them to monitor their public fund balances. Mr. Bay then informed the Council Heritage Savings Bank in St. George was liquidated as of December 31, 2015 and are no longer on the report. They have not used their public funds allotment for two years. Council reviewed the report briefly.

Deposit and Investment report update:

Ms. Pedroza noted that 90% of the reports for the end of December were in. She then reviewed a report from the City of Green River noting for the Council that they are using a non-qualified depository as there are no qualified depositories that are geographically convenient to them. However, they have gone over the federal insured amount that is required to meet the criteria of 51-7-11(6). Ms. Pedroza had contacted them asking for an explanation and they responded that it was because of checks that had not cleared and a deposit of state tax funds. Council discussed the issue and Mr. Bond offered to contact the treasurer. Mr. Bay also offered to contact the credit union and review with them the process of becoming a qualified depository.

Acceptance of Reports:

It was motioned and seconded, and all of the above reports were accepted unanimously.

Review of State Treasurer's Detail Deposit and Investment Report

Ms. Pedroza informed Council that Mrs. Brandt was unable to attend the meeting due to a death in the family. Ms. Pedroza then provided the detail report of deposits and investments to the Council as generated off the Bloomberg system that shows the overall rating of "A" on the portfolio. She noted that on the individual securities that showed a composite rating of "BBB+" she had written the ratings of the other rating agencies as the Act allows a "A" or better by two NRSRO's. She noted that there we a couple of securities that dropped below the purchase criteria ratings but the Act only covers "at time of purchase." Ms. Brandt asked Ms. Pedroza to inform the Council that she and Mr. Damschen had just talked about the portfolio that Tuesday and if the Council has any questions regarding securities or the report to pass them on to her via Ms. Pedroza. Council discussed the report briefly. Mr. Slaugh asked if there were sector restraints or targets. Ms. Pedroza inform the Council that she is not part of the invest committee in the office that sets their policy so she does not know if they have targets. Mr. Slaugh inquired what the yield was and Ms. Pedroza responded that it was .71. Mr. DeFries then said that if the Council is supposed to have oversight Ms. Brandt should come in next month to answer questions. In response to Mr. DeFries inquiry Mr. Bond then said that no county treasurers have access to what is provided to the Council and Ms. Scott concurred. Mr. Bond stated that for them to petition and ask for it they would have been rejected. Ms. Pedroza noted that in 51-7-15 the Act states that a public treasurer shall make copies of the report available to the public at the public treasurer's offices during business hours. Council discussed that they felt that the report was deficient and did not provide them with enough information if they are supposed to be an oversight committee. It was noted again for the Council that they are an advisory council not an oversight. Mr. Slaugh asked that a discussion of the role of the Council be placed on the agenda for next month. Council then discussed further that they felt they needed more detail to evaluate the portfolio. Mr. Green noted that the board is advisory and cannot do anything that impinges on the State Treasurer's constitutional authority.

Update on Bill Status

Ms. Pedroza informed the Council that the bill is still in protected status so the language provided in the packet is what was submitted, but a copy of the bill was not provided. Mr. Green clarified what protected status meant. Ms. Pedroza briefly reviewed the changes with the Council noting that a change had been made removing the political affiliation requirement for Council members and that it should make it easier to get new members.

Schedule Next Meeting

The Council then scheduled the next regular meeting for March 17, 2016 at 3:00 p.m. With no other business before the Council, they adjourned at 3:45 p.m.



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah
Department of Commerce
Division of Securities

FRANCINE A. GIANI
Executive Director

THOMAS A. BRADY
Deputy Director

KEITH WOODWELL
Director, Division of Securities

TO:	Money Management Council
FROM:	Michele Black, Division of Securities
RE:	Current List Certified Dealer
DATE:	March 17, 2016

The following is the list of Certified Dealers and Agent(s) effective March 17, 2016:

Barclays Capital Inc.

Agents: Peter Bjurstein 555 California Street, 30th Floor
San Francisco, CA 94104

BNP Paribas Securities Corp.

Agents: Kathleen Cooney 787 Seventh Avenue
New York, NY 10019
Amit Ashok Jugal 2527 Camino Ramon
San Ramon, CA 94583
Hanan Levin 7101 College Boulevard Suite 550
Overland Park, KS 66210
Robert McAndrew 787 Seventh Avenue
New York, NY 10019
Paul Thomas Montaquila 2527 Camino Ramon
San Ramon, CA 94583
Anthony Hoan Pham " "
W. Hampton B. Smith Jr. 787 7th Avenue
New York, NY 10019
Dominic Aaron Wallace 2527 Camino Ramon
San Ramon, CA 94583

DA Davidson & Co.

Agents: Hank Jenkins 1550 Market Street Suite 300
Denver, CO 80202
Marcus A. Nield 7730 Union Park Avenue Suite 220
Midvale, UT 84047
Staci Salinas " "

George K. Baum & Company

Agents: Susan P. Gardner

Joseph C. Higginbottom

Frederic H. Jones

Stephen L. Strong
Brett C. Turnbull

4801 Main Street, Suite 500
Kansas City, MO 64112
1400 Wewatta Street, Suite 800
Denver, CO 80202
15 West South Temple, #1090
Salt Lake City, UT 84101
“ ”
4801 Main Street, Suite 500
Kansas City, MO 64112

Incapital LLC

Agents: William H. Money III

299 South Main Street, Suite 1317
Salt Lake City, UT 84111

Jefferies LLC

Agents: Andrew Davidoff

Thomas Lifson

11100 Santa Monica Boulevard
Los Angeles, CA 90025
101 California Street 31st Floor
San Francisco, CA 94111

LPL Financial LLC

Agents: Craig P. Adams

Stephen H. Beierlein

Jordan Curtis

Timothy W. Floyd

Chad D. Waddoups

5929 South Fashion Pointe Drive, Suite 204
Ogden, UT 84403
5929 South Fashion Point Drive
Ogden, UT 84403
455 East 40th Street
South Ogden, UT 84403
123 South River Road
St. George, UT 84790
7181 South Campus View Drive
West Jordan, UT 84084

Morgan Stanley

Agents: Cody Adams

Paul Barton

Deidre M. Cortney

Johnthomas L. Cumbow

60 East South Temple 20th Floor
Salt Lake City, UT 84111
6510 S. Millcreek Drive, Suite 100
Holladay, UT 84121
3033 East 1st Avenue, Suite 820
Denver, CO 80206
50 North Laura Street, Suite 2000
Jacksonville, FL 32202

Morgan Stanley cont.

Agents:	Douglas Felt	60 E. South Temple Salt Lake City, UT 84111
	Phil Fonfara	750 Lindaro Street San Rafael, CA 94901
	Thomas E. Nielson	6510 S. Millrock Drive, Suite 100 Holladay, UT 84121
	John R. Ott	750 Lindaro Street San Rafael, CA 94901
	Brian Parcell	60 E. South Temple Salt Lake City, UT 84111
	Angela Leach Pizzichini	3033 East 1 st Avenue, Suite 820 Denver, CO 80206
	Joseph A. Ranucci	50 North Laura Street, Suite 2000 Jacksonville, FL 32202
	F. Barton Reuling	6510 S. Millrock Drive, Suite 100 Holladay, UT 84121
	Michael Wallblom	600 Union Street Seattle, Wa 98101
	Kenneth Webster	6510 S. Millrock Drive, Suite 100 Holladay, UT 84121

Moreton Capital Markets, LLC

Agents:	Benjamin Byington	101 South 200 East, Suite 300 Salt Lake City, UT 84111
	Jordan Hansen	" "
	Brandon Hodge	" "
	Larry Lundberg	" "
	Andrew Robbins	" "
	Ryan Stoker	" "
	Jason Williams	" "

Raymond James & Associates, Inc.

Agents:	Mark McKinnon	2825 East Cottonwood Parkway, Suite 500 Salt Lake City, UT 84124
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RBC Capital Markets, LLC

Agents:	Eric Ajlouny	345 California Street San Francisco, CA 94104
	Scott Chappell	299 S. Main Street Suite 2000 Salt Lake City, UT 84111-2280
	David Fahey	" "
	Walter Hall	345 California, 29 th Floor San Francisco, CA 94104

RBC Capital Markets, LLC cont.

Agents: John Hallgren	299 South Main Street, Suite 2000 Salt Lake City, UT 84111
Ronald N. Mason	" "
Brent Peterson	805 SW Broadway, Suite 1800 Portland, OR 97205
Patrick Porter	299 South Main Street, Suite 2000 Salt Lake City, UT 84111
John Styrbicki	60 South 6 th Street Minneapolis, MN 55402
Sam Vetas	299 South Main Street, Suite 2000 Salt Lake City, UT 84111-2280
Michael Zetahmeyer	60 South 6 th Street Minneapolis, MN 55402

Robert W. Baird & Co. Incorporated

Agents: Donald Eckstein	4017 Hillsboro Pike Suite 403 Nashville, TN 37215
Dean R. Cottle	222 South Main Street, Suite 1840 Salt Lake City, UT 84101
Cathleen Gillies	210 University Boulevard Suite 460 Denver, CO 80206

UBS Financial Services Inc.

Agents: Barry B. Bowen	299 South Main, Suite 2100 Salt Lake City, UT 84111
John Doke	100 Crescent Court, Suite 600 Dallas, TX 75201
Fred C. Luedke	100 Crescent Court, Suite 600 Dallas, TX 75201
Jim Madden	" "
Nat Mosley	" "
John C. Pferdner	299 South Main Suite 2100 Salt Lake City, UT 84111
Chris Rosenthal	30050 Chagrin Boulevard Suite 200 Pepper Pike, OH 44124

Wells Fargo Advisors LLC

Agents: R. Dane Bradshaw	6550 South Millrock Drive #G50 Holladay, UT 84121
Josh G. Burgon	" "
Daniel Payne	201 South Main Street, Suite 160 Salt Lake City, UT 84101

Wells Fargo Advisors LLC cont.

Agents:	David Payne	"	"
	Timothy Payne	"	"

Wells Fargo Securities LLC

Agents:	Joseph Celentano	45 Fremont Street 34 th Floor	
		San Francisco, CA 94105	
	Randy Church	299 South Main Street	
		Salt Lake City, UT 84111	
	Thomas Degenaars	100 West Washington	
		Phoenix, AZ 85003	
	David Dunmire	700 Washington Street 5 th Floor Suite 506	
		Vancouver, WA 98660	
	Larry Horning	999 3 rd Avenue 11 th Floor	
		Seattle, WA 98104	
	Massieh Mojab	45 Fremont Street 34 th Floor	
		San Francisco, CA 94105	
	Daniel F. Quigley	550 South Tryon Street	
		Charlotte, NC 28202	
	Mark Sagin	700 Washington Street 6 th Floor Suite 506	
		Vancouver, WA 98660	
	Sarah Taylor	"	"
	John Williams	400 Capitol Mall 7 th Floor Suite 73	
		Sacramento, CA 95814	

Zions Bank Capital Markets

Agents:	Jacqueline Davies	One South Main Street, 17 th Floor	
		Salt Lake City, UT 84133	
	Neil Decker	"	"
	Wendy Jones	"	"
	Brad Mayeda	"	"
	Daniel Ricks	"	"
	Ty Roberts	"	"
	Kathy Sullivan	"	"

Zions Direct, Inc.

Agents:	Jacqueline Davies	One South Main Street, 17 th Floor	
		Salt Lake City, UT 84133	
	Neil Decker	"	"
	Wendy Jones	"	"
	Brad Mayeda	"	"
	Daniel Ricks	"	"
	Ty Roberts	"	"
	Kathy Sullivan	"	"



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah
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FRANCINE A. GIANI
Executive Director

THOMAS A. BRADY
Deputy Director

KEITH WOODWELL
Director, Division of Securities

TO:	Money Management Council
FROM:	Michele Black, Division of Securities
RE:	Deletions List Certified Dealer
DATE:	March 17, 2016

The following agents and firms have been deleted from the existing list for conducting investment transactions with public treasures pursuant to rule 16 of the State Money Management Council.

BNP Paribas Securities Corp.

Agents: Kari Prichard
Alexandra Linden

Wells Fargo Securities, LLC

Agents: Benjamin Byington
Brandon Hodge
Larry Lundberg
Ryan Stoker



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THOMAS A. BRADY
Deputy Director

KEITH WOODWELL
Director, Division of Securities

TO:	Money Management Council
FROM:	Michele Black, Division of Securities
RE:	Additions to the Certified Dealer List
DATE:	March 17, 2016

The following agents and firms have been added to the existing list for conducting investment transactions with public treasures pursuant to rule 16 of the State Money Management Council:

BNP Paribas Securities Corp.

Agents: Hanan Levin

Moreton Capital Markets, LLC

Agents: Benjamin Byington
Brandon Hodge
Larry Lundberg

Wells Fargo Securities, LLC

Agents: Joseph Celentano
David Dunmire
Larry Horning
Massieh Mojab
Mark Sagin
Sarah Taylor
John Williams



STATE OF UTAH

Gary R. Herbert
Governor
Spencer J. Cox
Lieutenant Governor

DEPARTMENT OF FINANCIAL INSTITUTIONS

G. Edward Leary
Commissioner
Darryle P. Rude
Chief Examiner
R. Paul Allred
Deputy Commissioner

Money Management Council
315 N. State Capitol Building, Suite 180
Salt Lake City, Utah 84114

Dear Council Members:

Pursuant to Section 51-7-3(28) Utah Code Annotated and Money Management Council Rules R628-11 and R628-12, I, G. Edward Leary, Commissioner of Financial Institutions, do hereby certify the following depository institutions as "qualified depositories" and eligible to receive and hold public funds in excess of federal insurance limits in the following maximum amounts:

PUBLIC FUNDS ALLOTMENTS for the three-month period beginning April 1, 2016

(Dollars in Thousands)

	<u>Current</u>	<u>Previous</u>
<u>BANKS</u>		
Ally Bank.....	\$ 24,890,673	\$ 24,466,851
American Bank of Commerce.....	15,819	15,438
Bank of the West.....	47,005	59,756
Bank of Utah.....	187,088	184,727
Banner Bank.....	28,954	29,554
Brighton Bank.....	33,348	32,919
Cache Valley Bank.....	134,330	129,896

PUBLIC FUNDS ALLOTMENTS (cont.)

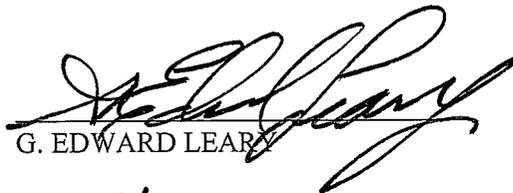
Page 2 of 3

	<u>Current</u>	<u>Previous</u>
Capital Community Bank..... \$	33,095	\$ 32,169
Central Bank.....	205,493	202,217
JPMorgan Chase Bank NA.....	3,172,913	3,029,235
Continental Bank.....	42,986	43,619
First National Bank of Layton.....	58,215	57,458
First Utah Bank.....	37,733	37,247
Glacier Bank.....	43,523	45,235
Grand Valley Bank.....	31,190	30,632
Green Dot Bank.....	229,106	224,165
Gunnison Valley Bank.....	13,754	14,426
Holladay Bank & Trust Company.....	9,861	9,638
Home Savings Bank.....	21,777	21,219
Keybank NA.....	564,225	518,773
Morgan Stanley Bank, National Association.....	19,999,500	19,408,500
People's Intermountain Bank.....	258,720	252,752
Prime Alliance Bank.....	37,493	36,890
Republic Bank Inc.....	42,432	42,254
Rock Canyon Bank.....	40,389	39,816
State Bank of Southern Utah.....	169,373	165,069
Town & Country Bank.....	18,650	16,344
US Bank NA.....	368,801	334,531
Utah Independent Bank.....	14,451	14,811
Washington Federal, NA.....	69,900	64,946
Wells Fargo Bank NA.....	1,827,389	1,985,449
Wells Fargo Bank Northwest NA.....	1,864,211	1,839,249
Zions First National Bank.....	9,501,587	2,972,462
 <u>INDUSTRIAL BANKS</u>		
EnerBank USA..... \$	199,119	\$ 188,757
WebBank.....	96,803	80,324

PUBLIC FUNDS ALLOTMENTS (cont.)

Page 3 of 3

	<u>Current</u>	
<u>CREDIT UNIONS</u>		
America First.....	\$ 1,147,931	\$ 1,111,034
Chartway.....	54,364	52,683
Desertview.....	5,787	5,726
Eastern Utah Community.....	15,599	15,486
Education 1st.....	2,653	2,603
Goldenwest.....	207,410	202,065
Horizon Utah.....	13,820	13,610
Jordan.....	20,117	20,015
Mountain America.....	715,566	691,274
Nebo.....	13,018	12,749
San Juan.....	1,380	1,381
Utah Community.....	167,354	163,658
Utah First.....	44,607	43,247
Utah Heritage.....	8,090	7,907
Wasatch Peaks.....	25,937	25,544
Weber State.....	14,223	14,003


G. EDWARD LEARY

March 16, 2016

12/31/15
Late D&I Reports
As of 3/17/16

Hooper City
Laketown City
Lewiston City
Mendon City
Monticello City
Parowan City

Ben Lomond Cemetery
East Garland Cemetery
Lake Point Cemetery & Parks
Tropic Cemetery

Bear Lake Regional Commission
Utah League of Cities & Towns
Utah Municipal Finance Agency
Carbon Co Housing Authority
Emery County Housing Authority
Salt Lake City Housing Authority
Wasatch Mental Health Serv SS Dist
Dammeron Valley Fire SS Dist
Garden City Fire Dist
Moab Valley Fire Protec Dist
Wasatch Co Fire Protect SS Dist

Park City Education Foundation

Carbon S/D

Beaver Fire Dist #1
Beaver Co Waste Mgt SSD #5
Box Elder Co SS Dist
Duchesne Co SS Dist #2
Echo Creek Ranches SS Dist
Fruitland Water Improv Dist
Hanna Water & Sewer Dist
Leeds Area SS Dist
New Harmony Valley SS Dist
Northern UT Environmental Resource AGY
North Sanpete Ambulance Service
Northwestern SS Dist
Sanpete Co SS Dist #1

Summit County Serv Area #5
UTOPIA
Weber Human Services
White Hills SS Dist

Alton Town
Cedar Fort Town
Centerfield City
Elwood Town
Emery Town
Goshen Town
Meadow Town
Scipio Town

Ogden Weber ATC
Mountainland ATC
Utah College of Applied Tech

Bristlecone Water Imp Dist
Perry City Flood Control
Cache Co Drainage Dist #5
Corinne Drainage Dist #1
E. Duchesne Culinary Wtr Imp Dist
East Lewiston Drainage Dist #4
Elwood Drainage Dist
Hansel Valley Watershed Dist
Iowa String Drain Dist
Millard Co Drainage Dist #2
Millard Co Drain Dist #3
Mountain Regional Wtr SS Dist
Rush Valley Wtr Conserv Dist
Tremonton-Garland Area Drain Dist
Weber Co Serv Area #5(Liberty Park)

AMES
Arcadia Academy
Aristotle Academy
DaVinci Academy
Liberty Academy
Northeastern Utah Education Services
Renaissance Academy

Providence Hall
Salt Lake School for Perform. Arts
Spectrum Academy
Success Academy
Timpanogos Academy
Wasatch Institute of Technology

Utah Money Management Council

350 N. State Street, Suite 180
P. O. Box 142315
Salt Lake City, Utah 84114-2315
(801) 538-1883 (801) 538-1465 Fax
mmcouncil@utah.gov



March 15, 2016

Mr. Don Despain
General Manager
Big Cottonwood Improvement Dist.
DBA-Solitude Improvement District
8021 S Brighton Loop Road
Brighton, Utah 8848121-9732

Dear Mr. Despain:

Thank-you for filing your December 31, 2015 Deposit and Investment report. As we talked on the phone earlier, the account you provided information on with Wells Fargo Advisors, has some issues.

As per §51-7-11(1)(a) and (b) public treasurers may conduct investment transactions with "...certified dealers..." or "...may designate a certified investment adviser to make trades..." on his behalf. Although Wells Fargo Advisors is on the Certified Dealers list, Mr. Chad Horne is not certified.

Also, any trades purchased through a Certified dealer or Certified investment adviser must be delivered to a third party safekeeping agent as per §51-7-7, this shows as an advisory account not a safekeeping account.

Additionally, the securities that are shown in the account are not allowable securities for public entities in this state to invest in. These are brokered CD's and are not reciprocal as noted in §51-7-3(31) and were not purchased through a qualified depository. They also do not meet the criteria of "permitted depository" as described in Rule 10. Additionally, although detail is not provided, the report from Wells Fargo Advisors indicates that another \$60,000 is invested in a category listed on the snapshot page of "Preferred/fixed rate cap secs", and equities are not an allowed investment for Utah public entities.

The Council asks that these investments be liquidated and that you are made whole by the advisor firm. If you have any further questions please contact Ann Pedroza, @801-538-1883, or by e-mail at: apedroza@utah.gov Please provide copies of confirms or a statement showing all securities being liquidated and the funds being disbursed to Solitude Improvement District.

Sincerely,

A handwritten signature in black ink, appearing to read "Ann Pedroza".

Ann Pedroza, Staff
Utah Money Management Council

Cc: Wells Fargo Advisors

Kirt Slauch, Chair
Key Bank
36 S. State Street, Ste 2500
Salt Lake City UT 84111
Phone (801) 297-5717
kirt_w_slauch@keybank.com

John B. Bond
Weber County
2380 Washington Blvd., Ste 350
Ogden, UT 84401
Phone (801) 399-8007
jbond@co.weber.ut.us

Douglas L. DeFries
Bank of Utah
2605 Washington Blvd.
Ogden, UT 84401
Phone (801) 409-5175
ddefries@bankofutah.com

Marina Scott
Salt Lake City
451 S State Street, Rm 228
Salt Lake City, Utah 84111
Phone: 801-535-6565
marina.scott@slcgov.com



SNAPSHOT Current period ending December 31, 2015

ACCOUNT NAME: SOLITUDE IMPROVEMENT DISTRICT

ACCOUNT NUMBER: 2822-7777

Your Financial Advisor:
CHAD HORNE
Phone: 800-352-4671

299 S. MAIN ST. 7TH FL.
SALT LAKE CITY, UT 84111

If you have more than one account with us, why not link them and receive summary information for your entire household? Contact Your Financial Advisor for more details.

Message from Wells Fargo Advisors

AS TAX SEASON BEGINS, PLEASE KEEP IN MIND FEBRUARY 16 IS THE IRS MAILING DEADLINE FOR MOST DOCUMENTS NEEDED TO COMPLETE YOUR 2015 TAXES. IN SOME INSTANCES, YOU MAY RECEIVE AN AMENDED TAX DOCUMENT AT A LATER DATE. FOR MORE INFORMATION, PLEASE VISIT WELLSFARGOADVISORS.COM/TAXES.

GKSW1TDHTU 016240
SOLITUDE IMPROVEMENT DISTRICT
8021 S BRIGHTON LOOP RD
BRIGHTON UT 84121-9732



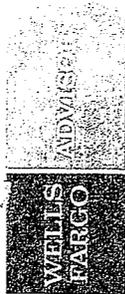
Wells Fargo Advisors, LLC, brokerage account(s) carried by First Clearing, LLC. Wells Fargo Advisors, LLC and First Clearing, LLC, Members FINRA/SIPC are separate registered broker-dealers and non-bank affiliates of Wells Fargo & Company.

Investments and insurance products are:

NOT FDIC-INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

SNAPSHOT
020 ME ME2D

SNAPSHOT



SOLITUDE IMPROVEMENT DISTRICT

DECEMBER 1, 2015 - DECEMBER 31, 2015
ACCOUNT NUMBER: 2822-7777

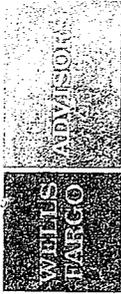
Progress summary

	THIS PERIOD	THIS YEAR
Opening value	\$202,053.88	\$0.00
Cash deposited	0.00	200,000.00
Securities deposited	0.00	0.00
Cash withdrawn	0.00	-1,413.91
Securities withdrawn	0.00	0.00
Change in value	-446.16	3,021.63
Closing value	\$201,607.72	\$201,607.72

As a Wells Fargo Advisors Client, you can easily simplify your finances by combining all your investing and banking into a single, easy-to-manage relationship. By upgrading to the Command Asset Program, you'll have access to many more features and benefits to help you manage your finances. You'll see all your investing and banking activity on one comprehensive monthly statement. It's as simple as talking with Your Financial Advisor. Ask them today about the Command Asset Program.

Portfolio summary

ASSETS	ASSET TYPE	PREVIOUS VALUE ON NOV 30	%	CURRENT VALUE ON DEC 31	%	ESTIMATED ANN. INCOME
Cash and sweep balances		34,130.32	16.89	34,603.88	17.16	3
Stocks, options & ETFs		0.00	0.00	0.00	0.00	0
Fixed income securities		107,295.84	53.10	107,445.00	53.29	1,993
Mutual funds		0.00	0.00	0.00	0.00	0
Preferreds/fix rate cap secs		60,627.72	30.01	59,558.84	29.54	3,875
Asset value		\$202,053.88	100%	\$201,607.72	100%	\$5,871



SOLITUDE IMPROVEMENT DISTRICT

DECEMBER 1, 2015 - DECEMBER 31, 2015
ACCOUNT NUMBER: 2822-7777

Your Financial Advisor

CHAD HORNE
Phone: 800-352-4671

299 S. MAIN ST. 7TH FL.
SALT LAKE CITY, UT 84111

Client service information

Client service: 866-281-7436
Website: www.wellsfargoadvisors.com

Account profile

Full account name: SOLITUDE IMPROVEMENT DISTRICT
Account type: Standard Brokerage
Brokerage account number: 2822-7777
Tax status: Non-Profit
Investment objective/Risk tolerance: * MODERATE GROWTH & INCOME
Time horizon: * LONG TERM (10+ YEARS)
Liquidity needs: * MODERATE
Cost Basis Election: First in, First out
Sweep option: BANK DEPOSIT SWEEP
Your managed program: ASSET ADVISOR

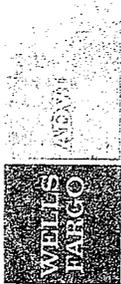
*For more information, please visit us at: www.wellsfargoadvisors.com/disclosures

For your consideration

Go paperless. Accessing your account documents online is easy, secure, and costs nothing. Sign on to wellsfargoadvisors.com with your online access Username and Password, select **Statements & Docs**, and then click on the **Delivery Preferences Quick Link**. Choose **Electronic Delivery** to go paperless or select specific account documents for electronic delivery. If you do not have a Username and Password, visit wellsfargoadvisors.com/signup or call 1-866-281-7436 for enrollment assistance.

Document delivery status

Statements:	Paper	Electronic
Trade confirmations:	X	
Tax documents:	X	
Shareholder communications:	X	
Other documents:	X	



SOLITUDE IMPROVEMENT DISTRICT

DECEMBER 1, 2015 - DECEMBER 31, 2015
ACCOUNT NUMBER: 2822-7777

Fixed Income Securities
Certificates of Deposit continued

DESCRIPTION	QUANTITY	CURRENT PRICE	CURRENT MARKET VALUE	ACCRUED INTEREST	ESTIMATED	
					ANNUAL INCOME	ANNUAL YIELD(%)
DISCOVER BANK CD GREENWOOD DE ACT/365 FDIC INSURED CPN 1.600% DUE 10/30/17 DTD 10/30/13 FC 04/30/14 CUSIP 254671ZE3	25,000	100.4600	25,115.00	69.05	400.00	1.59
GOLDMAN SACHS BK USA CD NEW YORK NY ACT/365 FDIC INSURED CPN 2.000% DUE 04/30/19 DTD 04/30/14 FC 10/30/14 CUSIP 38147JYK2	25,000	100.5660	25,141.50	86.30	500.00	1.98
CIT BANK CD SALT LAKE CITY UT ACT/365 CALLABLE FDIC-INSURED CPN 2.000% DUE 05/24/19 DTD 05/21/14 FC 11/21/14 CALL 01/21/16 @ 100.000 CUSIP 17284CE26	10,000	100.0920	10,009.20	22.47	200.00	1.99
GOLDMAN SACHS BK USA CD NEW YORK NY ACT/365 FDIC-INSURED CPN 2.000% DUE 05/21/19 DTD 05/21/14 FC 11/21/14 CUSIP 38147JA85	14,000	100.5360	14,075.04	31.46	280.00	1.98
GOLDMAN SACHS BK USA CD NEW YORK NY ACT/365 FDIC-INSURED CPN 2.100% DUE 01/21/20 DTD 01/21/15 FC 07/21/15 CUSIP 38148JHQ7	25,000	100.4180	25,104.50	235.89	525.00	2.09
Total Certificates of Deposit	107,000		\$107,445.00	\$459.64	\$1,993.00	1.85
Total Fixed Income Securities			\$107,445.00	\$459.64	\$1,993.00	1.85

SOLITUDE IMPROVEMENT DISTRICT

DECEMBER 1, 2015 - DECEMBER 31, 2015
ACCOUNT NUMBER: 2822-7777



Specific instructions and disclosures

Income on non-reportable accounts

Your income summary is categorized into taxable and tax-exempt income based upon the securities that you hold. Please be aware that, since this is a 1099 non-reportable account, this income will NOT be reported to the IRS, but is being provided to you for informational purposes only.

Callable bonds and preferred stock

Bonds and preferred stock that are subject to a partial call will be selected by an impartial lottery process in which the probability of your securities being selected for redemption is proportional to the holdings of all shareholders of such securities held in street name. If a security is called prior to maturity it may affect the yield you receive. Additional information is available at www.wellsfargoadvisors.com under Legal Disclosures.

From: apedroza@utah.gov [mailto:apedroza@utah.gov] **On Behalf Of** MMOUNCIL Treasurer
Sent: Thursday, March 3, 2016 12:16 PM
To: WSS | A Jensen <ajensen@wintersportsschool.org>
Subject: Re: Deposits and Investments Report - The Winter Sports School

Alex,

Thanks for filling the report. Under the Money Management Act, stocks are not an allowed investment for most public entities. You can hold stock is if they have been gifted to the school and the written gifting instructions specifically say that you are to hold the securities. Generally, stock is not gifted that way because it has tax implications for the person gifting the stock. Also, if this is set up as a 501c-3 trust/foundation which is not covered under the Act. Additionally, if the funds are a Public Education Foundation set up under 53A-4-205 then they may be invested per the Money Management Council Rule 2. which has diversity directions.

Lastly, if you have an adviser they must be Certified by the Council and Fidelity is not on the list. Let me know what the situation is on the Fidelity account overall.

Thanks,

Ann Pedroza, Staff

Utah Money Management Council

On Fri, Jan 29, 2016 at 8:46 AM, WSS | A Jensen <ajensen@wintersportsschool.org> wrote:
To Whom It May Concern,

Please see attached documentation for The Winter Sports School.

Thanks,

Alex Jensen



Re: Deposits and Investments Report - The Winter Sports School

1 message

MMCOUNCIL Treasurer <mmcouncil@utah.gov>
To: WSS | A Jensen <ajensen@wintersportsschool.org>

Mon, Mar 14, 2016 at 4:51 PM

Alex,

Thanks for the additional information. The issue is with this is not that you are engaging in speculation but that the funds are in a brokerage account and with an entity that is not certified. If the one account labeled cash account is a Fidelity money market mutual fund, you may be Ok (I would need more information on the fund), as the Act allows you to use money market mutual funds and also purchase direct from the issuer. The account labeled common stock is probably not a money market mutual fund and therefore not allowable, as public entities are not allowed to purchase/hold stock (or equity mutual funds) unless under the specific occurrences that I noted in my first e-mail. I do understand having an account to liquidate any stock donated and we allow you to use a non-certified dealer to do that as most of the brokers on our list are fixed income folks.

You should move the funds out as soon as possible unless you can provide me with a prospectus on the one account so I can determine if it meets the Act's requirements. If you are looking for a little better return rate, my suggestion would be for you to look into a PTF account, their return is currently at .71 vs. the .07 you are showing.

Thanks again for the additional information.

Ann Pedroza, Staff
Utah Money Management Council

On Sun, Mar 13, 2016 at 8:02 PM, WSS | A Jensen <ajensen@wintersportsschool.org> wrote:

Ann,

I apologize for my delayed response, I have been out of town while on our winter season break. Fidelity does not serve in any advisory capacity to The Winter Sports School. Our brokerage account with them exists only to allow supporters to donate stock to the school directly. Once we receive notification of such donations we convert the stock into cash, as we do not engage in stock speculation.

Slight clarification: the "cash" holdings in our brokerage account are actually "cash equivalent" money market shares, but such investments are not considered speculative -- they truly are considered "cash equivalent" in investment circles.

If you have any additional questions about our Fidelity cash holdings account, please let me know.

Regards,

Alex Jensen

RECEIVED JAN 12 2016

Piute County School District

DEPOSITS AND INVESTMENTS

as of close of business on

December 31, 2015

*List all checking accounts, savings accounts, certificates of deposit, PTIF accounts and other investments held as of the reporting date. (ON BANK BALANCES, PLEASE LIST \$ AMOUNT OFF OF BANK STATEMENT). !!Please read instruction sheet for more help!!

Name of Bank or Issuer (i.e. Wells, Zions GMAC, US Treasury etc.)	Type of account or security (i.e. checking, CD, CP, Note, Bond, etc)	Rate %	Due Date or maturity date	Purchase Date	Face amount or dollar amount (Bank Balance)	Held at or s/k Location	Current market value dollar price. (N/A on checking and savings)	Fund that money or investment is assigned to. (i.e. General, endowment, capital etc.) Also broker & agent if applicable. If new purchase, include copy of
SBSU	Checking	0.2	N/A	N/A	\$ 2,111,252.78	Circleville	N/A	General Fund/Capital
SBSU	Savings	0.25	N/A	N/A	\$ 58,224.48	Circleville	N/A	General Fund
SBSU	Flex Spending	0	N/A	N/A	\$ 5,684.65	Circleville	N/A	General Fund
SBSU	CD (900276)	0.4	1/23/2016	1/23/1998	\$ 95,099.53	Circleville	N/A	General Fund
Utah Public Treasurers	Savings	0.724	N/A	N/A	\$ 437,139.31	SLC	N/A	General Fund/Capital
SBSU	Checking	0.2	N/A	N/A	\$ 47,625.98	Circleville	N/A	Student Activities
SBSU	Savings	0.25	N/A	N/A	\$ 10,546.06	Circleville	N/A	Student Activities
SBSU	Checking	0	N/A	N/A	\$ 3,555.32	Circleville	N/A	Student Activities
SBSU	Checking	0	N/A	N/A	\$ 1,747.25	Circleville	N/A	Student Activities
Zions 1st	GO Bond	N/A	4/15/2027	4/15/2011	\$ 314,558.44	Zions - SLC	\$ 314,734.88	Debt Service Fund
Zions 1st	LBA Bond	N/A	4/15/2027	4/15/2011	\$ 1,309,921.24	Zions - SLC	\$ 1,310,655.99	Debt Service Fund
Fidelity Investments	Brokerage	N/A	N/A	4/11/2006	\$ 28,151.32	Fidelity	\$ 85,239.15	Trust (Scholarship) Fund

I verify that all deposits and investments meet the criteria of the Money Management Act KS

This entity has an investment policy in place & Date of last review of policy 6/9/2009

Return by December 31, 2015 to:

Total: \$4,423,506.36

Utah Money Management Council

Prepared by and Title: Koby Willis, Business Administrator

PO Box 142315

Salt Lake City, UT 84114-2315

or email to: mmcouncil@utah.gov

koby.willis@piutek12.org

(435)577-2912 ext 2002

sent e-mail 3/16/16. af

Thanks,

Koby

<Screen Shot 2016-03-16 at 3.29.44 PM.png>

On Mar 16, 2016, at 2:31 PM, Ann Pedroza <apedroza@utah.gov> wrote:

Koby:

Thank you for filing the 12/31/15 D&I report. Can you please provide more information on the Fidelity Investments account you have listed. This is the first time I have seen it on a report from your entity and need to make sure it meets the requirements of the Act and Rules of the Council.

Thanks,
Ann Pedroza, Staff
Utah Money Management Council

Koby Willis
Piute County School District
Business Administrator
(435) 577-2912 Ext: 2002
koby.willis@piutek12.org

This email and any attachments may contain confidential and privileged information from the Piute County School District. If you are not the intended recipient, please notify the sender immediately by return email, delete this message and destroy any copies. Any dissemination or use of this information by a person other than the intended recipient is unauthorized and may be illegal.

Koby Willis
Piute County School District
Business Administrator
(435) 577-2912 Ext: 2002
koby.willis@piutek12.org

 **Initial Scholarship Agreement.pdf**
1442K



Ann Pedroza <apedroza@utah.gov>

Re: Question on your D&I report

1 message

Koby Willis <koby.willis@piutek12.org>

Thu, Mar 17, 2016 at 9:20 AM

To: Ann Pedroza <apedroza@utah.gov>

Ann,

The account was a gift with several conditions and limitations. The account was created with the attached agreement between H. Alan Luke and the school district signed in the December 2005 board meeting. It outlines the initial donation from Mr. Luke and the guidelines for the distribution of scholarships. Mr. Luke initially donated 200 shares of common stock and made several additional contributions thereafter. I believe the account does fit in the guidelines of R628-2-3.

Sorry the account hasn't been on the report before. I noticed that the school accounts and the scholarship account weren't on there before and so I added them this last reporting.

Thanks,

Koby

This email and any attachments may contain confidential and privileged information from the Piute County School District. If you are not the intended recipient, please notify the sender immediately by return email, delete this message and destroy any copies. Any dissemination or use of this information by a person other than the intended recipient is unauthorized and may be illegal.

On Mar 16, 2016, at 4:15 PM, Ann Pedroza <apedroza@utah.gov> wrote:

Koby,

Thanks for the additional information, and of course I have more questions! Is this set up in a public education foundation under Section 53A-4-205 of the Utah Code? If not, was it given as a gift, devise, or bequest and made so with a written instrument which contains the directions for investment? I am referring in part to Rule 2 of the Council rules, for your reference is on page 43 of the booklet sent out to you in July of last year. If you don't have it here is a link to our website for that rule: <http://treasurer.utah.gov/money-management-council/rules-of-the-money-management-council/>

Thanks again in advance for the additional information,

Ann

On Wed, Mar 16, 2016 at 4:03 PM, Koby Willis <koby.willis@piutek12.org> wrote:

Ann,

Sure, from what I've found when I got here a man named Dr. H Alan Luke and the Business Administrator created the Fidelity brokerage investment account for the purpose of giving scholarships. A percentage of the investment earnings have been used for a student scholarships for the past 8 or 9 years. H. Alan Luke donated the bulk of the account and helped oversee the investment for several years. The account is currently invested as shown in the attached screenshot.

Let me know if you need any other information,



Re: Question on your D&I report

1 message

Koby Willis <koby.willis@piutek12.org>
To: Ann Pedroza <apedroza@utah.gov>

Wed, Mar 16, 2016 at 4:03 PM

Ann,

Sure, from what I've found when I got here a man named Dr. H Alan Luke and the Business Administrator created the Fidelity brokerage investment account for the purpose of giving scholarships. A percentage of the investment earnings have been used for a student scholarships for the past 8 or 9 years. H. Alan Luke donated the bulk of the account and helped oversee the investment for several years. The account is currently invested as shown in the attached screenshot.

Let me know if you need any other information,

Thanks,

Koby

Symbol	Last Price	Today's Gain/Loss	Total Gain/Loss	Current Value	Quantity	Cost Basis	52-Week High/Low
FDRXX** FIDELITY GOVERNMENT...	\$1.00 \$0.00	n/a n/a	n/a n/a	\$28,380.56	28,380.560	n/a n/a	--
AGR AVANGRID INC COM	\$39.150 +\$0.55	+\$226.85 +1.42%	+\$3,182.94 +24.55%	\$16,148.16	412.469	\$31.43/Share \$12,965.22	\$32.45 ● \$42.40
DUK DUKE ENERGY CORP N...	\$78.950 +\$0.90	+\$67.50 +1.15%	+\$1,773.49 +42.76%	\$5,921.25	75.000	\$55.30/Share \$4,147.76	\$65.50 ● \$80.10
GUT GABELLI UTIL TR	\$6.300 +\$0.02	+\$8.40 +0.32%	+\$48.01 +1.85%	\$2,648.36	420.376	\$6.19/Share \$2,600.36	\$5.43 ● \$7.25
GXP GREAT PLAINS ENERGY ...	\$31.260 \$0.00	\$0.00 0.00%	+\$652.87 +11.14%	\$6,513.48	208.365	\$28.13/Share \$5,860.62	\$24.08 ● \$31.40
SOR SOURCE CAP INC COM L...	\$35.680 -\$31.80	-\$10,292.87 -47.13%	-\$8,310.99 -41.85%	\$11,548.72	323.675	\$61.36/Share \$19,859.71	● \$33.69 \$76.46
WR WESTAR ENERGY INC C...	\$47.820 +\$0.46	+\$69.00 +0.97%	+\$3,566.27 +98.88%	\$7,173.00	150.000	\$24.04/Share \$3,606.73	● \$33.88 \$48.44
Total		-\$9,921.12 -11.24%	+\$912.59 +1.86%	\$89,287.09			+ You have \$10,953.54 in pending activity.

On Mar 16, 2016, at 2:31 PM, Ann Pedroza <apedroza@utah.gov> wrote:

Koby:

Thank you for filing the 12/31/15 D&I report. Can you please provide more information on the Fidelity Investments account you have listed. This is the first time I have seen it on a report from your entity and need to make sure it meets the requirements of the Act and Rules of the Council.

Thanks,
Ann Pedroza, Staff
Utah Money Management Council

Koby Willis
Piute County School District
Business Administrator
(435) 577-2912 Ext: 2002
koby.willis@piutek12.org

**SCHOLARSHIP AGREEMENT BETWEEN
THE PIUTE COUNTY SCHOOL DISTRICT AND
Dr. H. ALAN LUKE**

This scholarship shall be known as the Dr. H. ALAN LUKE SCHOLARSHIP.

FOLLOWING ARE THE TERMS OF THE AGREEMENT

1. The Board of Directors of the Piute County, Utah, schools, [hereinafter referred to as the BOARD] acting through its chairman, or duly authorized representative, will open a stock brokerage account, with FIDELITY BROKERAGE SERVICES, LLD, at its office in Salt Lake City, UT, [hereinafter referred to as FIDELITY], which account shall be maintained by the BOARD throughout the life of this agreement, and be referred to herein as the ACCOUNT, It shall be used for the sole purpose of servicing this scholarship.
2. H. Alan Luke [hereinafter referred to as LUKE] will grant, or donate to the BOARD a certificate of title to two hundred shares of the common stock of the Gabelli Utility Trust, (a stock is traded on the New York Stock Exchange), which shall be deposited into the ACCOUNT for the purpose of validating this agreement. The deposit shall form the initial "corpus" of the scholarship.
3. LUKE, or any member of his family, or other persons who so opt, may make further grants or gifts to the BOARD to be deposited into the ACCOUNT. Such deposits shall be added to the account and become a part of the corpus. Such grants of gifts and any other assets shall be invested in stocks. The stocks chosen shall be selected in accordance with instructions received from the BOARD, or its duly appointed agent.
4. FIDELITY will be instructed to have any dividends declared and paid on any stock reinvested in that stock.
5. On or before March 15 of each year the total of the dividends, or any other income accruing to the ACCOUNT during the previous calendar year, shall be determined from the annual summary report for the ACCOUNT received from FIDELITY. That total shall be multiplied 0.80 (eighty percent) and the resulting sum rounded to the nearest \$100. That figure is the amount of money to be obtained from FIDELITY, and used in its entirety for the payment of the scholarship(s) awarded under this agreement to graduating student(s). FIDELITY shall be instructed to sell sufficient shares of stock (pro-rata) to provide the amount of money needed for this purpose. The money so awarded student(s) is to be used by the student(s), solely for the purpose of helping pay the tuition and mandatory fees at one of the Universities designated herein under paragraph (6)..
6. Students who qualify for this scholarship shall, A) Have a grade point average among the top one quarter (25%) his/her graduating class, B) Have been a full time resident of Piute county for the entire duration of his/her high school attendance, and {C} Be, or become admitted to and agree to attend one of the following universities, - i Utah State University, - ii. Weber State University, - iii. Brigham Young University, or - iv. Southern Utah University and D) Disclose to the scholarship awarding authority any information requested by such authority concerning the extent of his/her need for financial support in order to be able to attend the university chosen. The money so awarded shall be paid in the form of a check made in favor of the student, and his/her chosen University.
7. Determination of which student(s) is/are to receive the scholarship award(s) shall be based also on the apparent likelihood of the student being successful in the chosen field of study, and on the need for the student(s) to receive such scholarship in order to be able to attend the university selected. These two bases for the determination(s) shall receive equal weight in selecting the student(s) to receive the award(s).

*Signed
in Dec. 13, 2005
meeting
Sent
12/14/2005*

8. The amount of any scholarship awarded hereunder shall not exceed the cost of tuition and mandatory fees for attending Brigham Young University for the two successive full semesters next following. Should the money to be awarded exceed such amount, additional scholarships will be awarded, provided that the first shall be equal no less than 2/3 of the cost of tuition and fees so described, and any others no less than one third of that amount.

9. Authority for selecting the person(s) to receive scholarship(s) hereunder shall be vested in the Piute county superintendent of schools, or one or more persons designated by the superintendent for this purpose, and approved by the BOARD..

10. Should the entire amount of money available in any year for scholarship award(s), pursuant to this agreement, not be awarded to student(s), and received by them, the amount not utilized for the intended purpose shall be allowed to remain with or returned to the corpus of the ACCOUNT.

11. Should responsibility for the education of Piute county high school age students be assigned or transferred to any entity other than the Piute county high school, the benefits of this scholarship shall be transferred to such other entity, provided that the entity accepts the terms and provisions of this agreement in full, and in writing, and no use of the corpus or funds generated hereunder shall be used thereafter for any other purpose other granting scholarships in accordance with the provisions hereof.

12. Should it become impossible, for the funds available under this scholarship to be awarded to Piute county high school students on a continuing basis, as called for herein, the entire amount of the remaining assets in the ACCOUNT shall be transferred to the Church of Jesus Christ of Latter Day Saints to be used by that church for the purposes of helping fund its perpetual education fund program, or for use in its humanitarian program, in that order of preference

The foregoing is understood, agreed to, accepted, and signed for the Piute County School District, Assignee, by the chairman thereof, and by Dr. H. Alan Luke, a resident of Salt Lake City, Utah. Grantor.

Rickey C. Dalton
Chairman of the Piute County School Board

Witnessed By::
Lewis Muller

And *Garnett Bunsley*

H. Alan Luke
Dr. H. Alan Luke

Jinda Luke

And *JM Newey*

Note: Suggested guidelines for certain actions as needed are attached as page # 3

GUIDELINES

for implementation of the Dr. H. ALAN LUKE scholarship(s)

1. Should any of the companies for which stock is held in the ACCOUNT announce an option for shareholders to buy additional stock at prices below the prevailing market level of the price of such stock, [the number of shares offered to be available to the shareholder to be based on the number of shares currently held in the ACCOUNT,] FIDELITY should be instructed to sell the rights and deposit the proceeds into the ACCOUNT, which shall then be used to purchase additional stock in the same company. (The Gabelli stock funds held in the account often do, and others may, make such offerings. To fail to do this would unnecessarily dilute the value of the stock holdings in the ACCOUNT.
2. Should the stock held in any company fail to produce at least a 2% return over a 2 year period the BOARD may opt to sell the stock, and invest the proceeds in a mutual fund with either the "VANGUARD" or T ROWE "PRICE" companies, such fund to be selected should be either a mutual fund holding primarily Electric Utility company stocks,, or in the alternative a fund with investments in a large cap fund(s) that will yield a better return..
3. A copy of the annual summary of the ACCOUNT as issued by FIDELITY, will be mailed after March 1, of each year to the person at listed below, at the address provided.
4. Recipients of the scholarship(s) may be invited, should they care to do so to write him at the address shown below, or place flowers on his grave, after his has passed on.

1173 Alton Way ,

Salt Lake City Utah 84108.

(Any change of address or status will be provided the school district.).

His grave will be at the top of the set of large concrete steps at the center of the eastern slope of the Junction graveyard hill.