XAND CLEC, LLC NY P.S.C. Tariff No. 1 - Telephone Initial Effective Date: October 31, 2012 Leaf No. 41 Revision: 0 Superseding Revision:

3. <u>RULES AND REGULATION</u> (CONT'D)

3.7 <u>Application For Service, Service Period, Payment Arrangements and Credit</u> <u>Allowances.</u> (Cont'd)

3.8.2. <u>Establishment of Credit</u>. The Customer establishes credit by completing a Credit Application and other information or guarantees as may reasonably be required.

3.9 <u>Customer Deposits</u>.

Company reserves the right to require any Customer whose credit has not been established to the sole and exclusive satisfaction of Company at the time of application to make a deposit to be held as a guarantee of payment of charges. In addition, an existing subscriber may be required to make or increase a deposit at the sole discretion of the Company. Customer is not, as a result of having made a deposit, relieved from complying with the provisions of this Tariff pertaining to prompt payment of bills on presentation. The deposit may be retained for as long as the financial condition/credit worthiness of Customer is considered to be unsatisfactory by Company. A deposit will not exceed the estimated charges for six (6) months' service to Customer plus installation. Interest on a cash deposit will be paid to Customer so long as Company retains Customer's deposit, at the rate determined annually by the New York Public Service Commission. The deposit will be returned

- (i) when an application for the Services has been canceled prior to the establishment of the Services. The deposit will be applied to any charge applicable in accordance with the Tariff and the excess portion of the deposit will be returned;
- (ii) at the end of six (6) months satisfactory credit payment history, i.e., Customer has not experienced a service discontinuation within the previous six months, or received a notice of discontinuance for nonpayment in two (2) or fewer of the previous six (6) months, and a satisfactory financial condition/credit worthiness customer; or
- (iii) upon the discontinuance of the Services. Company will refund Customer's deposit or the balance in excess of unpaid bills for that the Services. At the option of Company, a deposit may be refunded or credited to Customer at any time prior to the termination of the Services.