

STATE OF TEXAS §

COUNTY OF TRAVIS §

Division Number: 110	Program Name: Permanent School Fund
Org. Code: 701	Legal/Funding Authority: Texas
Speed Chart: 6A012	Constitution, Article VII
Payee Name: Blackrock Financial Management, Inc.	Payee ID: 13-3806691
ISAS Contract #: 3182	PO #: 34796

Amendment No. 1

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

BlackRock Financial Management Inc. (through its business unit, "BlackRock Solutions")
NAME OF CONTRACTOR

55 East 52nd Street, New York, NY 10055
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 by revising Appendix 1 thereto as per the following, effective upon execution by both parties.

The following new Section E Paragraph 9 is hereby added directly after Section E Paragraph 8 of Appendix 1 as follows:

"9. a. Notwithstanding Section E Paragraph 2.b., Contractor agrees that it shall not charge implementation fees to TEA for implementation of the Non-Processing Assets onto Aladdin as set forth in Schedule B, Part 3.2 of the Aladdin Services Agreement."

"9. b. Notwithstanding Section E Paragraph 3.b., the parties agree that the Non-Processing Assets Services Commencement Date has not occurred as of the effective date of this Amendment No. 1 to the Contract and shall not occur until January 1, 2017. Acceptance of the Non-Processing Assets functional environment is predicated on TEA determination that the TPSF risk and performance reporting deliverables associated with the Non-Processing Assets are fully operative and acceptable to TPSF leadership including the Executive Administrator and Chief Investment Officer, the Deputy Chief Investment Officer, the Director of Equities, the Deputy Executive Administrator, and all other asset class directors."

"9. c. Notwithstanding Section E Paragraph 3.a.i, 3.b.i and 3.b.ii, the amount of Processing Assets included in the base Aladdin Services Fee will be increased from US\$16.5 billion to US\$20 billion."

"9. d. Notwithstanding Section E Paragraph 3.b.i and 3.b.iii, the amount of Non-Processing Assets included in the base Aladdin Services Fee will be increased from US\$7.5 billion to US\$19 billion."

"9. e. Notwithstanding Section E Paragraph 3.b, including 3.b.i and 3.b.iv, the effective date of applying the base Aladdin Services Fee of \$1,700,000 will be April 1, 2017.

"9. f. Notwithstanding Section E Paragraph 4.a., the number of portfolios included under the Base Aladdin Services Fee is increased from 16 to 26.

"9. g. Notwithstanding Section E Paragraph 5.a., the total number of included Users in the base Aladdin Services Fee in the contract will be increased from 30 to 50."

"9. h. Notwithstanding Section E Paragraphs 6.a. and 6.a.i., the number of derivative line items included in the threshold shall be increased from 50 to 550 for either processing or non-processing assets."

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 by Contractor's BlackRock Solutions business to employ or engage as an independent contractor, any individual who is known to Contractor to be a current employee of TEA (or who is known to Contractor as someone who has ended his or her employment with TEA within the preceding twelve month period) and who will serve in a role within Contractor's BlackRock Solutions business that is specifically dedicated to supporting Contractor's provision of services to TEA pursuant to the Contract.

Excluded Parties List System: The Texas Education Agency and the contractor must adhere to the directions provided in the President's Executive Order (EO) 13224, Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, which may be viewed at <http://www.whitehouse.gov/briefing-room/presidential-actions/executive-orders>. That Executive Order prohibits any transaction or dealing by United States persons, including but not limited to the making or receiving of any contribution of funds, goods, or services to or for the benefit of those persons listed in the General Services Administration's Excluded Parties List System (EPLS) which may be viewed on the System for Award Management (SAM) site at <http://www.Sam.gov>.

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 persons authorized to bind Contractor and TEA that all terms and conditions of this amendment are effective commencing upon execution of this amendment by both parties.

Typed Name:

SUDHIR NAIR

Sudhir Nair

Typed Title:

MANAGING DIRECTOR

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 4 day of February 2016
(month/year) by a person authorized to bind Agency.

Return three (3) copies with original signature to:

Catherine A. Civiletto
Texas Permanent School Fund
Texas Education Agency
400 West 15th Street, Suite 1100
Austin, Texas 78701
512.463.9201

Mike Morath
Mike Morath, Commissioner

TEA INTERNAL INFORMATION PURPOSES ONLY

Blackrock Financial Management Inc.

TEA Notes to Contract
As of 01/01/2016

Recap of Funding of the Contract
Based on Invoices Received to Date
For TPSF Division of TEA

Dates	Description	Amount Paid (p)/Estimated
06/27/2014 – 08/31/2014	Implementation Fees	\$345,806.00 (p)
09/01/2014 – 08/31/2015	Implementation Fees	\$925,714.00 (p)
09/01/2014 – 08/31/2015	Aladdin Service Fees + Pass Thru Data Charges	\$911,087.00 (p)
09/01/2015 – 09/30/2015	Aladdin Service Fees + Pass Thru Data Charges	\$144,873.00 (p)
10/01/2015 – 08/31/2016	Aladdin Service Fees + Pass Thru Data Charges	\$1,598,898.27
09/01/2016 – 08/31/2017	Aladdin Service Fees + Pass Thru Data Charges	\$1,793,449.78
09/01/2017 – 08/31/2018	Aladdin Service Fees + Pass Thru Data Charges	\$1,866,140.00
09/01/2018 – 08/31/2019	Aladdin Service Fees + Pass Thru Data Charges	\$1,866,140.00

Note: Data pass through fees include SWIFT charges which have some variability based on usage. These fees are projected herein. Actual cost may vary.