



Sichuan Province Partnership

Mission: To facilitate deep and broad economic, academic and cultural exchanges among the State of Utah, the Province of Sichuan, and their respective business communities, institutions of learning and citizens.

Legislative History: The Utah State Legislature appropriated \$240,000 to “create and organize a legal entity to promote business, education, and investment between Utah and Sichuan, China.” S.B. 2 2015.

Entity History: The Governor’s Office of Economic Development (GOED) and the World Trade Center of Utah (WTCUtah) formed the Utah Sichuan Economic and Cultural Exchange Association, Inc. (the “Association”) as a nonprofit corporation. Attached to this report are certified copies of the Articles of Incorporation for the Association.

The Association’s Board is comprised of four members:

- Theresa Foxley, Managing Director of Corporate Recruitment & International Trade, GOED
- Derek B. Miller, President and CEO, WTCUtah
- Mike Sibbett, First Equity Holdings-(has business interest in Sichuan)
- Paul K. Savage, Savage International (attorney practicing corporate and international law)



Interaction with the Sichuan Province: GOED sent an official letter to the Sichuan Province Development Authority informing Sichuan of the Association’s formation, financial support by the State of Utah, and the parties involved in organizing the Association. Attached to this report is a copy of the letter.



Expenditure of Funds: To date, approximately \$1,500 has been expended towards forming the entity. The entity has been capitalized with \$40,000.

Anticipated Start-Up Spend:

\$60,000 - 80,000 yearly salary/benefits for executive director*

\$30,000 yearly overhead costs (rent, phones, website development and maintenance, travel, tax, legal, etc.)

*Note: an executive director has not yet been hired.

Sustainability Plan: The Board would like to hire an executive director who can transition the Association from being taxpayer supported to being member supported. The Board anticipates that business entities and other private members with an interest in the Association’s mission will pay annual dues to support association operating expenses.

Recommendations - October 2015:

- We recommend that the Legislature continue to monitor the expenditure of public funds through an annual report by the Association until the entity is supported by its members.
- We recommend that the Association continue to be run as a private nonprofit entity. We believe the mission of the Association can be accomplished privately and that codification as a public or quasi public entity is not necessary.
- While we firmly believe the Association should be accountable for and report on its expenditure of public funds, we also believe that as a private non-profit entity, the Association should exercise caution in the way it represents itself so that its members and counter-parties clearly understand the Association is not an agency of the State or body politic.



Date: 08/17/2015
Receipt Number: 6105780
Amount Paid: \$262.00

Expedite

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AUG 17 2015

Utah Div. of Corp. & Comm. Code

**ARTICLES OF INCORPORATION
OF
THE UTAH SICHUAN ECONOMIC AND CULTURAL EXCHANGE ASSOCIATION, INC.
(a Utah nonprofit corporation)**



Pursuant to the provisions of the Utah Revised Nonprofit Corporation Act (the "Act"), the undersigned does hereby organize a nonprofit corporation and adopt the following Articles of Incorporation:

ARTICLE I

Name

The name of the Corporation is The Utah Sichuan Economic and Cultural Exchange Association, Inc., (hereinafter the "Corporation").

ARTICLE II

Duration

The period of duration for the Corporation shall be perpetual unless dissolved sooner according to law.

ARTICLE III

Purposes

The Corporation is organized exclusively for tax exempt purposes within the meaning of Section 501(c)(6) of the Internal Revenue Code of 1986 (as amended) or the corresponding provisions of any future federal tax code (hereinafter referred to as the "Internal Revenue Code"), and the applicable provisions of the law of the State of Utah. Consistent with the foregoing purposes, but without limiting their generality, the Corporation is particularly organized as a nonprofit corporation to:

A. Promote the mutual economic interests, cultural exchange and trade opportunities among the people and institutions of the Province of Sichuan and the State of Utah;

B. Have all powers granted by the Act, as may be amended from time to time, and all of the powers necessary or convenient to effect any or all of the purposes for which this Corporation is organized so long as conforming in every way to the requirements in Sections 501(a)(1) and 501(c)(6) of the Internal Revenue Code, including, but not limited to, the power to borrow money, to

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receive, acquire by devise, grant, or gift, take, hold, own, pledge, mortgage, construct, buy, lease, sell, exchange, or otherwise deal in property, both real and personal.

ARTICLE IV

No Members; No Stock

The Corporation shall be governed in all respects by the Board of Directors. The Corporation shall have no capital stock, and no person or entity shall have any interest in the assets or net earnings of the Corporation. No part of the Corporation's net earnings shall inure to the benefit of any officer, director, or individual.

ARTICLE V

Incorporator

The name and address of the incorporator is:

Paul K. Savage
5406 W 11000 N, Ste. 103-532
Highland UT 84003

ARTICLE VI

Board of Directors

The Board of Directors shall be composed of members as may be established from time to time in accordance with the bylaws of the Corporation, but in any event not less than three (3) persons. The number of directors present at a regularly called meeting shall constitute a quorum that may conduct any business in behalf of this Corporation including the appointment of new or successor directors.

A meeting is regularly called if noticed by U.S. mail directed to the address of the director as such address is contained in the books of the Corporation. The notice must be mailed ten (10) days or more in advance of the meeting date. The Board of Directors shall have such meetings, in addition to an annual meeting, as may be provided from time to time in the bylaws of the Corporation.

The term of service and qualifications, if any, of directors shall be as established from time to time in the bylaws of the Corporation. In the event of resignation, disability or death of any director, the remaining director(s) shall have authority to fill all vacancies so created. The initial Board of Directors shall consist of the following:

Derek Miller
60 East South Temple, Suite 300,
Salt Lake City, Utah 84111

Theresa Foxley
60 East South Temple, Suite 300,
Salt Lake City, Utah 84111

Michael R. Sibbett
2157 Lincoln Street
Salt Lake City, Utah 84106

Paul K. Savage
5406 W 11000 N, Ste. 103-532
Highland UT 84003

ARTICLE VII

Principal Office; Registered Office

The initial principal office for the transaction of the business of the Corporation, which shall also constitute its initial registered office, is located at 60 East South Temple, Suite 300, Salt Lake City, Utah 84111.

ARTICLE VIII

Registered Agent

The name and address of the initial registered agent of the Corporation within the State of Utah is Paul K. Savage, Paul K. Savage, 5406 W 11000 N, Ste. 103-532, Highland UT 84003.

ARTICLE IX

Federal Tax Restrictions

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its trustees, officers, or any other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make grants consistent with the purposes of the Corporation and permitted to be made by an organization exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future federal law). Notwithstanding any other provisions of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future federal tax law).

ARTICLE X

Amendments

These Articles of Incorporation may be amended, altered, or repealed in the manner provided in the Act, subject only to reservation that no amendment may be made that would change the

purpose or purposes of the Corporation so as to include purposes that would not be exclusively purposes permitted to an organization described in Section 501(c)(3) of the Internal Revenue Code.

ARTICLE XI

Limitation on Liability

Neither the incorporator of this Corporation, nor any of the members of its Board of Directors, shall be individually or personally liable for any debts or obligations of this Corporation. Neither the incorporator of this Corporation, nor any of the members of its Board of Directors, nor any of its officers, employees or agents shall be individually or personally liable for any debts, obligations or liabilities of this Corporation. To the fullest extent permitted by the Act or any other applicable law as now in effect or as it may hereafter be amended, a director or officer of this Corporation shall not be personally liable to the Corporation for civil claims arising from acts or omissions in the performance of duties as a director or officer, unless the acts or omissions are the result of such director's or officer's own intentional misconduct. To the fullest extent permitted by law, the Corporation shall indemnify and hold harmless the incorporator and each director and officer from and against any liabilities or claims, together with reasonable expenses incurred in connection with the defense thereof, arising from acts or omissions in the performance of duties as a director or officer, unless the acts or omissions are the result of such director's or officer's own intentional misconduct.

ARTICLE XII

Dissolution

Upon dissolution of the Corporation or the winding up of its affairs, none of the assets of the Corporation will be distributed to the officers or directors thereof, but shall be distributed in a manner consistent with the Act to one or more nonprofit organizations organized and operated exclusively for charitable or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

IN WITNESS WHEREOF, for the purposes of forming this nonprofit corporation under the laws of the State of Utah, the undersigned, constituting the incorporator of this Corporation, has executed these Articles of Incorporation under penalties of perjury this 14th day of August, 2015.

INCORPORATOR:



PAUL K. SAVAGE



Governor's Office of Economic Development

BUSINESS • TOURISM • FILM

State of Utah

GARY R. HERBERT
Governor

Q. VAL HALE
Executive Director

SPENCER J. COX
Lieutenant Governor

September 22, 2015

Mr. Liu Zhongbo
Director-General
Sichuan Provincial Investment Promotion Bureau
#25 Youglin Road
Jinniu District, Chengdu, Sichuan, China

Dear Mr. Liu Zhongbo,

I understand you are traveling to the United States as part of President Xi Jinping's historic visit to the United States. I am optimistic that the meetings between President Obama and President Xi will be productive and promote further trade and cultural exchange between our two countries. I regret that we will not be able to meet during your visit to the United States but I do hope we can meet in person sometime in the near future and would reiterate Governor Herbert's invitation to you to bring a trade delegation to Utah.

In 2013, a group of Utah senators traveled to Sichuan, China, where they discovered some of our many common strengths and interests, including transportation, logistics, natural resources, technology, education, nutraceuticals, and health. I understand that during that time, Sichuan and Utah agreed to continue to strengthen our economic and cultural ties. It is my pleasure to inform you of some of the steps the State of Utah has taken to further those goals over the last two years.

During the 2015 Utah legislative session, members of the Utah State Legislature directed my office, along with one of our partners in global trade, the World Trade Center of Utah, to form a non-government entity with the express purpose of promoting business, education, and investment between Utah and Sichuan, China. That entity has been formed as a Utah non-profit corporation known as "The Utah Sichuan Economic and Cultural Exchange Association, Inc." (the "Association"). The Association will be primarily responsible for executing on the mission outlined by the Utah State Legislature and will act as the conduit between Sichuan and Utah.

As an indication of how seriously the State is taking this opportunity, the State provided significant financial resources towards capitalizing the Association. The Association's Board includes representatives of the government, non-profit, and business community. I am informed that the Association intends to expand its base of support to include students, academics, and healthcare professionals as well.



Mr. Liu Zhongbo
September 22, 2015
Page Two

I am excited about the opportunity for both of our jurisdictions, and am optimistic that in opening these lines of communication we can improve quality of life, economic opportunity, and cross-cultural sharing and engagement by the citizens, businesses, and institutions of Utah and Sichuan.

Should you have any questions about this letter or should you accept our invitation to welcome Sichuan government officials to Utah, please contact Theresa Foxley, our Managing Director of Corporate Recruitment and International Trade, at tfoxley@utah.gov or (801) 538-8828. Please feel free to communicate directly with our office going forward.

We again wish you a productive visit to the United States and look forward to creating a lasting, stable, and mutually beneficial relationship with you.

Sincerely,



Q. Val Hale
Executive Director
Governor's Office of Economic Development

Cc:
Theresa Foxley
Derek Miller
Paul Savage
Mike Sibbett