

TESCO • 8440 SE SUNNYBROOK ROAD • SUITE 206 • PORTLAND, OR 97015

**TESCO HEREIN PROVIDES A LIMITED PRODUCT WARRANTY ONLY. TESCO IS NOT AN INSURER AGAINST LOSS OR DAMAGE FROM ELECTRICAL SURGES OR CURRENTS**

**1. Limited Warranty.**

Tesco warrants that each Tesco Surge Protection System, Model Nos. TES 240MSA, TES240R, TES 208SE, TES 240SE and TES277SE, leased by a Customer from an electric utility authorized by Tesco to lease and install the System, when installed by Utility according to Tesco installation instructions and used by Customer for the purposes intended by Tesco, will be free from defects in its material and workmanship and will meet the written engineering specifications and test standards prepared by Tesco and provided by Utility upon installation.

**2. Covered Equipment.**

Tesco warrants to the Customer, subject to the terms, conditions and limitations of this limited product warranty, any motor-driven or resistance-heated electrical equipment and the built in electronics of this equipment, electronics physically a part of the covered equipment (such as refrigerators, electric/electronic stoves, electric/electronic water heaters and electric/electronic air conditioners) connected to a building electrical system downstream of a properly grounded connected Tesco surge arrester located at the service entrance of a commercial building or light industrial building and to a properly grounded electrical system according to the National Electrical Code.

**3. Warranty Period.**

This Limited Warranty will expire on the date of the tenth (10th) anniversary of the date the System is first installed by the Utility (the "First Installation Date") for the Customer. The First Installation Date of each System shall be designated by Utility (but if not so designated it shall be determined by Tesco in its reasonable discretion), and Utility shall give Customer written notice of such First Installation Date upon installation.

**4. Covered Claims.**

4.1 If a voltage surge passes through a Tesco surge arrester causing destruction of the Tesco surge arrester by the effects of a power surge due to electric company switching action or regional lightning to which it is affixed, Tesco, shall either, at its option repair damage to or pay the fair market value of the covered equipment, in either case, up to a maximum aggregate amount per single surge of \$10,000.00. For purposes of this paragraph, the fair market value of an item of Covered Equipment shall be determined by a reference guide published by an insurance provider licensed to do business in the state the damage occurs and selected by Tesco. A single "failure" shall be defined as one or more surges which pass through the destructed Tesco surge arrester because of a defect in its materials or workmanship except due to causes in paragraph 4.3 below, until the surge arrester is repaired or replaced.

4.2 Tesco is not responsible for any damage to the System if in Tesco's sole and reasonable discretion, the damage has been caused by any of the following:

- 4.2.1 Power surges subverting the System and entering the building to which System is affixed via alternate power lines or other means of transmission;
- 4.2.2 Improper installation of the System (which includes, but is not limited to, installation of the System on an electrical system that is not in compliance with national, state, or local electrical code, NFPA grounding practices, or Tesco installation instructions);
- 4.2.3 Misuse or abuse of the System;
- 4.2.4 Alteration of the System or to the electrical, telephone, or cable system to which it is installed;
- 4.2.5 Sustained over voltages or under voltages passing through the System (a "sustained over voltage" is any transmission greater than nominal voltage, including but not limited to that occurring when a high-voltage line comes in contact with a low-voltage line or a lost system neutral); an under voltage is any transmission less than nominal voltage including total loss of electrical power service.
- 4.2.6 Direct lightning strikes or near hit lightning strikes that subvert the system;
- 4.2.7 Earthquakes, Solar storms, severe weather, and other natural disasters and Acts of God, except lightning in the limited circumstances described in Paragraphs 4.1; or
- 4.2.8 Any events for which a state of emergency is announced by any governmental authority concerning the Customer's geographic region or jurisdiction.

## 5. Excluded Items.

This Limited Warranty does not cover any damage to or from any of the following:

- 5.1 Real property, fixtures and motor driven or resistance heated electrical equipment and the built in electronics of that equipment not connected to a building electrical system downstream of a properly connected Tesco surge arrester.
- 5.2 downline electronic equipment or appliances such as "remote" electronic controls (other controls or control stations not physically a part of "Covered Equipment", sect. 2), televisions, video monitors, video cassette recorders, receivers, tuners, stereos, compact disc or DVD players, or other audio equipment, security systems, two-way radios, computer equipment, answering machines, satellite dishes, telephones, copy machines, electronic music equipment, microwave ovens, and fax machines or any other personal property; motor driven or resistance heated electrical equipment located in the field i.e. agriculture field irrigation, oil well, gas field, bait, fish and seafood aeration/irrigation, aerator pumps and motors.
- 5.3 products, materials, data, or information used or stored in electronic/electrical equipment or mechanical appliances (NOTE PARAGRAPH 7.4).

## 6. Remedy for Breach of Limited Warranty.

- 6.1 Customer's sole and exclusive remedy for this Limited Warranty will be to require Tesco to replace at current value or repair the System.
- 6.2 However, TESCO SHALL HAVE NO LIABILITY PURSUANT TO THIS LIMITED WARRANTY AND NO OBLIGATION TO REPAIR OR REPLACE ANY SYSTEM OR ANY EQUIPMENT OR APPLIANCE UNLESS ALL OF THE FOLLOWING CONDITIONS ARE SATISFIED:
  - 6.2.1 Not less than seven (7) days after Customer's discovery or suspicion of a defect in the System, Customer notifies Utility and or Tesco at the above addresses of such defect and any alleged damage covered by this Limited Warranty, with a copy of this warranty as completed by Utility attached;
  - 6.2.2 Customer establishes that the System was not altered and was at all times handled, installed, maintained, and used by Customer and/or Utility in accordance with:
    - 6.2.2.1 this Limited Warranty,
    - 6.2.2.2 all written instructions, specifications, and warnings furnished by Tesco,
    - 6.2.2.3 all national, state, and local electrical codes and NFPA grounding practices, and
    - 6.2.2.4 Tesco installation instructions;
  - 6.2.3 Utility inspects the System and Utility delivers to Tesco within seven (7) days after Customer's notice to Tesco a written statement that Utility believes that Paragraph 5.2.2 has been satisfied and that a defect in the System caused a System failure;
  - 6.2.4 Tesco determines in its reasonable discretion that there has been a defect in the System's materials or workmanship that caused the System to fail.
- 6.3 In the event that Tesco is liable for a warranty claim, the decision between whether to repair or to replace any System shall be made by Tesco in its sole discretion.
- 6.4 Fraudulent Claims and Waiver of Right to Future Claims. CUSTOMER UNDERSTANDS AND AGREES THAT IF CUSTOMER SUBMITS A FRAUDULENT CLAIM ON THIS LIMITED WARRANTY, CUSTOMER HEREBY WAIVES ITS RIGHT TO ALL FURTHER CLAIMS (FRAUDULENT AND NON-FRAUDULENT) OR REMEDIES FOR THE BREACH OF THIS LIMITED WARRANTY OR ANY OTHER IMPLIED WARRANTIES WHICH OTHERWISE MAY EXIST.

## 7. Warranty Disclaimers.

TESCO DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER WARRANTIES WHICH EXTEND BEYOND THOSE DESCRIBED HERE.

- 7.1 NO AGENT OR REPRESENTATIVE OF TESCO, NOR OF ANY RETAILER, LESSOR, OR INSTALLER OF THE SURGE PROTECTION SYSTEM, HAS ANY EXPRESS OR IMPLIED AUTHORITY TO MAKE ANY REPRESENTATION, PROMISE, GUARANTEE, OR WARRANTY NOT STATED HERE.
- 7.2 THIS LIMITED WARRANTY SETS FORTH ALL OBLIGATIONS OF TESCO IN THE EVENT DEFECTS APPEAR IN THE SYSTEM. THE REMEDIES STATED HERE ARE THE SOLE AND EXCLUSIVE REMEDIES FOR ANY DAMAGE, LOSS, OR CLAIM.
- 7.3 TESCO SHALL NOT BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES OR ANY ECONOMIC LOSS.
- 7.4 Some states do not allow the exclusion or limitation of incidental or consequential damages, so the above limitations or exclusions may not apply to you. This Limited Warranty gives you specific legal rights, and you may also have other rights which vary from state to state.