

CLEARFIELD TERMS AND CONDITIONS OF SALE

The following terms and conditions apply to the sale between Clearfield, Inc. and Customer. Acceptance of all purchase orders is expressly made conditional upon Customer's expressed or implied consent to the terms and conditions set forth herein without modifications or additions.

I. DELIVERY

Unless otherwise agreed in writing, delivery shall be made in accordance with Clearfield's shipping policy in effect on the date of shipment. Unless otherwise stated on the front of the invoice, title to, and all risk of loss or damage with respect to the Products shall pass to Customer upon delivery by Clearfield to the carrier or Customer's representative at Clearfield's warehouse. Customer shall promptly notify Clearfield, in no event later than ten (10) business days after delivery, of any claimed shortage or discrepancy as to any delivery. Such notice shall be in writing and shall be reasonably detailed, stating the grounds for rejection. Failure to give written notice within such time shall be deemed an acceptance in full of the delivery.

II. CREDIT AND PAYMENT TERMS

Customer shall furnish to Clearfield all financial information reasonably requested by Clearfield from time to time for the purpose of establishing or continuing Customer's credit limit. Clearfield shall have the right to decline to extend credit to Customer, with or without any stated reason, and to require that the applicable invoices be paid prior to shipment. Clearfield shall have the right from time to time, without notice, to change or revoke Customer's credit limit on the basis of change in Customer's financial condition and/or payment record.

Payment terms for each shipment of goods shall be as stated on Clearfield's invoice. Customer shall promptly notify Clearfield, in no event later than ten (10) business days after invoice, of any alleged billing error. Such notice shall be in writing and shall be reasonably detailed in describing such error. Failure to give written detailed notice within such time shall be deemed an acceptance in full of the invoice. A service charge of the lesser of one and one-half percent (1½%) per month or the maximum amount allowed by law will be charged on all past due balances. In the event Customer fails to make timely payment of any amount invoiced, Clearfield has the right, in addition to any and all other rights and remedies available to Clearfield at law or in equity, immediately to revoke any or all credit extended, declare any and all outstanding amounts owed to Clearfield as immediately due and payable, and/or to delay future deliveries. All costs of collection, including reasonable attorneys' fees, shall be paid by Customer.

Any obligation of Clearfield under this Agreement to deliver goods on credit terms shall terminate without notice if :

- 1) Customer files an voluntary petition under a bankruptcy statute or makes an assignment for the benefit of creditors
- 2) an involuntary petition under a bankruptcy statute is filed against Customer, or
- 3) receiver or trustee is appointed to take possession of the assets of Customer.

III. TAXES

Customer shall bear applicable federal, state, municipal, and other government taxes (including sales and use taxes). Exemption certificates, valid at the place of delivery, must be presented to Clearfield prior to shipment or they will not be honored.

IV. WARRANTY

A: Clearfield Standard Warranty

Clearfield warrants to the original purchaser of the Product sold hereunder is free from defects in material and workmanship under normal use and service, subject to exceptions stated herein. Product purchased is warranted as follows: Clearfield designed and branded Products are warranted for five (5) years: Products manufactured by Clearfield to customer prints and/or specifications are warranted for one (1) year; and any Product Clearfield acquires from or through a third-party manufacturer or distributor and resells to Customer as the original customer will carry the manufacturer's pass-through warranty, if any. In all cases, the warranty period commences on the date of shipment to the original purchaser.

B: Warranty Claim Procedure

If any Product purchased from Clearfield is found defective under the above warranty, the following basic procedure must be followed:

- a) Customer must contact Clearfield and obtain a Return Materials Authorization.
- b) Following authorization, the Customer ships the product-freight collect-to Clearfield's manufacturing facility.
- c) Clearfield shall repair or replace the defective Product at its sole option and discretion, and return the repaired or replacement Product to Customer's site, freight prepaid.
- d) **Note:** If the Product is not found to be defective at Clearfield, the product will be returned to the Customer and the customer billed for freight in both directions.

(See "Return Authorization Procedures" below for additional details.)

C: Limitations of Warranty

CORRECTION OF DEFECTS BY REPAIR OR REPLACEMENT, AT THE OPTION OF CLEARFIELD INC, SHALL CONSTITUTE THE EXCLUSIVE SOLE REMEDY FOR A BREACH OF THIS LIMITED WARRANTY. CLEARFIELD SHALL NOT BE LIABLE UNDER ANY CIRCUMSTANCES FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR EXEMPLARY DAMAGES ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE PRODUCT OR WITH AGREEMENT TO SELL PRODUCT TO BUYER, INCLUDING, BUT NOT LIMITED TO DAMAGES FOR LOST PROFITS, LOSS OF USE, OR FOR ANY DAMAGES OR SUMS PAID BY BUYER TO THIRD PARTIES. THE FOREGOING LIMITATION OF LIABILITY SHALL APPLY WHETHER THE CLAIM IS BASED UPON PRINCIPLES OF CONTRACT, WARRANTY, NEGLIGENCE OR OTHER TORT, BREACH OF STATUTORY DUTY, PRINCIPLES OF INDEMNITY OR CONTRIBUTION, THE FAILURE OF ANY LIMITED OR EXCLUSIVE REMEDY TO ACHIEVE ITS ESSENTIAL PURPOSE, OR OTHERWISE.

CLEARFIELD WILL NOT BE RESPONSIBLE FOR ANY LABOR OR MATERIALS COSTS ASSOCIATED WITH INSTALLATION OR INCORPORATION OF CLEARFIELD PRODUCTS AT CUSTOMER SITES, INCLUDING ANY COSTS OF ALTERATION, REPLACEMENT OF DEFECTIVE PRODUCT, OR ANY FIELD REPAIRS.

D: Other Limitations

Clearfield assumes no warranty liability regarding defects caused by:

- 1) Customer's modification of Product, excepting installation activities described in Clearfield documentation.
- 2) Customer re-packaging of Product for shipment to third parties or destinations other than those originally shipped to by Clearfield, or any defects suffered during shipping where the Product has been re-packaged.
- 3) Customer's installation or maintenance, excepting activities described in and performed in accordance with Clearfield documentation.
- 4) Customer's improper or negligent use or application of Product.
- 5) Other causes external to the Product, including but not limited to accidents, catastrophe, acts of God, government action, war, riot, strikes, civil commotion, sovereign conduct, or the acts or conduct of any person or persons not party to or associated with Clearfield

V. RETURNS PROCEDURES/GUIDELINES

A: General

- 1) No Product may be returned without a Clearfield-assigned Return Materials Authorization number ("RMA number"), obtained by contacting a Clearfield inside sales representative. Any Product arriving at Clearfield without an RMA may be rejected.
- 2) All packages and correspondence MUST be marked with the RMA number. Any packages received without a visible RMA number may be rejected.
- 3) Product must be returned within thirty (30) days of issuance of an RMA number unless otherwise agreed upon in writing by Customer and Clearfield
- 4) Product should be returned in original containers whenever possible. Clearfield is not liable for any shipping damage incurred during transport from Customer's site to the Clearfield facility.

B: Defective Product Returns

- 1) Clearfield shall repair or replace the defective Product at its sole option and discretion.
- 2) Freight charges to return defective Product from Customer to Clearfield's manufacturing facility will be freight collect. Clearfield will be responsible for freight costs to return replaced or repaired Product to the Customer's facility.
- 3) Note: If the Product returned is not verified as being defective at Clearfield, the Product will be returned to the Customer and the Customer will be billed for freight in both directions.

C: Non-Defective Product Returns

- 1) Non defective Product purchased within the last 180 days in new (uninstalled) condition may be returned for credit (no cash refunds) at the discretion of Clearfield.
- 2) Custom Product (those manufactured by Clearfield to customer prints and/or specifications or built to custom configurations) are non-cancelable and non-returnable.
- 3) Non-defective Product returns may be assessed a 10% to 25% restocking fee. Any applicable restocking fees will be communicated to Customer before an RMA number is issued by Clearfield.
- 4) All non-defective Product must be returned with the original test documentation to receive full credit. If this documentation is missing, Customer will be assessed the cost of re-testing the Product and/or recreating the documentation.
- 5) Freight charges for returning non-defective Product to Clearfield shall be prepaid by the Customer.
- 6) Credit for returned non-defective Product, minus any restocking fees, will be issued only after Product is received at Clearfield and inspected to ensure that all conditions for credit are satisfied.

D: Repair or Refurbishment of Out-of-Warranty Products:

- 1) Product outside of the warranty period or otherwise not covered under this warranty may be returned for repair or refurbishing at the discretion of Clearfield.
- 2) A "rough" quote for the repair services will be provided by Clearfield at the time of RMA number request. Upon receipt of Product at Clearfield, a more exact quote for the repairs will be communicated to Customer.
- 3) If Customer elects to proceed with the repairs, the Product will be repaired, shipped, and Customer billed for the services performed.
- 4) Customer will responsible for inbound and outbound freight for out-of-warranty repairs.
- 5) The repair/refurbishment work is warranted as free of defects in material and workmanship for a period of one (1) year.