CONTRACT No. 473-10-00114

BETWEEN
THE PUBLIC UTILITY COMMISSION OF TEXAS
AND
SOLIX INC.

This contract for assistance in administering the Texas Universal Service Fund is between the Public Utility Commission of Texas, a duly organized agency of the state of Texas ("PUCT") with its office located at 1701 N. Congress Ave., Austin, TX 78701 and Solix Inc. ("Solix") located at 30 Lanidex Plaza West, Parsippany, NJ 07054.

Article 1. CONTRACT TERM

This contract's term begins on September 1, 2010 and ends on August 31, 2013. The parties may renew the contract for up to two one-year terms.

Article 2. CONTRACTOR'S DUTIES AND DELIVERABLES

Solix shall provide professional assistance to the Public Utility Commission of Texas in administering the Texas Universal Service Fund ("TUSF") as described in Attachment A, Statement of Work (Attachment A). Public Utility Regulatory Act ("PURA") Chapter 56 and Public Utility Commission of Texas Substantive Rules 26.401 – 26.424, which require the performance of these administrative duties, are incorporated in this contract by reference.

The contract administrators may make amendments or modifications to Attachment A by agreeing to them in writing as described in Article 7. The PUCT will not accept or compensate Solix for amended performance that occurs before the parties have signed an amendment to Attachment A.

Article 3. DUTIES OF THE PUCT

The PUCT shall provide Solix with the information necessary to carry out its responsibilities as outlined in Attachment A.

Article 4. COMPENSATION, INVOICING, AND PAYMENT

A. Solix' charge for providing TUSF administrative services is outlined in Attachment B, Pricing.

B. Solix shall submit one original invoice and one copy to the PUCT contract administrator monthly for the previous month's services. Invoices shall exclude taxes.

C. PUCT agrees to approve within 30 days of receipt all accurate and complete invoices. The Texas Prompt Payment Act, Texas Government Code 2251.025 et seq. shall apply to this contract. When the PUCT contract administrator has approved the invoice in writing, Solix may draw its payment from the TUSF.

Article 5. PERSONNEL AND SUBCONTRACTORS

A. Solix intends to perform the services described in the Statement of Work without subcontracting, except as described in the Statement of Work, Debt Collection Activities and Reports. Solix may not subcontract any other of the services to be performed without the express written consent of the PUCT.

B. Solix' Director of State Fund Operations will be responsible for oversight of the TUSF administration functions. Solix will assign a Manager with Universal Service Fund experience to serve as the TUSF Project Manager. Solix will assign at least three Additional Managers, one Associate Manager and one Program Specialist to perform operations and data analysis for the TUSF.

C. Should assigned personnel leave or transfer positions during the contract period, Solix will assign personnel with comparable experience to those positions. Solix will notify the PUCT promptly of the change and will provide a resume of the newly assigned personnel promptly to the PUCT contract administrator.

Article 6. EVALUATION CRITERA, PERFORMANCE PENALTIES AND AUDITS

A. The PUCT will evaluate Solix' performance under this contract by its ability to provide professional assistance in administering the TUSF in accordance with Attachment A. Failure to provide services and deliverables as agreed may result in termination of this contract for cause.

B. The state auditor may conduct an audit or investigation of any entity receiving funds under this contract or indirectly through a subcontract under this contract. Acceptance of funds directly under this contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Solix shall ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through Solix is included in any subcontract it awards.

C. At least annually, the PUCT will provide for an audit of the TUSF by an independent auditor. The PUCT may also require Solix to undergo performance audits and financial audits of all its records pertaining to the administration of the TUSF. The PUCT shall select the auditor(s) and upon reasonable notice, require Solix to make such records available. Solix shall cooperate with the requests of the PUCT and the selected auditor(s). The costs of such audits are not included in Solix' administration fees and

shall be payable from the TUSF upon PUCT's acceptance of Solix' documentation of these costs and the receipt of PUCT's written authorization.

Article 7. ASSIGNMENT, AMENDMENTS, AND MODIFICATIONS

A. This contract may not be assigned, changed, amended, or modified in any manner except by written instrument executed by authorized representatives of both parties in accordance with the terms of this contract.

B. During the term of this contract, changes in legislation, rules, regulations, or PUCT requirements for this project may require modification of contract terms, including an increase or decrease in Solix' duties and charges. In the event that changes occur, the PUCT and Solix shall negotiate the terms of any required modification to this contract, whether an increase or a decrease in duties, in good faith and incorporate such modification into this contract by written amendment. Contract amendments and modifications requiring additional compensation must be approved in writing by the PUCT's Executive Director, or they shall be void. Solix may not change its performance before the parties sign a written amendment or modification; nor will the PUCT compensate Solix for such performance.

C. Solix may not assign its duties, obligations, and responsibilities under this contract to any third party without the express written consent of the PUCT. Any assignments made without such consent shall be void.

D. The PUCT may request at its sole discretion to make changes to Attachment A. Within one week of receiving a written request from the PUCT for a change in the Statement of Work, Solix shall submit a written estimate of any required price or schedule changes to the PUCT contract administrator. Solix may suggest changes to any part of Attachment A in writing to the contract administrator, including a justification and a schedule of anticipated costs, if any. The parties agree to discuss requested amendments or modifications to Attachment A in a timely manner after they are made.

Article 8. TERMINATION

A. Either party may terminate this contract for cause upon 60 days' written notice as provided under this contract, unless the other party has cured the defect so noticed. The PUCT may terminate this contract without incurring further liability for services not yet performed. PUCT's notice of termination may specifically exclude some services or deliverables specified in Attachment A from termination. In the event of cancellation, both parties will provide reasonable cooperation to transfer the duties of the TUSF Administrator to another entity without disruption to the TUSF.

B. In the event that no funds or insufficient funds are appropriated by the legislature for payments to be made under this contract, the PUCT may, upon ten (10) working days written notice, terminate this contract without incurring liability for services not yet

performed. PUCT's notice of termination may specifically exclude some services from termination.

C. Solix shall submit its termination settlement claim to PUCT no later than thirty (30) days after the effective date of termination.

D. If Solix abandons the work, such abandonment shall be considered a breach of this contract. In the event of abandonment or default on this contract, the PUCT reserves the right to cancel this contract without notice and either re-solicit or re-award the contract to the next best responsive and responsible respondent. The Letter of Credit described in Article 18 will be used to expedite the transition period.

Article 9. ALTERNATIVE DISPUTE RESOLUTION

Solix and the PUCT agree that, to the extent permitted by Chapter 2260, Texas Government Code, or other Texas statutes, any and all disputes that may arise between the parties regarding the terms of this contract shall be first submitted for settlement by negotiation and mediation, or by other means of alternative dispute resolution. The parties further agree that any such dispute resolution shall begin no later than 180 days from when Solix provides written notice of a claim against the PUCT or the PUCT provides written notice of a claim against Solix.

Article 10. SOVEREIGN IMMUNITY

The State of Texas and the PUCT do not waive sovereign immunity by entering into this contract and specifically retain immunity and all defenses available to them under the laws of the State of Texas or the common law.

Article 11. GOVERNING LAW

This contract shall be interpreted, governed, and construed in accordance with the laws of the State of Texas. The parties hereby submit to the jurisdiction of courts located in, and venue is hereby stipulated to be in, the state courts located in Travis County, Texas. Solix stipulates that it is subject to the jurisdiction of the courts located in Travis County, Texas for any cause of action arising from any act or omission in the performance of this contract. Further, Solix hereby waives any right to assert any defense to jurisdiction being held by the courts located in Travis County, Texas for any cause of action arising from any act or omission in the performance of this contract.

Article 12. COMPLIANCE WITH LAW

Solix shall comply with all laws, ordinances, rules, and regulations of federal, state, and municipal governments and the legally constituted agencies thereof to the extent applicable to performance of this contract, as these laws, rules, and regulations currently exist and as may be amended throughout the term of this contract. Solix will inform and consult with the PUCT when further interpretations or directions are needed in order to fully implement the PUCT's rules and regulations. In the event that Solix becomes aware

of inconsistencies between this contract and a Texas statute, PUCT rule, or any other law, ordinance, rule or regulation, Solix will so advise the PUCT and will cooperate fully to revise applicable provisions of this contract as necessary in accordance with Article 7 of this contract.

Article 13. CONFLICT OF INTEREST

By signing this agreement, Solix certifies that it has no known business relationships or personal relationships involving its principals that create a conflict of interest regarding its work for the PUCT. Solix agrees to notify the PUCT immediately if a situation or relationship arises that may potentially create a conflict of interest.

Article 14. INDEMNIFICATION

A. Solix shall indemnify, defend, and hold harmless the State of Texas, its officers, employees, and contractors and the PUCT, its officers, employees, and contractors from and against any and all claims, actions, suits, demands, costs and expenses (including reasonable attorney's fees), damages, and liabilities, of whatever kind or nature asserted by a third-party and occurring or in anyway incident to, arising out of, resulting from, or in connection with any acts or omissions by Solix, its agents, employees, or subcontractors, committed in the performance of this contract.

B. The PUCT and the State of Texas shall indemnify, defend and hold harmless Solix, as TUSF Administrator, and its employees and agents from any and all liabilities, claims, demands and causes of action arising out of, or relating to, any act taken in the faithful performance of its duties as TUSF Administrator and in accordance with the terms of this contract under the direction and supervision of the PUCT, except to the extent that a court finds that Solix and its agents have committed a wrongful act or acts when performing their duties under this contract.

Article 15. CONFIDENTIALITY

A. As used in this contract, "Confidential Information" means all information of every kind or description that may be disclosed to either party by the other party or a third-party in connection with this contract, provided the disclosing party shall clearly mark any such information as confidential or proprietary.

B. In order to protect the rights of Solix and the PUCT with regard to their respective Confidential Information, Solix and the PUCT agree to take all reasonable steps and the same protective precautions to protect Confidential Information from disclosure to third-parties as with their own proprietary and confidential information.

C. Solix will maintain the confidentiality of the information that it collects, uses, develops, or maintains. Solix will provide Confidential Information only to the PUCT or an entity that the PUCT designates. Solix will not allow its employees, agents, or any other party to use Confidential Information for any purpose other than fulfilling this

contract. Solix will utilize mechanisms to safeguard Confidential Information including physical and data access controls, signed non-disclosure agreements, contractual agreements and employee education and awareness programs to ensure that data accumulated from individual companies are protected from unauthorized disclosure. Solix will require each employee or agent to sign a non-disclosure agreement concerning the protection of Confidential Information. Solix will maintain these agreements along with other records pertaining to this contract.

D. Confidential Information submitted by Solix to the PUCT must be clearly marked. Subject to the Texas Public Information Act ("TPIA"), Chapter 552, Texas Government Code, the PUCT shall not, without Solix' prior written consent, disclose, provide, or make available any information marked as "Confidential Information" by Solix to any person, except to PUCT's bona fide employees, officers, directors, or third-parties whose access is necessary to enable such third-party to exercise its rights under this contract.

E. Solix agrees to treat all Confidential Information that it receives from individual telecommunications providers and eligible telecommunications providers in accordance with P.U.C. Subst. R. § 26.420(j).

F. Solix agrees that it will return to the PUCT all Confidential Information and documents containing Confidential Information supplied to it before final payment.

G. The PUCT agrees that upon receipt of a request for information that Solix has marked "Confidential Information," the PUCT will promptly notify Solix in order to provide an opportunity for Solix to claim an exception under the statute. Solix acknowledges that the final determination whether information can be withheld from disclosure rests with the Office of the Attorney General.

H. Solix acknowledges that fully executed contracts between vendors and governmental bodies for the provision of goods or services are subject to disclosure under the TPIA.

Article 16. PROPERTY RIGHTS AND RECORDS

A. All property, documents, studies, data, records, and reports, whether finished or unfinished, purchased or prepared by Solix under this Contract shall become the sole property of the PUCT and are transferable at the PUCT's sole discretion.

B. Solix shall maintain all information, data, records, reports and details related to this contract separately and isolated from its other activities.

C. Solix' proprietary software known as the "Universal Solutions Platform" ("USP") is not a deliverable under this contract, is not consideration under this contract, and was not developed for use under this contract (although the USP may be modified for use under this contract). All right, title and interest in and to the USP software (including, without limitation, all intellectual and other proprietary property rights therein), all modifications to the software (whether made prior to, during or after the term of this contract) and all

documentation relating to the USP software is and shall remain the sole and exclusive property of Solix. Nothing in this contract shall be construed by implication, estoppel or otherwise to grant any ownership rights or license in or to the USP software to the PUCT.

Article 17. INDEPENDENT CONTRACTOR

Solix is an independent contractor, and its officers, agents, and employees shall not be considered employees of the PUCT or the State of Texas for any reason. Solix retains control of the manner in which services are performed under this contract. Solix shall assume sole responsibility for the debts, liabilities, or taxes it may incur as a business entity. Solix shall be responsible for providing all necessary unemployment and workers' compensation insurance for its employees.

Article 18. FINANCIAL CAPABILITY AND INSURANCE COVERAGE

A. No later than ten business days after execution of this contract, Solix shall acquire at its own expense an irrevocable $2,000,000.00 stand-by letter of credit and provide a copy to the PUCT Contract Administrator and the Director of General Law. The letter of credit must contain the following elements:

- The letter of credit must satisfy the requirements of Texas Business and Commerce Code Chapter 5, Uniform Commercial Code – Letters of Credit.
- The letter of credit must state that it is irrevocable.
- The PUCT is the named beneficiary.
- The expiration date is August 31, 2013.
- The parties to the letter of credit can amend its expiration date to conform to contract renewals, termination, or expiration.
- The issuer has seven business days to honor the presentation of the letter of credit or give notice of discrepancies to the presentation.
- Liability of the issuer to the beneficiary is governed by the laws of the State of Texas as though the parties and all related entities were located within the state and all acts or omissions occurred within the state.
- The parties to the letter of credit consent to the exclusive jurisdiction of the courts of Travis County, Texas and waive any defense to jurisdiction for any cause of action arising from the issuance, the failure to issue, or the failure to honor the letter of credit.
- The parties to the letter of credit stipulate that venue for resolving any cause of action arising from the issuance, the failure to issue, or the failure to honor the letter of credit lies in the courts of Travis County, Texas.

B. Solix must maintain an irrevocable stand-by letter of credit throughout the contract term, including any renewal periods. If Wells Fargo or any other entity that issues an irrevocable stand-by letter of credit (letter of credit) on Solix' behalf informs the PUCT that it will not renew the letter of credit, the PUCT will inform contractor within two business days. Solix must obtain a letter of credit that conforms to the requirements of Article 18(A) or obtain a $2,000,000.00 performance bond at its own expense no later

than thirty calendar days from the day the PUCT informed the contractor that the letter of credit would not be renewed. The new letter of credit or performance bond must become effective upon the expiration of the previous letter of credit. Failure to maintain a letter of credit or obtain a performance bond is a breach of this contract.

C. Within ten (10) days of the execution of this contract, Solix shall provide proof of the insurance requirements stipulated by the PUCT below. Solix will acquire such coverage at its expense. Proof of insurance shall be in the form of a certificate executed by an approved insurance company authorized to do business in the State of Texas. The Certificate of Insurance shall certify the PUCT as an "Additional Insured." The PUCT's requirements are:

- Standard Workers' Compensation Insurance Coverage, in at least the minimum amount required by Texas law;
- Solix will maintain liability coverage for its performance under this contract in the minimum amount of $5,000,000 throughout the effective dates of this contract;
- Solix will maintain principal liability coverage in a minimum amount per occurrence of $5,000,000; and
- Solix will maintain excess liability and umbrella liability coverage in a combined minimum amount of $25,000,000.

At the beginning of each contract year, Solix will provide evidence of the coverage required under this Section to the PUCT contract administrator. Failure to provide such coverage shall result in a penalty of $1,000 per day until Solix provides proof of coverage to the PUCT contract administrator. Failure to provide proof of insurance in a timely manner after a request from the PUCT contract administrator may result in a $5,000 penalty for each occurrence.

Article 19. VENDOR CERTIFICATION

By accepting the terms of this contract, Solix hereby certifies that:

A. Solix has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this contract.

B. Solix has not received compensation from the PUCT, or any agent, employee, or person acting on the PUCT's behalf for participation in the preparation of this contract.

C. Neither Solix nor anyone representing Solix in this transaction has violated the antitrust laws of this State, codified in Section 15.01, et seq., of the Texas Business and Commerce Code or the Federal Antitrust Laws, nor communicated directly or indirectly to any competitor or any other person engaged in such line of business for the purpose of obtaining an unfair price advantage concerning this contract.

D. Under Section 231.006, Family Code, Solix certifies that the business entity named in this contract is not ineligible to receive the specified payment for services and

acknowledges that this contract may be terminated and payment may be withheld if this certification is inaccurate.

E. Under Section 2155.004(b), Government Code, Solix certifies that the business entity named in this contract is not ineligible to receive the specified payment for services and acknowledges that this contract may be terminated and payment may be withheld if this certification is inaccurate.

F. Payments due under this contract will be applied towards any debt that is owed to the State of Texas, including but not limited to delinquent taxes and child support.

G. This contract complies with Section 669.003, Texas Government Code, pertaining to contracting with the executive head of a State agency.

H. Solix will comply with Section 2155.4441, Texas Government Code, pertaining to service contracts regarding the use of products produced in the State of Texas.

Article 20. NO IMPLIED WAIVER

The failure of any party, at any time, to enforce a provision of this contract shall not constitute a waiver of that provision; shall not affect the validity of this contract or any part of it; and shall not affect the right of any party to enforce each and every provision.

Article 21. NOTICE

A. All legal notices permitted or required under this contract shall be in writing and mailed to the addresses below:

The Public Utility Commission of Texas ATTN: W. Lane Lanford Executive Director 1701 Congress Ave. Austin, TX 78701	Solix Inc. ATTN: Jean Snopkowski 30 Lanidex Plaza West Parsippany, NJ 07054

B. The addresses and individual names recited above may be changed by notice as specified above.

C. Notices required or permitted under this contract and sent as specified above shall be deemed given (1) when delivered or (2) five days after mailing by prepaid certified or registered first class postage affixed through the United States Postal Service, whichever is earlier.

Article 22. CONTRACT ADMINISTRATION

A. The PUCT designates Jay Stone, Program Administrator, as its contract administrator and point of contact.

B. Solix designates Jean Snopkowski as its contract administrator and point of contact.

C. The designated points of contact shall handle all communications in a timely and cooperative manner. The parties shall timely notify each other by written communication of any change in designee or contact information.

Article 23. ORDER OF PRECEDENCE

In the event of conflicts or inconsistencies between the provisions of this contract and its attachment(s), the provisions of this contract shall control.

Article 24. FORCE MAJEURE

Neither the PUCT nor Solix shall be considered in default in the performance of its obligations under this contract to the extent that the performance of such obligations is prevented or delayed by any cause beyond the reasonable control of the affected party, which such party could not, by due diligence, have avoided. Such causes, including but not limited to acts of God, severe weather, explosions, riots, acts of war, or orders of legal authority, shall not relieve such party of liability in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch and to give notice and full particulars of the same in writing to the other party as soon as possible after the occurrence of the cause that prevented or delayed performance of the obligations. If the event of Force Majeure continues for a period of more than one hundred and eighty (180) days, either party thereafter may terminate this contract upon giving at least 10 days prior written notice to the other party.

Article 25. SEVERABILITY

If any provision of this contract shall be held unlawful or otherwise unenforceable, such provision shall be severed and deemed deleted and the remainder of this contract shall continue in full force and effect, as if such provision had never existed.

Article 26. ENTIRE AGREEMENT

This contract constitutes the entire agreement and understanding between the parties with regard to its subject matter.

In WITNESS WHEREOF both parties by their duly authorized representatives have executed this contract effective as of the last date signed.

The Public Utility Commission of Texas	Solix Inc.
By:	By:
W. Lane Lanford Executive Director	John C. Parry President
Date Signed: 8-13-2010	Date Signed: 8.26.10

PUC General Law

Approved: LEJ

CONTRACT No. 473-10-00114

BETWEEN
THE PUBLIC UTILITY COMMISSION OF TEXAS
AND
SOLIX INC.

ATTACHMENT A

Statement of Work

Solix Inc. ("Solix") will provide professional assistance to the Public Utility Commission of Texas ("PUCT") in performing the administrative duties required by the Public Utility Regulatory Act ("PURA") Chapter 56 and Public Utility Commission of Texas Substantive Rules 26.401, 26.403, 26.404, 26.406, 26.408, 26.410, 26.412, 26.414, 26.415, 26.420, 26.421, 26.422, 26.423, and 26.424.

Solix' general duties under this contract will include, but are not limited to:

- managing the daily operations and affairs of the TUSF in an efficient, fair and competitively neutral manner;
- taking steps necessary to ensure that all eligible telecommunications providers (ETPs) are in compliance with the relevant sections of this title under which they are receiving universal service support;
- calculating and collecting the proper assessment amount from every telecommunications provider and verifying that all telecommunications providers are in compliance with the Public Utility Regulatory Act §56.022;
- disbursing the proper support amounts, ensuring that only eligible recipients receive funds, and verifying that all recipients are in compliance with the section or sections of this title under which they are eligible to receive support;
- taking steps necessary, including audits, to ensure that all telecommunications providers that are subject to the TUSF assessment are accurately reporting required information;
- taking steps necessary, including audits, to ensure that all recipients of TUSF funds are accurately reporting required information;
- submitting periodic summary reports to the commission regarding the administration of the TUSF in accordance with specifications established by the commission;
- notifying the commission of any telecommunications providers that are in violation of any of the requirements of PUCT Sub. Rule 26.420, Rule 26.417, and any reporting requirements; and
- performing other duties as determined by the commission.

<u>Specifically, Solix will perform the following:</u>

General Administrative Services

1. Solix will serve as the initial point of contact for inquiries, requests for interpretation, and other matters regarding the TUSF received from telecommunications providers. Solix will contact the PUCT contract administrator when any inquiry or request requires an interpretation of law.

2. Solix will promptly refer all inquiries regarding the TUSF received from federal agencies, state legislators, other public officials, the media, or any other person or entity to the PUCT contract administrator. Solix will await direction from the PUCT before responding to any inquiry.

3. If Solix determines or obtains information creating a reasonable suspicion that any party or entity has submitted false information related to any program covered by this contract, it shall report that suspicion immediately to the PUCT contract administrator. If Solix detects any irregularity in the operation of administration of the TUSF, it must report that irregularity immediately to the PUCT contract administrator. In either instance, the PUCT will determine the appropriate course of action and direct Solix accordingly.

4. The pricing in Attachment B includes Solix' performance of incidental tasks necessary to support administration of the TUSF, including development and maintenance of mailing lists; development and maintenance of procedures manuals; reconciliation of financial account statements; establishment of budgets, schedules, and cost tracking systems; and preparation and submission of mandatory reports.

5. Up to 100 hours per contract year of additional work required by changes in state legislation, rules, or procedures are included in pricing, Attachment B.

Collection Services

1. Solix will provide Telecommunications Providers (TP) with PUCT-approved remittance worksheets to allow them to self-report revenues and calculate their assessment due. Solix will review these submissions for accuracy and completeness and will require TPs whose accounts contain unexplained variances in reported revenues or TUSF assessments to explain those variances in writing. Solix will implement a process to identify TPs that must report and pay into the TUSF and ensure that all TPs remit payment in full and on a timely basis.

2. Annually on May 15th, Solix will submit a report to the PUCT contract administrator that details the computation and recommended level of assessment attributed to a percent of taxable telecommunications receipts for the following year. The PUCT will approve the methodology that Solix uses to compute the assessment rate. The calculated rate must provide a reserve contingency amount in addition to the amount Solix has determined will be necessary to pay all TUSF obligations. Solix will use the reserve to

satisfy potential cash flow requirements resulting from late or delinquent payments, bankruptcies, or other contingencies.

3. If the PUCT determines that it is necessary to modify the rate assessment before the annual adjustment, PUCT will authorize Solix to complete calculations and reports similar to the annual calculations and reports.

Disbursement Services

1. Monthly, Solix will disburse funds to qualified recipients identified by the PUCT as required by applicable Texas statutes, PURA, and PUCT rules and regulations. At PUCT's direction, Solix also will make non-periodic disbursements from the fund. Disbursements cannot exceed the total amount of funds available. Solix will not borrow any funds to make monthly disbursements or for any other purpose. As the fund administrator, Solix will exercise all reasonable methods to determine the validity of claims against the fund, including the receipt and review of all required documentation associated with remittance worksheets before processing any disbursement. Solix shall inform the PUCT when a TP fails to cooperate with documentation requirements. Solix will create and implement an on-line reporting system for the TPs. This on-line reporting system will be fully functional by December 30, 2010. Solix will use electronic funds transfer as the primary means of payment. Failure to create and implement a fully functional on-line reporting system as approved by the PUCT contract administrator by December 30, 2010 will result in a $1,000 per day penalty.

2. Solix will provide ETPs with a PUCT-approved support request template in the on-line reporting system to allow the ETPs to report access line, rate, revenue, customer information, and applicable offset adjustments and to calculate support amounts requested for the Texas High Cost Universal Service Plan (PUCT Substantive Rule 26.403); the Small and Rural ILEC Universal Service Plan (PUCT Substantive Rule 26.404); the Lifeline Program (PUCT Substantive Rule 26.412); and Tel-assistance.

3. In addition, the online reporting system will allow ETPs to report and calculate support amounts required by PUCT orders, PUCT Substantive Rules or by statute: PURA 56.025 (PUCT Substantive Rule 26.406); PURA 56.028 (PUCT Substantive Rule 26.410); and PURA Chapter 56, Subchapter F (PUCT Substantive Rules 26.408, 26.422, and 26.423). The PUCT contract administrator will send Solix any PUCT orders, rules changes, and statutory changes. Solix will institute any required changes on the date that the order, rule, or statute requires.

4. The TUSF reimburses registered Specialized Telecommunications Assistance Program (STAP) vendors for the lesser amount of the face value of a voucher or actual sales price of the equipment. The PUCT will review all vouchers submitted for reimbursement by STAP vendors each month and forward them to Solix by the 4th of the following month with a cover letter authorizing payment from the TUSF. Solix will pay STAP vendors by the 10th of that month. Solix' failure to reimburse vendors in

accordance with this paragraph may subject it to performance penalties at the following rates:

Results	Penalty for Month with Late Disbursements
1 - 9 late disbursements	$2,500
10 - 25 late disbursements	$5,000
26 - 50 late disbursements	$10,000
51 – 100 late disbursements	$25,000
101 – 200 late disbursements	$50,000
Over 200 late disbursements	100% of Solix' monthly Admin Fee

Only the PUCT has the authority to direct Solix' actions concerning STAP and its administration. If Solix receives requests for assistance from the Department of Assistive and Rehabilitative Services (DARS), it must refer DARS to the PUCT point of contact. The PUCT will not authorize payment for services that Solix performs for DARS unless PUCT has provided written authorization in advance to Solix.

5. The TUSF reimburses the Texas Telecommunications Relay Service (TRS) carrier for: the costs of providing dual party relay service not paid by the calling or called party; a CPA firm to conduct an annual audit of the fund; and other vendors or contractors as may be required. The PUCT contract administrator will review all invoices and forwarded them to Solix, with a cover letter authorizing payment from the TUSF. Solix must pay the invoices within 30 days of receipt.

6. Solix will disburse funds from the TUSF to pay the PUCT, DARS, or any other state agency to reimburse those agencies for state funds that were expended and are directly and reasonably associated with the implementation and operation of the provisions of the TUSF. Each agency will submit an invoice or letter reporting its qualifying expenses to Solix on a monthly basis. Solix will verify that the appropriate information has been provided by these agencies and will disburse the expense reimbursements within 30 days of receipt of the expense report.

Debt Collection Activities and Reports

1. Solix will send a quarterly Notice of Delinquency to all delinquent reporters as defined in PURA 51.002(10) when data and/or payments are past due. Solix will mail initial delinquency notices by first class mail to the address provided by the TP and will follow the initial delinquency notice with at least one subsequent attempt to pursue collection of TUSF submissions due.

2. If the initial Notice of Delinquency is returned as undeliverable, Solix will take reasonable steps to update its address information and determine a correct address for the payer. Solix will document the steps it took to update the address information.

3. For TPs with delinquencies that persist beyond 180 days, Solix will send a notice by U.S. Certified Mail, return receipt requested. In addition, Solix will forward these accounts to a collection agency within 30 days for further processing.

4. Solix may subcontract with a person or business entity to collect delinquent payments owed to the TUSF. Solix must ensure that the subcontract contains the following provisions from the main contract:

- Article 1 – contract ending date
- Article 6, paragraphs B and C – authority of PUCT to audit subcontractor records
- Article 7, paragraph C – no assignment of responsibilities without the prior written permission of the PUCT
- Article 15, Confidentiality
- Article 16, Property Rights and Records

5. The subcontract must include the following statement: If after 180 days, the subcontractor has not been able to collect any of an amount due, the subcontractor will seek permission in writing from the PUCT through Solix to sue the entity or to declare the amount uncollectible.

Within five business days of executing a subcontract for collection services, Solix must submit a copy of the subcontract to the PUCT Contract Administrator.

6. The PUCT authorizes Solix to compensate the subcontractor by authorizing it to retain 25% of collected amounts ranging from $10.00 to $4,999.99 and 18% of collected amounts of $5,000.00 or more.

The PUCT will approve compensation for legal fees incurred by the subcontractor on behalf of the PUCT and the TUSF on a case by case basis. The PUCT must issue written approval of the subcontractor's request to retain legal services before the subcontractor engages those services. The PUCT will not authorize compensation for services engaged and provided before the PUCT issued its written approval.

7. Solix will require the subcontractor to make monthly reports of collection efforts undertaken, amounts collected, amounts retained as payment for services, and amounts sent to Solix for deposit in the TUSF. Solix will transmit those monthly reports to the PUCT within five business days of receipt.

8. Solix will report delinquencies on a monthly basis that are 30, 60, 90, 180, and 365 days overdue. Solix will also report collection agency actions on each account on a monthly basis. Solix will report annually to the PUCT any account that is overdue for 365 days for the prior Fiscal Year. The report will include information as to whether Solix no longer has an effective mailing address for the TP as evidenced by returned mail and an inability to update the address through reasonable means.

9. Solix is authorized to take reasonable steps to resolve any dispute with a TP regarding the amount of the TP's TUSF assessment. The PUCT authorizes Solix to arrange for

partial payment of an arrearage over no more than a ninety-day period. If a TP requests more than 90 days to resolve an arrearage, Solix will consult with the PUCT contract administrator for further authorization. Solix will inform the PUCT immediately of any TP's refusal to pay its legitimate fund contribution. Solix will not take any legal action without written authorization from the PUCT contract administrator.

10. Solix will assess late payment charges at rates approved by the PUCT and sent to Solix by the PUCT contract administrator.

11. Solix will forward copies of all bankruptcy filings received regarding a TP to the PUCT's contract administrator, or in the contract administrator's absence, to the Director of General Law.

12. Solix will retain certified mailing receipt confirmations and will maintain records of its debt collection efforts. The records will include the dates that notices of delinquency were mailed, the date of any telephone contact, the name of the person who initiated the contact, the number called, the name of the person contacted, a summary of the response, and any other information Solix determines to be pertinent to debt collection efforts.

Periodically, the PUCT may deem certain debts uncollectible and may authorize Solix to write-off those debts as such. Solix must receive written authorization from the PUCT's executive director before writing off debt.

Reporting Activities

1. Solix will maintain records by contributor and by recipient in each program. Solix will provide the PUCT certain reports on a monthly basis, including, but not limited to: detail reports on fund and program activity, data month reports, cash flow statements, trial balance, aged accounts receivable, check/wire transfer register, bank reconciliation, detailed carrier assessments by carrier, late payment charges, all fund disbursements by type, delinquency listing by entity and all statements from banks and investment firms. Solix must provide annual unaudited financial statements (consisting of a balance sheet, income statement, and a sources and uses of funds statement) December 15th each year for the fiscal year ending August 31st.

2. At the PUCT contract administrator's request, Solix will provide monthly projections of disbursements and fund balance for the next month, based upon fund experience and resulting trends.

3. Solix will provide the PUCT contract administrator and STAP point of contact with a monthly report that includes the total number of vouchers paid, the total amount paid, and a listing of each vendor that submitted a voucher, the number of the submitted voucher, and the amount paid.

4. Solix will provide additional reports to the PUCT on an ad hoc basis as determined by the PUCT. Solix will advise and obtain the approval of the PUCT before incurring significant increased expenses in preparing these ad hoc reports.

Auctions

If the PUCT determines that it is necessary to conduct an auction under PUCT Substantive Rule 26.417(h) to replace the sole ETP in an area, the PUCT will direct Solix on the actions it is to take under the rule.

Fund Management

1. Solix will maintain separate accounts for all TUSF monies, so that there will be no commingling of funds with monies to be used for any purpose besides those directly related to the TUSF. Funds in each account shall not exceed the FDIC insurance of accounts limitations. Solix will operate the fund on a payment-after-collection basis, while maintaining an adequate Reserve amount. The Reserve amount is made up of many factors; market pricing, economic conditions and including the Assessment Fee which has been set by the PUCT. The PUCT and Solix shall establish the reserve level, which they will review monthly. Solix shall notify the PUCT contract administrator immediately if the reserve level is less than one month's fund collections.

2. Solix will maintain its accounts, records, funds, and internal controls in accordance with Generally Accepted Accounting Principles ("GAAP"), as defined by the Financial Accounting Standards Board and the Government Accounting Standards Board.

3. Solix will deposit any cash resources of the TUSF in an FDIC-insured account. To the extent possible, the balance of each such account shall not exceed the FDIC insurance limit, given that from time to time an account balance may exceed the FDIC insurance limit based upon the time of day funds were received.

4. Solix will invest undistributed fund monies in secure short-term instruments designed to minimize risk while providing maximum liquidity and return on investment. Solix will report monthly on the fund balance and fund activity to the PUCT so that it can make timely decisions on the use of surplus fund amounts.

5. Based upon its Investment Committee Guidelines for Temporary Investments ("Committee Guidelines"), Solix may determine that prudence requires that TUSF funds be invested in other than short-term instruments. Solix will secure investments designed to maximize security, liquidity and return, in that order.

6. The PUCT contract administrator will review and approve the Committee Guidelines, which will be made a part of this contract. The PUCT contract administrator must approve any changes or amendments to the Committee Guidelines before they are applied to TUSF funds.

Oversight and Inspection

1. The PUCT contract administrator will oversee Solix' administration of the TUSF. Upon the contract administrator's request, Solix agrees to discuss at any time the approach, procedures, activities, and any issues that may develop during the term of the contract. The contract administrator may request a meeting or discussion orally or in writing. The contract requires two trips to Austin by Solix. These trips will be coordinated with the PUCT contract administrator. Attachment B, Pricing, includes the costs related to these trips.

2. The PUCT may inspect the progress of Solix' work as often and at such times as it considers necessary. Solix shall provide access to work in progress as requested. Whether or not PUCT requests an inspection, Solix remains solely responsible for properly administering the TUSF in accordance with this contract.

CONTRACT No. 473-10-00114

BETWEEN
THE PUBLIC UTILITY COMMISSION OF TEXAS
AND
SOLIX INC.

ATTACHMENT B

Pricing

Solix agrees to provide all services under this contract at the following rates:

	Contract Year 1	Contract Year 2	Contract Year 3
General Administrative	$343,659	$353,969	$364,588
Finance – Collections	129,980	133,879	137,896
Finance – Disbursements	12,432	12,805	13,189
Finance – General	33,679	34,689	35,730
Finance – Banking Functions	143,793	148,107	152,550
Carrier Audits	16,457	16,951	17,459
Annual Total	$680,000	$700,400	$721,412
Monthly Fee	$56,667	$58,367	$60,118

AMENDMENT TWO

CONTRACT NO. 473-10-00114

BETWEEN
THE PUBLIC UTILITY COMMISSION OF TEXAS,
THE TEXAS DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES,
AND
SOLIX, INC.

This is the second amendment to Contract No. 473-10-00114, a contract for assistance in administering the Texas Universal Service Fund (TUSF). This amendment adds the Texas Department of Assistive and Rehabilitative Services (DARS), an agency of the state of Texas, with its office located at 4800 N. Lamar Blvd., Austin, TX 78756 as a party to the contract between the Public Utility Commission of Texas (PUCT), an agency of the State of Texas, with its office located at 1701 N. Congress Ave., Austin, TX 78701 and Solix, Inc. (Solix), located at 30 Lanidex Plaza West, Parsippany, NJ 07054.

The purpose of this amendment is to incorporate the following changes to Contract No. 473-10-00114:

1. This contract is hereby extended for one year. The revised contract expiration date is August 31, 2014.

2. All articles previously referenced within Amendment One effective as of September 12, 2013, shall be hereby deleted in their entirety and replaced by the following articles as listed below:

Article 1. DEFINITIONS

- DARS, PUCT and Solix shall be collectively referred to as **"the parties"**.
- Any references in this amendment to **"this amendment"** shall mean Amendment Two to Contract No. 473-10-00114 and the attachments to Amendment Two.
- Any references to **"this contract"** in this amendment shall mean "Contract No. 473-10-0014, as amended by Amendment One and Amendment Two, including all attachments to those amendments."
- **"Amendment One"** shall mean "Amendment One and its attachments."
- **"Amendment Two"** shall mean "Amendment Two and its attachments."

ORIGINAL

Article 2. DUTIES OF THE PARTIES

The parties' duties under this Contract No. 473-10-00114, as amended by Amendment One remain the same except as specifically noted in Amendment Two.

DARS is added to this contract pursuant to Texas Utilities Code Section 56.001, as amended by Senate Bill No. 512, Act of May 22, 2013, 83rd Leg., R.S., which transferred the Specialized Telecommunications Assistance Program (STAP) from the PUCT to DARS. DARS is specifically added for purposes of administration of the STAP only. The duties owed by or to DARS relate to STAP, as set forth in this amendment. Nothing in this amendment reduces Solix's duties.

DARS shall provide Solix with the information necessary to carry out its responsibilities with regard to STAP.

Article 3. EFFECTIVE DATE

The effective date of this amendment is September 1, 2013.

Article 4. SERVICES

The parties agree to amend Attachment A, Statement of Work, of Contract No. 473-10-00114 and Amendment One of that contract as set forth in Amendment Two, Attachment 1 "General Terms and Services Related to the Specialized Telecommunications Assistance Program."

Article 5. COMPENSATION

Solix agrees to provide all services (including labor, expenses, and any other services) as provided in Attachments 1 and 2 to Amendment Two. Compensation for the contract year beginning September 1, 2013, shall not exceed $862,722.

Article 6. CHANGE TO INVOICING AND PAYMENT PROCESSES

For STAP administration services and reimbursable costs, Solix shall submit one original invoice and one copy to the DARS contract administrator, and one copy to the PUCT contract administrator, monthly for the previous month's services.

DARS agrees to approve all accurate and complete invoices related to STAP administration and notify Solix and PUCT of that approval within 30 days of receipt. The Texas Prompt Payment Act, Texas Government Code Sections 2251.025 et. seq. shall apply to this contract. When the DARS contract administrator has approved an invoice for services related to STAP administration, Solix may draw its payment from the TUSF.

Invoicing and payment processes for all other aspects of the TUSF administration shall remain the same as specified in Contract No. 473-10-00114, as amended by Amendment One.

Article 7. STAP PERSONNEL AND SUBCONTRACTORS

Solix shall not subcontract any of the STAP administration services without the express written consent of DARS.

Should assigned personnel providing STAP administration services leave or transfer positions during the contract period, Solix shall assign personnel with comparable experience to those positions. Solix shall notify DARS promptly of the change and shall provide a resume of the newly assigned personnel promptly to the DARS STAP Contract Administrator.

Article 8. ASSIGNMENTS, AMENDMENTS, AND MODIFICATIONS

Except as follows in this article (Article 8 of Amendment Two), all assignments, amendments, modifications, or changes to this contract shall be made by written instrument signed by authorized representatives of all three parties to this contract in accordance with the terms of this contract.

Assignments, amendments, modifications or changes to this contract that exclusively affect the STAP administration provisions of this contract shall be made by written instrument signed by authorized representatives of DARS and Solix; a PUCT representative's signature shall not be required. DARS shall provide PUCT with a copy of any assignment, amendment, modification or change to this contract within 10 business days after it has been signed.

Assignments, amendments, modifications or changes to this contract that do not affect the STAP administration provisions of this contract shall be made by written instrument signed by authorized representatives of PUCT and Solix; a DARS representative's signature shall not be required.

Article 9. TERMINATION

Neither DARS nor PUCT shall exercise the termination provisions of this contract without the other's written consent.

Article 10. ALTERNATIVE DISPUTE RESOLUTION

If a dispute arises between the parties, all parties agree to use alternative dispute resolution procedures in accordance with TEX. GOV'T CODE Chapter 2260.

Article 11. SOVEREIGN IMMUNITY

DARS also does not waive sovereign immunity by entering into this contract and specifically retains immunity and all defenses available to it under the laws of the State of Texas or the common law.

Article 12. COMPLIANCE WITH THE LAW

Solix agrees to comply with all applicable state and federal laws, rules, and regulations, in addition to all DARS rules and regulations. With regard to STAP administration, Solix shall inform and consult with DARS when further interpretations or directions are needed in order to fully implement DARS' rules and regulations. In the event that Solix becomes aware of inconsistencies between this contract and a Texas statute, PUCT rule, DARS rule, or any other law, ordinance, rule or regulation, Solix will so advise the PUCT and DARS and will cooperate fully to revise applicable provisions of this contract as necessary in accordance with Article 7 of the original Contract No. 473-10-00114 and Article 8 of this amendment.

Article 13. CONFLICT OF INTEREST

Solix certifies that with the addition of DARS to this contract Solix continues to have no known business relationships or personal relationships involving its principals that create a conflict of interest. Solix agrees to notify DARS immediately if a situation or relationship arises that may potentially create a conflict of interest with its contractual relationship with DARS or its administration of STAP.

Article 14. INDEMNIFICATION

In addition to indemnifying PUCT as provided under this contract, Solix shall indemnify, defend, and hold harmless DARS, its officers, employees, and contractors, from and against any and all claims actions, suits, demands, costs and expenses (including reasonable attorney's fees), damages, and liabilities, of whatever kind or nature asserted by a third-party and occurring, or in any way incident to, arising out of, resulting from, or in connection with any acts or omissions by Solix, its agents, employees, or subcontractors, committed in the performance of this contract.

Article 15. CONFIDENTIALITY AND PUBLIC INFORMATION

Solix agrees to maintain the confidentiality of information received from the State of Texas during the performance of this Contract, including information which discloses confidential personal information, particularly, but not limited to, social security numbers. PUCT, DARS and Solix will maintain confidentiality of information provided to or received from either party, as required under this Contract and in accordance with all applicable state and federal laws, rules, and regulations.

Information created, stored or maintained by any party under this contract may be subject to the Texas Public Information Act, Texas Government Code Chapter 552. If a request is made for any information held by Solix under this contract, Solix shall make that information available in a format that is agreed upon by the state agency that received the request for information (DARS or PUCT) and Solix, and that is accessible to the public such as (but not limited to) PDF, Word, or Excel files, paper copies, or other commonly used formats. Solix shall either provide the information to PUCT or DARS, or directly to the requestor, as directed by the agency that received the request for information, as soon as possible, but not later than the tenth business day after the request for information was received.

Article 16. INDEPENDENT CONTRACTOR

Nothing in this amendment shall change Solix's status as an independent contractor, and its officers, agents, and employees shall not be considered employees of PUCT or DARS for any reason.

Article 17. LETTER OF CREDIT

On or before the effective date of this amendment, Solix shall provide PUCT with a new or extended letter of credit to expire August 31, 2014.

Article 18. NOTICE

In addition to providing any legal notices to PUCT under the terms of this contract, Solix shall provide all legal notices permitted or required under this contract and pertaining to STAP in writing and mailed to DARS.

DARS shall provide all legal notices it is permitted or required to make under this contract in writing and mailed to Solix.

Article 19. FORCE MAJEURE

The protections and obligations applicable to PUCT under Article 24. FORCE MAJEURE of Contract No. 473-10-00114 shall also apply to DARS.

Article 20. ENTIRE AGREEMENT

Contract No. 473-10-00114, Amendment One, this amendment, and the attachments referenced in each constitute the entire agreement and understanding between the parties with regard to its subject matter.

In WITNESS WHEREOF both parties by their duly authorized representatives have executed this amendment.

The Public Utility Commission of Texas
By:

Brian H. Lloyd
Executive Director
Date: 8-21-13

The Texas Department of Assistive and Rehabilitative Services

By:

Cheryl Fuller
~~Interim~~ Assistant Commissioner

Date: 8/26/13

Solix, Inc.
By:

Jack Miller
President, COO

Date: 8.16.13

Attachment 1

General Terms and Services Related to the Specialized Telecommunications Assistance Program

Solix shall provide services related to the Specialized Telecommunications Assistance Program (STAP), as follows:

General Operations Management

1. Solix shall maintain the STAP Database, including data entry and updates of vendor, voucher recipient, and voucher payment information.
2. Solix shall maintain manufacturers' suggested retail price lists for STAP products, based upon prices established by DARS.
3. Solix shall adhere to contractor-developed and DARS-approved contractor operational procedures and to any changes submitted to Solix by DARS within 10 business days of receipt of changes, unless otherwise noted with the change request.
4. Solix agrees that voucher recipient and vendor information data maintained and obtained in relation to the operations of STAP is owned by DARS and is the property of DARS.
5. Solix shall provide voucher recipient and vendor information, including vendor registration documentation, vendor payments, and vendor supporting documentation data to DARS within 10 business days of DARS' request, or as otherwise agreed to by DARS and Solix.
6. Solix shall present all contract required reports, invoices, and other documents to DARS for review and acceptance, pursuant to the Contract and Amendment requirements or as otherwise required by DARS.
7. Solix shall make weekly data uploads of voucher recipient information provided by DARS.
8. Solix shall assign a primary point of contact to DARS for its STAP duties and responsibilities under this contract and provide DARS with the contact information upon execution of this amendment.
9. DARS shall assign a DARS STAP Administrator to be the primary contact with Solix, and will provide DARS with the contact information upon execution of this amendment.
10. DARS shall notify Solix in writing the names of any vendors which DARS places on hold for payment or participation as a vendor in STAP.
11. Solix shall withhold payment to any vendor or on any voucher for which DARS has provided Solix timely written notification of a hold on such payment.
12. DARS may inspect the progress of Solix's work relating to STAP as often and at such times as it considers necessary. Solix shall provide access to work in progress as

requested. Whether or not DARS requests an inspection, Solix remains solely responsible for properly administering the STAP in accordance with this contract.

Monthly Operations Management

1. Solix shall process voucher payments, including:
    a. Date stamping and scanning vouchers and supporting documentation;
    b. Entering voucher information into STAP database;
    c. Reviewing, approving, and performing quality control of STAP vouchers in accordance with DARS-approved contractor operational procedures; and
    d. Resolving voucher issues and referring unresolved issues to DARS.
2. Solix shall provide monthly payments of approved vouchers by the 10th of each month, unless a hold is placed on a payment or vendor by DARS; or on the next billing cycle after DARS releases any hold it placed on a payment or vendor.
3. At DARS' direction, Solix shall also make non-periodic disbursements related to STAP from the TUSF fund.
4. Solix shall setup and maintain a toll free telephone number for vendor, STAP recipient, and DARS inquiries.
5. Solix shall respond to inquiries, information requests, and complaints within 10 business days and:
    a. Provide DARS with a monthly list of complaints received, including how these items were addressed and/or resolved; and
    b. Refer any inquiries, information requests, and complaints to DARS that Solix is unable to resolve or address.
6. Solix shall maintain the STAP webpage as approved by DARS, and provide DARS with full view access to the webpage.
7. Solix shall provide technological support for the STAP database.
8. Solix shall provide monthly reports to the TUSF Administrator and the DARS STAP Administrator consisting of:
    a. Check register;
    b. List of rejected vouchers; and
    c. Ad hoc reports.
9. Solix shall provide the DARS STAP Contract Administrator with a monthly report that includes:
    a. The total number of vouchers paid;
    b. The total amount paid; and
    c. A listing of each vendor that submitted a voucher, the number of the submitted voucher, and the amount paid.
10. Solix shall register vendors and handle vendor renewals and removals from the approved vendor list, pursuant to the DARS-approved vendor registration and renewal process.
11. Solix shall provide DARS with read-only access to reports and data with full view access.

12. Solix is responsible for retrieving erroneous payments, which includes payments made by Solix to vendors whom DARS has given Solix prior notice to remove from the vendor list or place payments on hold, or has instructed Solix to stop payment on specific vouchers. If repayment is not deposited in the TUSF within 30 calendar days of the erroneous payment, Solix is responsible for reimbursing the TUSF the entire amount of the erroneous payment.
13. As of September 1, 2013, Solix shall no longer be responsible for referring requests for assistance from DARS to the PUCT. Solix shall respond to DARS directly. DARS will authorize payment for services that Solix provides to DARS in accordance with the terms of this contract.

Requirements and Penalties

1. Monthly voucher payments paid by the 10th of the month, unless DARS places a hold on payment

Results	Penalty for Month with Late Disbursements
1-5 late disbursements	$2,500.00
6-25 late disbursements	$5,000.00
26-50 late disbursements	$10,000.00
51-100 late disbursements	$25,000.00
101-200 late disbursements	$50,000.00
Over 200 late disbursements	100% of Contractor's monthly Administrative Fee

2. Vouchers paid within 45 days of date stamped on receipt, unless DARS places a hold on payment

Results	Penalty for Monthly Disbursements Paid by Contractor Beyond 45 Days
1-5 late disbursements	$2,500.00
6-25 late disbursements	$5,000.00
26-50 late disbursements	$10,000.00
51-100 late disbursements	$25,000.00
101-200 late disbursements	$50,000.00
Over 200 late disbursements	100% of Contractor's monthly Administrative Fee

3. STAP website updated within two business days of receipt of information from DARS

$1,000.00 per failure to complete on time

Attachment 2

Pricing

STAP Administration				September 1, 2013 through August 31, 2014
1.	State Operations			
	a.	Review, Approve, and Quality Control STAP Vouchers		
	b.	Maintain Master Price List		
	c.	Resolve Voucher Issues		
	d.	Register New Vendors; Update Existing Vendors; and Request, Monitor, and Process Annual Vendor Certifications		
	e.	Customer Service: Vendor Communications (estimated 50-100 per month); Consumer Communications (estimated 40-50 per month)		
	f.	Payment Reports to Vendors		
	g.	DARS Inquiries (estimated 100 per month)		
	h.	Maintain STAP information on Contractor's server, including voucher recipient, vendors, and vendor reimbursement information		$ 89,820
2.	Finance – AP - Disbursements			
	a.	Epicor Upload		
	b.	Disbursements		$ 2,184
3.	Scanning			
		Open Mail, Scan documents, and Data Enter Vouchers		$ 49,788
4.	IT Support			
		DBA Support		$ 6,120
		Annual Total		$ 147,912
		Monthly Fee		$ 12,326

TUSF Administration		September 1, 2013 through August 31, 2014
General Administrative		$ 364, 588
Finance – Collections		$ 137,896
Finance – Disbursements		$ 13,189
Finance – General		$ 35,730
Finance – Banking Functions		$ 163,407
Annual Total		$ 714,810
Monthly Fee		$ 59,567.50

AMENDMENT THREE

CONTRACT NO. 473-10-00114

BETWEEN
THE PUBLIC UTILITY COMMISSION OF TEXAS,
THE TEXAS DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES,
AND
SOLIX, INC.

Through this written amendment as mutually understood and agreed upon by and between the undersigned parties to the contract referenced above by contract number, the Texas Department of Assistive and Rehabilitative Services (DARS), an agency of the state of Texas, with its office located at 4800 N. Lamar Blvd., Austin, TX 78756, the Public Utility Commission of Texas (PUCT), an agency of the State of Texas, with its office located at 1701 N. Congress Ave., Austin, TX 78701 and Solix, Inc. (Solix), located at 30 Lanidex Plaza West, Parsippany, NJ 07054, agree to amend this Contract for the purpose of **exercising renewal option #2,** pursuant to Article 1. Contract Term, **of the Contract and incorporating other changes as follows:**

1. Article 3 of Amendment Two is hereby deleted in its entirety and replaced with the following:
   Article 3. EFFECTIVE DATE
   The effective date of this amendment is September 1, 2014.

2. Article 5 of Amendment Two is hereby deleted in its entirety and replaced with the following:
   Article 5. COMPENSATION
   Solix agrees to provide all services (including labor, expenses, and any other services) as provided in Amendment Three, Attachment A, Pricing, Contract No. 473-10-00114, Second Renewal. For the period September 1, 2014, through August 31, 2015, compensation shall not exceed $881,013.

3. Article 20 of Amendment Two is hereby deleted in its entirety and replaced with the following:
   Article 20. ENTIRE AGREEMENT

   Contract No. 473-10-00114, Amendment One, Amendment Two, and this amendment (Amendment Three), and the attachments referenced in each constitute the entire agreement and understanding between the parties with regard to its subject matter.

4. Attachment A, Pricing, Contract No. 473-10-00114, Second Renewal, is hereby incorporated into this agreement.

In WITNESS WHEREOF the three parties by their duly authorized representatives have executed this amendment.

The Texas Department of Assistive and Rehabilitative Services
By:

Cheryl Fuller
Assistant Commissioner, DARS Division for Rehabilitation Services

Date: 7/12/14

The Public Utility Commission of Texas
By:

Brian H. Lloyd
Executive Director

Date: 7 8 14

Solix, Inc.
By:

Jack Miller
President and CEO

Date: 7.17.14

Attachment A

Pricing

Contract No. 473-10-00114, Second Renewal

STAP Administration		**September 1, 2014 through August 31, 2015**
General Administrative – Final review and approval of vouchers, quality control, program integrity, issue resolution, vendor registration and annual renewals, customer service – vendors & DARS		$ 94,362
Finance – Disbursements		$ 1,165
Scanning – Open mail, scan documents, data entry and initial review of vouchers.		$ 48,306
IT Support – System maintenance, database changes and testing.		$ 9,020
Annual Total STAP Administration Fee		$152,853
Monthly Fee		$12,737.75

TUSF Administration		**September 1, 2014 through August 31, 2015**
General Administrative – Operations & IT		$ 394, 484
Finance – Collections		$ 107,559
Finance – Disbursements		$ 12,068
Finance – General		$ 37,088
Finance – Banking Functions		$ 176,961
Annual Total TUSF Administration Fee		$ 728,160
Monthly Fee		$ 60,680