



NOTICE OF ***SPECIAL*** BOARD MEETING OF  
THE UPPER SAN JUAN HEALTH SERVICE DISTRICT  
d/b/a PAGOSA SPRINGS MEDICAL CENTER  
**Thursday, February 16, 2023, at 12:00 pm MST**  
The Board Room (direct access – northeast entrance)  
95 South Pagosa Blvd., Pagosa Springs, CO 81147

**FOR INFECTION CONTROL, PERSONS FROM THE PUBLIC ARE  
ENCOURAGED TO ATTEND VIA ZOOM**

Please use this link to join the meeting:  
<https://us02web.zoom.us/j/83611276692>  
or telephone (346)248-7799 or (669)900-6833  
Meeting ID: 836 1127 6692

### **AGENDA**

**1) CALL TO ORDER; ADMINISTRATIVE MATTERS OF THE BOARD**

- a) Confirmation of quorum
- b) Board member self-disclosure of actual, potential or perceived conflicts of interest
- c) Approval of the Agenda (and changes, if any)

**2) PUBLIC COMMENT** This is an opportunity for the public to make comment and/or address USJHSD Board. Persons wishing to address the Board need to notify the Clerk to the Board, Heather Thomas, prior to the start of the meeting. All public comments shall be limited to matters under the jurisdiction of the Board and shall be expressly limited to three (3) minutes per person. The Board is not required to respond to or discuss public comments. No action will be taken at this meeting on public comments.

**3) DECISION AGENDA**

- a) Discussion of [CSIP and its investment rates](#) and consideration of [Resolution 2023-05](#) regarding investment in a Colorado local government investment pool known as [CSIP](#).
- b) Consideration of [Resolution 2023-06](#) regarding [PSMC's internal controls policy](#) related to management of funds.
- c) Consideration of [Resolution 2023-07](#) regarding change in proposed rent for the CNL lease.

**4) EXECUTIVE SESSION**

The Board reserves the right to meet in executive session for any other purpose allowed and topic announced at open session of the meeting, in accordance with C.R.S. Section 24-6-402(4).

**5) OTHER BUSINESS**

**6) ADJOURN**

***PSMC's Mission: To provide quality, compassionate healthcare for each person we serve.***



# Investment Program Rates

February 9, 2023

Please Call CSIP Client Services Group with Questions or to Invest at 1.855.274.7468

More Information and Account Access at [www.csipinvest.com](http://www.csipinvest.com)

## Current 7-Day Yield<sup>(1)</sup>

**CSIP Liquid Portfolio** **4.71%**

## CSIP Term Portfolio Rates<sup>(2)</sup>

<u>Maturity</u>	<u>Date</u>	<u>Net Rate</u>
90 Days	May	<b>4.74%</b>
120 Days	June	<b>4.79%</b>
150 Days	July	<b>4.84%</b>
180 Days	August	<b>4.99%</b>
210 Days	September	<b>4.94%</b>
240 Days	October	<b>4.96%</b>
270 Days	November	<b>4.99%</b>
300 Days	December	<b>4.99%</b>
330 Days	January	<b>5.00%</b>
365 Days	February	<b>5.04%</b>

## CSIP Investment Program Attributes

### Liquid Portfolio

- Daily liquidity
- 12:00 noon, Mountain Time, same-day wire transaction deadline
- No account minimum

### Term Portfolio

- A variety of investment dates available to meet your specific cash flow needs
- 12:00 noon, Mountain Time, same-day investment deadline
- \$500,000 minimum initial investment, \$100,000 subsequent minimum investment and \$100,000 account minimum
- Automatic sweep of principal and interest into the CSIP Liquid Portfolio

### Both portfolios are designed for the investment of:

- Operating Funds
- Construction/Project Funds
- Capital Reserves
- Debt Service and Debt Service Reserve Funds

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1. The current seven-day yield, also referred to as the current annualized yield, represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally \$1.00 per share) over a seven-day base period expressed as a percentage of the value of one share at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7. Past performance is not indicative of future results and yields may vary. The yields shown above may reflect fee waivers by the Pool's current or prior service providers. When such waivers occur, they reduce the total operating expenses of the Pool, and the Pool's yield would have been lower if there were no such waivers.
2. CSIP Term Portfolio rates are market rates, subject to change and the rates shown are net of applicable advisory fees and other expenses. They are quoted on an actual day basis, interest is simple and payable at maturity. Actual rates, availability, and minimum investment amounts may vary at the time of purchase and are subject to change. Once you place an investment, the rate is fixed for the full term of your investment and there may be a penalty for early redemption. The minimum investment for CSIP Term is \$500,000. A description of the CSIP Term Portfolio is contained in the CSIP Information Statement. The Information Statement contains important information and should be read carefully before investing. Past performance is not indicative of future results.

This information is for institutional investor use only, not for further distribution to retail investors, and does not represent an offer to sell or a solicitation of an offer to buy or sell any fund or other security. Investors should consider the investment objectives, risks, charges and expenses before investing in any of the Colorado Statewide Investment Pool ("CSIP") portfolios. This and other information about the CSIP's portfolios is available in the current Information Statement, which should be read carefully before investing. A copy of the Information Statement may be obtained by calling 1-855-274-7468 or is available on the CSIP's website at [www.csipinvest.com](http://www.csipinvest.com). While the CSIP Liquid Portfolio seeks to maintain a stable net asset value of \$1.00 per share and the CSIP Term Portfolio seeks to achieve a net asset value of \$1.00 per share at the stated maturity, it is possible to lose money investing in the CSIP. An investment in the CSIP is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Shares of the CSIP's portfolios are distributed by **PFM Fund Distributors, Inc.**, member Financial Industry Regulatory Authority (FINRA) ([www.finra.org](http://www.finra.org)) and Securities Investor Protection Corporation (SIPC) ([www.sipc.org](http://www.sipc.org)). PFM Fund Distributors, Inc. is an affiliate of PFM Asset Management LLC.



# **COLORADO STATEWIDE INVESTMENT POOL**

## **AMENDED AND RESTATED INDENTURE OF TRUST**

Dated as of April 30, 2021

1550 Wewatta Street  
Suite 200  
Denver, CO 80202  
Phone (855) 274-7468  
Fax (888) 535-0120

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# INDENTURE OF TRUST

## Colorado Statewide Investment Pool

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### WITNESSETH:

WHEREAS, the provisions of Title 24, Article 75, Part 7 of the Colorado Revised Statutes entitled “Investment Funds – Local Government Pooling” (the “Investment Pooling Act”) enable any county, city and county, city, town, school district or special district, or any other political subdivision of the State of Colorado, or any department, agency, or instrumentality thereof, or any political or public corporation of the State of Colorado (a “Local Government”) to pool any moneys in the treasury of such Local Government which are not immediately required to be disbursed, with the same such moneys in the treasury of any other Local Government in order to take advantage of short-term investments seeking to maximize net interest earnings; and,

WHEREAS, it is the intent of the initial Local Governments signatory hereto (such Local Governments, the “Signatory Local Governments”) to create a local government investment pool, known as the Colorado Statewide Investment Pool (the “Trust”), pursuant to the Investment Pooling Act and that this Indenture of Trust (the “Indenture”) shall serve as the agreement for such purpose; and,

WHEREAS, it is the intent and purpose of this Indenture to provide for the investment and deposit of pooled funds in only those legal investments for Local Governments in accordance with Title 24, Article 75, Part 6 of the Colorado Revised Statutes (the “Legal Investments Act”) and Title 11, Articles 10.5 and 47 of the Colorado Revised Statutes entitled the Public Deposits Protection Act (the “PDPA”); and,

WHEREAS, by resolutions duly adopted, the Signatory Local Governments hereby create the Trust as a local government investment pool pursuant to this Indenture, which action serves a governmental purpose for said Local Governments and is therefore in the best interests of said Local Governments, their officials, officers, and citizens in that such a program will offer professionally managed portfolios to meet investment needs, will result in economies of scale that will create greater purchasing powers, and will thereby lower the costs traditionally associated with the investment of the assets of said Local Governments; and,

WHEREAS, each of the Signatory Local Governments has duly undertaken all official actions necessary and appropriate to become a party to this Indenture for the purpose of establishing the Trust, and to perform hereunder, including, without limitation, the establishment of written investment policies and the enactment of any resolutions or the undertaking of other actions required pursuant to the Investment Pooling Act or other applicable law and regulations; and,



WHEREAS, it is proposed that the beneficial interest in the assets of the trust fund created pursuant to the provisions of this Indenture shall be divided into non-transferable Shares of beneficial interest, which shall be evidenced by a share register maintained by the Trustees or their agent, or by the Administrator; and,

WHEREAS, the Signatory Local Governments anticipate that other Local Governments may wish to become Participants by adopting this Indenture and becoming a party hereto;

NOW, THEREFORE, the recitals set forth above are adopted and incorporated into this Indenture of Trust. In consideration of the mutual promises, covenants and agreements contained herein, the parties hereto, now and hereafter added pursuant to the provisions herein, mutually undertake, promise and agree for themselves, their respective representatives, successors and assigns that all monies, assets, securities, funds and property now or hereafter acquired by the Trustees, their successors and assigns under this Indenture shall be held and managed in trust for the equal and proportionate benefit of the holders of record from time to time of Shares of beneficial interest herein, without privilege, priority or distinction among such holders, and subject to the terms, covenants, conditions, purposes and provisions hereof as follows:

## **ARTICLE I – DEFINITIONS**

For purposes of this Indenture, the following terms shall have the meanings set forth:

“Administrator” means the Trust Administrator appointed by the Trustees pursuant to Section 4.1 hereof and as constituted from time to time by agreement with the Trustees which has, or has been delegated, the responsibility for administering the Trust or any aspects of it.

“Adviser” means the Investment Adviser appointed by the Trustees pursuant to Section 4.1 hereof and constituted from time to time by agreement with the Trustees which has, or has been delegated, the responsibility to effect purchases, sales, or exchanges of Trust property on behalf of the Trustees and to provide advice to the Trustees regarding the investment of Trust assets.

“Affiliate” means with respect to a person another person directly or indirectly controlled, controlled by or under the common control with such person, or any officer, director, partner or employees of such person.

“Code” means the Internal Revenue Code and any regulations promulgated pursuant thereto.

“Custodian” means a qualified financial institution selected by the Trustees pursuant to a Custodian Agreement for the purpose of receiving and holding Trust assets.

“Custodian Agreement” means the agreement between the Trustees on behalf of the Trust and Custodian.

“Designee” shall mean the individual designated as such by a Participant in writing. Such

Designee shall be the legal representative to act on behalf of each Participant. Each Participant may designate Alternate Designees.

“Eligible Public Depository” means an eligible public depository as defined in the PDPA.

“Indenture” means this Indenture of Trust as it may be amended from time to time.

“Investment Pooling Act” means Title 24, Article 75, Part 7 of the Colorado Revised Statutes, as amended, and as may be further amended from time to time.

“Legal Investment Act” means Title 24, Article 75, Part 6 of the Colorado Revised Statutes, as amended, and as may be further amended from time to time.

“Local Government” means any county, city and county, city, town, school district or special district, or any other political subdivision of the State of Colorado, or any department, agency, or instrumentality thereof, or any political or public corporation of the State of Colorado.

“Participants” means the Local Governments which adopts a Resolution to join and execute this Indenture.

“PDPA” means Articles 10.5 and 47 of Title 11 of the Colorado Revised Statutes, as amended, and as may be further amended from time to time.

“Permitted Investments” means those investments in Part 6, Article 75, Title 24 of the Colorado Revised Statutes, as amended, and as may be further amended from time to time.

“Rules” means Rules of the Colorado Securities Act, Chapter 9 Local Government Investment Pool Trust Funds.

“Shares” shall have the meaning ascribed to such term in Section 7.1 hereof.

“Signatory Local Government” means a Local Government which has agreed to be a signatory to this Indenture for the purpose of creating a statutory trust as authorized by the Investment Pooling Act.

“Trust” means the trust created by this Indenture.

“Trust Property” means any and all property, real, personal or otherwise, tangible or intangible, which is transferred, conveyed or paid to the Trust and all income, profits and gains therefrom and which, at such time, is owned or held by, for the account of the Trust.

“Trustee” means any member of the Board.

“Trustees” means individuals appointed by the Board of Trustees and, unless otherwise provided herein, approved by the Participants to administer and supervise the affairs of the Trust.

## ARTICLE II – CREATION OF TRUST

**2.1 Creation of Trust.** By these present, a Colorado statutory trust is hereby established by this Indenture. The Trust shall be called the “Colorado Statewide Investment Pool”. The Trustees may use such other designations, including “CSIP”, as the Trustees deem proper. So far as may be practicable, the Trustees shall conduct the Trust’s activities, execute all documents and sue or be sued under that name or designation, which name or designation (and the word “Trust”) wherever used in this Indenture, except where the context otherwise requires, shall refer to the Trustees in their capacity as Trustees, and not individually or personally, and shall not refer to the officers, agents, employees, counsel, advisers, consultants, or accountants of the Trustee, nor shall such term refer to the Signatory Local Governments or Participants. Should the Trustees determine that the use of such name or designation is not practicable, legal or convenient, they may use such other designation or they may adopt such other name for the Trust as they deem proper, and the Trust may hold property and conduct its activities under such designation or name. The Trustees shall take such action as they, acting with the advice of counsel, shall deem necessary or appropriate to file or register such name or designation in accordance with the laws of the State of Colorado or the United States of America so as to protect and reserve the right of the Trust in and to such name or designation.

### **2.2 Contributions to the Trust.**

(a) All contributions that a Participant makes to be invested by the Trustees shall be paid and delivered to the Trustees to be held in the Trust.

(b) All payments made by a Participant to the Trust, and all other money or property that lawfully becomes a part of the Trust, together with the income, appreciation or depreciation and expenses, if any, therefrom, shall be held, managed and administered in trust, pursuant to the terms of this Indenture. The Trustees accept this Trust and agree to perform the duties, responsibilities and obligations under this Indenture allocated to them as fiduciaries.

**2.3 Trustees’ Duties.** The Trustees shall not have the right and shall not be subject to any duty to demand or collect contributions from the Participants, or from any other person or entity, or to enforce or attempt to enforce any agreement that may be considered to require contributions to this Trust. The Trustees shall be accountable only for transfers and contributions made to the Trust fund in accordance with the terms of this Indenture.

The powers, rights, and obligations of the Trustees shall be established and governed solely by this Indenture.

**2.4 Qualification of Trust.** This Trust is intended to be exempt from income tax pursuant to Section 115 of the Code, and shall be construed and operated in all respects consistently with that intention. The Trustees shall take no action which would adversely affect the tax-exempt status of the Trust. The Trustees may demand assurances satisfactory to them that any action which they are directed to take will not adversely affect the tax-exempt status of the Trust. The Trustees, or their Designee, shall take any and all actions necessary to ensure that the Trust obtains all appropriate qualifications and determination, to the extent necessary, that it is and continues to be exempt from income tax under Section 115 of the Code.

## 2.5 **Purpose; Participant Requirements; Changes of Incumbency.**

(a) The purpose of the Trust is to provide a surplus funds trust fund in accordance with Colorado law permitting Local Governments to pool monies available in their treasuries, which are not immediately required to be disbursed, with the same such monies in the treasuries of other Local Governments, in order to invest them and earn interest in accordance with, and as permitted by, the provisions of the Investment Pooling Act and the Legal Investments Act or other laws of the State of Colorado governing the investment of monies of a Local Government, and as allowed by law. No Participant shall be required to appropriate any funds or levy any taxes to establish or contribute to this Trust. The Trustees may provide for the payment or repayment of any expenses from the earnings of the Trust.

(b) Only those Local Governments which adopt this Indenture and have complied with the provisions of this section may become Participants. The Designee empowered to invest funds of each Local Government or such other person designated by the Participant to serve in such capacity (an "Alternate Designee"), shall be the legal representative to act for and on behalf of such Local Government for purposes of this Indenture.

(c) Each Local Government adopting this Indenture, and otherwise complying with the provisions hereof, shall become a Participant only upon adopting this Indenture and depositing into the Trust the minimum total investment as that amount is established from time to time by the Trustees. Whenever the balance in a Participant's account is less than the minimum established by the Trustees, the Trustees may redeem the Shares and close the account; provided that thirty (30) days' prior notice shall be given to such Participant and redemption shall only be permitted if the Participant has not restored the balance in the account to the minimum amount established prior to the expiration of such thirty (30) day period which begins with the date of such notice. If the Trustees change the minimum total investment to an amount greater than the investment of any Participant at the time that such change becomes effective, the investment of such Participant shall not be redeemed without such Participant's consent.

(d) In the event that a Designee shall no longer be authorized to act on behalf of such Participant as a Designee, and in the absence of any duly-appointed Alternate Designee, any funds placed in the Trust by such Designee shall be held hereunder for the benefit of the Local Government for which he or she was acting at the time the vacancy or termination of authority occurred. Any Designee assuming office, either to fill a vacancy in such office or to begin a new term following the expiration of the term in office of his or her predecessor, or otherwise becoming authorized to act as Designee on behalf of such Participant, shall become the succeeding legal representative of the Local Government by the Local Government filing written notification of such with the Trustees in a form acceptable to the Trustees.

**2.6 Trustees; Signatory Public Agencies and Participants.** No Signatory Local Government or Participant, nor any or its officers, employees, agents or representatives shall have any liability under this Indenture as a result of service by its Designee as a Trustee.

**2.7 Voting.** Each Participant of record holding Shares shall be entitled to vote, through its Designee or an Alternate Designee, on the following matters: (a) Election of the Board, (b)

Amendment of this Indenture, (c) Termination of the Trust, and (d) Reorganization of the Trust. Each Participant shall be entitled to one vote for each whole share held by the Participant and each Participant shall be entitled to one fractional vote for each fractional share held by the Participant. A proxy purporting to be executed by or on behalf of a Participant shall be deemed valid unless challenged at or prior to its exercise and the burden of proving invalidity shall rest on the challenger. The Trustees shall determine any such challenge and their decision shall be final. The approval of a simple majority of the voting Shares shall be sufficient to approve any action at a meeting or other election of the Participants except as provided in Sections 10.4. and 14.1.

All matters other than the (a) Election of the Board, (b) Amendment of this Indenture, (c) Termination of the Trust, and (d) Reorganization of the Trust shall be decided through a vote of the Board of Trustees. Each Trustee shall be entitled to cast one vote and such vote shall not be allocated on the basis of the number of Shares held by that Trustee's Local Government.

### **ARTICLE III - TRUST OPERATIONS**

**3.1 Powers of the Board of Trustees.** Subject to the rights of the Participants as provided herein, the Trustees shall be the investment officer of the Trust and shall have authority over the Trust Property and the affairs of the Trust to administer the operation of the Trust, subject to the requirements, restrictions and provisions of this Indenture, including the power to delegate such functions of administration pursuant to Section 3.16 hereof. The Trustees may do and perform such acts and things as in their judgment and discretion, subject to the requirements and restrictions of this Indenture, as are necessary and proper for conducting the affairs of the Trust or promoting the interest of the Trust and the Participants. The enumeration of any specific power or authority herein shall not be construed as limiting the aforesaid general power or authority or any specific power or authority. The Trustees may exercise any power authorized and granted to them by this Indenture. Such powers of the Trustees may be exercised without the necessity of any order of, or resort to, any court.

**3.2 Permitted Investments.** The Trustees shall have the following investment powers:

(a) To conduct, operate and provide an investment program for the pooling of surplus funds of a Local Government to invest in the Permitted Investments as may be modified from time to time as provided in this Indenture;

(b) For such consideration as they may deem proper and as may be required by law, to subscribe for, assign, transfer, exchange, distribute and otherwise deal in or dispose of Permitted Investments; and

(c) To contract for, and enter into agreements with respect to, the purchase and sale of Permitted Investments.

**3.3 Legal Title.**

(a) Legal title to all of the Trust Property shall be vested in the Trustees on behalf of the Participants, who shall be the beneficial owners except that the Trustees shall have full and complete

power to cause legal title to any Trust Property to be held, on behalf of the Participants, by or in the name of the Trust, or in the name of any other Person as nominee, on such terms, in such manner, and with such powers as the Trustees may determine, so long as in their judgment the interest of the Trust is adequately protected.

(b) The right, title and interest of the Trustees in and to the Trust Property shall vest automatically in all persons who may hereafter become Trustees upon their due selection and qualification without any further act. Upon the resignation, disability, removal, adjudication as an incompetent, disqualification pursuant to the terms of this Indenture, or death of a Trustee, he or she (and in the event of his or her death, his or her estate) shall automatically cease to have any right, title or interest in or to any of the Trust Property, and the right, title and interest of such Trustee in and to the Trust Property shall vest automatically in the remaining Trustees without any further act.

**3.4 Disposition of Assets.** In winding up the affairs of the Trust, the Trustees shall have full and complete power to sell, exchange or otherwise dispose of any and all Trust Property free and clear of any and all trusts and restrictions, at public or private sale, for cash or on terms, with or without advertisement, and subject to such restrictions, stipulations, agreements and reservations as they shall deem proper, and to execute and deliver any deed, power, assignment, bill of sale, or other instrument in connection with the foregoing including giving consents and making contracts relating to Trust Property or its use.

**3.5 Taxes.** The Trustees shall have full and complete power:

(a) To pay all taxes or assessments, of whatever kind or nature, validly and lawfully imposed upon or against the Trust or the Trustees in connection with the Trust Property or upon or against the Trust Property or income or any part thereof;

(b) To dispute, settle and compromise tax liabilities; and

(c) For the foregoing purposes to make such returns and do all such other acts and things as may be deemed by the Trustees to be necessary or desirable.

**3.6 Rights as Holders of Trust Property.** The Trustees shall have full and complete power to exercise on behalf of the Participants all of the rights, powers and privileges appertaining to the ownership of all or any Permitted Investments or other property forming part of the Trust corpus to the same extent that any individual might, and, without limiting the generality of the foregoing, to vote or give any consent, request or notice or waive any notice either in person or by proxy or power of attorney, with or without the power of substitution, to one or more persons, which proxies and powers of attorney may be for meetings or actions generally, or for any particular meeting or action, and may include the exercise of discretionary powers.

**3.7 Delegation: Committees.** The Trustees shall have full and complete power (consistent with their continuing exclusive authority over the management of the Trust, the conduct of its affairs, their duties and obligations as Trustees, and the management and disposition of the Trust Property), in addition to the delegation powers set forth in Section 3.16 hereof, to delegate from time to time to such one or more of their number (who may be designated as constituting a

Committee of the Trustees) or to officers, employees or agents of the Trust (including, without limitation, the Administrator, the Adviser and the Custodian) the doing of such acts and things and the execution of such instruments, either in the name of the Trust or the names of the Trustees or as their attorney or attorneys, or otherwise as the Trustees may from time to time deem expedient and appropriate in the furtherance of the business affairs and purposes of the Trust.

**3.8 Collection Powers.** The Trustees shall have full and complete power:

(a) To collect, sue for, receive and receipt for all sums of money or other property due to the Trust including, without limitation, the power to file proofs of claim in any bankruptcy or insolvency matter;

(b) To consent to extensions of the time for payment, or to the renewal of any securities, investments or obligations;

(c) To engage or intervene in, prosecute, defend, compromise, abandon or adjust by arbitration or otherwise any actions, suits, proceedings, disputes, claims, demands or things relating to the Trust Property;

(d) To foreclose any collateral, security or instrument securing any investments, notes, bills, bonds, obligations or contracts by virtue of which any sums of money are owed to the Trust;

(e) To exercise any power of sale held by the Trustees, and to convey good title thereunder free of any and all trusts, and in connection with any such foreclosure or sale, to purchase or otherwise acquire title to any property;

(f) To be parties to reorganization and to transfer to and deposit with any corporation, committee, voting trustee or other person any securities, investments or obligations of any person which form a part of the Trust Property, for the purpose of such reorganization or otherwise;

(g) To participate in any arrangement for enforcing or protecting the interests of the Trustees as the owners or holders of such securities, investments or obligations and to pay any assessment levied in connection with such reorganization or arrangement;

(h) To extend the time (with or without security) for payment or delivery of any debts or property and to execute and enter into releases, agreements and other instruments; and

(i) To pay or satisfy any debts or claims upon any evidence that the Trustees shall deem sufficient.

**3.9 Powers: Payment of Expenses.** The Trustees shall have full and complete power:

(a) To incur and pay charges or expenses which in the opinion of the Trustees are necessary or incidental to or proper for the carrying out any of the purposes of this Indenture;

(b) To reimburse others for the payment therefor; and

(c) To pay appropriate compensation or fees from the funds of the Trust to persons with whom the Trust has contracted or transacted business.

The Trustees may pay themselves or any one or more of themselves reimbursement for expenses reasonably incurred by themselves or any one or more of themselves on behalf of the Trust.

Notwithstanding any provision of this Indenture to the contrary, in no event shall any expenses of administration of the Trust be payable from any source other than Trust Property.

**3.10 Borrowing and Indebtedness.** The Trustees shall not incur indebtedness on behalf of the Trust, or authorize the Trust to borrow money or incur indebtedness, except as expressly provided in Section 5.2(b) hereof.

**3.11 Deposits.** The Trustees shall have full and complete power to deposit, subject to the provisions of the PDPA, in such a manner as may now and hereafter be permitted by this Indenture or applicable law, any monies or funds included in the Trust Property and intended to be used for the payment of expenses of the Trust or the Trustees, with one or more banks, trust companies or other banking institutions whether or not such deposits will draw interest. Such deposits are to be subject to withdrawal in such manner as the Trustees may determine, and the Trustees shall have no responsibility for any loss which may occur by reason of the failure of the bank, trust company or other banking institution with which the monies, investments, or securities have been deposited. Each such bank, trust company or other banking institution shall comply, with respect to such deposit, with all applicable requirements of all applicable laws including, without limitation, with the PDPA.

**3.12 Valuation.** The Trustees shall have full and complete power to conclusively determine in good faith the value of any of the Trust Property and to revalue the Trust Property as the Trustees deem appropriate consistent with the provisions of this Indenture.

**3.13 Fiscal Year; Accounts.** The Trustees shall have full and complete power to determine the fiscal year of the Trust and the method or form in which its accounts shall be kept and from time to time to change the fiscal year or method or form of accounts. The fiscal year shall be as set forth in the By-Laws.

**3.14 Self-Dealing Prohibited.**

(a) No Trustee, officer, employee or agent of the Trust shall cause or permit the Trust to make any investment or deposit, enter into any contract or other arrangement, or perform any act which confers or might reasonably be expected to confer any special benefit upon such person or any Affiliate of such person.

(b) The Trust shall not enter into any investment transaction with any Affiliate of the Trust, or with the Adviser or the Administrator or any Affiliate thereof, or with any other officer, director, employee or agent of the Trust or any Affiliate thereof. Provided, however, the Trust may deposit moneys and purchase and sell Permitted Investments from and to the Custodian or an Affiliate



of the Custodian.

**3.15 Investment Program.** The Trustees shall use their best efforts to obtain, through the Adviser or other qualified persons, a continuing and suitable investment program, consistent with the investment policies and objectives of the Trust, and the Trustees shall be responsible for reviewing and approving or rejecting the investment program presented by the Adviser or such other persons. Subject to the provisions of this Indenture, the Trustees may delegate functions arising under this Section 3.15 to one or more of their number or to the Adviser.

**3.16 Power to Contract, Appoint, Retain and Employ.** Subject to the provisions of this Indenture, the Trustees shall have full and complete power to appoint, employ, retain, or contract with any person of suitable qualifications and high repute to perform any or all of the following functions under the supervision of the Trustees:

(a) Serve as the Trust's investment Adviser administrator or co-administrator pursuant to Article IV;

(b) Furnish reports to the Trustees and provide research, economic and statistical data in connection with the Trust's investments;

(c) Act as consultants, accountants, technical advisers, attorneys, brokers, underwriters, corporate fiduciaries, escrow agents, depositaries, custodians or agents for collection, insurers or insurance agents, registrars for Shares or in any other capacity deemed by the Trustees to be necessary or desirable;

(d) Investigate, select, and, on behalf of the Trust, conduct or engage others to manage relations with persons acting in such capacities and pay appropriate fees to, and enter into appropriate contacts with, or employ, or retain services performed or to be performed by, any of them in connection with the investments acquired, sold, or otherwise disposed of, or committed, negotiated, or contemplated to be acquired, sold or otherwise disposed of;

(e) Substitute any other person possessing the same minimum qualifications for any such person, such replacement to be made in the same manner as the original selection;

(f) Act as attorney-in-fact or agent in the purchase or sale or other disposition of investments, and in the handling, prosecuting or other enforcement of any lien or security securing investments; and

(g) Assist in the performance of such ministerial functions necessary in the management of the Trust as may be agreed upon with Trustees.

**3.17 Indemnification.** Upon advice of counsel, the Trustees shall have full and complete power, to the extent of Trust property (as provided in Section 6.1) and as permitted by applicable laws, to indemnify or enter into agreements with respect to indemnification with any person with whom the Trust has dealings, to such extent as the Trustees shall determine in accordance with law. The Trust is authorized to purchase insurance to provide such indemnification.

3.18 **Remedies.** Notwithstanding any provision in this Indenture, when the Trustees deem that there is a significant risk that an obligor to the Trust may default or is in default under the terms of any obligation to the Trust, the Trustees shall have full and complete power to pursue any remedies permitted by law which, in their sole judgment, are in the interests of the Trust, and the Trustees shall have full and complete power to enter into any investment, commitment or obligation of the Trust resulting from the pursuit of such remedies as are necessary or desirable to dispose of property acquired in the pursuit of such remedies.

3.19 **Further Powers.** The Trustees shall have full and complete power to take all actions, do all such matters and things and execute all such agreements, documents and instruments as they deem necessary, proper or desirable in order to carry out, promote or advance the interests and purposes of the Trust although such actions, matters or things are not herein specifically mentioned. Any determination as to what is in the best interests of the Trust made by the Trustees in good faith shall be conclusive. In construing the provisions of this Indenture, the presumption shall be in favor of a grant of power to the Trustees. No provision in this Indenture, however, may be interpreted or construed in a manner which alters or reduces the duties of the Trustees to act as fiduciaries of the Trust. The Trustees shall not be required to obtain any court order to deal with the Trust Property.

## **ARTICLE IV- INVESTMENT ADVISER AND ADMINISTRATOR**

4.1 **Appointment.** The Trustees are responsible for implementing the investment policy and program of the Trust and for supervising the officers, agents, employees, investment advisers, administrators, distributors, and independent contractors of the Trust. The Trustees are not required personally to conduct all of the routine business of the Trust and, consistent with their ultimate responsibility as stated herein, the Trustees may appoint, employ or contract with an Adviser and an Administrator, and may grant or delegate such authority to the Adviser and the Administrator or to any other Person whose services are obtained by the Adviser or the Administrator, as the Trustees may, in their sole discretion, deem to be necessary or desirable for the efficient management of the Trust, without regard to whether such authority is normally granted or delegated by Trustees or other fiduciaries.

4.2 **Duties of the Adviser.** The duties of the Adviser shall be those set forth in an Investment Advisory Agreement to be entered into between the Trust and the Adviser. Such duties may be modified by the Trustees, from time to time, by the amendment of the Investment Advisory Agreement subject to the limitations contained therein. Subject to the terms of this Indenture, the Trustees may authorize the Adviser to effect purchases, sales, or exchanges of Trust Property on behalf of the Trustees or may authorize any officer, employee, agent or Trustee to effect such purchases, sales, or exchanges pursuant to recommendations of the Adviser, all without further action by the Trustees. Any and all of such purchases, sales, and exchanges shall be deemed to be authorized by all the Trustees. The Investment Advisory Agreement may authorize the Adviser to employ other persons to assist it in the performance of its duties. The Investment Advisory Agreement shall provide that it may be terminated without cause and without the payment of any penalty by the Trust on no less than sixty (60) days' written notice to the Adviser. Nothing in this Indenture or in the Investment Advisory Agreement shall limit or impair the right of the Trustees to terminate the said Investment Advisory Agreement for cause, or to suspend the authority of the Adviser to act for or on behalf of the Trust immediately upon written notice to the Adviser, upon a

showing of reasonable cause to believe that the Adviser has committed a material breach of the Investment Advisory Agreement or any of its fiduciary obligations to the Trust.

**4.3 Duties of the Administrator.** The duties of the Administrator shall be those set forth in an Administration Agreement to be entered into between the Trust and the Administrator. Such duties may be modified by the Trustees, from time to time, by the amendment of the Administration Agreement. The Administration Agreement may authorize the Administrator to employ other persons to assist it in the performance of its duties. The Administration Agreement shall provide that it may be terminated without cause and without the payment of any penalty by the Trust on no less than sixty (60) days' written notice to the Administrator. Nothing in this Indenture or in the Administration Agreement shall limit or impair the right of the Trustees to terminate the said Administration Agreement for cause, or to suspend the authority of the Administrator to act for or on behalf of the Trust immediately upon written notice to the Administrator, upon a showing of reasonable cause to believe that the Administrator has committed a material breach of the Administration Agreement or any of its fiduciary obligations to the Trust.

**4.4 Successors.** In the event that, at any time, the position of Adviser or of Administrator shall become vacant for any reason, the Trustees may appoint, employ or contract with a successor Adviser or Administrator.

## **ARTICLE V - INVESTMENTS**

**5.1 Statement of Investment Policy and Objective.** Subject to the prohibitions and restrictions contained in Section 5.2 hereof, the general investment policy and objective of the Trustees shall be to provide to the Participants safety of capital, liquidity of funds, and investment income, in that order, by investing in Permitted Investments in accordance with this Indenture and any other applicable provisions of law, as the same may be amended from time to time.

**5.2 Restrictions Fundamental to the Trust.** Notwithstanding anything in this Indenture which may be deemed to authorize the contrary, the Trust:

(a) May not make any investment other than investments authorized by this Indenture, which constitute Permitted Investments and which are consistent with the investment policies and procedures set forth in the Information Statement and which are described therein, as the same shall may be amended from time to time;

(b) May not borrow money or incur indebtedness except as a temporary measure to facilitate withdrawal requests which might otherwise require unscheduled dispositions of portfolio investments, and only as and to the extent permitted by law;

(c) May not make loans, provided that the Trust may make Permitted Investments (which may include securities lending); and

(d) May not hold or provide for the custody of any Trust Property in a manner not authorized by law.

**5.3 Amendment of Restrictions.** The restrictions set forth in Section 5.2 hereof are

fundamental to the operation and activities of the Trust and may not be changed without the consent of a majority of the Participants, except that such restrictions may be changed by the Trustees, without Participant consent, when necessary to conform the investment program and activities of the Trust to the laws of the State of Colorado and the United States of America as they may from time to time be amended.

## **ARTICLE VI - LIMITATIONS OF LIABILITY**

**6.1 Liability to Third Persons.** No Participant shall be subject to any personal liability whatsoever, in tort, contract or otherwise to any person or persons other than the Trust in connection with Trust Property or the affairs of the Trust; and no Trustee, officer, employee or agent (including without limitation, the Adviser, the Administrator, and the Custodian) of the Trust shall be subject to any personal liability whatsoever in tort, contract or otherwise, to any person or persons other than the Trust in connection with Trust Property or the affairs of the Trust, except that each shall be liable for its, his or her bad faith, willful misconduct, gross negligence or reckless disregard of its, his or her duties or for its, his or her failure to act in good faith in the reasonable belief that its, his or her action was in the best interests of the Trust, and except that the Adviser and the Administrator shall each have liability for its, his or her failure to take reasonable measures to restrict investments of Trust Property to those permitted by law and this Indenture. All persons other than the Trust shall look solely to the Trust Property for satisfaction of claims of any nature arising in connection with the affairs of the Trust. If any Participant, Trustee, officer, employee or agent (including, without limitation, the Adviser, the Administrator, and the Custodian) of the Trust is made a party to any suit or proceedings to assert or enforce any such liability, it, he or she shall not on account thereof be held to any personal liability. Provided, further, that notwithstanding anything in the foregoing to the contrary, any vendor, Adviser, consultant, administrator, etc., employed by or under contract with the Trust, shall be responsible to the Trust and its Participants as intended beneficiaries, to perform in accordance with the standards imposed in a contract with such party, by operation of law.

**6.2 Liability to the Trust or to the Participants.** No Trustee, officer, employee or agent (including, without limitation, the Adviser, the Administrator and the Custodian) of the Trust shall be liable to the Trust or to any Participant, Trustee, officer, employee or agent (including, without limitation, the Adviser, the Administrator, and the Custodian) of the Trust for any action or failure to act (including, without limitation, the failure to compel in any way any former or acting Trustee to redress any breach of trust) except for its, his or her own bad faith, willful misfeasance, gross negligence or reckless disregard of its, his or her duties, and except that the Adviser shall have liability for the failure to take reasonable measures to restrict investments of Trust Property to those permitted by law and this Indenture; *provided, however*, that the provisions of this Section 6.2 shall not limit the liability of any agent (including, without limitation, the Adviser, the Administrator, and the Custodian) of the Trust with respect to breaches by it of a contract between it and the Trust.

**6.3 Indemnification.**

(a) As used in this Section 6.3:

(1) "Trust Representative" means an individual who is or was a Trustee, officer,

employee, or agent (including without limitation the Adviser, the Administrator, and the Custodian).

(2) "Expenses" includes attorney fees.

(3) "Liability" means the obligation to pay a judgment, settlement, penalty, fine, or reasonable expense incurred with respect to a proceeding.

(4) "Party" includes an individual who was, is, or is threatened to be named a defendant or respondent in a proceeding.

(5) "Proceeding" means any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal.

(b) Except as provided in subsection (c) hereof, the Trust shall indemnify against liability incurred in any proceeding by an individual made a party to the proceeding because of his status as a Trust Representative if he or she conducted him or herself in good faith, and (i) he or she reasonably believed that his or her conduct was in the Trust's best interests or, (ii) in the case of a criminal proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful.

(c) In no event may the Trust indemnify the Adviser or the Administrator for expenses or liability arising out of any willful or negligent violation by either of them of the restrictions on investments of the Trust Property. Further, the Trust shall not indemnify any Trust Representative under this Section either (i) in connection with a proceeding by or in the right of the Trust in which the Trust Representative was adjudged liable to the Trust, or (ii) in connection with any proceeding charging improper personal benefit to him or her, in which such person was adjudged liable on the basis that such personal benefit was improperly received by him or her in connection with a proceeding by or in the right of the Trust. Indemnification is in all cases limited to reasonable expenses incurred.

(d) Except as provided in subsection (c) of this Section, the termination of any proceeding by judgment, order, settlement, or conviction, or upon a plea of *nolo contendere* or its equivalent, is not of itself determinative that the individual did not meet the standard of conduct set forth in subsection (b) of this Section.

(e) No indemnification shall be made unless and until a specific determination has been made that indemnification is authorized under this Section 6.3. Such determination shall be made by the Trustees by a majority vote of a quorum, which quorum shall consist of Trustees not parties to the proceeding. If such quorum cannot be obtained, the determination shall be made by a majority vote of a committee of Trustees designated by the Trustees, which committee shall consist of two or more Trustees not party to the proceeding. Trustees who are parties to the proceeding may participate in designating Trustees for the committee. If the said quorum cannot be obtained or the committee cannot be established, or if such quorum is obtained or committee is designated and such quorum or committee so directs, the determination may be made by independent legal

counsel selected by a vote of the Trustees or the committee as specified above. If independent counsel determines that indemnification is required under this Section, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by the body that selected such counsel.

(f) The Trust may pay for or reimburse the reasonable expenses incurred by a Trust Representative who is a party to a proceeding in advance of final disposition thereof if (i) the Trust Representative furnishes the Trust a written affirmation of his good faith belief that he or she has met the standard of conduct described in subsection (b) of this Section and a written undertaking executed personally to repay the advance if it is ultimately determined that indemnification is not authorized under this Section, and (ii) it is determined as provided in subsection (e) above that the facts then known would not preclude indemnification under this Section.

(g) Any indemnification of or advance of expenses to a Trust Representative pursuant to this Section shall be reported in writing to the Participants as soon as practicable, if such indemnification of or advance of expenses arises out of a proceeding by or on behalf of the Trust.

(h) No Trust Representative entitled to indemnification may take or be paid the same except out of the earnings of the Trust, and no Participant shall be personally liable to any such Trust Representative for all or any portion of such indemnity.

6.4 **Surety Bonds.** No Trustee shall, as such, be obligated to give any bond or surety or other security for the performance of any of his duties.

6.5 **Apparent Authority.** No purchaser, seller, transfer agent or other person dealing with the Trustees or any officer, employee or agent of the Trust shall be bound to make any inquiry concerning the validity of any transaction purporting to be made by the Trustees or by such officer, employee or agent or make inquiry concerning or be liable for the application of money or property paid, transferred or delivered to or on the order of the Trustees or of such officer, employee or agent.

6.6 **Representative Capacity; Recitals.** Any written instrument creating an obligation of the Trust shall be conclusively taken to have been executed by a Trustee or an officer, employee or agent of the Trust only in his capacity as a Trustee under this Indenture or in his or her capacity as an officer, employee or agent of the Trust. Any written instrument creating an obligation of the Trust shall refer to this Indenture and shall contain a recital to the effect that the obligations thereunder are not personally binding upon, nor shall resort be had to the property of, any of the Trustees, Participants, officers, employees or agents of the Trust, and that only the Trust Property or a specific portion thereof shall be bound, and such written instrument may contain any further similar recital which may be deemed appropriate; *provided however*, that the omission of any recital pursuant to this Section 6.6 shall not operate to impose personal liability on any of the Trustees, Participants, officers, employees or agents of the Trust, or to void any obligations created in the instrument.

6.7 **Reliance on Experts.** Each Trustee, officer and employee of the Trust shall, in the performance of his or her duties, be fully and completely justified and protected with regard to any act or any failure to act resulting from reliance in good faith upon the books of account or

other records of the Trust, upon an opinion of counsel or upon reports made to the Trust by any of its officers or employees or by the Adviser, the Administrator, the Custodian, accountants, appraisers or other experts or consultants selected with reasonable care by the Trustees or officers of the Trust.

6.8 **Insurance.** The Trustees shall obtain general and official liability and property damage insurance, errors and omission insurance and such other insurance as the Trustees may deem advisable for the protection of the Trust Property and the Trustees, Treasurers officers and employees of the Trust in the operation and conduct of the Trust in such amounts as the Trustees deem adequate to ensure against all claims and liabilities of every nature, to the extent such insurance may be available at reasonable rates. The cost of any and all such insurance shall be paid from Trust property as an expense of administration of the Trust.

## ARTICLE VII - INTERESTS OF PARTICIPANTS

7.1 **Beneficial Interest.** The interest of the beneficiaries hereunder shall be divided into transferable units to be called Shares, all of one series except as permitted by Section 7.10, without par value. The number of Shares authorized hereunder is unlimited. Except as otherwise permitted under Section 7.10 hereof, each Share shall represent an equal proportionate interest in the net assets of the applicable series within the Trust. All Shares issued hereunder including, without limitation, Shares issued in connection with a dividend in Shares or a split of Shares, shall be fully paid and nonassessable.

7.2 **Title to Trust Property.** Title to the Trust Property of every description and the right to conduct any affairs herein described are vested in the Trustees on behalf, and for the beneficial interest, of the Participants, and the Participants shall have no individual interest therein other than the beneficial interest conferred hereby and measured by their Shares, and they shall have no right to call for any partition or division of any property, profits, rights or interests of the Trust nor can they be called upon to share or assume any losses of the Trust or suffer an assessment of any kind by virtue of the allocation of Shares to them, except as expressly provided in this Indenture. Provided, further, that this provision shall not be interpreted or construed to modify or limit any of the rights of Participants expressed anywhere else in this Indenture or as provided by law. The beneficial interest hereunder measured by the Shares shall not entitle a Participant to preference, preemptive, appraisal, conversion, or exchange rights of any kind with respect to the Trust or the Trust Property, except as the Trustees may determine.

7.3 **Evidence of Investment.** Evidence of each Participant's investment shall be reflected in a Share Register maintained by or on behalf of the Trust in accordance with Section 8.1 hereof, and the Trust shall not be required to issue certificates as evidence of Share allocation.

7.4 **Redemptions.** In case any Participant at any time desires to dispose of its Shares, it may deposit a written request or other such form of request as the Trustees may from time to time authorize, at the office of the transfer agent or at the office of any bank or trust company, either in or outside of Colorado which is a member of the Federal Reserve System and which the transfer agent has designated by the Trust for that purpose, together with an irrevocable offer in writing in a form acceptable to the Trustees to have the Shares redeemed by the Trust at the net asset value thereof per share, next determined as provided in the Information Statement after such deposit. Payment for

redemption shall be made to the Participants within the number of business days specified in the Trust's current Information Statement, unless the date of payment is postponed pursuant to Section 7.5 hereof, in which event payment may be delayed beyond such period.

**7.5 Suspension of Redemption; Postponement of Payment.** Each Participant, by its adoption of this Indenture, agrees that the Trustees may, without the necessity of a formal meeting of the Trustees, temporarily suspend the right of redemption or postpone the date of payment for withdrawal of funds from the Trust for the whole or any part of any period;

(a) During which there shall have occurred any state of war, national emergency, act of God, banking moratorium or suspension of payments by banks in the State of Colorado or any general suspension of trading or limitation of prices on the New York Stock Exchange or the American Stock Exchange (other than customary week-end and holiday closing); or

(b) During which any emergency situation exists, as a result of which disposal by the Trust of Trust Property is not reasonably practicable because of the substantial losses which might be incurred, or it is not reasonably practicable for the Trust fairly to determine the value of its net assets.

Such suspension or postponement shall not alter or affect a Participant's beneficial interest hereunder or the accrued interest and earnings thereon. Such suspension or payment shall take effect at such time as the Trustees shall specify but not later than the close of business on the business day next following the declaration of suspension, and thereafter there shall be no right of redemption or payment until the Trustees shall declare the suspension or postponement at an end, except that the suspension or postponement shall terminate in any event on the first day on which the period specified in subsection (a) or in this subsection (b) shall have expired, as to which the determination of the Trustees shall be conclusive. In the case of a suspension of the right of redemption or a postponement of payment to a Participant, a Participant may either (i) withdraw its request for redemption or (ii) receive payment based on the net asset value next determined after the termination of the suspension.

**7.6. Redemptions to Reimburse Trust for Loss on Nonpayment for Shares or for Other Charges.** The Trustees shall have the power to redeem Shares owned by any Participant to the extent necessary (i) to reimburse the Trust for any loss it has sustained by reason of the failure of such Participant to make full payment for Shares purchased by such Participant, or (ii) to collect any charge relating to a transaction effected for the benefit of such Participant which is applicable to Shares as provided in the Information Statement. Any such redemption shall be effected at the redemption price determined in accordance with Section 7.4. hereof.

**7.7. Redemptions Pursuant to Constant Net Asset Value Policy.** The following provisions shall apply to any series or portfolio of investments of the Trust during any period that the Trustees, in their discretion, establish a policy of maintaining a constant net asset value per Share. If for any reason the net income of the Trust attributable to such Shares invested in the same portfolio shall, at the time of any determination thereof in accordance with the provisions set forth in the Information Statement be a negative amount, then the Trustees shall have power to cause the number of outstanding Shares of such series or portfolio to be reduced by requiring each Participant to contribute to the capital of the Trust such Participant's proportionate part of the total number of



Shares which have an aggregate current net asset value equal as nearly as may be practicable to the amount of the Trust's net loss in respect of such series or portfolio. Each Participant, by becoming a registered holder of Shares, agrees to make any such contribution which may be required.

**7.8. Redemptions in Kind.** Payment for Shares redeemed pursuant to Section 7.4. may, at the option of the Trustees, or such officer or officers as they may duly authorize for the purpose, in their complete discretion be made in cash, or in kind, or partially in cash and partially in kind. In case of payment in kind, the Trustees, or their delegate, shall have absolute discretion as to what security or securities shall be distributed in kind and the amount of the same, and the securities shall be valued for purposes of distribution at the figure at which they were appraised in computing the net asset value of the Shares.

**7.9 Defective Redemption Requests.** In the event that a Participant shall submit a request for the redemption of a greater amount than is then allocated to such Participant, such request shall not be honored and, each Participant, by its adoption of this Indenture, agrees that the Trustees shall have full and complete power to redeem no more than the proportionate amount allocated to such Participant, at a redemption price determined in accordance with Section 7.4 hereof, sufficient to reimburse the Trust for any fees, expenses, costs or penalties actually incurred by the Trust as a result of such defective redemption request.

**7.10 Series or Class Designations.** The Trustees, in their discretion, may authorize the division of Shares into two or more series, and within a series into two or more classes, and the different series or classes shall be established and designated, and the variations in the relative rights and preferences as between the different series or classes within a series shall be fixed and determined by the Trustees; provided that, all Shares shall be identical except there may be variations so fixed and determined between different series or classes within a series as to purchase price, right of redemption and the price, terms and manner of redemption, special and relative rights as to distributions on liquidation, conversion rights, and conditions under which the several series or classes shall have separate voting rights and separate investment restrictions.

## **ARTICLE VIII - RECORD OF SHARES**

**8.1 Share Register.** The Share Register shall be kept by or on behalf of the Trustees, under the direction of the Trustees, and shall contain (i) the names and addresses of the Participants (including both a post office address for regular United States mail and a valid electronic mail address), (ii) the number of Shares representing their respective beneficial interests hereunder, and (iii) a record of all allocations and redemptions thereof. Such Share Register shall be conclusive as to the identity of the Participants to which the Shares are allocated. Only Participants whose allocation of Shares are recorded on such Share Register shall be entitled to receive distributions with respect to Shares or otherwise to exercise or enjoy the rights and benefits related to the beneficial interest hereunder represented by the Shares. No Participant shall be entitled to receive any distribution, nor to have notices given to it as herein provided, until it has given its appropriate address to such officer or agent of the Trust who shall keep the Share Register for entry thereon.

**8.2 Registrar.** The Trustees shall have full and complete power to employ a registrar. Unless otherwise determined by the Trustees the Share Register shall be kept by the Administrator

which shall serve as the registrar for the Trust. The registrar shall record the original allocations of Shares in the Share Register. Such registrar shall perform the duties usually performed by registrars of certificates and shares of stock in a corporation, except as such duties may be modified by the Trustees.

**8.3 Owner of Record.** No Person becoming entitled to any Shares in consequence of the merger, reorganization, consolidation, bankruptcy or insolvency of any Participant or otherwise, by operation of law, shall be recorded as the Participant to which such Shares are allocated and shall only be entitled to the redemption value of such Shares. Until the person becoming entitled to such redemption value shall apply for the payment thereof and present any proof of such entitlement as the Trustees may in their sole discretion deem appropriate, the Participant of record to which such Shares are allocated shall be deemed to be the Participant to which such Shares are allocated for all purposes hereof, and neither the Trustees nor the registrar nor any officer or agent of the Trust shall be affected by any notice of such merger, reorganization, consolidation, bankruptcy, insolvency or other event.

**8.4 No Transfers of Shares.** The beneficial interests measured by the Shares shall not be transferable, in whole or in part, other than to a Local Government, or the Trust itself for purposes of redemption. Any attempted transfer to any other person shall be void and of no effect.

**8.5 Limitation of Fiduciary Responsibility.** The receipt of the Participant in whose name any Share is recorded or of any party or agent in whose name any Share is recorded for the benefit of the Participant shall be a sufficient discharge for all moneys payable or deliverable in respect of such Shares and from all liability to see to the proper application thereof.

**8.6 Notices.** Any and all notices to which Participants are hereunder entitled and any and all communications shall be deemed duly served or given if (a) mailed, postage prepaid, addressed to Participants of record at their last known post office addresses, or (b) sent by electronic mail addressed to the Participants of record at their last known electronic mail address, in each case as recorded in the Share Register provided for in Section 8.1 hereof. Copies of such notices shall be provided to the Participant's Designee.

## **ARTICLE IX – RECORDS AND REPORTS**

**9.1 Inspection of Records.** The records of the Trust shall be open to inspection by any Participant at all reasonable business hours. The Trustees shall use their best efforts to communicate administrative and investment decisions to Participants through a website to be established by the Trust.

**9.2 Reports.** The Trustees shall cause to be prepared at least annually: (i) a report or statements of financial operations of the Trust; (ii) an opinion of an independent certified public accountant on such report or financial statements based on an examination of the books and records of the Trust; and (iii) such other information as may be required by the Investment Pooling Act or by Rules and regulations promulgated thereunder. A signed copy of such report and opinion shall be filed with the Trustees within one hundred twenty (120) days after the close of the period covered thereby. The Trustees shall cause copies of the annual report to be delivered to the Participants of record within one hundred twenty (120) days after the close of the period covered thereby.

In addition, the Trustees shall furnish to the Participants at least quarterly an interim report containing such information as may be required by statute or regulation.

## **ARTICLE X - TRUSTEES AND OFFICERS**

### **10.1 Number, Qualification and Succession of Trustees.**

(a) The governing body of the Trust shall be the Board of Trustees, the membership of which shall be determined as herein provided and as provided in the By-Laws.

(b) The number of Trustees shall be fixed from time to time by resolution of the Trustees; provided that, the number of Trustees shall be at no time less than three (3) or more than fifteen (15). No reduction in the number of Trustees shall have the effect of removing any Trustee from office prior to the expiration of his or her term.

(c) The majority of Trustees shall be Designees of Participants. Any Trustee who at the time of election or appointment is not a Designee of a Participant is referred to herein as a "Non-Designee Trustee." The number and qualifications of Non-Designee Trustees shall be as provided in the By-Laws. If a Designee of a Participant serves as a Trustee, and ceases to be a Designee, such person shall no longer be qualified to serve as a Trustee, and shall not, by virtue of ceasing to qualify as a Designee, be deemed to be a Non-Designee Trustee. The Trustees shall be natural persons.

(d) Trustees shall be elected or appointed as provided in Section 10.4 hereof. No such election or appointment shall become effective, however, until the elected or appointed person qualifies for such office by delivering to the President of the Board of Trustees a writing signed by him or her (i) accepting such election or appointment, and (ii) agreeing to be bound by the terms of this Indenture. Qualification must be completed within twenty (20) days after such person is notified of his or her appointment or election, and failure to meet this requirement shall void the appointment or election.

(e) Whenever a vacancy in the number of Trustees shall occur until such vacancy is filled, the Trustees or Trustee continuing in office, regardless of their number, shall have all the powers granted to the Trustees and shall discharge all the duties imposed upon the Trustees by this Indenture.

(f) Upon the appointment or election and qualification of any person to the office of Trustee, the Trust Property shall vest in such new Trustee without necessity of any further act or conveyance.

**10.2 Signatory Local Governments and Trustees.** In accordance with Section 10.1(b), by the execution of this Indenture, the Signatory Local Governments appoint the following persons as initial Trustees (the "Initial Trustees"):

- John Lefebvre, Treasurer, Weld County
- Rick Hinman, Asset and Revenue Manager, Centennial Water & Sanitation District

- Stephanie Stanley, Financial and Budgeting Analysis Manager, Highlands Ranch Metro District
- Jean Kinney, Treasurer, City of Fort Morgan

The Initial Trustees shall have all the powers of Trustees provided herein and shall have the power to appoint up to seven (7) additional Trustees, to serve until the Board of Trustees has been elected in accordance with Section 10.4 hereof. The initial terms of the Initial Trustees shall be as follows: John Lefebvre's term shall be three years, Stephanie Stanley's term shall be three years, Rick Hinman's term shall be two years, and Jean Kinney's term shall be one year. All terms of the Initial Trustees following their initial terms shall be three year terms, as set forth in section 10.4 of this Indenture.

### 10.3 Vacancies.

(a) A Trustee's office shall be deemed vacant upon the occurrence of any one of the following events:

(i) If a person who was duly appointed or elected fails, neglects or refuses to qualify for office within twenty (20) days after the date he or she is notified of such appointment or election;

(ii) If a person who was duly appointed submits a written resignation to the Board of Trustees;

(iii) If a person who was duly appointed becomes disabled or dies during his or her term of office, or for whom a guardian or conservator has been appointed;

(iv) If a person who was duly appointed ceases to meet the requirements for the office of Trustee, as provided herein and in the By-Laws;

(v) If a person who was duly appointed is convicted of a felony or is or becomes the subject of an Order for Relief entered pursuant to the United States Bankruptcy Code (11 U.S.C. § 101 *et seq.*);

(vi) If a court of competent jurisdiction voids the appointment or removes a person duly appointed for any cause whatsoever, but only after his or her right to appeal has been waived or otherwise exhausted; or

(vii) If the person who was duly appointed is removed from office pursuant to Section 10.5 hereof.

(b) No vacancy in the office of any Trustee shall operate to annul this Indenture or to revoke any existing agency created pursuant to the terms of this Indenture, and title to any Trust Property held in the name of such Trustee and the other Trustees or otherwise, shall, in the event of a vacancy in the office of such Trustee, vest in the continuing or surviving Trustees without

necessity of any further act or conveyance. In the case of a vacancy, the majority of the Board continuing in office acting by resolution, may fill such vacancy.

#### **10.4 Elections and Appointments; Term of Office.**

(a) Except for the initial terms of the Initial Trustees set forth in section 10.2 of this Indenture, and except as provided in subsection 10.4(c) of this Indenture, Trustees are elected for overlapping terms of three years by a majority vote of the voting Shares, as set forth in section 2.7 of this Indenture, entitled to vote at an annual meeting or voting in an annual vote of Participants, herein called an "Annual Election." Trustees may succeed themselves in office. Candidates shall be nominated as provided in the By-Laws. The candidate(s) with the highest number of votes will be elected. The Board shall, at the next meeting following the election, review the election returns and declare the appropriate candidate(s) elected.

(b) A Trustee remains in office until a vacancy occurs in his or her office as provided in Section 10.3 hereof, or until his or her successor is duly appointed and qualifies for office.

(c) At any time the Board increases the number of Trustees, it shall by the same action specify the number and length of the terms of newly added Trustees. The Board shall have discretion to set the length of the Initial term of each newly added Trustee, but in no event may the initial term exceed three years, and each term following an initial term shall be for a period of three years. The selection of Trustees to newly Board shall maintain as nearly equal as possible the number of three-year terms to be filled at each subsequent Annual Election.

#### **10.5 Resignation and Removal.**

(a) Any Trustee may resign (without need for prior or subsequent accounting) by an instrument in writing signed by him or her and delivered to the President and such resignation shall be effective upon such delivery or at a later date according to the terms of the notice.

(b) Any Trustee may be removed with or without cause by action of two-thirds of the other Trustees.

(c) Upon ceasing to be a Trustee, such person shall execute and deliver such documents as the remaining Trustees shall require for the purpose of conveying to the Trust or the remaining Trustees any Trust Property held in the name of the resigning or removed Trustee. Upon the incapacity or death of any Trustee, his or her legal representative shall execute and deliver on his or her behalf such documents as the remaining Trustees shall require as provided in the preceding sentence.

**10.6 Officers and Advisers.** The Trustees shall annually designate a President who shall be the Chief Executive Officer of the Trust and a Vice President, who shall have such duties as the Trustees shall deem advisable and appropriate. The Trustees may elect or appoint, from among their number or otherwise, a Treasurer and a Secretary, who shall have such powers, duties and responsibilities as the Trustees may deem to be advisable and appropriate. The Trustees may elect or appoint, from among their number or otherwise, or may authorize the President to appoint, one or more Assistant Secretaries and Assistant Treasurers, and such other officers or

agents, who shall have such powers, duties and responsibilities as the Trustees may deem to be advisable and appropriate. Two or more offices, except those of President and Vice President, may be held by the same person.

#### **10.7 By-Laws; Quorum of Trustees.**

(a) The Trustees may adopt and, from time to time, amend or repeal By-Laws for the conduct of the business of the Trust, and in such By-Laws, among other things, may define the duties of the respective officers, agents, employees and representatives of the Trust. Notwithstanding the foregoing, absent adoption of By-Laws addressing the same, the Trustees may define the duties of the respective officers, agents, employees and representatives of the Trust, and such other matters regarding administration of the Trust not specifically addressed in this Indenture, by resolution of the Board of Trustees.

(b) A quorum for the purposes of any meeting or vote of the Trustees shall consist of a majority of the Trustees entitled to vote at a meeting of the Board of Trustees.

### **ARTICLE XI - DETERMINATION OF NET ASSET VALUE AND NET INCOME: DISTRIBUTIONS TO PARTICIPANTS**

**11.1 Net Asset Value.** The net asset value of each allocated Share of the Trust shall be determined by the method and frequency established by the Trustees and shall be set forth in an Information Statement as the same may be amended from time to time. The duty to make the calculations may be delegated by the Trustees to the Adviser, the Administrator, the Custodian or such other person as the Trustees by resolution may designate.

**11.2 Retained Reserves.** The Trustees may retain from the earnings of the Trust such amount as they may deem necessary to pay the debts and expenses of the Trust and to meet other obligations of the Trust, and the Trustees shall also have the power to establish such reasonable reserves from earnings as they believe may be required to protect the Trust and the Participants against contingent liabilities.

### **ARTICLE XII – CUSTODIAN**

**12.1 Duties.** The Trustees shall employ a bank or trust company organized under the laws of the United States of America or of the State of Colorado as Custodian with authority as its agent, but subject to such restrictions, limitations and other requirements, if any, as may be contained in this Indenture, the By-Laws of the Trust or otherwise determined by resolution of the Board of Trustees, to perform the duties set forth in the Custodian Agreement to be entered into between the Trust and the Custodian. Such Custodian must be designated as an “eligible public depository” as provided in the PDPA.

**12.2 Appointment.** The Trustees shall have the power to select and appoint the Custodian for the Trust. The Custodian Agreement may be terminated at any time without cause and without

the payment of any penalty by the Trust on not less than sixty (60) days' written notice to the Custodian.

**12.3 Disbursement and Collection Agent.** The Trustees may also authorize the employment of a Disbursement and Collection Agent from time to time to perform acts and services upon such terms and conditions, as may be agreed upon between the Custodian and said agent and approved by the Trustees; *provided, however*, that, in every case, such Disbursement and Collection Agent shall be a bank or trust company duly organized under the laws of the United States of America or one of the states thereof and shall be a state-designated “eligible public depository.”

**12.4 Successors.** In the event that at any time the Custodian or the Disbursement and Collection Agent shall resign or shall be terminated pursuant to the provisions of the Custodian Agreement or disbursement and Collection Agreement, the Trustees shall appoint a successor thereto.

### **ARTICLE XIII - RECORDING OF INDENTURE**

**13.1 Recording.** This Indenture and any amendments hereto shall be filed, registered, recorded or lodged as a document of public record in such place or places and with such official or officials as may be required by law or as the Trustees may deem appropriate. An amended Indenture, containing or restating the original Indenture and all amendments theretofore made, may be executed any time or from time to time by a majority of the Trustees and shall, upon filing, recording or lodging in the manner contemplated hereby, be conclusive evidence of all amendments contained therein and may thereafter be referred to in lieu of the original Indenture and the various amendments thereto.

### **ARTICLES XIV AMENDMENTS TO INDENTURE AND PERMITTED INVESTMENTS LIST; TERMINATION OF TRUST; DURATION OF TRUST**

#### **14.1 Amendment to Indenture or Permitted Investments List; Termination.**

(a) The provisions of this Indenture may be amended or altered, or the Trust may be terminated, by a vote of the Participants pursuant to Section 2.7 hereof. The Trustees may, from time to time by a two-thirds vote of the Trustees, and after 20 days prior written notice to the Participants, amend or alter the provisions of the Indenture, without the vote or assent of the Participants, which the Trustees, in good faith deem necessary or convenient for the administration and operation of the Trust, to establish and designate additional series or portfolios pursuant to Section 7.10 hereof, or to the extent deemed by the Trustees in good faith to be necessary to conform this Indenture to the requirements of applicable laws or regulations or any interpretation thereof by a court or other governmental agency of competent jurisdiction, but the Trustees shall not be liable for failing so to do. Notwithstanding the foregoing, no amendment may be made pursuant to this Section which would:

- (i) change any rights with respect to any allocated Shares of the Trust by reducing the amount payable thereon upon liquidation of the series or portfolio or which would diminish or eliminate any voting rights of the Participants, except with the vote or

written consent of two-thirds of the Participants entitled to vote thereon;

- (ii) Cause any of the investment restrictions contained herein to be less restrictive without the affirmative vote of a majority of the Participants;
- (iii) Change the limitations on personal liability of the Participants and Trustees; or
- (iv) Change the prohibition of assessments upon Participants.

A certification signed by a majority of the Trustees setting forth an amendment and reciting that it was duly adopted by the Participants or by the Trustees or a copy of the Indenture, as amended, executed by a majority of the Trustees, shall be conclusive evidence of such amendment.

(b) The Trust may be terminated by the vote of the majority of authorized Trustees, subject to the approval of the holders of not less than two-thirds of outstanding Shares, subject to the provisions of Section 2.7 hereof. Upon the termination of the Trust pursuant to this Section 14.1(b), (i) the Trust shall carry on no business except for the purpose of winding up its affairs, (ii) the Trustees shall proceed to wind up the affairs of the Trust and all of the powers of the Trustees under this Indenture shall continue until the affairs of the Trust shall have been wound up, including, without limitation, the power to fulfill or discharge the contracts of the Trust, collect its assets, sell, convey, assign, exchange, transfer or otherwise dispose of all or any part of the remaining Trust Property to one or more persons at public or private sale for consideration which may consist in whole or in part of cash, securities or other property of any kind, discharge or pay its liabilities, and do all other acts appropriate to liquidate its affairs, *provided, however*, that any sale, conveyance, assignment, exchange, transfer, or other disposition of all or substantially all of the Trust Property shall require approval of the principal terms of the transaction and the nature and amount of the consideration by affirmative vote of not less than a majority of the Trustees entitled to vote thereon, and (iii) after paying or adequately providing for the payment of all liabilities, and upon receipt of such releases, indemnities and refunding agreements as they deem necessary for their protection, the Trustees may distribute the remaining Trust Property, in cash or in kind or partly in each, among the Participants according to their respective proportionate allocation of Shares.

(c) Upon termination of the Trust and distribution to the Participants as herein provided, a majority of the Trustees shall execute and lodge among the records of the Trust an instrument in writing setting forth the fact of such termination, and the Trustees shall thereupon be discharged from all further liabilities and duties hereunder, and the right, title and interest of all Participants shall cease and be cancelled and discharged.

(d) A certification in recordable form signed by a majority of the Trustees setting forth an amendment and reciting that it was duly adopted by the Trustees as aforesaid or a copy of the Indenture, as amended, in recordable form, and executed by a majority of the Trustees, shall be conclusive evidence of such amendment.

**14.2 Duration.** The Trust shall continue in existence in perpetuity, subject in all respects to the provisions of this Article XIV.



## ARTICLE XV – MISCELLANEOUS

**15.1 Governing Law.** This Indenture is executed by the Signatory Local Governments and delivered in the State of Colorado and with reference to the laws thereof, and the rights of all parties and the validity, construction and effect of every provision hereof shall be subject to and construed according to the laws of the State of Colorado (without regard to its conflicts of law rules). Venue for any dispute, breach or other legal action relating to the interpretation or implementation of this Indenture shall lie in a court of competent jurisdiction in the City and County of Denver, Colorado.

**15.2 Counterparts.** This Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts, together, shall constitute but one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

**15.3 Reliance by Third Parties.** Any certificate executed by an individual who according to the then current records of the Trust appears to be a Trustee, the Secretary or the Treasurer of the Trust, certifying to (a) the number or identity of Trustees or Participants, (b) the due authorization of the execution of any instrument or writing, (c) the results of any vote of Trustees or Participants, (d) the fact that the number of Trustees or Participants present at any meeting or executing any written instrument satisfies the requirements of this Indenture, or the form of any By-Laws adopted by, or the identity of any officers or any facts which in any manner relate to the affairs of the Trust, shall be conclusive evidence as to the matters so certified in favor of any Person dealing with the Trustees or any of them or the Trust and the successors of such Person

**15.4 Provisions in Conflict with Law.** The provisions of this Indenture are severable, and if the Trustees shall determine with the advice of counsel that any one or more of such provisions are in conflict with applicable federal or Colorado laws, those conflicting provisions shall be deemed never to have constituted a part of this Indenture, *provided, however*, that such determination by the Trustees shall not affect or impair any of the remaining provisions of this Indenture or render invalid or improper any action taken or omitted (including, but not limited to, the election of Trustees) prior to such determination.

**15.5 Section Headings.** Any headings preceding the text of the several Articles and Sections of the Indenture and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Indenture nor affect its meaning, construction or effect.

**15.6 Adoption by Local Government Entities; Written Investment Policies of Participants; Resignation and Withdrawal of Participants.**

(a) Any Local Government meeting the requirements hereof may become a Participant of this Trust by (i) taking all required official action to adopt to a Resolution authorizing the execution of this Indenture including, without limitation, adopting or otherwise having in effect a written investment policy consistent with this Indenture and the Permitted Investments list or amending or modifying any existing written investment policy not consistent with this Indenture or the Permitted Investments list, and (ii) furnishing the Trustees with satisfactory evidence that such

official action has been taken. A copy of this Indenture may be adopted by executing a written instrument of adoption in such form as may be prescribed by the Trustees. Delivering an acknowledged copy of such instrument shall constitute satisfactory evidence of the adoption contemplated by this Section.

(b) By joining in or adopting this Indenture, each Participant agrees that it will maintain a written investment policy consistent with the provisions of this Indenture and the Permitted Investments list, as each of the same is amended from time to time.

(c) Any Participant may resign and withdraw from the Trust by sending a written notice to such effect to the President of the Trust and the Administrator and by requesting the redemption of all Shares then held by it or in accordance with any other procedure authorized by the Trustees or Board of Participants. Such resignation and withdrawal shall become effective upon the receipt thereof by the President of the Trust and the Administrator. No resignation and withdrawal by a Participant shall operate to annul this Indenture or terminate the existence of the Trust.

**IN WITNESS WHEREOF**, the Local Governments of the State of Colorado acting in the capacity of Signatory Local Governments of the Trust have executed this Indenture together with the Trustees by the execution of the addenda, which are attached to this Indenture. By the execution of the addenda, the respective Trustees and Signatory Local Governments are intending to adopt and be bound by the terms of this Indenture.



# COLORADO STATEWIDE INVESTMENT POOL

  

## INFORMATION STATEMENT

Dated as of December 17, 2021

950 17<sup>th</sup> Street  
Denver, CO 80202  
Mail Code: DN-CO-T8  
Phone (855) 274-7468  
Fax (888) 535-0120

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*Part 1 presents key facts about the Fund and its Portfolios, including information on costs, minimums, policies, and how to place transaction orders. Part 1 is descriptive, not definitive, and is qualified by the information contained in Part 2.*

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## Part 2 – Information Statement Addendum

*Part 2 contains supplemental information to Part 1. Some of this information further defines or qualifies information presented in Part 1. There is also information on additional topics, such as the history of the Fund. Parts 1 and 2 together constitute the offering document for the Fund and its Portfolios.*

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## Terms Used in this Document

**Business Day** Any day on which both the bond market (as determined by the Securities Industry and Financial Markets Association “SIFMA”) and the Custodian are open for business. The Fund may close early on any days when the bond market closes early. In light of anticipated limited availability for money market securities and fixed income settlement capacity limitations, the Fund will not be open for business on Good Friday even if the primary trading markets are open.

**Commissioner** Colorado State Securities Commissioner.

**Custodian** U.S. Bank, N.A. or the designated bank, agent, or trust company, responsible for safeguarding financial assets of CSIP.

**Depository Bank** U.S. Bank, N.A.

**EON** Easy Online Network. The Investment Adviser’s web-based information and transaction service.

**CSIP** The Colorado Statewide Investment Pool.

**Fitch** Fitch Ratings, Inc.

**Fund** The trust known as the Colorado Statewide Investment Pool. CSIP Liquid Portfolio and the CSIP Term Portfolio are the two series of the Fund.

**GASB 79** Statement No. 79 of the Governmental Accounting Standards Board

**Indenture** The Indenture of Trust through which the Fund was created.

**Investment Adviser** PFM Asset Management LLC, CSIP’s investment adviser, administrator and transfer agent.

**NAV** Net asset value.

**New Investor Application** An application to become a new investor in CSIP.

**NRSRO** Nationally recognized statistical rating organization.

**Investor** A Participant which invests in one or more Portfolios.

**Local Government** Any county, city and county, city, town, school district or special district, or any other political subdivision of the State of Colorado, or any department, agency, or instrumentality thereof, or any political or public corporation of the State of Colorado.

**Participant** A Local Government which adopts a Resolution to join and execute the Indenture of Trust.

**PFM** Public Financial Management, Inc. and PFM Financial Advisors LLC, collectively.

**PFMAM** PFM Asset Management LLC, the Fund’s Investment Adviser and Administrator.

**Portfolios** The CSIP Liquid Portfolio and the CSIP Term Portfolio. "Portfolio" refers to each specific section in which it is used to describe the features of that particular Portfolio.

**Program** The additional services offered to Investors in CSIP which includes arbitrage rebate calculation services.

**Resolution** The written record of the action taken by a Local Government join the Fund and execute the Indenture of Trust. This written record may take the form of an ordinance or other official document.

**S&P** Standard & Poor’s.

**Trustees** Members of the Fund’s Board of Trustees.

## Part 1: Portfolio Summaries and Investment Program Offerings

### CSIP Liquid Portfolio

#### Investment Objective

Seeks to earn the highest income consistent with preserving principal and maintaining liquidity, and to maintain a stable \$1.00 net asset value (“NAV”).

Certain arbitrage rebate services are offered to Investors for proceeds of borrowings (not including tax or revenue anticipation note issues) invested in the Portfolio. These services are designed to allow Investors to comply with certain federal income tax requirements.

#### Principal Investment Strategies

The CSIP Liquid Portfolio invests exclusively in high-quality money market instruments, including:

- Obligations of the U.S. Government and its Agencies and Instrumentalities
- Repurchase agreements involving obligations of the U.S. Government and its Agencies and Instrumentalities
- Commercial Paper
- Corporate Notes and Bonds
- Obligations of Banks
- Negotiable Certificates of Deposit
- Floating-Rate and Variable-Rate Obligations
- Municipal Obligations
- Money Market Mutual Funds
- Bank and savings accounts
- Any investments authorized under § 24-75-601 et. seq. of the Colorado Revised Statutes.

*For a more complete description of permitted investments and investment restrictions for the Portfolio, see the “Permitted Investments” section in Part 2 of this document.*

The Investment Adviser may adjust exposure to interest rate risk, typically seeking to protect against possible rises

in interest rates and to preserve yield when interest rates appear likely to fall.

The Portfolio is managed to maintain a dollar-weighted average maturity of no more than 60 days and a dollar-weighted average life (final maturity, adjusted for demand features but not interest rate adjustments) of no more than 120 days. In addition, it only buys investments that have either a final or effective maturity (or, for repurchase agreements, a remaining term) of 397 days or less at the time of purchase.

#### Main Risks

As with any similar pooled investment, there are several factors that could hurt the Portfolio’s performance, cause you to lose money, or cause the Portfolio’s performance to be less than that of other investments.

- **Interest rate risk** When short-term interest rates fall, the Portfolio’s yield is likely to fall. When interest rates rise, especially if the rise is sharp or unexpected, the Portfolio’s share price could fall.
- **Credit risk** The issuer of a security could fail to pay interest or principal in a timely manner. The credit quality of the Portfolio’s holdings could change rapidly in certain markets, and the default or decline in credit quality of even a single investment could cause the Portfolio’s share price to fall.
- **Credit Rating Risk** The Portfolio is rated AAAM by S&P. S&P fund ratings are based on analysis of credit quality, market price exposure, and management. According to S&P rating criteria, the AAAM rating signifies excellent safety of investment principal and a superior capacity to maintain a \$1.00 per share net asset value. However, it should be understood that the rating is not a “market” rating nor a recommendation to buy, hold or sell the securities. For a full description of rating methodology, visit S&P’s website at ([http://www.standardandpoors.com/en\\_US/web/guest/home](http://www.standardandpoors.com/en_US/web/guest/home)).

**CSIP**

Information Statement —December 17, 2021

The Portfolio is also rated AAmmf by Fitch Ratings. The rating reflects Fitch's review of the pool's investment and credit guidelines, credit quality, diversification, and liquidity profile, as well as the capabilities of PFMAM to manage the assets of the pool. The AAmmf rating assigned to the Portfolio indicates an extremely strong capacity to achieve the investment objectives of preserving principal and providing liquidity through limiting credit, market, and liquidity risk. For a full description of rating methodology, visit Fitch's website at <https://www.fitchratings.com/research/fund-asset-managers/money-market-fund-rating-criteria-23-04-2020>.

- **Liquidity risk** The Portfolio's share price could fall during times when there are abnormal levels of redemption requests or markets are illiquid.
- **Management risk** Performance could be hurt by decisions made by the Investment Adviser, such as choice of investments or timing of buy/sell decisions.

*An investment in the Portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Portfolio seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Portfolio.*

## Management

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**Investment Adviser** PFM Asset Management LLC.

## Fees and Expenses

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These are the fees and expenses you may pay when you buy and hold shares in the Portfolio. The figures shown here do not reflect the effects of any voluntary expense reductions. Actual expenses may be higher or lower.

### Annual Portfolio Operating Expenses

(Fees and expenses shown below are based on the Investment Advisory and Administrative Services Agreement which is currently in effect and may be subject to certain fee waivers.)

Management and administrative fees	0.18%
Other operating expenses	0.03%
<b>Maximum total annual operating expenses</b>	<b>0.21%</b>

*For a more complete description of the fees and expenses for this Portfolio, see the Fees and Expenses section in Part 2 of this document.*

## Purchase and Sale of CSIP Liquid Portfolio Shares

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**Minimum Initial Investment** No minimum

**Minimum Account Balance** No minimum.

**Minimum Holding Period** 1 day.

## Placing Orders

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You can place orders to buy or sell Portfolio shares by a variety via the phone, mail, fax or using EON, the Fund's web-based information and transaction service.

To place orders, contact us at:

**Online** [www.csipinvest.com](http://www.csipinvest.com)

**Phone:** 855-CSIP-INV (855-274-7468)

Orders are generally processed the same Business Day if they are received and accepted by the Investment Adviser by 12:00 p.m. Mountain Time and (for purchases) if the Portfolio's Custodian receives federal funds by wire prior to the close of business. Otherwise, they are processed on the next Business Day.

*For more complete information on buying and redeeming shares, see "Buying Shares-CSIP Liquid Portfolio" and "Redeeming Shares-CSIP Liquid Portfolio." For information on the potential tax consequences of investing in the Portfolio, see "Tax Information."*

## CSIP Term Portfolio

### Investment Objective

To provide an investment subject to pre-set redemptions occurring from 60 days to one year from the date of investment, and that will produce the highest earnings consistent with maintaining safety of principal at maturity and meeting the redemption schedule. The CSIP Term Portfolio seeks to assure the return of principal on the planned maturity date, although principal value may fluctuate prior to that date, and therefore may be greater or less than \$1.00 a share. There may be a penalty for early withdrawal, and the NAV prior to a pre-set redemption may be more or less than \$1.00 a share.

The securities will be valued using market values to determine fair value of the Portfolio. The CSIP Term Portfolio does not offer daily liquidity and therefore does not qualify under GASB Statement No. 79 to utilize amortized cost for external GAAP financial reporting, but rather utilizes market prices to determine fair value for external GAAP financial reporting in accordance with GASB Statement No. 31. Annual financial statements issued for the Portfolio will include a statement of net position and statement of changes in net position.

The Portfolio may also maintain a rating from a NRSRO and implement corresponding policies and procedures designed to comply with additional rating guidelines to achieve the Portfolio's investment objective.

### Fees and Expenses

These are the fees and expenses you will pay when you buy and hold shares in this Portfolio. The figures shown here do not reflect the effects of any voluntary expense reductions which would lower expenses.

#### Annual Portfolio Operating Expenses

(Fees and expenses shown may be subject to certain fee waivers)

Management and administrative fees	0.12%
Other operating expenses	0.08%
<b>Maximum total annual operating expenses</b>	<b>0.20%</b>

The Portfolio may charge significant penalties for any redemptions prior to the pre-set redemption date. As the penalty charged is based on protecting the interests of other Portfolio Investors, the actual amount of the penalty cannot be stated in advance.

*For a more complete description of the fees and expenses for this Portfolio, see the Fees and Expenses section in Part 2 of this document.*

### Principal Investment Strategies

The Portfolio invests exclusively in high-quality money market instruments, including:

- Obligations of the U.S. Government and its Agencies and Instrumentalities
- Repurchase agreements involving obligations of the U.S. Government and its Agencies and Instrumentalities
- Commercial Paper
- Corporate Notes and Bonds
- Obligations of Banks
- Negotiable Certificates of Deposit
- Floating-Rate and Variable-Rate Obligations
- Municipal Obligations
- Money Market Mutual Funds
- Bank and Savings Accounts
- Any investments authorized under § 24-75-601 et. seq. of the Colorado Revised Statutes.

*For a more complete description of permitted investments and investment restrictions for the Portfolio, see the "Permitted Investments" section in Section 2 of this document.*

### Main Risks

As with any similar pooled investment, there are several factors that could hurt the Portfolio's performance, cause you to lose money, or cause the Portfolio's performance to trail that of other investments.

- **Credit risk** The issuer of a security could fail to pay interest or principal in a timely manner. The credit quality of the Portfolio's holdings could change rapidly in certain markets, and the default or decline in credit quality of even a single holding could cause the Portfolio's share price to fall.
- **Planned early redemption risk** Investors who redeem shares on a planned maturity date prior to the series termination date will not share in any additional dividends paid upon series termination.
- **Early redemption risk** Early redemption penalties charged to an Investor by the Portfolio could reduce or



**CSIP**

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eliminate investment gains and could mean that the amount that Investor receives back is less than the initial investment.

- **Net asset value risk** The Portfolio is not managed with the objective to maintain a stable net asset value. The underlying value of securities in the Portfolio may fluctuate as a result of changing market conditions. Investors which redeem holdings prior to the planned redemption date may be subject to early redemption risk.
- **Interest rate risk** For the CSIP Term Portfolio, at the time of purchase of an investment, the interest rate will be fixed to the planned redemption date for each individual participant purchase. The fixed interest rate may be higher or lower than that of other available investments.
- **Diversification risk** The amount of assets in each series will impact the ability to diversify the Portfolio. The smaller the amount of assets in a series, the greater the risk that the Portfolio may have a higher concentration of assets by sector and/or issuer.
- **Credit rating risk** The Portfolio is rated AAAF by Fitch and the criteria differs from that utilized by S&P and other NRSROs for the Liquid Portfolio. The AAAF rating reflects Fitch's review of the Portfolio's investment and credit guidelines, the Portfolio's credit quality and diversification, as well as the capabilities of PFMAM as investment adviser. It indicates the highest underlying credit quality (or lowest vulnerability to default). However, it should be understood that this rating is a not "market" rating nor a recommendation to buy, hold or sell the securities. For a full description of the rating methodology visit [www.fitchratings.com](http://www.fitchratings.com).
- **Management risk** Performance could be hurt by decisions made by the Investment Adviser, such as choice of investments or investment maturities or timing of buy/sell decisions.

*An investment in the Portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Portfolio seeks to preserve the value of your investment on the planned redemption date at \$1.00 per share, it is possible to lose money by investing in the Portfolio.*

## Past Performance

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The performance of each individual series of the Portfolio and of each Investor's individual investment therein may vary. Past performance may not indicate future results.

## Management

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**Investment Adviser** PFM Asset Management LLC

## Purchase and Sale of CSIP Term Portfolio Shares

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**Minimum Initial Investment** \$500,000.

**Minimum Subsequent Investment** \$100,000.

**Minimum Account Balance** \$100,000.

**Minimum Term** 60 days. Premature withdrawal may result in a penalty.

**Maximum Term** 1 year.

## Placing Orders

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In addition to setting up an account prior to your initial purchase of shares, you may need to provide certain other information and certifications.

Prior to placing any order, call the Fund's toll-free number to discuss the amount and term of your investment and to get information on projected yield.

Once your account has been approved, you can place orders to buy or sell Portfolio shares. To place orders, contact us at:

**Phone** 855-274-7468

Orders are generally processed the same Business Day if they are received and accepted by the Investment Adviser by 12:00 p.m. Mountain Time and (for purchases) if the Portfolio's Custodian receives federal funds by wire prior to the close of business. Otherwise, they are processed on the next Business Day.

*For more complete information on buying and redeeming shares, see "Buying Shares—CSIP Term Portfolio" and "Redeeming Shares—CSIP Term Portfolio." For information on the potential tax consequences of investing in the Portfolio, see "Tax Information."*

# Investing

## Opening an Account

### Eligible Investors

An Investor in the Fund must be a Local Government that has adopted a Resolution and opened an account before investing in the Fund.

### Portfolio Account Opening Process

To open an account in any Portfolio:

- For an initial account only, complete the New Investor Application Form.
- Complete an Account Application Form.
- Complete the Contact Record Form.

- Complete the Contact and Permissions Form that includes each person from the participating entity who will interact with the account.
- Provide a copy of the adopted Resolution.
- Provide a completed IRS W-9 form.

Complete a separate Account Application Form for each account, signed by an authorized representative.

To obtain account forms, call 855-274-7468 or visit [www.csipinvest.com](http://www.csipinvest.com) to download them.

*Mail or fax account documents to:*

Colorado Statewide Investment Pool  
PO Box 11813  
Harrisburg, PA 17108  
Fax: 888-535-0120

## Buying Shares — CSIP Liquid Portfolio

Once an Investor's application has been received and accepted by the Investment Adviser, an investment in the **CSIP Liquid Portfolio** can be made using one of the methods described in the table below. All investments must be in U.S. dollars and must be drawn on a U.S. bank or a U.S. branch of a foreign bank.

**The Investment Adviser may refuse any investment or limit the size of an investment.**

Method	Instructions	Additional information
<b>Wire (same-day settlement)</b>	<ul style="list-style-type: none"> <li>• Initiate a transaction online or by calling 855-274-7468 before 12:00 p.m. Mountain Time.</li> <li>• Provide the following information:               <ul style="list-style-type: none"> <li>○ Investors name and account number</li> <li>○ Amount being wired</li> <li>○ Name of bank sending wire</li> </ul> </li> <li>• Instruct your bank to initiate the wire on the same day to the Custodian. Detailed instructions can be found on the Internet at <a href="http://www.csipinvest.com">www.csipinvest.com</a> or by calling 855-274-7468.</li> </ul>	<ul style="list-style-type: none"> <li>• The Fund does not charge fees for receiving wires. However, the sending bank may charge for wiring funds. To avoid or minimize charges, use an ACH transfer as described below. It is your responsibility as an Investor to ensure that immediately available funds are received by CSIP on the settlement date.</li> <li>• If your funds are not received by the Portfolio on the settlement date, you may be charged a fee.</li> </ul>

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**ACH transfer (settles next Business Day)**

- Before making your first transfer, call 855-274-7468 and register for ACH transfers.
- Initiate an ACH transaction online or by calling 855-274-7468 before 12:00 p.m. Mountain Time.
- Funds will transfer overnight and begin earning interest the next Business Day.
- The Fund does not charge fees for ACH transfers and transferring banks generally do not impose fees for ACH transfers initiated by CSIP either.

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**Online**

- Before making your first online transaction, submit both the Contact Record Form and Permissions Form, which may be obtained either by calling 855-274-7468 or by visiting [www.csipinvest.com](http://www.csipinvest.com).
  - Use EON to place wire or ACH orders.
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**Redeeming Shares — CSIP Liquid Portfolio**

You may withdraw all or any portion of the funds in your CSIP Liquid Portfolio account at any time by redeeming shares. Shares will be redeemed at the NAV per share next determined after receipt of a request for withdrawal in proper form. This determination is made at the conclusion

of each Business Day. Funds may be withdrawn in any of the ways described below.

Method	Instructions	Additional information
<b>Wire (same-day settlement)</b>	<ul style="list-style-type: none"> <li>• Use EON or call 855-274-7468 on any Business Day to request a withdrawal and the transfer of proceeds to the bank account specified on your Account Application.</li> <li>• If your request is received before 12:00 p.m. Mountain Time, funds will be wired on that same day.</li> <li>• Requests received after 12:00 p.m. Mountain Time will be processed on the following Business Day.</li> </ul>	<ul style="list-style-type: none"> <li>• The Fund does not charge fees for sending wires; however, your depository may impose wire charges for receiving them.</li> <li>• For security purposes wire instructions must be established in writing prior to initiating a wire.</li> <li>• You must notify us in writing of any changes to the specified wire instructions.</li> </ul>
<b>ACH transfer (settles next Business Day)</b>	<ul style="list-style-type: none"> <li>• Before making your first transfer, call 855-274-7468 and register for ACH transfers.</li> <li>• Initiate an ACH transaction online or by calling 855-274-7468 before 2:00 p.m. Mountain Time.</li> </ul>	<ul style="list-style-type: none"> <li>• Funds will transfer overnight and be available the next Business Day.</li> <li>• Funds remain invested until the day they are transferred.</li> <li>• The Fund does not charge fees for ACH transfers and transferring banks generally do not impose fees for ACH either.</li> </ul>
<b>Online</b>	<ul style="list-style-type: none"> <li>• Before making your first online transaction, submit both the Contact Record Form and Permissions Form, which may be obtained either by calling 855-274-7468 or by visiting <a href="http://www.csipinvest.com">www.csipinvest.com</a>.</li> <li>• Use EON to place wire or ACH orders.</li> </ul>	

**Buying Shares — CSIP Term Portfolio**

Once your application to open a CSIP Term Portfolio account has been accepted, you may invest in the CSIP Term Portfolio by authorizing the Investment Adviser to invest funds in a CSIP Term Portfolio account.

Prior to placing any order, call us to discuss the amount and term of your investment and to get information on the projected yield. Each investment will be given its own

projected yield. Yields may vary according to the term of the investment and the interest rates available at the time of investment.

**The Investment Adviser may refuse any investment or limit the size of an investment.**

**Redeeming Shares — CSIP Term Portfolio**

Funds may be withdrawn only as described in the table below. Be sure that one or more bank accounts have been pre-authorized to receive redemptions proceeds. If there is

more than one pre-authorized bank account, call 855-274-7468 in advance to let us know which account is to receive redemption proceeds.

Type of Redemption	Instructions	Additional information
<b>Maturity</b>	<ul style="list-style-type: none"> <li>No action required. Redemption value will be reinvested in CSIP Liquid Portfolio shares at the maturity date of the CSIP Term series in which you are invested.</li> </ul>	<ul style="list-style-type: none"> <li>Redemption value per share will equal the purchase price plus dividends (at the projected yield) minus any losses incurred by the series (not counting those resulting from premature redemptions).</li> </ul>
<b>Premature Redemption</b> <i>(Redemption prior to pre-set maturity date)</i>	<ul style="list-style-type: none"> <li>Send a letter to the Investment Adviser requesting redemption prior to the pre-set maturity date. Alternatively, you can notify the Investment Adviser by calling 855-274-7468 and following up with written confirmation of your instructions.</li> <li>7 days after we receive your request, redemption proceeds will be transferred to your CSIP Liquid Portfolio account.</li> </ul>	<ul style="list-style-type: none"> <li>Premature redemption amounts must be for the entire investment or, for partial redemptions, must be in increments of \$100,000.</li> <li>A penalty may apply for premature redemptions. Redemption value per share will equal the purchase price plus dividends earned to date minus any losses incurred by the series and any premature redemption penalty. The premature redemption penalty is described within the policies below.</li> </ul>

## Policies Concerning Withdrawals

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### Suspending Withdrawals

The Trustees can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of a Portfolio's securities or determination of its NAV not reasonably practical.

### Policies Specific to the CSIP Liquid Portfolio

#### Income Determinations and Dividends

All net income of the Portfolio is determined and declared as a dividend on each Business Day. Net income is paid as of the close of business of each calendar month in the form of additional shares of beneficial interest which are credited to each Investor's account. Such net income is converted into full and fractional shares of beneficial interest at the rate of one share for each one dollar (\$1.00) paid. Although income is not automatically paid in cash, Investors may obtain cash by redeeming shares at their net asset value without charge.

For the purpose of calculating dividends, net income shall consist of interest earned plus the relevant portion of any securities purchase discount ratably amortized to the maturity date plus or minus all realized gains and losses on the sale of securities prior to maturity, less ratable amortization of any premium, less all accrued expenses, including the fees payable to those who provide services to the Fund.

*For more detail about how dividends are calculated, see Part 2.*

#### Calculating Net Asset Value

The Investment Adviser will calculate the NAV for the Portfolio as of the conclusion of each Business Day. The NAV is calculated by determining total assets, subtracting total liabilities from total assets, then dividing the result by the number of outstanding shares. Liabilities include all accrued expenses and fees, including fees of the Investment Adviser, Custodian and others providing services to the Portfolio, which are accrued daily.

For purposes of calculating NAV, securities are valued at cost, plus or minus any amortized discount or premium. When you purchase shares, the price will be the NAV next calculated after the Investment Adviser accepts a properly executed order. However, if the Depository Bank does not receive federal funds on a timely basis, the purchase price will instead be based on the NAV next determined after good funds are received by the Depository Bank. The number of shares you receive will be determined by the NAV.

## Policies Specific to the CSIP Term Portfolio

### Dividends and Distributions

A projected dividend rate is determined when shares are purchased, and the dividend is declared and paid on the maturity or on the planned redemption date.

Dividends on shares of a CSIP Term Portfolio series are declared and paid on the termination date of such series, unless the shares are redeemed before the termination date of such series, in which case dividends will be declared and paid when such shares are redeemed.

If an Investor redeems shares on a date preceding the series termination date (a Premature or Planned Early Redemption), then dividends will be declared and paid on the date of the Premature Redemption and will equal the projected yield for such shares to that date, less any losses affecting projected yield attributable to such shares. Dividends on shares declared and paid on a termination date for a series are equal to the projected yield for such shares to the termination date, less any losses affecting projected yield attributable to such shares, plus an additional dividend, if any, equal to any excess net income of the series attributable to such shares. Any excess net income of a series on the termination date will be distributed as an additional dividend only to the shares of the series that are outstanding on the termination date of the series, and the excess net income will be allocated on a pro rata basis to all shares then outstanding. Additional dividends, if any, will be deposited into an Investor's CSIP Liquid Portfolio account.

The yield for any CSIP Term Portfolio investment is determined by dividing the expected net income per share for the period from the settlement date to the termination date by the purchase price per share, dividing this result by the actual number of days between the settlement date and termination date, and then multiplying the result by 365/366.

### Premature Redemption Penalty

The penalty for a Premature Redemption will be calculated by the Investment Adviser and will be equal to (i) all penalty charges, losses and other costs (including, without limitation, interest paid on funds borrowed to pay the redemption) associated with amending, terminating, selling or otherwise affecting any of the investments in the series in order to pay the Premature Redemption and (ii) an amount sufficient to maintain the projected yield on the remaining shares in the series to the stated termination date for the series, less any losses affecting projected yield attributable to such shares. Thus, a Premature Redemption of shares may result in a penalty which could reduce the return and the principal value of the investment in amounts not ascertainable at the time shares of the CSIP Term Portfolio are issued. The redemption value per share could be lower than the purchase

price of the share, and the return could be lower than the projected yield quoted at the time of issuance of the share.

### Allocation of Losses

Any losses incurred by a CSIP Term Portfolio series (other than losses resulting from Premature Redemptions of shares of the series) will be allocated among all shares of the series outstanding at the time such loss is incurred. Such a loss may result from a default on an investment or from a sale of an investment. If such a loss occurs, the redemption value per share could be lower than that on which the projected yield was quoted at the time of issuance of the share.

### Calculating Share Price

The redemption value per share for any series of the CSIP Term Portfolio will be determined on any day when redemption is made and on termination of the series. It is the intent of the Fund to manage each series in the CSIP Term Portfolio in a manner that produces a share price of at least \$1.00 on the termination date.

For the purpose of computing fees, the Investment Adviser, on behalf of the Fund, determines the NAV of the shares of the CSIP Term Portfolio at the close of each Business Day. For this purpose the NAV per share for each series of the CSIP Term Portfolio is calculated by dividing the total value of investments and other assets less any liabilities by the total outstanding shares of the series as of the day the calculation is made.

### General Policies

#### Services to Investors

**The Fund offers certain additional account features at no extra charge, including:**

**Statements** Daily transaction confirmations are available only on EON. The Investment Adviser provides monthly statements showing the previous month's transactions, dividends paid and the account balance as of the statement date. The statements also indicate total year-to-date income earned. Monthly statements are also available through EON within three Business Days after month-end. Investors may elect to stop receiving statements by mail.

**Information Services** Toll-free telephone service, **855-274-7468**, is available to provide Investors with information including up-to-date account information and transaction history, and to receive instructions for the investment or withdrawal of funds.

**Website** Account information and information regarding the Fund's Portfolios along with current news about the Fund can be found at [www.csipinvest.com](http://www.csipinvest.com). A password and user identification is required to initiate a transaction or access

account information. The system can be accessed through the CSIP website by selecting "Account Access." A password and user identification can be received by contacting CSIP at **855-274-7468**.

### Information on Portfolio Holdings

Each Portfolio discloses its holdings online quarterly and a full description of each Portfolio's holdings in the annual audited financial reports.

*For our policy on the disclosure of Portfolio holdings, see Part 2.*

### Rights we reserve

The Fund reserves the right, acting through its appropriate entity, to do any of the following:

- Increase, change, or decrease account minimums at any time without advance notice.
- Limit the frequency of purchases for any reason.

### Tax Information

We suggest that your tax advisor is consulted before investing in a Portfolio. Relevant considerations include but are not limited to:

- Section 115(1) of the Internal Revenue Code, as amended (the "Code"), which provides that the gross income of a state or political subdivision does not include income derived from the exercise of any essential government function.
- Section 148 of the Code (and related regulations) covering rebate requirements, which may apply to anyone investing tax-exempt or tax-credit bond proceeds
- The arbitrage limitations or rebate requirements of section 148 of the Code (and related regulations), under which states, and municipalities may be required to pay the U.S. Treasury a portion of earnings they derive from the investment of certain funds.

### Use of Amortized Cost

The Board of Trustees has determined, in consultation with the Investment Adviser, that the CSIP Liquid Portfolio will be managed in accordance with GASB 79 requirements, as applicable, for the use of the amortized cost method of valuing its investment portfolio.

**Financial Highlights**

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The Portfolios' audited financial statements and financial highlights will be included in the CSIP Annual Report for the year end once the Fund completes its first fiscal year. The Annual Report will be available upon request and posted to [www.csipinvest.com](http://www.csipinvest.com).



## Part 2: Information Statement Addendum

### GENERAL INFORMATION

#### The Fund

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##### Description

CSIP is a common law trust organized pursuant to the provisions of Article 75, Title 24, Part 7 of the Colorado Revised Statutes entitled “Investment Funds – Local Government Pooling” (“the Investment Pooling Act”) whereby any county, city, town, school district or special district, or any other political subdivision of the state, or any department, agency, or instrumentality thereof, or any political or public corporation of the state is authorized to pool any moneys in the treasury of such Local Government which are not immediately required to be disbursed, with the same such moneys in the treasury of any other Local Government in order to take advantage of short-term investment seeking to maximize net interest earnings.

##### The Indenture

Each Investor receives a copy of the Indenture of Trust; all general descriptions of its terms contained in this Information Statement are subject to the specific language of the Indenture itself. The Indenture permits the Trustees to issue an unlimited number of shares of beneficial interest in the Fund, from such series and classes as the Trustees from time to time may create and establish. Various Portfolios may be designed to meet the specific investment objectives and needs of Investors. At present, the Fund has two Portfolios available to Investors, the CSIP Liquid Portfolio and the CSIP Term Portfolio. In the future the Fund may create other Portfolios. Unless otherwise stated, this Information Statement applies only to the CSIP Liquid Portfolio and the CSIP Term Portfolio.

Shareholders of a statutory trust may, under certain circumstances, be held personally liable for the obligations of the Fund. Therefore, the Indenture contains an express disclaimer of shareholder liability for acts or obligations of the Fund and requires that notice of such disclaimer be given in each written instrument creating an obligation of the Fund entered into or executed by the Fund or the Trustees.

The Indenture further provides that the Trustees will not be liable for errors of judgment or mistakes of fact or law, but nothing in the Indenture protects a Trustee against any liability to which he or she would otherwise be subject by reason of willful misconduct, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of office, or the failure to act in good faith in the reasonable belief that the action was in the best interests of the Fund.

##### Amendment and Termination of the Indenture

The Indenture may be amended by the affirmative vote of the holders of not less than a majority of the shares. The Trustees may also amend the Indenture without the vote or consent of Investors to establish additional series or portfolios, to make changes which the trustees in good faith deem necessary or convenient for the administration and operation of the Fund, or if the Trustees deem it necessary to conform the Indenture to the requirements of applicable laws or regulations, but the Trustees shall not be liable for failing to do so.

No amendment may be made which would change any rights with respect to any shares of beneficial interest by reducing the amount payable thereon upon liquidation of the Fund or by diminishing or eliminating any voting rights pertaining thereto, except with the vote or consent of the holders of two-thirds of the shares outstanding and entitled to vote. Furthermore, no amendment may be made which would cause any of the investment restrictions contained in the Indenture to be less restrictive without the affirmative vote of a majority of the Participants. Finally, no amendment may be made which would change (i) the limitations on personal liability of Participants and Trustees, or (ii) the prohibition of assessments upon Participants.

The Indenture may be terminated by the vote of a majority of the authorized Trustees, subject to the approval of the holders of not less than two-thirds of the shares outstanding. Upon the termination of the Fund and after paying or adequately providing for the payment of all liabilities, and upon receipt of such releases, indemnities, and refunding agreements as they deem necessary for their protection, the Trustees may distribute the remaining Fund property, in cash or in kind or partly in each, among the Investors according to their respective proportionate allocation of shares.

### Operating Policies

The Fund has developed operating policies pertaining to deposits, withdrawals, wire and other electronic transactions. These operating policies are available to all Investors and may be amended from time to time. These policies have been developed for the protection of the Fund and its Investors. The policies are integral to the operation of the Fund and are binding on the Investors. Each month, the Fund displays a summary of the holdings of the CSIP Liquid Portfolio and more detailed holdings on a quarterly basis for the CSIP Liquid and Term Portfolios online at [www.csipinvest.com](http://www.csipinvest.com).

### Services

**Advisory Services.** The Fund has entered into an Investment Advisory and Administrative Services Agreement with the Investment Adviser, pursuant to which the Investment Adviser manages the investment of the Fund's Liquid and Term Portfolios, including the placement of orders for the purchase and sale of each Portfolio's securities. The Investment Adviser obtains and evaluates such information and advice relating to the economy and the securities market as it considers necessary or useful to manage continuously the assets of the Fund in a manner consistent with the investment objectives and policies of each Portfolio.

**Portfolio Transactions.** The Investment Adviser is responsible for decisions to buy and sell Portfolio securities for the Fund and arranges for the execution of Portfolio securities transactions on behalf of the Fund. Purchases of Portfolio securities are made from dealers, underwriters, and issuers; sales prior to maturity are made to dealers and other persons. Money market instruments bought from dealers are generally traded on a "net" basis with dealers acting as principal for their own accounts without a stated commission, although the price of the security usually includes a profit to the dealer. Thus, the Portfolios do not normally incur any brokerage commission expense on such transactions. Securities purchased in underwritten offerings include a fixed amount of compensation to the underwriter, generally referred to as the underwriter's concession or discount. When securities are purchased or sold directly from or to an issuer, no commissions or discounts are paid. However, any fees, commissions or transaction costs incurred in the purchase or sale of Portfolio securities are borne by the respective Portfolio to which they related. The policy of the Fund regarding purchases and sales of securities for its Portfolios is that primary consideration will be given to obtaining the most favorable price and efficient execution of transactions. In seeking to implement the Fund's policy, the Investment Adviser will effect transactions with those dealers whom the Investment Adviser believes provide the most favorable price and efficient execution. If the Investment Adviser believes such price and execution can be obtained from more than one dealer, it may give consideration to placing Portfolio transactions with those dealers who also furnish research and other services to the Fund or Investment Adviser. Such services may include, but are not limited to, any one or more of the following: information as to the availability of securities for purchase or sale; statistical or factual information or opinions pertaining to investments; wire services; and appraisals or evaluations of Portfolio securities. The services received by the Investment Adviser from dealers may be of benefit to it in the management of accounts of some or all of its other clients and may not in all cases benefit the Fund directly. While such services are useful and important in supplementing its own research and facilities, the Investment Adviser believes the value of such services is not determinable and does not significantly reduce its expenses. The Fund does not reduce the management fee it pays to the Investment Adviser by any amount that may be attributable to the value of such services.

**Customer Service.** The Investment Adviser operates a toll-free telephone facility to be used by Investors or by Local Governments interested in becoming Investors. The Investment Adviser also develops and maintains the online access and transaction systems.

**Transfer Agent, Dividend Disbursing Agent.** The Investment Adviser maintains account records for each Investor, produces statements of account, calculates, and distributes the net income, and processes all transactions.

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**Administrator.** The Investment Adviser maintains the books of the Portfolios; supervises, under the direction of the Trustees, all aspects of each Portfolio's operations; periodically updates and prepares the Fund's Information Statement; prepares the tax returns, financial statements and reports for all Portfolios; supervises and coordinates the activities of the custodian for the assets of the Portfolios; and provides office space, equipment, and personnel to administer the Fund.

**Marketing.** PFM Fund Distributors, Inc., an affiliate of PFM Asset Management LLC arranges and pays for costs of printing and distributing the Fund's Information Statement to local governments, school districts, and municipal authorities. Additionally, PFM Fund Distributors, Inc. prepares and distributes other explanatory and promotional materials, provides technical assistance and guidance to local governments, school districts, and municipal authorities considering use of the Fund as a cash management vehicle, and personnel make visits to local governments, school districts, municipal authorities and other governmental entities to present the facts about the Fund and to explain their use, advantages, and benefits.

**Fund Accounting.** The Investment Adviser maintains records of all securities owned, performs the bookkeeping for all sales and purchases, determines the daily, monthly and quarterly income distribution amounts, and under the direction of the Trustees determines each Business Day the net asset value of shares of the CSIP Liquid Portfolio, and determines the NAV of shares of the CSIP Term Portfolio as necessary.

**Expenses**

The Fund has entered into arrangements for legal, accounting, and custodial services. The Fund also pays for its organization expenses, insurance premiums, Trustees' expenses, and other expenses not expressly assumed by the Investment Adviser.

The Fund may also pay certain expenses related to the development of new products, including the organization expenses of new entities.

**Opening an Account**

Investing in a Portfolio requires action by the governing body of each Local Government. Typically, a resolution is required. Once this action has been taken, prospective Investors must complete the New Investor Application (initial accounts only) and an Account Application Form, Contact Record Form and Permissions Form for each account to be opened, and forward them along with a copy of the resolution and a completed IRS Form W-9 to:

Colorado Statewide Investment Pool  
PO Box 11813  
Harrisburg, PA 17108  
Fax: 888-535-0120

The Fund will notify the Local Government of its approval of the application(s) and the account number(s) assigned. There is no limit to the number of accounts that can be opened by an Investor.

To obtain account forms, call 855-274-7468 or visit [www.csipinvest.com](http://www.csipinvest.com) to download them.

**Election and Duties of Trustees****Board of Trustees**

The operation of the Fund is governed by a Board of Trustees, the membership of which shall be determined as provided in the By-Laws. Initially the number of Trustees shall be four (4) voting Trustees *provided, however*, that the number of Trustees shall at no time be less than three (3) or more than fifteen (15). The listing of Trustees is available on the CSIP website ([www.csipinvest.com/board-of-trustees](http://www.csipinvest.com/board-of-trustees)).

In the event of a vacancy in a Trustee position, the remaining Trustees may appoint a qualified person to fill the position.

The Trustees may be elected or appointed and are responsible for the overall management of the Fund, including formulation and implementation of its investment and operating policies. In addition, the Trustees select and oversee the activities of the Investment Adviser and the Custodian for the Fund and monitor Fund investment performance and the method of valuing

Portfolio shares. The Trustees elect their own officers: President, Vice President, and Secretary/Treasurer and may form committees to address specific issues.

The Trustees serve without compensation, but they are reimbursed by the Fund for reasonable travel and other out-of-pocket expenses incurred in connection with their duties as Trustees. The Trustees are not required to devote their entire time to the affairs of the Fund and are not required to personally conduct all the business of the Fund.

## Service Providers

### Investment Adviser, Administrator, and Transfer Agent

PFM Asset Management LLC is an investment advisor registered with the U.S. Securities and Exchange Commission, under the Investment Advisers Act of 1940, as amended, and a subsidiary of U.S. Bancorp Asset Management, Inc. (“USBAM”). USBAM is a subsidiary of U.S. Bank National Association (“U.S. Bank”). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp.

PFM Asset Management LLC  
P.O. Box 11760  
Harrisburg, PA 17108-1760

#### Colorado Office

950 17<sup>th</sup> Street  
Denver, Colorado 80202  
Mail Code: DN-CO-T8  
303-467-1114

PFMAM is registered under the Investment Advisers Act of 1940, as amended, and is under common ownership with PFM, a financial advisory firm. PFMAM was established by the shareholders of PFM in July 2001 to conduct the investment advisory business in which PFM had been engaged since 1980. For additional information on the Investment Adviser, visit [www.pfmam.com](http://www.pfmam.com).

As Investment Adviser, PFMAM is responsible for supervising each Portfolio’s investment program, managing each Portfolio’s assets, implementing any training programs approved by the Trustees, providing the Trustees with quarterly performance evaluations, and maintaining the books and records of the Fund.

PFMAM also provides certain administrative services to the Fund, such as:

- Calculating the NAV of each Portfolio.
- Arranging for quarterly Trustee meetings.
- Overseeing the preparation of tax returns, reports to the Trustees, Investor reports, and regulatory filings.
- Coordinating the activities of other service providers.

In its role as transfer agent for the Fund, PFMAM receives, validates, and processes orders to buy and sell Portfolio shares.

In this document, the term “Investment Adviser” is used to indicate PFMAM, even when referring to it in its capacity as Administrator or Transfer Agent, if applicable.

On September 7, 2016, the Colorado State Securities Commissioner issued an order waiving: 1) The requirements of sections 24-75-703(1)(c) and (e), C.R.S., regarding the resolutions of local government investment pool trust funds, as they apply to the trust, and 2) the prohibitions imposed on the trust’s investment adviser in 24-75-707(2)(b), C.R.S., and the trust’s administrator in section 24-75-708(2)(b), C.R.S.

## Distributor

PFM Fund Distributors, Inc.  
213 Market Street  
Harrisburg, PA 17101

PFM Fund Distributors, Inc., an affiliate of PFM Asset Management LLC offers shares of the Portfolios on a continuous basis. It is responsible for printing and distributing sales materials. PFM Fund Distributors, Inc., is a subsidiary of U.S. Bank National Association (“U.S. Bank”). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp.

**Custodian and Depository**

U.S. Bank, N.A.  
60 Livingston Avenue  
St. Paul, Minnesota 55107

U.S. Bank holds each Portfolio’s securities. In addition to internal governance, numerous federal agencies, including the Office of the Comptroller of the Currency (OCC), the Federal Reserve System and the Consumer Financial Protection Bureau (CFPB), supervise and inspect U.S. Bank and its parent company, U.S. Bancorp, to ensure sound banking practices and to protect clients. Appropriate information barriers relating to activities and data exist to facilitate fully independent and segregated oversight of client assets as custodian.

The Fund’s demand deposit accounts and similar concentration accounts are maintained with, and all banking transactions (including wires and ACH) for Investors are processed through, the Depository Bank. Cash received from Investors who are buying Portfolio shares or cash payable to Investors who have redeemed shares may be held by the Depository Bank on a same-day basis.

U.S. Bank, N.A does not participate in determining the investment policies of the Fund or in investment decisions.

The Investment Adviser may not invest funds of the Portfolios with, nor buy or sell any securities through, any affiliated service provider.

**Legal Counsel**

Kutak Rock LLP  
1801 California St. #3000  
Denver, CO 80202

Kutak Rock LLP serves as legal counsel to the Fund.

**Independent Auditor**

Ernst & Young LLP  
370 17th Street, Suite 3300  
Denver, CO 80202-5663

Ernst & Young LLP serves as the independent auditor of the Fund.

## Fees and Expenses

The fees paid by the Fund to its Service Providers are as follows:

### Management and Administrative Costs

**Investment Adviser, Administrator, and Transfer Agent fees.** The annual fee for PFMAM services is calculated as a percentage of average daily net assets:

CSIP Liquid Portfolio	
Average Daily Net Assets	Fee
First \$500 million	0.18%
Next \$500 million	0.17%
Over \$1 billion	0.16%
<i>These fees are accrued daily and payable monthly.</i>	

CSIP Term Portfolio	
Average Daily Net Assets of Each Series	Fee
All assets	0.12%
<i>These fees are accrued daily and payable monthly.</i>	

*PFM Fund Distributors, Inc. is not separately compensated for the distribution services it provides to the Portfolios.*

PFMAM has agreed to reimburse each series of the CSIP Term Portfolio for the amount by which its fees and total expenses (excluding any legal and litigation-related fees) exceed 0.20%, of the annualized average daily net assets as determined following the termination of each individual series and PFMAM has agreed to reimburse the CSIP Liquid Portfolio for the amount by which its fees and total expenses (excluding any legal and litigation-related fees) exceed 0.21%, of the annualized average daily net assets.

**Custodian and Depository Fees.** The Fund pays U.S. Bank, N.A. fees for various custodial, depository and cash management banking services required to operate the fund and facilitate Investor transactions.

In addition to the above fees, the Fund pays certain out-of-pocket expenses incurred by the Trustees, fees for legal and auditing services, rating services, insurance premiums and any other operating expenses not expressly assumed by any of the Fund's Service Providers.

**Fee Waivers.** PFMAM may, but shall not be obligated to, reduce a portion of its fees to assist the Fund in an attempt to maintain a positive yield.

## THE PORTFOLIOS

### Information Common to All Portfolios

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#### Investment Policy and Guidelines

The Fund's Trustees shall review this document at least annually and confirm adequacy or communicate the need for changes or additions as part of the review process.

To pursue its investment objective, the Portfolios purchase the U.S. dollar denominated instruments described in this Information Statement. Pursuant to procedures approved by the Fund's Trustees, the Portfolios will invest in a security only if the Investment Adviser is satisfied that the credit risk associated with the investment is minimal.

From time to time, cash assets of the Portfolios may be maintained in a demand deposit or other deposit account with the Custodian pending investment, subject the requirements of the Colorado Public Deposit Protection Act, CRS 11-10.5-107, et seq.

Unless otherwise noted, permitted investment limitations or other investment restrictions expressed herein will apply at the time of purchase.

#### Permitted Investments

##### Obligations of the United States Government and its Agencies and Instrumentalities.

- 1) The Portfolios may purchase bills, notes and bonds issued by the U.S. Treasury and backed by the full faith and credit of the United States.
- 2) The Portfolios may purchase obligations of any agency or instrumentality of the United States, including but not limited to, obligations of Fannie Mae, Freddie Mac, the Federal Home Loan Banks, the Federal Farm Credit Banks, and the Government National Mortgage Association.
- 3) The Portfolios may invest in obligations issued by entities with credit or liquidity support from the U.S. Government, or its agencies or instrumentalities. These support arrangements provide that the U.S. Government or its agencies or instrumentalities will advance funds to the entity to pay the obligations of the entity to the extent it has insufficient funds to pay amounts due on its obligations.

**Repurchase Agreements.** Repurchase agreements whose underlying purchased securities consists only of the instruments listed in the Obligations of the United States Government and its Agencies and Instrumentalities section of the Permitted Investments.

**Commercial Paper.** The Portfolios may invest in "prime quality" commercial paper that is denominated in U.S. dollars, that is issued by a bank or corporation which is organized and operated within or outside ("foreign") of the United States. "Prime quality" means that it shall be rated in the top short-term rating category by two nationally recognized statistical rating organizations ("NRSRO").

**Corporate Notes and Bonds.** The Portfolios may invest in bonds, notes and other evidences of indebtedness denominated in U.S. dollars that are issued by a corporation which is organized and operated within or outside of the United States. All such debt obligations purchased by the Portfolios shall be rated at least AA- or higher by two NRSROs.

**Obligations of Banks.** The Portfolios may purchase bankers' acceptances, certificates of deposit and negotiable bank deposit notes issued by domestic banks and foreign banks. This will include:

- Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances, if the accepting bank is rated in the top short-term category by two NRSRO.
- Negotiable certificates of deposit and bank deposit notes with maturities of one year or less if rated in the top short-term rating category by two NRSROs. Negotiable bank obligations with a remaining maturity of over one year will be considered for purchase if rated AA- by two NRSROs.

**Floating-Rate and Variable-Rate Obligations.** Debt obligations purchased by the Portfolios may have interest rates that are periodically adjusted at specified intervals or whenever a benchmark rate or index changes. These securities may have demand features which gives the Portfolios the right to demand repayment of principal on specified dates or after giving a specified

notice. Adjustable rate securities and securities with demand features may be deemed to have maturities shorter than their stated maturity dates.

**Municipal Obligations.** The Portfolios may invest in general obligation bonds and revenue bonds of state or local governments. Such obligations of Colorado (or any political subdivision, institution, department, agency, instrumentality, or authority of the state) shall be rated at least A or the equivalent by at least two NRSROs. Such obligations of any other governmental entity shall be rated at least AA or the equivalent by at least two NRSROs.

**Securities Issued by Other Money Market Funds.** The Portfolios may invest in no-load money market mutual funds that (i) are registered with and regulated by the Securities and Exchange Commission, (ii) include in their investment objectives the maintenance of a stable net asset value of \$1.00, and (iii) are rated AAA or equivalent by at least one NRSRO.

**Bank or Savings Accounts** The Portfolios may invest in bank accounts, savings accounts or time deposits or share accounts of institutions to the extent that deposits are insured by the Federal Deposit Insurance Corporation through the Deposit Insurance Fund or the National Credit Union Administration through the National Credit Union Share Insurance Fund to the extent that such accounts are so insured, and for any amounts above the insured maximum, provided that collateral consistent the requirements of the Colorado Public Deposit Protection Act, CRS 11-10.5-107, et seq., or the depository obtains a letter of credit from a Federal Home Loan Bank in lieu of pledging collateral.

**Colorado Revised Statutes (“CRS”) § 24-75-601 et. seq.** The Portfolios may make any investments authorized under § 24-75-601 et. seq. as amended.

**Investment activity in the following are prohibited:**

- Short sales;
- Margin transactions;
- Commodity or future contracts;
- Venture capital, private placements or initial public offerings;
- Option trading; and,
- Derivative transactions.

**Investment Restrictions**

The Trustees have adopted the following investment restrictions and fundamental investment policies for the Portfolios. These cannot be changed without approval of the Investors holding a majority of the outstanding shares of each Portfolio or series within a Portfolio to be affected by the change. No Portfolio will:

1. make any investment other than investments authorized by this Indenture, which constitute Permitted Investments and which are consistent with the investment policies and procedures set forth in the Information Statement and which are described therein, as the same shall may be amended from time to time.
2. make loans, provided that the Fund may make Permitted Investments (which may include securities lending);
3. borrow money or incur indebtedness except as a temporary measure to facilitate withdrawal requests which might otherwise require unscheduled dispositions of portfolio investments, and only as and to the extent permitted by law;
4. hold or provide for the custody of any Trust Property in a manner not authorized by law.
5. make an investment in any security with a final or effective maturity (or, for repurchase agreements, a remaining term) of 397 days or more.

**Main Risks**

**Interest rate risk (Not applicable to CSIP Term)** When short-term interest rates fall, the Liquid Portfolio’s yield is likely to fall. When interest rates rise, especially if the rise is sharp or unexpected, the Liquid Portfolio’s share price could fall. During periods of unusually low interest rates, the Liquid Portfolio’s yield may approach zero. Over time, the total return of the Liquid Portfolio may not keep pace with inflation. For additional information about risks applicable to each Portfolio, see Part 1.

**Credit risk** The issuer of a security owned by a Portfolio could fail to pay interest or principal in a timely manner. The credit quality of a Portfolio’s holdings could change rapidly in certain markets, and the default or decline in credit quality of even a single holding could cause a Portfolio’s share price to fall.



For money market instruments that rely on third-party credit guarantors, the same risks may apply if the financial condition of the guarantor deteriorates or the guarantor ceases to insure money market instruments. The value of an obligation may decline, and it is possible that the guarantor may not honor the guarantee.

For U.S. government or agency securities not backed by the full faith and credit of the U.S. government, there is no guarantee that the government will intervene in the event of any loss or default.

Any type of credit backing or guarantee applies only to the securities held by a Portfolio, not to shares of the Portfolio itself, and does not protect against any risk other than credit risk.

**Management risk** Portfolio performance could be hurt by investment decisions made by the Investment Adviser, such as choice of investments or timing of buy/sell decisions.

**Counterparty risk** A financial institution or other counterparty with whom a Portfolio does business (such as trading or entering into repurchase agreements), or that underwrites, distributes, or guarantees any investments or contracts that a Portfolio owns or is otherwise exposed to, may decline in financial condition and become unable to honor its commitments. This could cause losses for a Portfolio or delay the return or delivery of collateral or other assets.

**Financial industry risk** Any market price movements, regulatory or technological changes, or economic conditions affecting banks or other financial institutions will have a significant impact on a Portfolio's performance.

**Liquidity risk** If a Portfolio faces an unusual volume of redemption orders, or if it is unable to sell Portfolio securities at the desired time or price, the Portfolio's share price could fall.

### Distribution in Kind

Investment securities may be distributed to the Investors in lieu of cash whenever the Trustees determine that such distributions would be in the best interest of the Investors. The investments made for the CSIP Portfolios are in money market instruments of generally short maturities. The Investment Adviser may attempt to maximize yields through trading, to take advantage of short-term market variations. These strategies may result in high portfolio turnover. However, since the costs of transactions of the type in which the Portfolio engages are small, high turnover rate is not expected to adversely affect net asset values or yields.

### Tax Matters

**Rebate Regulations.** On June 18, 1993, the United States Treasury issued final Regulations relating to the Rebate Requirement. The Regulations set forth allocation and accounting rules in Section 1.148-6 (the "Allocation and Accounting Rules") that must be followed for purposes of the general arbitrage requirements of Section 148 of the Internal Revenue Code as well as the Rebate Requirement. The Regulations apply generally to bonds issued after June 30, 1993. The following discusses generally the application of the Regulations to the Rebate Requirement of the bond issues of the Investors. Investors that will be investing proceeds of bonds not subject to the Regulations (e.g., bonds issued prior to July 1, 1993 for which the Investor has not elected to apply the Regulations) in the Portfolios should consult with their bond counsel to determine the appropriate treatment of an investment of such proceeds in the Portfolios for purposes of satisfying the Rebate Requirement with respect to such bonds.

**Yield Restriction and Yield Reduction Payments.** The yield on the CSIP Liquid Portfolio will fluctuate daily and, consequently, the CSIP Liquid Portfolio may not be an appropriate investment if any proceeds of an Investor's bond issue must be invested in investments with a yield that does not exceed the yield of the Investor's bond issue. Therefore, it will be the responsibility of each Investor or its bond counsel to determine the extent to which the proceeds of an Investor's bond issue may be invested at an unrestricted yield and whether an investment in, or the continued investment in, the CSIP Liquid Portfolio is appropriate. The Regulations provide limited circumstances in which the yield restricted proceeds of an issue may be invested at a yield in excess of the otherwise permitted yield as long as certain payments ("Yield Reduction Payments") are made to the Internal Revenue Service. Yield Reduction Payments have the effect of reducing the yield on particular investments. Any Investor that finds that its investments must be yield restricted in order to retain the tax exempt status of the interest on its bonds should consult its bond counsel to determine if the Yield Reduction Payment procedure is available and whether it should be utilized.

**Rebate Requirement and Exceptions to Rebate.** To comply with the rebate requirement imposed on its bond issues by Section 148(f) of the Internal Revenue Code, each Participant must pay to the United States with respect to each of its bond issues an amount equal to the sum of (i) the excess of (A) the amount earned on all nonpurpose investments acquired with the gross

proceeds of such issue over (B) the amount that would have been earned if such nonpurpose investments were invested at a rate equal to the yield on its bond issue, plus (ii) any income attributable to the excess described in clause (i) (the "Rebate Requirement"). The Internal Revenue Code provides five exceptions to the Rebate Requirement described further below. If any of these exceptions is applicable to all or a portion of an issue, the earnings derived from the investment of the portion of the issue eligible for the exception is not subject to the Rebate Requirement (except that all or a portion of the earnings on a reserve fund or on certain debt service funds may be subject to the Rebate Requirement). Each potential Investor should consult with its bond counsel to determine whether any of these exceptions is available and, if so, whether an investment in the Portfolios is appropriate.

**Six-Month Exception.** The Rebate Requirement does not apply to an issue of bonds if all of the gross proceeds of such issue (which for this purpose do not include gross proceeds held in a reasonably required reserve or replacement fund or a bona fide debt service fund) are expended for the governmental purpose for which the bonds were issued within 6 months of the date of issuance of such issue.

**TRANS Exception.** Tax and Revenue Anticipation Notes ("TRANS") are not subject to the Rebate Requirement if the cumulative cash flow deficit to be financed by such issue exceeds 90 percent of the proceeds of the issue within 6 months of the date of issue of the notes (the "TRANS Exception"). If the cumulative cash flow deficit actually experienced by the issuer within 6 months following the date of issue of the TRANS does not exceed 90 percent of the proceeds of the issue, the Rebate Requirement may apply. The proceeds of the TRANS, however, may be treated as spent only as actual cash flow deficits arise and the TRANS proceeds are used to offset those deficits. Consequently, any Investor that wishes to invest the proceeds of its TRANS issue in the Portfolios should consult with its bond counsel as to the appropriate method of accounting for the expenditure of such funds. In addition to the TRANS Exception, TRANS proceeds will not be subject to rebate if the Six-Month Exception is met. In order to determine if all of the gross proceeds of a TRANS issue have been spent within six months, however, the Allocation and Accounting Rules provide generally that all of the available amounts of the issuer will be treated as spent first, i.e., the proceeds of a TRANS issue will not be treated as spent on any given day unless the issuer has spent all of its other available money. For purposes of the Six-Month Exception (but not the TRANS Exception), an issuer is entitled to retain a reasonable working capital reserve, however, which may not exceed 5 percent of the actual expenditures of the issuer paid from the issuer's current revenues in the preceding fiscal year. The sizing of an issuer's reasonable working capital reserve and its impact on the Six-Month Exception is complicated. Consequently, any Investor that wishes to invest the proceeds of its TRANS issue in the Portfolios should consult with its bond counsel as to the appropriate method of accounting for the expenditure of such funds as well as the suitability of an investment of TRANS proceeds in the Portfolios.

**Construction Exception.** The Rebate Requirement does not apply to a construction issue if all of the available construction proceeds of the bonds, or, as described below, the portion of a bond issue attributable to construction projects, are expended for the governmental purpose for which the issue was issued in accordance with the following timetable: 10 percent or more within the first six months of the date of issue, 45 percent or more within the first year, 75 percent or more within the first 18 months, and 100 percent within 24 months. The Regulations provide that a failure to spend all of the available construction proceeds at the final spending period may be disregarded if the amount does not exceed the lesser of 3 percent of the issue price or \$250,000 and the issuer exercises due diligence to complete the project. Alternatively, if the unspent balance as of the final spending period represents "reasonable retainage", e.g., to ensure compliance with the terms of a construction contract, then the unspent balance may be disregarded if it is spent within a year of the final spending period and the amount does not exceed 5 percent of the issue price. With respect to the Construction Exception, at least 75 percent of the available construction proceeds of the issue must be reasonably expected to be used for construction expenditures (including reconstruction and rehabilitation) made in connection with property that is owned by either a governmental unit or an organization described in Section 501(c)(3) of the Internal Revenue Code. Depending on certain elections, the term "available construction proceeds" may include either the actual or expected investment return on the investments of the sale proceeds of an issue earned before the close of the relevant period. In addition, if only a portion of a single issue is to be used for construction expenditures, the issuer may elect to bifurcate the issue into two components so that one component may qualify for the Construction Exception and the other component may qualify for the Six-Month Exception. With respect to the expenditure requirements described above in connection with pooled construction financing for two or more borrowers, the issuer of any pool bonds should consult with its bond counsel as to such expenditure requirements. Furthermore, the Construction Exception provides that an issuer may elect to pay a penalty in lieu of the Rebate Requirement if the issuer fails to meet the expenditure requirements described above. The foregoing elections must be made on or before the date the bonds are issued and are irrevocable. Consequently, each potential Investor should consult with its bond counsel as to the elections to be made in conjunction with the Construction Exception.

**18-Month Exception.** The Regulations provide an exception to the Rebate Requirement if the gross proceeds of such issue (as described in the Six-Month Exception above) are expended for the governmental purpose for which the issue was issued in accordance with the following timetable: at least 15 percent within 6 months of the date of issue, 60 percent or more within the first 12 months, and 100 percent within 18 months. The Regulations permit that a failure to spend all of the proceeds at the final spending period may be disregarded if the amount of the final spending period does not exceed the lesser of 3 percent of the issue price or \$250,000 and the issuer exercises due diligence to complete the project. Alternatively, if the unspent balance represents “reasonable retainage” (as described in the Construction Exception above), then the unspent balance may be disregarded if it is spent within a year of the final spending period and the amount does not exceed 5 percent of the issue price.

**Small Issuer Exception.** Bonds of a governmental unit with general taxing powers that are not private activity bonds will not be subject to the Rebate Requirement if 95 percent of the net proceeds of the issue are to be used for local governmental activities of the issuer and the aggregate face amount of all tax exempt bonds (other than private activity bonds) of such issuer issued during the calendar year is reasonably expected not to exceed (A) \$5,000,000 and (B) in certain circumstances with respect to bonds used to finance the construction of public school facilities, \$15,000,000.

**Nonpurpose Investments.** In addition to the foregoing, each Investor should be aware that in order to compute the Rebate Requirement, it is necessary to determine (1) the nonpurpose investments purchased with the gross proceeds of the Investor’s bond issue, and (2) the amount earned on such nonpurpose investments. Section 148(f) of the Internal Revenue Code defines a nonpurpose investment as any type of investment that is acquired with the gross proceeds of a bond issue and that is not acquired to carry out the governmental purpose of the bond issue. The investment of the gross proceeds of their bond issues in the Portfolios will be nonpurpose investments. The Allocation and Accounting Rules provide that the purchase price of a nonpurpose investment may not be greater than, and the disposition price may not be less than, the fair market value of the nonpurpose investment. The Investment Advisor will make all acquisitions or dispositions of investments that are part of the Portfolios must be made only at their fair market price as such term has been defined in the Rebate Regulations. The net income of the Portfolios (determined by, among other things, subtracting Transaction Costs from gross income) will be determined daily and declared monthly as a dividend. The Rebate Regulations provide that for purposes of calculating the amount earned on nonpurpose investments, any receipt or payment with respect to a nonpurpose investment allocated to an issue must be included. This includes any amount actually or constructively received with respect to the investment, the fair market value of any investment on the date that it ceases to be allocated to the gross proceeds of an Issue, and the fair market value (or the present value in certain circumstances) of all nonpurpose investments on the rebate calculation date. In general, receipts are not reduced by selling commissions, administrative expenses, or similar expenses and the purchase price of the nonpurpose investments is not increased by brokerage commissions, administrative expenses or similar expenses.

*The foregoing summary of federal income tax matters affecting Investors in the Portfolios do not purport to be complete. Investors should consult their bond counsel for advice as to the application of federal income tax law to their particular investment in the Portfolios.*

### **Arbitrage Rebate Compliance**

The Program offers certain arbitrage rebate services designed to assist Investors in complying with the Code to the extent those requirements are applicable to an Investor’s tax-exempt financing. Investments are purchased and investment documentation is maintained in accordance with requirements of the Code, and rebate calculations are prepared for Investors by the Investment Adviser in a manner and at such times as to enable Investors to comply with these requirements and to assist Investors in determining whether they have satisfied the expenditure tests for any available exceptions from the arbitrage rebate requirements.

The Program is operated in a manner that allows for the preservation of a clear audit trail for purposes of complying with the Regulations concerning arbitrage rebate. Practices typically utilized include the following:

- (1) An Investor should invest all bond proceeds subject to the arbitrage rebate requirements in the Program on the same day as they are received by the Investor. This will enable the Program to track the investment and expenditure of these funds.
- (2) An Investor should, at the time of initial investment, identify all funds subject to the arbitrage rebate requirement that are subject to the rebate requirement at the same bond yield. A separate account should be established for each fund or funds subject to a different bond yield for arbitrage rebate computation purposes, by completing an Account Application provided by the Investment Adviser. The Investment Adviser will also provide advice on the number and type of accounts that will be needed to provide a clear audit trail.

(3) An Investor should notify the Investment Adviser when making its initial investment whether all or some of the bond proceeds it is investing are expected to qualify for certain exceptions to rebate commonly known as the spending exceptions. The spending exceptions include the “6-month spending exception,” “the 18-month spending exception,” and “the 2-year spending exception.” In addition, if the bond proceeds are expected to qualify for the “2-year spending exception,” the Investor should indicate to the Investment Adviser whether the Investor has elected to pay a penalty in lieu of rebate or to pay rebate if the spend down percentages are not met.

(4) An Investor should not draw down the entire bond proceeds account before providing for any rebate requirement or penalty payment.

***If any Investor and any parties related to the Investor own more than ten percent (10%) of the Shares of the Portfolio, such ownership may adversely affect the rebate liability of all Investors.***

**Documentation of Market Price.** The Investment Adviser will follow certain procedures to document that investments are purchased at a “market price” in accordance with requirements of the Internal Revenue Code and related rulings and regulations. These procedures include obtaining three bids or offers for all securities transactions on the secondary market, documenting transaction prices using independent pricing services, and following practices to avoid making “prohibited payments” or receiving “imputed receipts” (as these terms are used in the applicable U.S. Treasury regulations) that improperly reduce the yield on investments.

### **Rebate Exception Services for the Proceeds of Debt Issues**

Upon initial investment of the proceeds of a debt issue, an Investor should inform the Investment Adviser by means of the Account Application if it expects to qualify for an exception to the arbitrage rebate requirement and whether an election to pay a penalty in lieu of rebate was made under the 2-year spending exception. If the Investment Manager has been so informed, thirty (30) days before any expenditure test date related to such an exception from the rebate requirements, the Investment Adviser will provide a notice to the Investor that tracks the cumulative percentage of proceeds of a debt issue drawn from funds invested in the Portfolios from any debt issue whose proceeds are then invested in the Portfolios, and compares the cumulative percentage of funds drawn to the requirements of the exception to assist the Investor in determining its eligibility for such exception. Thirty (30) days after any expenditure test date, the Investment Manager will provide a report (a “rebate exceptions compliance report”) to such Investor showing the cumulative percentage of the proceeds of a debt issue (including investment income) actually drawn and calculating the penalty, if any, due to the Internal Revenue Service if actual amounts drawn do not meet the expenditure test. Such Exception Compliance Report will assume that all draws from the Portfolios represent expenditures of bond proceeds by the Investor that occurred on or before the dates of the draws.

### **Rebate Calculation Estimates for the Proceeds of Debt Issues**

The Investment Adviser will provide estimates and formal reports of rebate liabilities as described below. Upon request, the Investment Adviser will provide, at no cost, an estimated interim rebate calculation report (an “Interim Estimate”) to an Investor whose bonds are subject to rebate. The Interim Estimate is only an estimate of the Investor’s rebate liability for the purpose of giving the Investor assistance in its planning and financial reporting. The Interim Estimate will summarize all of the following:

- The allowable investment yield.
- Portfolio investment activities for the relevant period.
- A calculation of the estimated rebate liability at the end of the report period using the methodology prescribed by the applicable U.S. Treasury regulations.

When an account for the proceeds of a debt issue is opened, the Investment Adviser will request certain information from an Investor, including information necessary to permit scheduling of the estimated rebate calculation report or estimated spending exception report. The Investment Adviser will require additional information from an Investor, including copies of the official statement, non-arbitrage or tax certificate, debt issue resolution and similar documents, before the first such reports can be prepared.

For each bond issue for which an Investor notifies the Investment Adviser by means of the Account Application that it is subject to rebate, as long as proceeds are invested in the Portfolios the Investment Adviser will provide a formal rebate calculation report (a “Formal Report”) within 30 days after the fifth bond-year anniversary and each succeeding fifth bond year, and within 30 days after the date on which the last bond of an issue is discharged unless the Investor requests that a Formal Report be furnished for different computation dates. Investors may request a Formal Report at any other time or at a

more frequent interval than every five years. The Formal Report will normally consist of a statement of cash flows and certain calculations of yields and earnings prepared by the Investment Adviser.

If all the bonds have been discharged as a result of a refunding, it is the responsibility of the Investor to provide timely notice to the Investment Adviser that such event has occurred and supply the Investment Adviser with any information required to complete the final Arbitrage Report.

An Investor could be liable for rebate payments in addition to the amount identified in the Formal Report if, among other things, there are changes in the Regulations, if the date of the Formal Report does not correspond with a Computation Date (as defined in the Regulations), if payment of the amount is not made within 60 days of a Computation Date, or if the yield on the related tax-exempt, tax-credit, or taxable obligations changes.

It is advisable that an Investor not withdraw all of its funds prior to completion of rebate estimates and a Formal Report, and that withdrawals be made within the time frame described above in order to track all earnings accurately and to assist the Investor in fulfilling its rebate obligation. Investors may request an exception from these rules, but such an exception may result in the Investor having to fulfill its rebate obligation from other source of funds, and may make it impossible for the Investment Adviser to prepare a complete and accurate Formal Report.

### **Yield Restriction Calculation Estimates for the Proceeds of Debt Issues**

The Investment Adviser will notify the Investor if any unspent funds invested in the Portfolio have become yield restricted as a result of the end of an applicable temporary period. This notification will also include a discussion of options available to the Investor to comply with the yield restriction requirements. **The Investor should consult with its bond counsel prior to determining how it intends to comply with the yield restriction requirements.** If bond counsel determines that the Investor is eligible to make yield reduction payments and the Investor selects this option, the Investment Adviser will provide estimated yield reduction payment reports upon request. This report is only an estimate for the purpose of assisting the Investor in its planning and financial reporting. The estimate report will summarize all of the following:

- The allowable investment yield.
- Portfolio investment activities for the relevant period.
- A calculation of the estimated yield reduction payment liability at the end of the report period using the methodology prescribed by the applicable U.S. Treasury regulations.

For each bond issue for which an Investor notifies the Investment Adviser that it has decided to make yield reduction payments, if necessary, to comply with yield restriction as long as the yield restricted proceeds are invested in the Portfolio, the Investment Adviser will provide a formal yield reduction payment report within 30 days after the fifth bond year anniversary and each succeeding fifth bond year, and within 30 days after the date on which the last bond of an issue is discharged unless the Investor requests that a formal yield reduction payment report be furnished for different computation dates. Investors may request a formal yield reduction payment report at any other time or at a more frequent interval than every five years. The formal yield reduction payment report will normally consist of a statement of cash flows and certain calculations of yields and earnings prepared by the Investment Adviser.

**It is the Investor's responsibility to notify the Investment Adviser if the bonds have been refunded and/or discharged as the result of a refunding. The Investor should check with its bond counsel to make this determination and to identify if there are any transferred proceeds of the refunding bonds that should be yield restricted.**

### **Rebate Calculation Expenses**

There will be a separate charge for each formal rebate calculation report. The fee for a formal rebate calculation report prepared by the Investment Adviser will be billed separately to the Investor at the following rates for debt issues, the proceeds of which are invested exclusively through the Portfolios from their date of issuance until the date of calculation of the formal rebate calculation report:

Each formal rebate calculation report, per debt issue: \$3,250

There will be additional charges for refundings requiring allocations of transferred proceeds and for other calculations involving more extensive services. For proceeds of tax-exempt debt issues invested outside the Portfolios, due to differences of elapsed time since the issuance of the debt, types of investments, volume and type of transactions, number of funds, and condition and availability of records, the Investment Adviser cannot charge a standard fee. However, at the request of the Investor, the Investment Adviser will provide an estimated cost based on the Investor's specific circumstances. In addition to

the rebate calculation services offered by the Investment Adviser, Investors also have the option of contracting directly with another service provider for rebate calculation services. If another service provider is used, the scope of the services provided and the fees charged are entirely the responsibility of the Investor and its service provider.

### Information Specific to the CSIP Liquid Portfolio

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#### Diversification Requirements

The CSIP Liquid Portfolio will limit investments in credit instruments (including but not limited to commercial paper, corporates, and negotiable certificates of deposit) to not more than 5% of the book value (at the time of purchase) of the total portfolio with any one issuer. Obligations issued and guaranteed as to principal and interest by the Government of the United States, its agencies or instrumentalities, any securities that are subject to repurchase agreements, and Federal Home Loan Bank letter of credit backed deposits are not subject to the 5% issuer limitation. The Board of Trustees, in accordance with Colorado Revised Statutes and limitations of applicable rating agency criteria, has confirmed that the Liquid Portfolio will not be subject to the 50% sector investment limitations.

#### Maturity Requirements

The Investment Adviser shall maintain the dollar weighted average maturity of the CSIP Liquid Portfolio in a manner that it believes is appropriate to the objective of maintaining a stable net asset value per share; provided that (i) in no event shall any security be acquired with a remaining “maturity” (as such term is defined below) of greater than 397 calendar days; (ii) the dollar weighted average maturity of the CSIP Liquid Portfolio shall in no event exceed 60 days, computed in accordance with the procedures described in this section and (iii) the CSIP Liquid Portfolio shall not maintain a dollar weighted average portfolio life that exceeds 120 calendar days, determined without regard to the date of any reset dates for interest rate readjustments.

For the purpose of computing maturity and dollar-weighted average maturity, the maturity of a security is deemed to be the period remaining (calculated from the trade date or such other date on which the security is subject to market action) until the date on which, in accordance with the terms of the security, the principal amount must unconditionally be paid or, in the case of a security called for redemption, the date on which the redemption payment must be made, except that for a Variable Rate Security a Floating Rate Security, repurchase agreements and money market fund securities the basis shall be as follows:

- A. Variable Rate Security is a security which provides for the adjustment of its interest rate on set dates and which, upon each adjustment until the final maturity of the security or the period remaining until the principal amount can be recovered through demand, can reasonably be expected to have a market value that approximates its amortized cost.
  - 1) A Government Security which is a Variable Rate Security, and which has its rate of interest readjusted no less frequently than every 397 days shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate.
  - 2) The maturity of each Variable Rate Security, the principal amount of which, in accordance with its terms, must unconditionally be paid in 397 calendar days or less, is deemed to be the earlier of (a) the period remaining until the next interest rate adjustment, or (b) the period remaining until the principal amount can be recovered through demand.
  - 3) The maturity of each Variable Rate Security, the principal amount of which is scheduled to be paid in more than 397 days and that is subject to a Demand Feature (as defined in paragraph (4) below), is deemed to be the longer of (a) the period remaining until the principal amount can be recovered through demand, or (b) the period remaining until the next interest rate adjustment.
  - 4) Each security having a remaining maturity of more than 397 days shall be subject to a Demand Feature. “Demand Feature” shall mean (i) a put that entitles the Fund, as holder, to receive the amortized cost of the security plus accrued interest, if any, at the time of exercise and is exercisable either at any time upon no more than 30 days’ notice, or at specified intervals not exceeding 397 calendar days and upon no more than 30 days’ notice, provided that such Demand Feature may be sold, transferred, or assigned only with the underlying security involved; or (ii) if the security is an asset backed security, a feature permitting the holder of the asset backed security unconditionally to receive principal and interest within thirteen months of making demand.
- B. Floating Rate Security is a security which provides for the adjustment of its interest rate whenever a specified rate changes and which, at any time until the final maturity of the security or the period remaining until the principal

amount can be recovered through demand, can reasonably be expected to have a market value that approximates its amortized cost.

- 1) The maturity of each Floating Rate Security, the principal amount of which, in accordance with its terms, must unconditionally be paid in 397 calendar days or less, shall be deemed to be one day.
  - 2) The maturity of each Floating Rate Security, the principal amount of which is scheduled to be paid in more than 397 days and that is subject to a Demand Feature (as defined in paragraph (3) below), is deemed to be the period remaining until the principal amount can be recovered through demand.
  - 3) Each security having a remaining maturity of more than 397 days shall be subject to a Demand Feature. Demand Feature shall mean (i) a Put that entitles the Fund, as holder, to receive the amortized cost of the security plus accrued interest, if any, at the time of exercise and is exercisable either at any time upon no more than 30 days' notice, or at specified intervals not exceeding 397 calendar days and upon no more than 30 days' notice, provided that such Demand Feature may be sold, transferred, or assigned only with the underlying security involved; or (ii) if the security is an Asset Backed Security, a feature permitting the holder of the Asset Backed Security unconditionally to receive principal and interest within thirteen months of making demand.
- C. Repurchase Agreements are agreements in which an investor buys securities from a counterparty who agrees to buy the securities back at a later date at an agreed upon price. The maturity of a repurchase agreement is deemed to be the period remaining until the date on which the repurchase of the underlying securities is scheduled to occur or, where the agreement is subject to demand, the notice period applicable to a demand for the repurchase of the securities.
- D. A Money Market Mutual Fund's maturity date is deemed to be the shorter of (i) the period remaining until the money market mutual fund is required to make payment upon redemption or (ii) if the money market mutual fund has agreed in writing to provide redemption proceeds to the investor within a shorter time period, such shorter time period.

### Liquidity Requirements

The CSIP Liquid Portfolio will not acquire any security other than: cash, direct obligations of the U.S. Government, or securities that will mature or are subject to a demand feature which is exercisable and payable within one business day (collectively "Daily Liquid Assets") if, immediately after acquisition, the CSIP Liquid Portfolio would have invested less than 10 percent of its total assets in Daily Liquid Assets.

The CSIP Liquid Portfolio will not acquire any security other than: cash, direct obligations of the U.S. Government, government securities that are issued by a person controlled or supervised by and acting as an instrumentality of the Government of the United States pursuant to authority granted by Congress of the United States that are issued at a discount to the principal amount to be repaid at maturity and have a remaining maturity of 60 days or less, or securities that will mature or are subject to a demand feature which is exercisable and payable within five business days (collectively "Weekly Liquid Assets") if, immediately after acquisition, the CSIP Liquid Portfolio would have invested less than 30% of its total assets in Weekly Liquid Assets.

The CSIP Liquid Portfolio will not invest more than 5% of net assets in illiquid investments. Illiquid investments are securities that cannot be sold or disposed of in the ordinary course of business at approximately the value ascribed to it by the CSIP Liquid Portfolio. Illiquid investments include:

- Restricted investments (those that, for legal reasons, cannot be freely sold).
- Fixed time deposits with a maturity of more than seven days that are subject to early withdrawal penalties.
- Any repurchase agreement maturing in more than seven days and not terminable at approximately the carrying value in the CSIP Liquid Portfolio before that time.
- Other investments that are not readily marketable at approximately the carrying value in the CSIP Liquid Portfolio.

If the 5% limitation on investing in illiquid securities is adhered to at the time of investment, but later increases beyond 5% resulting from a change in the values of the CSIP Liquid Portfolio's securities or total assets, the CSIP Liquid Portfolio shall then bring the percentage of illiquid investments back into conformity as soon as practicably possible.



The Fund believes that these liquidity requirements are reasonable and appropriate to assure that the securities in which the Liquid Portfolio invests are sufficiently liquid to meet reasonably foreseeable redemptions of shares.

### Additional Information

**Repurchase Agreements** involve the sale of securities to a Portfolio, and the concurrent agreement by the seller to repurchase the securities within a specified period of time at an agreed upon price, thereby establishing the yield during the buyer's holding period. The yield established for the repurchase agreement is determined by current short-term rates and may be more or less than the interest rate on the underlying securities. The securities underlying a repurchase agreement are, in effect, collateral under the agreement. It is each Portfolio's policy to enter into repurchase agreements only with primary dealers in U.S. Government securities or with other counterparties, including the Federal Reserve Bank of New York, whose credit has been reviewed by the Investment Advisor or with commercial banks with assets in excess of \$1 billion. Securities purchased by the Portfolio subject to repurchase agreements are limited to the United States Treasury bills or obligations, participants or other instruments of or guaranteed by the United States or any Federal agency, instrumentality or United States government-sponsored enterprise. The Portfolio requires that, at the time a repurchase agreement is made, the underlying securities have a market value at least equal to 102% of the amount of the purchase price. If an agreement is in effect for more than one day, the Investment Adviser is responsible for monitoring the value of the underlying securities and, in the event their value drops below 102% of the purchase price plus accrued interest, the counterparty is required to provide additional securities or money. All securities underlying repurchase agreements are required to be delivered to the Trust's Custodian or to another custodian agreed to by the Fund and the counterparty. At the expiration of each agreement, the Portfolio receives payment of the principal and interest earned under the agreement as a condition for the return of the underlying securities to the counterparty. If the counterparty fails to pay the agreed upon resale price on the expiration date, the risks to a Portfolio or to an Individual Portfolio in such event may include any decline in the value of the underlying securities to an amount which is less than the repurchase price, any costs of disposing of such securities, and any loss from any delay in foreclosing on such securities.

### Dividends

As of 12:00 p.m. Mountain Time on each Business Day, the daily net income (as defined below) of the CSIP Liquid Portfolio is determined and declared as a dividend to Investors of record as of the close of business on that day. Shares purchased as of 12:00 p.m. Mountain Time begin earning income dividends on the date of purchase. Shares redeemed as of 12:00 p.m. Mountain Time each day do not earn income for that day. Earnings for Saturdays, Sundays, and holidays are declared on the previous Business Day, except for month end. Dividends declared are paid monthly on the last Business Day of each month, and are reinvested automatically in additional CSIP Liquid Portfolio shares.

For the purpose of calculating CSIP Liquid Portfolio dividends, net income shall consist of interest earned plus any discount ratably amortized to the date of maturity plus or minus all realized gains and losses on the sale of securities prior to maturity, less ratably amortization of any premium and, for each class in the CSIP Liquid Portfolio, less all accrued expenses of the class, including the fees payable to the Investment Adviser, and others who provide services to the Fund. (See "Fees and Expenses")

### Valuation of Shares

The Investment Adviser, on behalf of the Fund, determines the NAV of the shares of the CSIP Liquid Portfolio as of the conclusion of each Business Day. The NAV per share is computed by dividing the total value of the securities and other assets of the CSIP Liquid Portfolio, less any liabilities, by the total outstanding shares of the CSIP Liquid Portfolio. Liabilities include all accrued expenses and fees of the Fund attributable to the CSIP Liquid Portfolio, including fees of the Investment Adviser, and others who provide services to the Fund, which are accrued daily. (See "Fees and Expenses")

For the purposes of calculating the NAV per share of the CSIP Liquid Portfolio, the bylaws of the Fund provide that investments held by the CSIP Liquid Portfolio shall be valued at original cost, plus or minus any amortized discount or premium.

The result of this calculation will be a per share value which is rounded to the nearest penny. Accordingly, the price at which CSIP Liquid Portfolio shares are sold or redeemed will not reflect unrealized gains or losses on CSIP Liquid Portfolio securities which amount to less than \$.005 per share. The CSIP Liquid Portfolio will endeavor to minimize the amount of such gains or losses. However, if unrealized gains or losses were to exceed \$.005 per share, the amortized cost method of verification would not be used and the NAV per share of the CSIP Liquid Portfolio in question would change from \$1.00.

**It is a fundamental policy of the CSIP Liquid Portfolios to maintain an NAV of \$1.00 per share, but for the reasons here discussed there can be no assurance that the NAV of the CSIP Liquid Portfolio's shares will not vary from \$1.00 per share.** The market value basis NAV per share for the CSIP Liquid Portfolio may be affected by general changes in interest rates resulting



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in increases or decreases in the value of securities held by the CSIP Liquid Portfolio. The market value of such securities will tend to vary inversely with changes in prevailing interest rates. Thus, if interest rates rise after a security is purchased, such a security, if sold, might be sold at a price less than its amortized cost. Similarly, if interest rates decline, such a security, if sold, might be sold at a price greater than its amortized cost. If a security is held to maturity, no loss or gain is normally realized as a result of these price fluctuations; however, withdrawals by Investors could require the sale of CSIP Liquid Portfolio securities prior to maturity.

The Investment Adviser and the Trustees will periodically monitor, as they deem appropriate and at such intervals as are reasonable in light of current market conditions, the relationship between the amortized cost value per share and an NAV per share based upon available indications of market value. In the event that the difference between the amortized cost basis NAV per share and market value basis NAV per share exceeds 1/2 of 1 percent, the Investment Adviser and the Trustees will consider what, if any, corrective action should be taken to minimize any material dilution or other unfair results which might arise from differences between the two. This action may include the reduction of the number of outstanding shares by having each Investor proportionately contribute shares to the CSIP Liquid Portfolio's capital, suspension or rescission of dividends, declaration of a special capital distribution, sales of CSIP Liquid Portfolio securities prior to maturity to reduce the average maturity or to realize capital gains or losses, transfers of CSIP Liquid Portfolio securities to a separate account, or redemptions of shares in kind in an effort to maintain the NAV at \$1.00 per share. If the number of outstanding shares is reduced in order to maintain a constant NAV of \$1.00 per share, Investors will contribute proportionately to the CSIP Liquid Portfolio's capital the number of shares that represents the difference between the amortized cost valuation and market valuation of the CSIP Liquid Portfolio. Each Investor will be deemed to have agreed to such contribution by its investment in the CSIP Liquid Portfolio.

To minimize the possible adverse effects of changes in interest rates and to help maintain a stable NAV of \$1.00 per share, the CSIP Liquid Portfolio will maintain a dollar-weighted average maturity of not more than 60 days, a dollar-weighted life (final maturity, adjusted for demand features but not interest rate adjustments) of no more than 120 days, will not purchase any security with a remaining maturity of more than 397 days, except for certain adjustable rate government securities as described under "Permitted Investments" above, and will only invest in securities determined by the Investment Advisor and Trustees to be of high quality with minimal credit risk.

**Yield**

Current yield information for the CSIP Liquid Portfolio may, from time to time, be quoted in reports, literature and advertisements published by the Fund. The yields quoted by the Fund or any of its representatives should not be considered a representation of the yield of the CSIP Liquid Portfolio in the future, since the yield is not fixed. Actual yields will depend on the type, quality, yield and maturities of securities held by the CSIP Liquid Portfolio, as well as changes in interest rates, market conditions and other factors.

The current yield of the CSIP Liquid Portfolio, which is also known as the current annualized yield or the current seven-day yield, represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally \$1.00 per share) over a seven-day base period expressed as a percentage of the value of one share at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7.

The Fund may also quote a current effective yield for the CSIP Liquid Portfolio from time to time. The current effective yield represents the current yield compounded to assume reinvestment of dividends. The current effective yield is computed by determining the net change (exclusive of capital changes and income other than investment income), over a seven day period in the value of a hypothetical account with a balance of one share at the beginning of the period, dividing the difference by the value of the account at the beginning of the period to obtain the base period return, then compounding the base period return by adding 1, raising the sum to a power equal to 365 divided by 7, and subtracting 1 from the result. The current effective yield will normally be slightly higher than the current yield because of the compounding effect of the assumed reinvestment.

The Fund also may publish a "monthly distribution yield" on each Investor's month-end account statement. The monthly distribution yield represents the net change in the value of one share (normally \$1.00 per share) resulting from all dividends declared during a month by the CSIP Liquid Portfolio expressed as a percentage of the value of one share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month.

At the request of the Trustees or Investors, the CSIP Liquid Portfolio may also quote the current yield from time to time on bases other than seven days for the information of Investors.

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**Information Specific to the CSIP Term Portfolio**

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**Maturity**

The CSIP Term Portfolio is a fixed-term investment portfolio of the Fund with a maturity of up to one year, depending on the termination date of any particular series within the CSIP Term Portfolio.

**Diversification Requirements**

The Board of Trustees, in accordance with Colorado Revised Statutes and limitations of applicable rating agency criteria, has authorized that the Term Portfolio will not be subject to the 5% issuer and 50% sector investment limitations.

**Dividends**

Dividends on shares of a CSIP Term Portfolio series are declared and paid on the termination date of such series, except for dividends on shares redeemed pursuant to a Premature or Planned Early Redemption which will be declared and paid when such shares are redeemed. Dividends will be paid from net income, which will consist of interest earned, plus any discount ratably amortized to the date of maturity, plus associated projected yield and the attributable share of losses on the sale of securities prior to maturity, less ratable amortization of any premium and all accrued expenses of the series.

Dividends on shares which are declared and paid on a Planned Early Redemption Date are equal to the projected yield for such shares to the Planned Early Redemption Date, less any losses affecting projected yield attributable to such shares. Dividends on shares declared and paid on a Premature Redemption Date are equal to the projected yield for such shares to the Premature Redemption Date, less any losses affecting projected yield attributable to such shares. Dividends on shares declared and paid on a termination date of a series are equal to the projected yield for such shares to the termination date, less any losses affecting projected yield attributable to such shares, plus an additional dividend, if any, equal to any excess net income of the series attributable to such shares. Any excess net income of a series on the termination date will be distributed as an additional dividend only to the shares of the series that are outstanding on the termination date of the series, and the excess net income will be allocated on a pro rata basis to all shares then outstanding.

**Valuation of Shares**

The redemption value per share for a series of CSIP Term will be determined as of 12:00 p.m. Mountain Time on any day when redemptions are made and on termination of the series. The redemption value per share on the termination date of a series is equal to the original purchase price for such share, plus dividends thereon, at the projected yield less such share's allocation of any losses incurred by the series (other than losses resulting from Premature Redemptions of shares of the series). The redemption value per share for shares being redeemed on a Premature Redemption Date is equal to the original price for such share, plus dividends thereon, at the projected yield less such share's allocation of any losses incurred by the series, less a Premature Redemption penalty, if any. The Premature Redemption penalty is described in Part 1 of this document.

The redemption value per share for shares being redeemed on a Planned Early Redemption Date is equal to the original purchase price for such share, plus dividends thereon, at the projected yield less such share's allocation of any losses incurred by the series (other than losses resulting from Premature Redemptions of shares of the series). The Premature Redemption penalty will be calculated by the Investment Adviser and will be equal to (i) all penalty charges, losses and other costs (including, without limitation, interest paid on funds borrowed to pay the redemption) associated with amending, terminating, selling or otherwise affecting any of the investments in the series in order to pay the Premature Redemption plus (ii) an amount sufficient to maintain the projected yield on the remaining shares to the stated termination date for the series or to the Planned Early Redemption Date, as the case may be, less any losses affecting projected yield attributable to such shares. Thus, a Premature Redemption of shares may result in a penalty which could reduce the return and the principal value of the investment in amounts not ascertainable at the time the shares are issued. The redemption value per share could be lower than the purchase price of the share, and the return could be lower than the projected yield quoted at the time of issuance of the share.

Each CSIP Term series provides for a fixed-rate, fixed-term investment by Investors, but the market value of the underlying assets will, prior to their maturity, tend to fluctuate inversely with the direction of interest rates. It is the intent of the CSIP Term Portfolio to manage each of its series in a manner that produces a share price of at least \$1.00 on the termination date for the Investor that redeems on said date.

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**Yield**

The projected yield quoted for any investment in the CSIP Term Portfolio is determined by dividing the expected net income per share for the period from the settlement date to the termination date by the purchase price per share, dividing this result by the actual number of days between the settlement date and the termination date, and multiplying the result by 365.

**ADDITIONAL INFORMATION ABOUT THE FUND****For More Information**

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We will send each Investor an annual report containing independently audited financial statements for the Portfolios upon completion of the first fiscal year. We also provide monthly account summaries which describe dividends declared and shares purchased through dividend reinvestment. Other individual account information is available upon request.

To buy or sell shares of a Portfolio, make additional deposits, receive free copies of this document or the Portfolio's reports, or for general inquiries, please contact us:

**By telephone:** 855-274-7468

**By mail:**

Colorado Statewide Investment Program  
PO Box 11813  
Harrisburg, PA 17108  
Fax: 888-535-0120

**On our website:** [www.csipinvest.com](http://www.csipinvest.com)

*This Information Statement provides detailed information about the Fund and its policies. Please read it carefully and retain it for future reference. For further information or assistance in investing, please call the toll-free number above or visit the Fund's website.*



**PFM Asset Management LLC**  
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**UPPER SAN JUAN HEALTH SERVICE DISTRICT  
D/B/A PAGOSA SPRINGS MEDICAL CENTER**

**Formal Written Resolution 2023-05**

**February 16, 2023**

WHEREAS, the Upper San Juan Health Service District doing business as Pagosa Springs Medical Center (hereinafter “PSMC”) has approved, per Resolution 2023-01, a Board Investment Policy that authorizes investment in local government pools; and

WHEREAS, PSMC desires to participate with other Colorado local governments to pool funds for investment in a trust known as the *Colorado Statewide Investment Pool* or *CSIP*; and

WHEREAS, pursuant to C.R.S. Section 24-75-701 et. seq, it is lawful for PSMC or any other Colorado local government to pool any moneys in its funds, which are not immediately required to be disbursed, with the same such moneys in the treasury of any other Colorado local governments in order to take advantage of eligible trust fund investments and maximize net interest earnings; and

WHEREAS, the *Colorado Statewide Investment Pool* is a statutory trust formed under the laws of the State of Colorado in accordance with the provisions of Parts 6 and 7, Article 24 and Articles 10.5 and 47 of Title 11 of the Colorado Revised Statutes regarding the investing, pooling for investment and protection of public funds.

**NOW, THEREFORE, THE BOARD OF DIRECTORS HEREBY RESOLVES:**

The Board of Directors of Pagosa Springs Medical Center hereby approves and adopts, and thereby joins as a Participant with other Local Governments pursuant to C.R.S. Section 24-75-701 et. seq, that certain Indenture of Trust entitled the *Colorado Statewide Investment Pool* as amended from time to time, the terms of which are incorporated herein by this reference and a copy of which shall be filed with the minutes of the meeting at which this Resolution was adopted.

The undersigned hereby certifies that the Board of Directors of the Upper San Juan Health Service District d/b/a Pagosa Springs Medical Center has passed and enacted this Resolution 2023-03 on this 16th day of February, 2023.

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Kate Alfred, as Vice-Chair and authorized signor for the Board of Directors of PSMC

<b>PAGOSA SPRINGS</b> <b>Medical Center</b>	DEPARTMENT: Finance Accounting	<b>Policies and Procedures</b>
TITLE: <b>Investment Process and Internal Controls</b>		Page 1 of 2
POLICY OWNER: Controller and CFO	DISTRIBUTION: Senior Leadership, Financial Accounting	

*This policy shall not be amended without the approval of the Board of Directors of PSMC (and for so long as the Board delegates its responsibilities to the Board's Finance Committee, the Finance Committee may approve/disapprove any amendments to this Policy).*

**PURPOSE:**

To describe PSMC's investment process and related internal controls.

**PERSONS AFFECTED:**

The Accounting Department, Senior Leadership Team, the Board's Finance Committee, and the Board of Directors

**POLICY:**

PSMC staff shall invest PSMC funds in accordance with the *Investment Policy No. 14* of the Board of Directors (approved January 10, 2023 via Resolution 2023-01) and the processes and internal controls set forth in this policy. The Board's Investment Policy No. 14 sets forth many obligations including PSMC's investment objectives (safety, liquidity and yield) as well as PSMC's authorized investments (deposits in banks, money market or CDs that are insured/collateralized by the PDPA, security guaranteed by the U.S. government, or local government investment pools) (hereinafter "Authorized Investments").

**PROCESS:**

1. As delegated by the CEO to the CFO, the CFO and the Controller will assess, on not less than a weekly basis, the sums needed on deposit in PSMC's operational account for operations and the sums that may remain invested in Approved Investments to best meet PSMC's investment objectives.
2. PSMC's CFO or Controller, subject to the internal controls set forth herein, will transfer funds between PSMC's operating account and the Approved Investments as often as they determine is necessary to balance operational needs and investment objectives.
3. As internal controls, all transfer of PSMC funds to/from PSMC's operating account and to/from Approved Investments shall be via wire or ACH and shall require approval of the CFO or Controller together with either one senior leader (the CEO, COO or CAO) or one officer (Chair, Vice Chair or Treasurer/Secretary) of the Board of Directors.
4. All funds transferred between PSMC's operating account and Approved Investments will be verified monthly by staff via bank reconciliation process.
5. On a monthly basis\*, the CFO shall make the reports set forth below.
  - A. Reports to the Board's Finance Committee:
    - i. A statement of all transfers to/from PSMC's operating account and to/from Approved Investments; and

- ii. A statement from IntraFi deposit placement network affirming current locations of all funds on deposit to take advantage of FDIC insurance.
  - B. Reports to the Board's Finance Committee and the Board of Directors:
    - i. A statement of month-end funds on deposit in each Approved Investment; and
    - ii. A statement of month-end funds on deposit in PSMC's operating account.
- \*From time to time, the Finance Committee and/or the Board may waive the monthly obligation by canceling a meeting, deferring a matter and/or by voting to meet less frequently (but not less than a quarterly basis per Board of Director Policy No. 9).
- 6. On an annual basis, the auditors selected by the Board of Directors shall review the transfers of funds between operating accounts and Approved investments and will provide an auditor's statement to the Board regarding the appropriateness of the transfers of money, the compliance with internal controls and the compliance of the Approved Investments.
- 7. The CFO shall assure that investments meet the requirements of the Board's Investment Policy No. 14 and the following:
  - A. Investments are deposited only in banks or savings and loan associations which are "eligible public depositories" as described in Colorado's Public Deposit Protection Act;
  - B. Investments meet the "prudent person" standard are made with the "degree of judgment and care, under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital and need for liquidity as well as the probable income to be derived." C.R.S. Section 24-75-705;
  - C. PSMC shall not invest in a manner inconsistent with DOLA's publication titled *Legal Investments For Colorado Local Governments* unless the variance is allowable law and approved by a majority of the Board of Directors. While not an exhaustive list, such limitations include: no investment with a term in excess of 5 years, no equities (common or preferred stock of corporations); certificates of deposit in out-of-state banks unless allowed per the PDPA; real estate; commodity futures; collateralized mortgage obligations (except if issued directly by governmental agencies; unit investment trusts; and/or art and other collectibles.
- 8. Subject to this policy and any other limiting policy or law, the CFO shall assess investment options and make investment decisions (including placement, transfer, termination) to maximize the investment objectives set forth in the Board's Investment Policy No. 14 and report on the same as described herein.

**UPPER SAN JUAN HEALTH SERVICE DISTRICT  
D/B/A PAGOSA SPRINGS MEDICAL CENTER**

**Formal Written Resolution 2023-06**

**February 16, 2023**

WHEREAS, the Upper San Juan Health Service District doing business as Pagosa Springs Medical Center (hereinafter “PSMC”) has approved, per Resolution 2023-01, a Board Investment Policy that authorizes investment in local government pools; and

WHEREAS, as set forth on the attached, PSMC staff have implemented investment processes, internal controls and reporting to meet the objectives of the Board policies and to prevent against waste or abuse.

**NOW, THEREFORE, THE BOARD OF DIRECTORS HEREBY RESOLVES:**

That PSMC staff’s Investment Process and Internal Controls are acceptable and shall not be revised without approval of the Board’s Finance Committee or Board of Directors.

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Kate Alfred, as Vice-Chair and authorized signor for the Board of Directors of PSMC



**UPPER SAN JUAN HEALTH SERVICE DISTRICT  
D/B/A PAGOSA SPRINGS MEDICAL CENTER**

**Formal Written Resolution 2023-07**

**February 16, 2023**

WHEREAS, on January 24, 2023, the Board of Directors of the Upper San Juan Health Service District d/b/a Pagosa Springs Medical Center (“PSMC”) passed Resolution 2023-02 authorizing PSMC’s CEO (with the support of the Board Chair and Vice Chair) to negotiate the terms of a ground lease with the Pagosa Springs Community Development Corporation (“CDC”) for the CDC’s install of a modular building to be used as a Carrier Neutral Location (“CNL”); and

WHEREAS PSMC anticipates leasing an area of land approximately 20’x40’ together with nonexclusive access and fiber easements in locations dictated by PSMC; and

WHEREAS, in Resolution 2023-02, the Board authorized PSMC to negotiate the CNL lease for a rate of \$2,000 per month; however, the CDC lacks available funds to pay PSMC rent for the ground lease; and

WHEREAS, due to the CDC’s lack of funds for rent, PSMC staff support leasing the land to the CDC with annual rent as low as one dollar per year because PSMC wants to support the community in receiving enhanced broadband, bandwidth and connectivity throughout our community.

**NOW, THEREFORE, THE BOARD OF DIRECTORS HEREBY RESOLVES:** PSMC seeks to support the community through making a ground lease available to the CDC to enhance broadband, bandwidth and connectivity in the community and, accordingly, the Board adjusts its rent requirement set forth in Resolution 2023-02 and hereby resolves that the CEO may negotiate rent as low as one dollar (\$1.00) per year given the CDC’s lack of funds for rent.

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Kate Alfred, as Vice-Chair and authorized signor for the Board of Directors of PSMC