

## PROGRAM FACT SHEET

### 1. Program Features

TexSTAR provides a variety of benefits to Texas local governments:

- An investment service created by local governments for local governments.
- Organized in full compliance with the Texas Public Funds Investment Act and rated AAAM by Standard & Poor's.
- Recognized Program Administrators with a proven track record in local government investment pool management (First Southwest Asset Management, Inc. and J.P. Morgan Chase & Co.).
- User friendly leading edge operating systems (voice response, computer modem and internet transaction systems).
- Texas based customer service staff with marketing staff located in multiple cities
- Late day transaction deadlines until 4:00 p.m. CST.

### 2. Objectives of TEXSTAR. The primary objectives of TEXSTAR are, in order of priority, preservation and protection of principal, maintenance of sufficient liquidity to meet Participants' needs, diversification, and yield.

### 3. Types of Investments Authorized and Prohibited for TexSTAR Cash Reserve Fund.

#### Authorized Investments for the Cash Reserve Fund:

- A. Obligations of or guaranteed or insured by the United States Government or its agencies and instrumentalities;
- B. Fully collateralized repurchase agreements and reverse repurchase agreements with a primary dealer and secured by any obligation of the United States or its agencies or instrumentalities.
- C. SEC registered, AAA rated no-load money market mutual funds which maintain a stable net asset value of \$1 per share and a weighted average maturity of 90 days or less.

#### Prohibited Investments for the Cash Reserve Fund:

- A. Derivatives (see TexSTAR investment policy for detailed definition)
- B. Commercial paper.
- C. Certificates of deposit.

### 4. Maximum Average Dollar-Weighted Maturity. The dollar weighted average maturity of the TEXSTAR Cash Reserve Fund portfolio may not exceed sixty (60) days calculated in accordance with SEC Rule 2a-7 or ninety (90) days based on the stated maturity of Fund investments.

### 5. Maximum Stated Maturity Date. The maximum stated maturity for any individual security held in the TEXSTAR Cash Reserve Fund portfolio is limited to thirteen (13) months.

1-800-TEX-STAR (839-7827) \* [www.texstar.org](http://www.texstar.org) \* E-mail: [texstar@firstsw.com](mailto:texstar@firstsw.com)



**6. Program Oversight.**

**TexSTAR Board of Directors:**

Bill Chapman, City of El Paso  
Neil Lange, City of Frisco  
Donnie Wright, Spring Branch ISD  
Michael Bartolotta, First Southwest Company  
Nancy McDonnell, JPMorgan Chase Bank

In addition, TexSTAR maintains an **Advisory Board** representing various participant types (cities, counties, school districts, special districts) including a member which does not have a business relationship and is qualified to advise as required by the PFIA.

The TexSTAR Cash Reserve Fund is monitored on a weekly basis by Standard & Poor's to confirm compliance with the fund's AAAM rating requirements.

7. **Custodian for TEXSTAR.** JPMorgan Chase Bank serves as custodian to TEXSTAR.
8. **Net Asset Value.** The TEXSTAR Cash Reserve Fund seeks to maintain a net asset value of \$1.00 per unit and is designed to be used by Participants for investment of funds that require daily liquidity availability.
9. **Independent Auditor.** TEXSTAR is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. **PricewaterhouseCoopers LLC** has been retained to provide independent auditing services for TEXSTAR.
10. **Transaction Deadlines.** Wire transactions until 4 p.m. daily for same day settlement; ACH transactions until 3:30 p.m. for next day settlement; and internal account transfers until 5 p.m. for same day settlement.
11. **Performance History.** The performance history, including yield, weighted average maturity and average balance for the TEXSTAR CASH RESERVE FUND is available by calling 1-800-839-7827 or by accessing the program web site at [www.texstar.org](http://www.texstar.org).
12. **Management Fee.** The maximum management fee authorized for the TexSTAR Cash Reserve Fund is 12 basis points. This fee may be waived in full or in part in the discretion of the TexSTAR Co-Administrators at any time as provided for in the TexSTAR Information Statement.
13. **Administrators/Investment Manager.** First Southwest Asset Management, Inc. and JPMorgan Fleming Asset Management serve as co-administrators for TexSTAR under an agreement with the TexSTAR Board of Directors. JPMorgan provides investment management, custody, fund accounting, and transfer agency services. FSAM provides customer service and marketing services.
14. **How to Join.**
  - A. Submit the Resolution entitled "Application for Participation in TEXSTAR" to the investing entity's governing body for approval.
  - B. Complete a "Bank Information Sheet" for each individual account to be opened.
  - C. Return the "Application for Participation" and "Bank Information Sheet" along with the most current investment policy for the entity to TexSTAR Participant Services, 325 North St. Paul Street, Suite 800, Dallas Texas 75201.

These enrollment documents can be obtained by contacting TexSTAR Participant Services (FSAM) at 1-800-839-7827 or from the TexSTAR web site at [www.texstar.org](http://www.texstar.org).

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**TexSTAR Participant List – July 31, 2005**

**Health Care**

Abilene Regional MHMR Center	Bowie Memorial Hospital	Decatur Hospital Authority
El Paso County Hospital District	Gainesville Memorial Hospital	Irving Hospital Authority
Tarrant County Hospital District	West Texas Centers for MHMR	Wilson County Memorial Hospital

**Higher Education**

Blinn College	Brazosport College	Central Texas College District
Cisco Junior College	Coastal Bend College	Collin County Community College
Dallas County Community College	Del Mar College District	Grayson County College
Houston Community College	Midland Community College District	Northeast Texas Community College
Tarrant County College District	Texas Tech University	

**Other**

Bethesda Water Supply Corporation	Central Texas Council of Governments
Central Texas Regional Mobility Authority	Creedmore-Maha Water Supply Corporation
El Paso ISD Public Facilities Corporation	Denton County Transportation Authority
Grand Prairie Housing Finance Corporation	Greater Greenspoint Redevelopment Authority
Harris County Houston Sports Authority	Justin Economic Development 4A Corporation
Justin Economic Development 4B Corporation	Main Street Market Square Redevelopment Auth.
Midtown Redevelopment Authority	North Central Texas Council of Government
North Central Texas Housing Finance Corporation	Northwest Central Housing Finance Corporation
Possum Kingdom Water Supply Corporation	Sabine Pass Port Authority
Sealy Economic Development Corporation	South Newton Water Supply Corporation
Southwest Houston Redevelopment Authority	Texoma Area Solid Waste Authority
West Texas Municipal Power Agency	

**School District**

Academy ISD	Alamo Heights ISD	Aldine ISD
Allen ISD	Alvin ISD	Anahuac ISD
Aransas County ISD	Athens ISD	Atlanta ISD
Azle ISD	Bandera ISD	Barbers Hill ISD
Belton ISD	Borger ISD	Brazos ISD
Brenham ISD	Bryan ISD	Caddo Mills ISD
Calhoun County ISD	Campbell ISD	Canadian ISD
Canutillo ISD	Castleberry ISD	Cedar Hill ISD
Clear Creek ISD	Cleburne ISD	Columbia Brazoria ISD
Columbus ISD	Coppell ISD	Crane ISD
Del Valle ISD	Denton ISD	Dew ISD
Dickinson ISD	Dripping Springs ISD	Dumas ISD
Ector County ISD	Edgewood ISD (Bexar County)	Edgewood ISD (Van Zandt County)
Education Service Center Region 12	El Campo ISD	El Paso ISD
Farmersville ISD	Forney ISD	Fort Worth ISD
Fredericksburg ISD	Frenship ISD	Friendswood ISD
Georgetown ISD	Gladewater ISD	Glen Rose ISD
Grape Creek ISD	Grapevine Colleyville ISD	Hallsville ISD
Hamshire-Pannett ISD	Harlandale ISD	Harlingen CISD
Hearne ISD	Hempstead ISD	Henrietta ISD
Hico ISD	Highland Park ISD (Amarillo)	Hitchcock ISD
Holliday ISD	Houston ISD	Huntsville ISD
Hurst Eules Bedford ISD	Irving ISD	Jacksonville ISD
Jasper ISD	Jefferson ISD	Katy ISD
Keller ISD	Kennedale ISD	Killeen ISD
Kilgore ISD	Krum ISD	La Joya ISD
La Marque ISD	Lackland ISD	Lake Travis ISD



## TexSTAR Participant List – July 31, 2005

### School District cont.

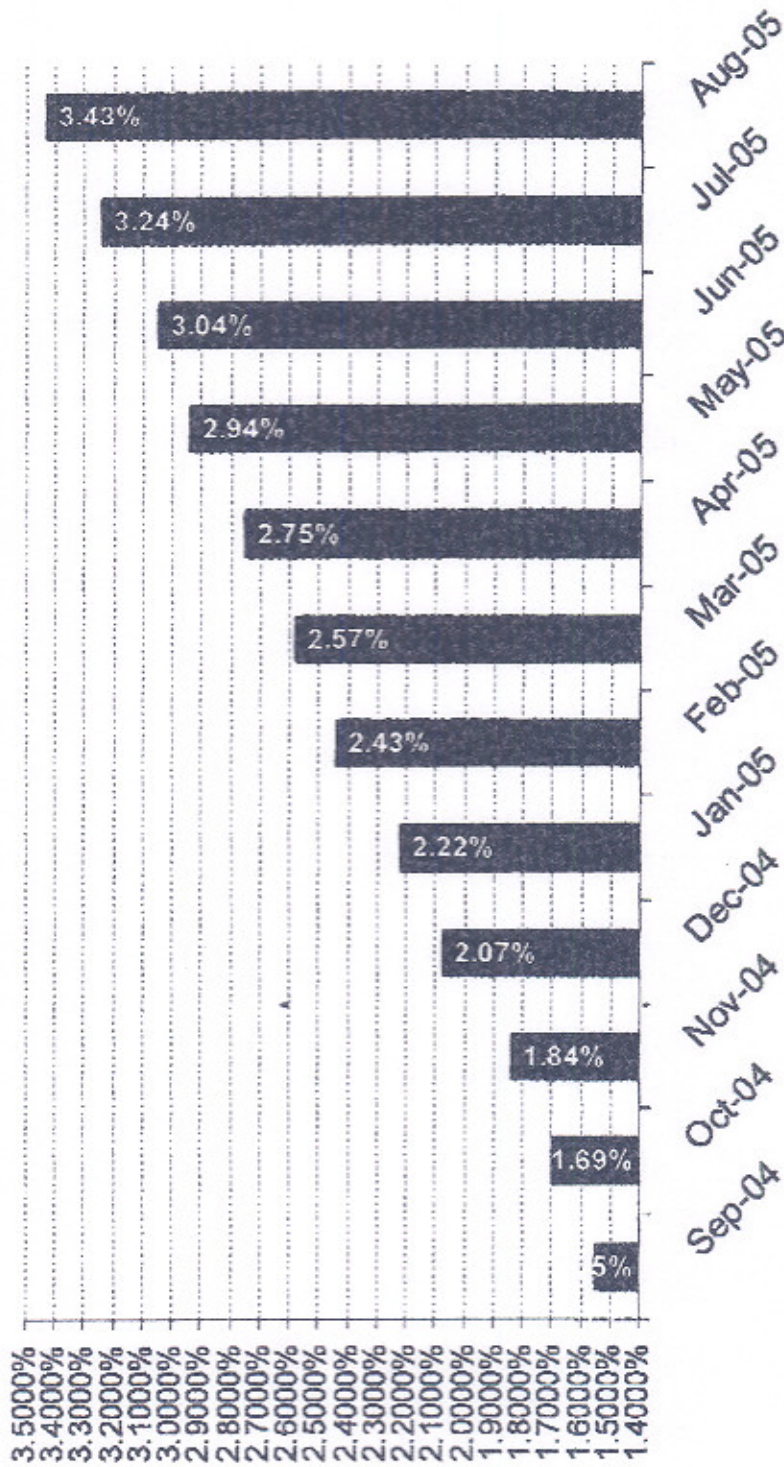
Lake Worth ISD	Lancaster ISD	Leander ISD
Levelland ISD	Lexington ISD	Liberty Eylau ISD
Lockhart ISD	Longview ISD	Lubbock ISD
Lubbock – Cooper ISD	Lumberton ISD	McKinney ISD
Mansfield ISD	Marshall ISD	Maypearl ISD
Melissa ISD	Mesquite ISD	Mission CISD
Munday CISD	Nacogdoches ISD	Navarro ISD
New Boston ISD	North East ISD	Northside ISD
Olney ISD	Ore City ISD	Palacios ISD
Palestine ISD	Pine Tree ISD	Piano ISD
Pleasant Grove ISD	Plemons-Stinnett-Phillips CISD	Port Neches-Groves ISD
Quinlan ISD	Reagan County ISD	Richardson ISD
River Road ISD	Robinson ISD	Roma ISD
Round Rock ISD	Royal ISD	San Antonio ISD
Schertz Cibola Universal City ISD	Sealy ISD	Shallowater ISD
Shelbyville ISD	Sheldon ISD	Sherman ISD
Somerset ISD	South San Antonio ISD	Snyder CISD
Spring Branch ISD	Sunnyvale ISD	Temple ISD
Terrell County ISD	Trinity ISD	United ISD
Waco ISD	Waelder ISD	White Settlement ISD
Willis ISD	Wylie ISD	Ysleta ISD

### Utility District

Acton MUD	Aldine Improvement District	Big Oaks MUD
Brazoria County MUD 21	Bridgestone MUD	Brownsville Public Utilities Board
Bryan Texas Utilities	Caddo Basin SUD	Cash SUD
Chelford One MUD	Chimney Hills MUD	Cinco MUD 1
Combined Consumers SUD	Denton County RUD 1	East Medina County SUD
El Paso Water Utilities	Fort Bend County LID 15	Fort Bend County MUD 23
Fort Bend County MUD 47	Fort Bend County MUD 48	Fort Bend County MUD 81
Fort Bend County MUD 130	Fort Bend County WCID 3	Greater Texoma Utility Authority
Guadalupe Blanco River Authority	City of Harlingen Waterworks	Harris County ID 4
Harris County MUD 24	Harris County MUD 102	Harris County MUD 130
Harris County MUD 261	Harris County MUD 321	Harris County MUD 322
Harris County MUD 354	Harris County MUD 361	Harris County MUD 367
Harris County MUD 383	Harris County UD 6	Harris County WCID 91
Harris County WCID 110	Harris County WCID 156	Hickory Creek SUD
Johnson County SUD	Lytle Lake WCID	MacBee SUD
Mission Bend Greenbelt Assoc.	Montgomery County MUD 6	Montgomery County MUD 7
Montgomery County MUD 36	Montgomery County MUD 39	Montgomery County MUD 40
Montgomery County MUD 46	Montgomery County MUD 47	Montgomery County MUD 60
Montgomery County MUD 67	Montgomery County MUD 94	Mustang SUD
New Braunfels Utilities	Northeast Texas MWD	North Harris Co Reg. Water Auth.
Palo Pinto County MWD 1	Post Wood MUD	Reid Road MUD 1
Renn Road MUD	San Jacinto River Authority	San Leon MUD
Sienna Plantation MUD 3	South Texas Water Authority	Timber Lane UD
Travis County WCID 17	Trinity River Authority	Upper Trinity Regional Water Dist.
Valley MUD 2	West Harris County MUD 10	West Harris County MUD 11
West Harris Co Reg Water Auth.	Wickson Creek SUD	The Woodlands Joint Powers Agency
The Woodlands Metro Center MUD	The Woodlands MUD 2	



# TexSTAR Average Monthly Rate Last 12 months: September 2004 - August 2005



This graph represents historical information and is not an indication of future performance. Because interest rates fluctuate daily, this information may not be comparable to bank deposits with fixed terms. The TexSTAR management fees may have varied as the distribution of the TexSTAR accounts also varied. The TexSTAR rate or the per job hour of TexSTAR is a variable fee.