

November 14, 2013

Marmot Library Network, Inc.
Attn: Jimmy Thomas
123 N. 7th Street, Suite 302
Grand Junction, CO 81501

Dear Jimmy:

Thank you for your time yesterday.

Following is a summary of our meeting as well as recommendations based on the direction given to us by your Finance Committee:

- Due to some extraordinary expenses, approximately \$130,000 will be withdrawn from the account by year end. This will leave a balance of approximately \$750,000 in the account with Alpine Trust & Asset Management.
- The recent system upgrade cost significantly less than your anticipated cost when the account was setup three years ago. While we had anticipated a cost of around \$650,000, the actual cost was about \$150,000.
- Additional cuts in annual membership fees are not anticipated at this time.

Based on this information, we recommend the following allocation of funds in alignment with your investment policy

Long Term Pool - \$500,000

The amount in the long term pool will double from our previous allocations. This increase is due to a lower cost of the most recent system upgrade. As stated in your Investment Policy, the goal of the long term pool is the preserve principal, achieve a favorable long term, real rate of return, and reduce risk by diversifying markets, fund managers and maturities. These funds, while liquid, will be invested in more aggressive asset classes than the short term pool to provide favorable growth over the next 7-10 years. These funds are “earmarked” for capital projects long term.

Short Term Pool – Remaining Balance

The remaining balance will remain in the Short Term Pool. The overall goal of these funds will be first and foremost preservation of principal while providing liquidity and return consistent with short term fixed income securities. These funds are earmarked for use over the next five years and will remain conservative and liquid until further notice.

Please review the information above and notify us if Marmot would like to proceed with our recommendations. We will not take any additional action until you approve the recommendations noted above.

Thank you for your business and if you have any questions please let me know.

Sincerely,



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Vice President
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