



Creditworthiness Requirements

The credit requirements and financial information contained in this Section shall be applicable to the service provided by Company.

1. Credit Information and Financial Responsibility – At Company’s request Customer shall provide the following:
 - a) A complete set of its most recent audited financial statements and interim financial statements since audit date, most recent annual report, most recent SEC Form 10-K and Form 10-Q, and applicable annual filings with other regulatory agencies. If audited financial statements are unavailable, Customer shall provide the most recent unaudited financial statements along with an attestation by its Chief Financial Officer that the information reflected in the audited statements is a true, current and fair representation of the Customer’s financial position.
 - b) Any reports from credit rating and bond rating agencies which are available.
 - c) A list of all corporate affiliates, parent companies and subsidiaries.
 - d) A bank reference and at least three trade references.
 - e) A statement of the legal composition of the Customer (i.e., corporation, limited liability company, etc.).
 - f) A statement of the length of time the Customer’s business has been in operation.
 - g) Verification that Customer is not operating under any chapter of the bankruptcy laws and is not subject to liquidations or debt reduction procedures under state laws, such as the assignment for the benefit of creditors, or any informal creditors’ committee agreement. In the event that Customer is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act, Customer shall so state. In such event, Customer’s request shall be contingent upon Customer also providing adequate assurance that the billing will be paid promptly as a cost of administration under the federal court’s jurisdiction.
 - h) Verification that Customer is not subject to the uncertainty of pending liquidation or regulatory proceedings in state or federal courts which could cause a substantial deterioration in its financial condition, which could cause a condition of insolvency or the inability to exist as an on-going business entity.
 - i) Verification that no significant collection lawsuits or judgments are outstanding which would seriously reflect upon the Customer’s ability to remain solvent.

2. Credit Evaluation

- a) Company shall periodically, at its discretion or whenever it is not reasonably satisfied with Customer's creditworthiness or ability to pay based on information available to Company at that time, apply consistent credit evaluation practices to determine the acceptability of the Customer's overall financial condition.
- b) Company's standard objective financial criteria shall include all of the following:
 - (i) Acceptable overall financial condition, working capital and profitability trends.
 - (ii) Acceptable bank and trade references.
 - (iii) If Customer has an on-going business relationship with Company, no delinquent balances should be consistently outstanding for service provided previously by Company and Customer must have paid its prior accounts according to the established terms and not have made deductions or withheld payment for claims not authorized by contract.

3. Security Requirements

- a) If the Customer fails to meet Company's standard objective credit criteria (described in Section 6.2 (b) above), Company will require Customer to provide security, in one of the forms described below, in order for service to commence or continue:
 - (i) Prepayment in advance of an amount equal to up to three (3) months service at 100% load factor or the duration of the contract, whichever is shorter.
 - (ii) An irrevocable letter of credit drawn upon a bank acceptable to Company with a term of one year and of the amount equal to up to three (3) months service at 100% load factor.
 - (iii) A guarantee, in form and substance satisfactory to Company, executed by a person or another entity which does satisfy the credit appraisal criteria, of Customer's performance of its obligations to Company under the Agreement with a term of one year and of an amount equal to up to three (3) months service at 100% load factor.
 - (iv) Such other form of security as Customer may agree to provide and as may be acceptable to Company.
- b) Should Customer not provide required security within fifteen (15) days of request by Company, then the Company may deny or suspend the service being furnished, and the exercise of such right shall be in addition to any and all other remedies available to Company.