



COLO TRUST



June 2008

Colorado Local Government Liquid Asset Trust

www.colotrust.com

COLOTRUST PRIME Rated:

S&P: AAAm

COLOTRUST PLUS+ Rated:

Fitch: AAA/V1+

Moody's: Aaa

S&P: AAAm

Information Statement

The Colorado Local Government Liquid Asset Trust (the "Trust") was organized in 1985 in accordance with the Investment Funds - Local Government Pooling Act, (Part 7, Article 75, Title 24, Colorado Revised Statutes), to allow Colorado governmental entities to pool their funds to take advantage of short-term investments and maximize net interest earnings.

The Trust was created as a service for Colorado governmental entities. It also works with the various associations of governmental entities, the Colorado Division of Securities and the Colorado Department of Local Affairs. The Trust is a professionally managed Local Government Investment Pool Trust Fund available only to governmental entities in Colorado.

The purpose of the Trust is to provide a convenient method for governmental entities to pool their cash for temporary investment. The Trust seeks a high level of current income consistent with the preservation of capital and maintenance of liquidity.

INVESTMENT POLICIES

At the present time, the composition of the portfolios of the Trust is more restrictive than the statutory investments allowed for Colorado governmental entities. Of the two portfolios, PRIME invests in U.S. Treasury Securities, Federal Instrumentality Securities, Agency Securities, Repurchase Agreements and Tri-Party Repurchase Agreements.

The PLUS+ portfolio invests in U.S. Treasury Securities, Federal Instrumentality Securities, Agency Securities, Repurchase Agreements, Tri-Party Repurchase Agreements, collateralized bank deposits, and Commercial Paper that, at the time of purchase, is rated in its highest rating category by one or more nationally recognized organizations which regularly rate such obligations, and highly rated corporate bonds. See "INVESTMENT OBJECTIVE AND POLICIES" for more details or contact the Trust Administrator for a copy of the current investment policy (see "INVESTMENT ADVISOR AND ADMINISTRATOR" section below for contact information).

INVESTMENTS, WITHDRAWALS AND DISTRIBUTIONS

Investments and withdrawals are at net asset value. Investments may be made by check, wire transfer or ACH funds. Withdrawals may be made by wire transfer, ACH funds, checks payable to the Participant, or transfer between Participants. Transactions may be initiated in writing, by telephone, on the Internet site or via fax. Distributions from the Trust's net income are declared and distributed daily to the Participants. There are no sales commissions or sales charges.

INVESTMENT ADVISOR AND ADMINISTRATOR

Colorado Investor Services Corporation, a Colorado corporation, (CISC), 1700 Broadway, Suite 2050, Denver, Colorado 80290, is the Investment Advisor and Administrator of the Trust.

CUSTODIAN

Wells Fargo Bank, N. A. (Wells Fargo), which has its principal place of business at 1740 Broadway, Denver, Colorado, 80274, is the Custodian for the Trust.

FURTHER INFORMATION

For further information write Colorado Local Government Liquid Asset Trust ("COLOTRUST") at 1700 Broadway, Suite 2050, Denver, Colorado 80290, or e-mail the Trust at invest@colotrust.com. For telephone inquiries, in the Denver metro area phone 303-864-7474 and from outside the Denver metro area call toll-free 1-877-311-0219. Telefax inquiries to the Trust may be made toll free at 1-877-311-0220. Additional information regarding the Trust is also available at www.colotrust.com.

THIS INFORMATION STATEMENT AND THE FINANCIAL STATEMENTS WHICH ACCOMPANY IT PROVIDE DETAILED INFORMATION ABOUT THE TRUST AND ITS POLICIES. PLEASE READ THEM CAREFULLY. THE INFORMATION RELATING TO THE AUDITOR AND THE LEGAL COUNSEL MAY BE CHANGED BY THE BOARD OF TRUSTEES FROM TIME TO TIME.

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No person or entity has been authorized to give any information or to make any representations other than those contained in the Indenture of Trust or this Information Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the Trust, its Board of Trustees, the Investment Advisor, the Administrator, or any of their agents.

THE TRUST

The Trust is a statutory trust organized and existing under the laws of the State of Colorado in accordance with the provisions of the Investment Funds - Local Government Pooling Act (Part 7, Article 75, Title 24, C.R.S.), the Funds - Legal Investments Act (Part 6, Article 75, Title 24, C.R.S.) and the Public Deposit Protection Act (Articles 10.5 and 47 of Title 11, C.R.S.) (the "Statutes"). The Trust is registered with the Securities Commissioner of the State of Colorado as required by the Local Government Investment Pool Trust Fund Administration and Enforcement Act (Part 9, Article 51, Title 11, C.R.S.).

The Trust was established on January 1, 1985, by the adoption of an Indenture of Trust. Since then, various amendments have been made. The current Restated and Amended Trust Indenture (the "Indenture") was adopted by the Board of Trustees (the "Board") and the Participants effective October 3, 2003. Governmental entities which participate in the program of the Trust are referred to as "Participants" in the Indenture and this Information Statement. The Indenture allows any county, city and county, city, town, school district, special district, or other political subdivision of the state, or department, agency, or instrumentality thereof, or any political or public corporation of the State of Colorado ("Local Governments") to open an account and become a Participant. Each potential Participant receives a copy of the Indenture, an Information Statement and current financial statements before becoming a Participant.

INVESTMENT OBJECTIVE AND POLICIES

The Trust provides a professionally managed investment program for local governments. The general objective of the Trust is to generate a high level of current income for the Participants while maintaining liquidity and preserving capital by investing only in instruments authorized by the Statutes.

NO ASSURANCE CAN BE GIVEN THAT THE TRUST WILL ACHIEVE ITS INVESTMENT OBJECTIVE OR THAT ANY BENEFITS DESCRIBED IN THIS INFORMATION STATEMENT WILL RESULT FROM THE INVESTMENT OF MONEYS IN THE TRUST.

Permitted Investments.

The Trust is specifically designed for Colorado governmental entities. Accordingly, the Trust has limited its portfolios and invests only in instruments permitted under

the Legal Investments Act ("Permitted Investments"). The Board maintains investment policies for COLOTRUST that are, by nature, more restrictive than the Legal Investments Act. Copies of these policies are available from the Trust Administrator. Participants receive 30 days prior notice of any changes in the investment policies.

Investment Restrictions.

The Trust may buy and sell and enter into agreements to buy and sell the Permitted Investments, subject to the restrictions described below. These restrictions are considered to be fundamental to the operation and activities of the Trust and may not be changed without a majority vote of the Participants.

1. The Trust may not make any investment other than a Permitted Investment.
2. The Trust may not make any investment other than investments authorized by the Board investment policies, Indenture and the statutes of the State of Colorado, as the same may be amended from time to time; provided, however, the Board and the Trust shall not be responsible for ensuring compliance with any investment restrictions provided for in a Participant's home rule charter or elsewhere.
3. The Trust may not purchase any Permitted Investment which has a maturity date more than one year from the date of such purchase, provided, however, such a purchase may be made if, at the time of purchase, it is subject to an irrevocable agreement by a Responsible Person to repurchase such Permitted Investment from the Trust within one year. For purposes of this clause, a Permitted Investment shall be deemed to mature on the day on which the Trust is obligated to sell such Permitted Investment to the Responsible Person or on the day on which the Trust may exercise its rights under the agreement to require the purchase of such Permitted Investment by the Responsible Person.
4. The Trust may neither borrow money nor incur indebtedness whether or not the proceeds thereof are intended to be used to purchase Permitted Investments, 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.
5. The Trust may not purchase securities or shares of investment companies or any entities similar to the Trust.

6. The Trust may not buy securities from or sell securities to the Administrator, the Investment Advisor, the Custodian or any member of the Board ("Trustee"), or any affiliate, officer, director, employee or agent of any of them.
7. The Trust may not enter into any Repurchase Agreements for any securities that are not listed as "Permitted Investments" in the previous section. In addition, all such agreements must be initially collateralized at 102% and additional securities must be provided if the market value of the collateral falls below 101.5%.

NO ASSURANCE CAN BE GIVEN THAT THE TRUST WILL ACHIEVE ITS INVESTMENT OBJECTIVE OR THAT ANY BENEFITS DESCRIBED IN THIS INFORMATION STATEMENT WILL RESULT FROM THE INVESTMENT OF MONEYS IN THE TRUST.

Portfolios.

The Trust currently offers two portfolios: COLOTRUST PRIME and COLOTRUST PLUS+.

COLOTRUST PRIME is presently allowed by the Trust's investment policies to maintain a portion of its assets in U.S. Treasury Securities or Repurchase Agreements collateralized by U.S. Treasury Securities. It may also invest assets in securities of a Federal Farm Credit Bank, a Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, and other federal instrumentality or agency security permitted by the Legal Investments Act, or Repurchase Agreements collateralized by those securities. The portfolio may invest in securities with a maximum maturity of 397 days and an average weighted maturity not in excess of 60 days.

COLOTRUST PLUS+ is presently allowed by the Trust's investment policies to maintain a portion of its assets in U.S. Treasury Securities or Repurchase Agreements collateralized by U.S. Treasury Securities. It may also invest its assets in securities of a Federal Farm Credit Bank, a Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, or the Government National Mortgage Association, and other federal instrumentality or agency security permitted by the Legal Investments Act, or Repurchase Agreements collateralized by those securities. It may also invest in collateralized bank deposits.

COLOTRUST PLUS + may also invest in commercial paper rated in the highest rating category by one or more nationally recognized organizations that regularly rate such obligations. The policy also provides that COLOTRUST PLUS+ may not invest more than 5% of its portfolio in the commercial paper of any single issuer, nor may COLOTRUST PLUS+ own more than 5% of any issuer's total commercial paper program. The portfolio may invest in securities with a maximum maturity of 397 days or less, 270 days in the case of commercial paper, and an average weighted maturity not in excess of 60 days. It may also invest in highly rated corporate bonds.

COLOTRUST PRIME and COLOTRUST PLUS+ are both rated AAAM by Standard & Poor's. Standard & Poor's definition of an AAAM rating is "safety is excellent" and a fund has "superior capacity to maintain principal value and limit exposure to loss." In addition, COLOTRUST PLUS+ is rated AAAM by Fitch's and Moody's. These ratings are neither a market rating nor a recommendation to buy, hold or sell the securities by the rating agencies.

MBIA COMMITMENT

MBIA Inc., parent of MBIA Asset Management Group and of Colorado Investor Services Corporation, a Colorado corporation, (CISC) has issued a commitment to protect Participants against losses of principal during the term of their investment in the Trust and upon liquidation of funds. This commitment provides that MBIA Inc. will pay to the Trust the amount of any realized losses which result in a material decline in the constant net asset value per share maintained by each portfolio, including any reductions in Participant balances adjusted to maintain the constant net asset value.

MBIA Inc.'s payment commitment is effective so long as CISC serves as Investment Advisor and Administrator for the Trust.

ORGANIZATIONAL STRUCTURE OF THE TRUST

Participants.

A Local Government may become a Participant by taking appropriate official action to adopt the Indenture, opening an account in the Trust and maintaining a balance in the account. Each Participant appoints a Designee and all official communications between the Trust and a Participant is through the Designee.

Board of Trustees and Officers.

The Board of Trustees (the "Board") of the Trust is responsible for assuring compliance with the Indenture and, in particular, the investment restrictions therein. The Board has the power to administer the Trust and the affairs of the Trust. Generally, there are 12 members of the Board, however, under certain circumstances, the number may increase to as many as 15. The current number of Trustees is 12. Subject to the rights of the Participants as provided in the Indenture, the Board may perform such acts as in its sole judgment and discretion are necessary and proper for the administration of the Trust and the investment of the Trust property. The Board oversees, reviews, administers and supervises the activities of all consultants and professional advisors to the Trust. Each Trustee must be a natural person and the Designee of a Participant.

The Participants elect the Trustees. Prior to each annual vote of the Participants for the election of Trustees, the Board determines the categories of Trustees to be elected at the next election so that after each election, each category is represented by at least one, but generally no more than four Trustees. The categories are: (1) counties; (2) cities and towns; (3) school districts; (4) special districts; and (5) other. The limit of four may be exceeded for not more than three years if there are more than 12 Trustees.

The term of office for a Trustee is three years and the terms are staggered so that at least four terms expire annually. Any vacancy will be filled by an appointment by the remaining Trustees and the Trustee so appointed serves for the balance of the term of the Trustee whose position became vacant.

The Trustees serve without compensation, but they are reimbursed for expenses incurred in connection with their duties as Trustees. The Trustees are not required to and do not devote their entire time to the affairs of the Trust.

The Trustees elect one of their numbers to serve as Chairman. They also elect a Vice Chairman, a Secretary and a Treasurer. The present Board and officers of the Trust are listed in the financial statements and on the Trust internet site at www.colotruster.com.

Advisors and Consultants to the Trust.

The Board is responsible for the investments of the Trust and for the general administration of the business and affairs of the Trust; however, the Trustees are not required personally to conduct all of the business of the Trust and, consistent with its ultimate responsibility, the Board has appointed an

Administrator, an Investment Advisor, a Custodian, Legal Counsel, and an Independent Accountant. The Board may assign such duties to the Administrator, Investment Advisor and Custodian as it deems to be necessary or desirable for the efficient management of the Trust.

More specific information about the Trust's Administrator and Investment Advisor, Custodian, Legal Counsel, and Independent Accountants is set forth elsewhere in this Information Statement, in the financial statements, and on the Trust internet site at www.colotruster.com.

EXPENSES OF THE TRUST

The Trust has entered into an agreement with CISC, effective June 2, 2006, whereby CISC is paid a fee, calculated daily and paid monthly, at the annual rate of 0.180 percent of the first \$1.5 billion of the Trust's daily net assets, and the fee for the portion of the daily net assets in excess of \$1.5 billion is at the annual rate of 0.150 percent.

CISC is responsible for payment of the costs of operation of the Trust, including, but not limited to, Administrator and Investment Advisor fees, Custodian fees, operations and marketing expenses. Included in the costs paid by CISC are certain amounts, which are agreed to each year for the payment of Trustee expenses, legal expenses and the expenses associated with the Public Education Grant Program. If the actual cost for the total of those items exceeds the amount agreed to annually, CISC and the Trust will negotiate a fair and equitable allocation of the excess cost. Any expenses incurred by the Trust in excess of the fee paid to CISC are apportioned on a pro rata basis to each of the portfolios, except for expense items specifically identifiable to a Trust portfolio.

DAILY INCOME ALLOCATIONS

All net income of each portfolio is determined as of the close of business each day (and at such other times as the Board may determine) and is credited immediately thereafter pro rata to each Participant's account. Net income which has thus accrued to the Participants is converted as of the close of business of each day into additional shares which are thereafter held in each Participant's account. Reinvested net income is converted into full and fractional shares at the rate of one share for each one-dollar credited.

Net income for each portfolio each day consists of: (1) all accrued interest income on assets of the portfolio; plus or minus (2) any amortized purchase discount or premium; less (3) accrued expenses.

ACCOUNT ACTIVITY

In order to become and remain a Participant, an entity must maintain a minimum account balance of \$1.00. Participants may have more than one account. Investments may be made by check, ACH funds or wire transfer. The Trust has negotiated agreements for direct deposit of Colorado Lottery distributions, State school equalization payments, State Highway Users Tax Fund payments, State collected local sales taxes and certain Federal payments to Local Governments, so that Participants can realize immediate earnings on such moneys.

Investments received by the Trust by 11:00 a.m. will be invested along with the other funds in the portfolio. Funds received after 11:00 a.m. but before 4:00 p.m. ("late funds") will be invested overnight by the Trust's Administrator in the Trust's interest bearing bank account at Wells Fargo, which is fully collateralized in compliance with the Public Deposit Protection Act, Article 10.5 of Title 11 C.R.S., until they can be invested in the selected portfolio. Because the rate of return earned on the late funds in the Wells Fargo account may differ from the return generally earned by the Trust, the investment return of Participants who tender late funds will be noted on their statements.

Withdrawals from COLOTRUST portfolios may be made by wire transfer, ACH funds, checks payable to the Participant entity, or transfer between Participants. Requests for withdrawal from accounts with pre-established wire instructions in either the COLOTRUST PRIME or COLOTRUST PLUS+ portfolios will be honored on a same day basis if received prior to 11:00 a.m. Special wire transfer requests are available only with written documentation. For withdrawals of \$1 million or more, see "Notice of Large Withdrawals."

NOTICE OF LARGE WITHDRAWALS

The Trust requests 24-hour notice for wire transfer withdrawals of \$1 million or more.

A request for a withdrawal that is made with a minimum of 24 hours notice shall be honored using an ACH transfer of funds unless the Participant has given the Administrator prior notification that an ACH transfer is not acceptable.

COMPUTATION OF YIELD

The Trust quotes a daily and seven-day average yield for each portfolio in reports and information published by the Trust. To obtain the daily yield, a daily yield factor is first

calculated. The factor is the net income for that day divided by the number of shares outstanding. The factor is then multiplied by 365 (366 in a leap year) to produce the daily yield. The seven-day average yield is obtained by averaging the daily yield for seven identified, consecutive days. The Trust may also quote its yield from time to time on other bases for the information of its Participants.

The yields quoted from time to time should not be considered a representation of the yield of the Trust in the future since the yield is not fixed. Actual yields will depend not only on the type, quality and maturities of the investments held by the Trust and changes in interest rates on such investments, but also on changes in the Trust's expenses during the period.

Yield information may be useful in reviewing the performance of the Trust's portfolios and for providing a basis for comparison with other investment alternatives.

DETERMINATION OF NET ASSET VALUE

The Trust determines the net asset value of the shares of each portfolio as of the close of business of each day. The net asset value per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of the Trust, are accrued daily.

For the purpose of calculating each portfolio's net asset value per share, the securities held by the portfolio are valued as follows: (1) securities for which market quotations are readily available are valued at the most recent bid price or yield equivalent as obtained from one or more market makers for such securities; (2) all other securities and assets are valued at fair market value determined in good faith.

The result of this calculation is a share value, which is rounded to the nearest penny. Accordingly, the price at which portfolio shares are sold and redeemed will not reflect net realized or unrealized gains or losses on portfolio securities which amount to less than \$.005 per share. The Trust will endeavor to minimize the amount of such gains or losses. However, if net realized and unrealized gains or losses should exceed \$.005 per share, a portfolio's net asset value per share will change from \$1.00 or be maintained at \$1.00 per share by retention of earnings or the reduction, on a pro rata basis, of each Participant's shares in the event of losses, or by a pro rata distribution to each Participant in the event of gains.

It is a fundamental policy of the Trust to maintain a net asset value of \$1.00 per share, but for the reasons herein stated there can be no assurance that the net asset value will not vary from \$1.00 per share. The net asset value per share of the Trust may be affected by general changes in interest rates resulting in increases or decreases in the value of the securities held by the Trust. The market value of such securities will vary inversely to changes in prevailing interest rates. Thus, if interest rates have increased from the time a security was purchased, such security, if sold, might be sold at a price less than its cost. Similarly, if interest rates have declined from the time a security was purchased, such security, if sold, might be sold at a price greater than its cost. If a security is held to maturity, no loss or gain is normally realized as a result of these fluctuations.

SUSPENSION OR POSTPONEMENT OF PAYMENT

The Board may temporarily suspend the right of redemption or postpone the date of payment for the whole or any part of any period during which: (1) there shall have occurred any state of war, national emergency, 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 American Stock Exchange (other than customary weekend and holiday closing); or (2) any financial 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 will not alter or affect a Participant's beneficial interests as measured by its shares or the accrued interest and earnings thereon. Such suspension of payment will take effect at such time as the Board shall specify, and thereafter there will be no right of redemption or payment until the Board shall declare the suspension or postponement at an end.

PORTFOLIO TRANSACTIONS

Subject to the general supervision of the Board, the Investment Advisor is responsible for placing of the orders for portfolio transactions. The Trust's portfolio transactions occur only with broker dealers acting as principals, except for commercial paper transactions which may be placed directly. Such transactions are on a net basis, which normally do not involve payment of brokerage commissions. Transactions with dealers normally reflect the spread between bid and asked prices.

Although the Trust does not ordinarily seek but nonetheless may make profits through short-term trading, the Investment Advisor may, on behalf of the Trust, dispose of any portfolio investment prior to its maturity if such disposition is advisable. The Trust's policy of investing in instruments with maturities of less than one year will result in high portfolio turnover. However, since brokerage commissions are not paid on the types of investments, which the Trust may make, any turnover resulting from such investments does not adversely affect the net asset value or net income of the Trust.

The Investment Advisor seeks to obtain the best net price and the most favorable execution of orders for the purchase and sale of portfolio securities. Portfolio investments will not be purchased from or sold to the Investment Advisor and Administrator, the Custodian or any Trustee, or any affiliate, officer, director, employee or agent of any of them.

REPORTS TO PARTICIPANTS

Each Participant receives quarterly and annual financial statements of the Trust as well as a monthly statement of the Participant's account(s). The annual report issued as of December 31 includes audited Financial Statements of the Trust. The Trust's fiscal year ends on December 31 of each calendar year. Potential Participants are advised to review the financial statements of the Trust which are furnished to them. The reports also include sufficient information to establish compliance with the investment policy established in the Indenture and other information required by the statutes of the State of Colorado and by regulations promulgated by the Securities Commissioner of the State of Colorado.

The Trust answers inquiries from Participants at any time during business hours. Inquiries may be made by mail, email at invest@colotrust.com, via the internet at www.colotrust.com or by phone at 303-864-7474 from the Denver area or toll free at 1-877-311-0219 outside of the Denver area. The telefax number is also toll free at 1-877-311-0220. The mailing address is COLOTRUST, 1700 Broadway, Suite 2050, Denver, CO 80290.

SUMMARY OF THE INDENTURE

Each potential Participant receives a copy of the Indenture, this Information Statement and current financial statements before becoming a Participant. Certain portions of the Indenture are summarized in this Information Statement. These summaries are qualified in their entirety by reference to the text of the Indenture.

Description of Shares.

The Indenture provides that the beneficial interests of the Participants in the assets of the Trust and the earnings thereon are, for convenience of reference, divided into shares which are used as units to measure the allocation of beneficial interest among the Participants. The Indenture authorizes an unlimited number of full and fractional shares of a single class as well as adjustments in the total number of shares outstanding from time to time without changing their proportionate beneficial interest in the Trust in order to permit the Trust to maintain a constant net asset value of \$1.00 per share. All shares participate equally in distributions and have equal liquidation and other rights. The shares have no preference, conversion, exchange or preemptive rights. For all matters requiring a vote of Participants, each Participant, through its Designee, is entitled to one vote with respect to each matter, without regard to the number of shares held by the Participant.

Responsibility of Trustees, Officers and Agents.

No member of the Board, officer, employee, advisor, consultant, or agent of the Trust is individually liable to the Trust, a Participant, an officer, an employee, advisor, consultant, or an agent of the Trust, for any action unless it is taken or omitted in bad faith or constitutes willful misfeasance, gross negligence, or reckless disregard of their duties. The Trust will indemnify, to the extent of the earnings of the Trust, and the proceeds of any insurance policies, each Trustee and such officers, employees, advisors, consultants, and agents of the Trust designated by the Board to receive such indemnification, to the extent permitted by law, against all claims and liabilities to which they may become subject by reason of serving in such capacities for the Trust except in certain circumstances set forth in the Indenture.

The name "Colorado Local Government Liquid Asset Trust" is the designated name of the Trust under its Indenture. The Board is authorized to use other designations, including "COLOTRUST" and it may adopt such other name or names for the Trust as it deems proper, and the Trust may hold property and conduct its activities under such designations or names. All persons dealing with the Trust must look solely to Trust property for enforcement of any claims since the Trustees, officers, agents, and Participants do not assume any personal liability for obligations entered into on behalf of the Trust.

Termination of the Indenture.

The Trust may be terminated by the vote of a majority of

the Participants entitled to vote. Upon the termination of the Trust and after paying or adequately providing for the payment of all of its liabilities, and upon receipt of such releases, indemnities, and refunding agreements as it deems necessary for the Trust's protection, the Board may distribute the remaining Trust property, in cash, among the Participants according to their respective proportionate beneficial interest.

Amendment of the Indenture.

Generally, the Indenture may be amended by the vote of a majority of the Participants. The Board may, from time to time, by a two-thirds vote of the Trustees, and after 45 days prior written notice to the Participants, amend the Indenture without the vote or assent of the Participants, which the Board, in good faith, deems necessary or convenient for the administration and operation of the Trust or to the extent deemed by the Board necessary to conform the Indenture to the requirement of applicable laws or regulations, or any interpretation thereof by a court or other governmental agency but the Board shall not be liable for failing to do so. However, no amendment may be made, subject to certain voting requirements by the Participants, which would change any rights with respect to a Participant's shares, lessen the investment restrictions, change the limitations on personal liability of the Trustees or change the prohibition of assessments upon the Participants. Any changes to the restrictions on investments require the affirmative vote of a majority of the Participants.

THE INVESTMENT ADVISOR AND ADMINISTRATOR

Pursuant to an agreement with the Trust, Colorado Investor Services Corporation (CISC) serves as the Investment Advisor and Administrator of the Trust.

As Investment Advisor, CISC provides investment services to the Board. CISC is an investment advisory firm located in Denver, Colorado. CISC is a wholly owned subsidiary of MBIA Asset Management Group. MBIA Asset Management Group is a wholly owned subsidiary of MBIA Inc., which is listed on the New York Stock Exchange. MBIA Asset Management Group is one of the nation's largest providers of local government investment pool services.

CISC is registered with the Securities and Exchange Commission as an investment advisor under the Investment Advisers Act of 1940.

As Administrator, CISC services all Participant accounts in the Trust, determines and allocates income of the Trust,

provides certain written confirmation of the investment and withdrawal of funds by Participants, provides administrative personnel and facilities to the Trust, determines the net asset value of the Trust on a daily basis, and performs all related administrative services for the Trust. At least quarterly, the Administrator provides the Board with a detailed evaluation of the performance of the Trust based upon a number of factors.

The Agreement with CISC is not assignable and may be terminated without penalty on 45 days written notice at the option of the Trust or CISC.

The Trust is prohibited from buying securities from and selling securities to CISC and any of its affiliates.

CUSTODIAN

Wells Fargo, National Association, serves as Custodian for the Trust pursuant to a Custodian Agreement. Wells Fargo acts as safekeeping agent for the Trust's investment portfolios and serves, in accordance with the statutes of the State of Colorado, as the depository in connection with the direct investment and withdrawal mechanisms of the Trust. Wells Fargo does not participate in the Trust's investment decision-making process. The Trust is prohibited from investing in obligations of any Custodian, buying securities from any Custodian and selling securities to any Custodian and any of its affiliates.

On occasion, the Trust uses other custodians for some permitted investments such as tri-party repurchase agreements.

The Custodian Agreements remain in effect until terminated by either the Trust or the Custodian. The Agreements are not assignable without the prior written consent of the Trust and may be terminated without penalty on 45 days written notice at the option of the Trust or the Custodian.

LEGAL COUNSEL

At the present time, Sherman & Howard L.L.C. serves as General Counsel to the Trust.

INDEPENDENT ACCOUNTANTS

At the present time, PricewaterhouseCoopers LLP serves as independent certified public accountants to audit the annual Financial Statements of the Trust. The audit contains statements of assets and liabilities, of operations and of changes in net assets of the Trust prepared in conformity with generally accepted accounting principles. The opinion of the independent certified public accountant on such financial statements is based on an examination of the books and records of the Trust made in accordance with generally accepted auditing standards.

HOW TO OPEN AN ACCOUNT

Any county, city and county, city, town, school district, special district, or other political subdivision of the state of Colorado, or department, agency, or instrumentality thereof, or any political or public corporation of the State of Colorado may join the Trust as a Participant and take advantage of the Trust's investment program.

Each local government must adopt, execute and provide to the Trust a certified copy of a resolution adopting the Indenture and naming a Designee to participate in the Trust. A model form of Resolution is contained on the back of the Trust Registration Form.

A local government which desires to become a Participant should mail a completed Trust Registration Form, together with the original or a certified copy of the Resolution described above to COLOTRUST, 1700 Broadway, Suite 2050, Denver, Colorado 80290. Upon the Trust's receipt and acceptance of these documents, the Participant may make an initial investment of funds.

For more information regarding the use of any of the additional services available to Participants of the Trust, please call 303-864-7474 in Denver, or toll-free at 1-877-311-0219 outside Denver. The telefax number is 1-887-311-0220. Interested parties can also visit the Trust's web site at www.colotrust.com.



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