

STATE OF TEXAS §

COUNTY OF TRAVIS §

Division Number:	110	Program Name:	Permanent School Fund
Org. Code:	701	Legal/Funding Authority:	Texas
Speed Chart:	1A028	Constitution, Article VII	
Payee Name:	The Bank of New York Mellon	Payee ID:	135160382
ISAS Contract #:	2481	PO #:	28694

Amendment No. 2

**AMENDMENT TO
STANDARD CONTRACT
BETWEEN
TEXAS EDUCATION AGENCY
AND**

The Bank of New York Mellon
NAME OF CONTRACTOR

One Boston Place, Boston, MA 02108
MAILING ADDRESS INCLUDING ZIP CODE

It is mutually understood and agreed by and between the undersigned contracting parties of the above numbered contract to amend said contract effective 02/01/2011 as follows:

1). Revision to the General Terms and Conditions to add the following provision:

- Y. **IRS Withholding:** Certain payments by some governmental entities to contractors after December 31, 2011 are subject to a 3% federal withholding requirement. The Internal Revenue Service (IRS) has proposed regulations regarding the 3% withholding requirement. Contractors and potential contracts should review this website for more information: <http://www.irs.gov/govt/fslq/article/0..id=204409.00.html>

If the TEA determines that any payments due under this contract are subject to the 3% withholding requirement, the TEA shall withhold such amounts consistent with the statute. It is the Contractor's sole responsibility to assert and establish to the satisfaction of the TEA the availability of any applicable exemption from withholding.

- 2). Revision to the effective date of the Daily Compliance Monitoring Service on Exhibit A of the Performance & Risk Analytics EASA Addendum (Services Agreement) executed by and between Client and BNY Mellon Performance & Risk Analytics, LLC ("BNY Mellon"), dated December 1, 2009. The effective start date for this monitoring service has been changed to 02/01/2011. All other terms and conditions of the Services Agreement shall remain unchanged. See attached.

Pursuant to Section 2252.901 of the Texas Government Code, Contractor certifies that it is not a former employee of TEA or that Contractor has not been an employee of TEA for twelve (12) months prior to the beginning date of this contract.

Contractor must make full disclosure of intent to employ or subcontract with an individual who is a former employee/retiree of TEA. Within the first twelve months of leaving employment at TEA, a former employee/retiree selected by the Contractor for employment or subcontracting, shall not perform services on a project or fill a position that the former employee/retiree worked on while employed at TEA.

Excluded Parties List System: The Texas Education Agency is federally mandated to adhere to the directions provided in the President's Executive Order (EO) 13224, Executive Order on Terrorist Financing – Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism and any subsequent changes made to it via cross-referencing respondents/vendors with the Federal General Services Administration's Excluded Parties List System (EPLS, <http://www.epls.gov>), which is inclusive of the United States Treasury's Office of Foreign Assets Control (OFAC) Specially Designated National (SDN) list. Contractor certifies that Contractor is in compliance with the State of Texas statutes and rules relating to procurement and that Respondent is

not listed on the federal government's terrorism watch list as described in Executive Order 13224. Entities ineligible for federal procurement are listed at <http://www.epls.gov>. This clause is applicable to all contract renewals.

All other terms and conditions of the original contract remain the same and are incorporated herein as if specifically written.

It is agreed and accepted by a person authorized to bind Contractor that all terms and conditions of this amendment are effective commencing on the above date.

Typed Name:

Typed Title:

Lisa Candy
Vice President

Lisa Candy
Authorized Signature

This section reserved for Agency use.

I, an authorized official of Agency, hereby certify that this contract is in compliance with the authorizing program statute and applicable regulations and authorize the services to be performed as written above.

AGREED and accepted on behalf of Agency this 24th day of February 2011 (month/year) by a person authorized to bind Agency.

Return three (3) copies with original signature to:

Catherine A. Civileto
Deputy Executive Administrator, TPSF
Texas Education Agency
1701 North Congress Avenue
Austin, Texas 78701-1494

Shirley Beaulieu
Shirley Beaulieu, Associate Commissioner
Finance/ CFO



February 11, 2011

2001 BRYAN STREET, 11TH FLOOR
DALLAS, TX 75201
TEL: 214.488.8356
FAX: 214.488.8351

Mr. Holland Timmins, CFA
Executive Administrator and Chief Investment Officer
Texas Permanent School Fund
400 West 15th Street, 11th Floor
Austin, TX 78701-1600

Dear Holland:

This letter represents confirmation of a change in the services to which your firm currently subscribes. This change in your subscription requires a revised agreement between our organizations. As a result, we are enclosing a revised Exhibit A (Version Date 1/2011) to the Performance & Risk Analytics EASA Addendum (Services Agreement) executed by and between Client and BNY Mellon Performance & Risk Analytics, LLC ("BNY Mellon"), dated December 1, 2009. All other terms and conditions of the Services Agreement shall remain unchanged, and your acceptance of this revised Exhibit A represents your continued agreement and compliance therewith.

You have decided to change the effective date of the Daily Compliance Monitoring Service to 2/2011.

Please print two originals of this letter, sign both, and return them to BNY Mellon. Once received, we will provide a fully-executed original for your files. **This letter, the attached revised Exhibit A, and the Services Agreement will represent an up-to-date Agreement between your organization and BNY Mellon.**

Thank you for your prompt attention to this matter.

Regards,


Thomas A. Heimer

I certify that I am duly authorized to sign this Letter Agreement. I further certify that the company on whose behalf my signature appears agrees to be bound by the terms and conditions as set forth herein.

BNY MELLON PERFORMANCE & RISK ANALYTICS, LLC


BY 

Paul T. Schmidt
NAME (PRINT)

Vice President, Manager, IAC
TITLE

2/14/11
DATE

TEXAS EDUCATION AGENCY

BY 

Shirley Beaulieu
NAME (PRINT)

Associate Commissioner of Finance and CFO
TITLE

2-24-11
DATE

Version Date: 1/2011

Exhibit A

The Fee Schedule and the Bank of New York Mellon invoice shall contain the fees to be invoiced to Client for Services.

Pursuant to the most current and validly executed Fee Schedule between Texas Education Agency and the Bank of New York Mellon, BNY MELLON agrees to provide the following services to Client:

	Service Start Date
• Daily and Monthly Performance (to Security Level)	9/1/2009
• Flash Performance	9/1/2009
• Performance Attribution	9/1/2009
• Wilshire Advanced Analytics and Attribution (internally managed portfolios)	9/1/2009
• MPA (including Security Level Import Module – SLIM)	9/1/2009
• Monthly and Daily Analytics (to Security Level)	9/1/2009
• Daily Compliance Monitoring Service** (Exhibit C)	2/1/2011
• Workbench Client Reporting (with Report Writers)	9/1/2009
• Custom Reporting	9/1/2009
• Quarterly Board Reporting	9/1/2009
• Index Services (S&P Index Data Only)***(Exhibit D)	9/1/2009
• Private I software****(Exhibit I)	9/1/2009
• Charts	9/1/2009
• Private Informant***** (Customer Waiver for privateInformant)	7/1/2010

*The Service Start Date for the Annual Service will be the date used to calculate service renewal periods.

**Subject to the terms and conditions of Exhibit C as attached

***Subject to the terms and conditions of Exhibits D as attached

****Subject to the terms and conditions of Exhibit I as attached

*****Subject to the terms and conditions of Customer Waiver for privateInformant as attached

Invoice Customer Code #C –

•

**Service
Start and
End Date**

Client Affiliates, as set forth in Section 9 (a) include the following: none noted until further notice in writing by Client