

Notice date: 6/25/18  
Cell Brand: Tenergy  
Cell P/N#: 30001-0

It has been observed that battery packs built using the Tenergy #30001-0 14500 cell have been failing prematurely. This cell was used to build small batteries for model trains starting February 2017. The premature failures that we observed most commonly only result in a failed cell that simply no longer holds voltage and renders the pack unusable. In very rare circumstances the possibility of fire and/or venting may exist. We request that you and your customers discontinue charging and/or using the batteries listed below immediately. We are committed to providing you with quality products and services and would like to get the following part numbers returned to us for replacement. Once we receive your battery(s), we will provide a new replacement assembly to you at no charge. We will cover the cost of replacing the battery pack(s) and return shipping back to you. The replacement(s) and future batteries with 14500 cells will be made using Sony brand cells to resolve this issue. This notice is from G Scale Installations and is NOT from Tenergy Corporation. Tenergy Corporation is not involved in this notification and should not be contacted. If you have any questions or concerns please call G-Scale Installations at 717-309-0706 and we will be happy to assist you.

***Effected batteries were sold between February 2017 - June 2018 with the following part numbers:***

TRAIN-16  
TRAIN-21  
TRAIN-26  
TRAIN-32  
TRAIN-39  
TRAIN-40

Robert Buck  
GSI, LLC.  
Phone: 717-309-0706

**G SCALE INSTALLATIONS (GSI) PRODUCT TERMS AND CONDITIONS OF SALE  
PLEASE READ THIS DOCUMENT CAREFULLY! IT CONTAINS VERY IMPORTANT  
INFORMATION ABOUT YOUR RIGHTS AND OBLIGATIONS, AS WELL AS  
LIMITATIONS AND EXCLUSIONS THAT MAY APPLY TO YOU. THIS DOCUMENT  
CONTAINS AN ARBITRATION CLAUSE.**

This Agreement contains the terms and conditions that apply to your ("Customer") purchase from G Scale Installations, LLC. ("GSI") for the used/refurbished battery and/or related products ("Products") sold by GSI pursuant to this Agreement. By placing an order for the Products, Customer agrees to be bound by and accepts these terms and conditions. **THESE TERMS AND CONDITIONS APPLY UNLESS THE CUSTOMER HAS SIGNED A SEPARATE PURCHASE AGREEMENT WITH GSI FOR THE PURCHASE OF USED PRODUCTS, IN WHICH CASE THE SEPARATE AGREEMENT SHALL GOVERN.**

These terms and conditions are subject to change without prior written notice at any time, at GSI's sole discretion. By using the Products or by clicking on the "Submit Order" button, Customer acknowledges that Customer has read, understands, accepted, and agreed to the conditions of sale and to comply with all applicable laws and regulations, including U.S. export and re-export control laws and regulations. If you agree with the terms and conditions, click on the "Submit Order" button. If you do not agree to the terms and conditions, do not proceed with placing the order and do not click "Submit Order". You will not be able to complete your transaction if you do not click on "Submit Order".

**1. Products. ALL PRODUCTS SOLD BY GSI PURSUANT TO THIS AGREEMENT ARE USED AND OR REFURBISHED, AND CONTAIN USED PARTS.**

**2. Payment Terms, Orders and Late Charges.** Terms of payment are within GSI's sole discretion, and unless otherwise agreed to by GSI, payment must be received by GSI prior to GSI's acceptance of an order. Payment for the Products will be made by approved credit card, check, wire transfer, or some other prearranged payment method unless credit terms have been agreed to by GSI. Invoices are due and payable within the time period noted on the invoice, measured from the date of the invoice. Customer agrees to pay as a late charge, an amount equal to the lesser of 1-1/2% per month or the highest rate allowed by law of the amount then due until received by GSI. Orders are not binding upon GSI until accepted by GSI. Customer shall pay and reimburse GSI for all costs and expenses, including reasonable attorney's fees and legal expenses, incurred by GSI in connection with the exercise by GSI of any of its rights and remedies under this Agreement, including the collection of unpaid fees or costs or in the enforcement or protection its interests under this Agreement, unless otherwise provided for in this Agreement.

**3. Shipping Charges, Taxes and Other Related Fees.** Separate charges for shipping and handling will be charged on all purchases. The Customer is responsible for sales and all other taxes, VAT, duties, brokerage, and other fees associated with the purchase. GSI does not provide assistance

or quotations on duty/VAT. For such information please contact the customs agency or shipping company for your country.

4. Title and Risk of Loss. Title to the Products passes from GSI to Customer upon shipment from GSI's facility. Loss or damage that occurs during shipping is Customer's responsibility. The customer has the option of choosing shipping insurance from the shipping carrier by [ordering it here](#) or by contacting GSI. Failure to do so is "At Your Own Risk".

5. Inspection of Products Upon Receipt. You must examine the Products when you receive them. If any item is damaged or missing, you must notify GSI at once. GSI will not consider any claim for damaged or missing items more than fourteen (14) days from the date of delivery. ALL claims require the customer to keep ALL of the packaging materials and make available to the shipper's agent for inspection during business hours. Failure to comply shall result in forfeiture of a claim.

6. Disclaimer of Warranty. All PRODUCTS ARE USED AND SOLD "AS-IS." THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE HEREOF. TO THE FULL EXTENT PERMISSIBLE BY APPLICABLE LAW, GSI DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

7. Return Policies. Subject to the following requirements, Customer may return Products purchased from GSI pursuant to this Agreement within thirty (30) days from the date of initial order shipment and obtain a credit or refund of the purchase price paid less shipping and handling and any applicable restocking fees (as detailed in Section 8) to the credit card account used to purchase the Products. To return the Products, Customer must call GSI at (717) 309-0706 to receive a Return Material Authorization. Customer must ship the Products to MTO in their original packaging and insure the shipment or accept the risk of loss or damage during shipment, all of which shall be at Customer's expense. The original sales invoice(s) must accompany the returned Products. To be eligible for return, the Products must be in the exact same condition as when shipped to Customer and all other items included with the Products must also be returned. No returns will be allowed for Products that are damaged or modified while in Customer's possession or control. From time to time, GSI may, in its sole discretion, exchange products or portions of a product. Special order products and lithium battery reconditioners cannot be returned under any circumstances. For returns or repairs shipping expenses are the sole responsibility of the customer.

7A. Order Cancellation. Orders placed with GSI can be canceled for a period of up to 60 days from the date the order was placed as long as no product or service was shipped. After 60 days a 5% cancellation fee will be charged and the remaining funds will be refunded by credit card if available or check. After 120 days ALL orders are considered to be final and cannot be refunded.

8. Restocking Fees. Unless the product is defective (as reasonably determined by GSI) or the return is a direct result of a GSI error, GSI may charge a restocking fee up to 15% of the purchase price paid.

9. Limitation of Liability. GSI DOES NOT ACCEPT LIABILITY BEYOND THE REMEDIES SET FORTH IN THIS AGREEMENT, INCLUDING ANY LIABILITY FOR PRODUCTS NOT BEING AVAILABLE FOR USE. GSI WILL NOT BE LIABLE FOR LOST PROFITS, LOSS OF BUSINESS OR OTHER CONSEQUENTIAL, SPECIAL, INDIRECT OR PUNITIVE DAMAGES, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR FOR ANY CLAIM BY ANY THIRD PARTY EXCEPT AS EXPRESSLY PROVIDED HEREIN. GSI'S SOLE LIABILITY FOR ANY CLAIMS, WHETHER BASED IN CONTRACT OR TORT, AT LAW OR IN EQUITY, FOR ANY LOSS OR DAMAGES ARISING, RESULTING FROM, OR CONNECTED WITH THE PRODUCTS, THE GSI DIRECT SALES WEBSITE AND THIS AGREEMENT SHALL BE LIMITED TO THE LESSER OF THE (1) ACTUAL AMOUNT OF SUCH LOSS OR DAMAGES OR (2) THE PURCHASE PRICE PAID BY CUSTOMER FOR THE PRODUCTS THAT ARE THE SUBJECT OF THE CLAIM.

10. Applicability of Limitations on Warranties and Remedies to Certain Customers. Certain laws do not allow limitations on implied warranties, or the exclusion or limitation of certain damages. If these laws apply, some or all of the above disclaimers, exclusions, or limitations, may not apply and Customer may have additional rights to those contained herein.

11. Applicable Law and Not For Resale. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF PENNSYLVANIA AND FEDERAL LAW, WITHOUT REGARD TO CONFLICTS OF LAWS RULES. Reasonable attorney's fees shall be reimbursed by the losing party to the prevailing party in arbitration. Customer agrees to comply with all applicable laws and regulations of the various states and of the United States, including all applicable government export laws and regulations including those which apply to export of data. Customer agrees and represents that it is buying for its own internal use only, and not for resale.

12. Other Documents. This Agreement may NOT be altered, supplemented, or amended by the use of any other document(s). Any attempt to alter, supplement or amend this Agreement or to enter an order for Products which are subject to additional or altered terms and conditions shall be null and void, unless otherwise agreed to in a written agreement signed by both Customer and GSI.

13. Headings. The section headings used herein are for convenience of reference only and do not form a part of this Agreement, and no construction or inference shall be derived therefrom.

14. Severability. If any provision of this Agreement shall be illegal, invalid or unenforceable to any extent under applicable law, such provision shall be fully severable. The remainder of this Agreement will remain in full force and effect and will not be terminated.

15. Dispute Resolution. Any dispute relating in any way to your visit to GScaleInstallation.net or to Products you purchase from GSI shall be submitted to confidential arbitration in York County, Pennsylvania, except that, to the extent you have in any manner violated or threatened to violate GSI's intellectual property rights, GSI may seek injunctive or other appropriate relief in any state or federal court in the state of Pennsylvania, and you consent to exclusive jurisdiction and venue in such courts. Customer understands and agrees that GSI does not consent to personal jurisdiction in any other state or county except the State of Pennsylvania. Arbitration must be filed by either party in York County, Pennsylvania. Arbitration will be conducted pursuant to the Commercial Arbitration Rules of the American Arbitration Association. If such rules conflict with this arbitration agreement section, however, then the terms of this arbitration agreement section shall control. Judgment upon the award rendered may be entered in any court having jurisdiction. Any arbitration award in excess of \$100,000 made pursuant to this arbitration agreement section may be appealed by the party against which the award is made. Such appeal will be a de novo arbitration proceeding before three arbitrators. The parties agree and understand that (i) they choose arbitration instead of litigation to resolve disputes, (ii) all disputes arising under case law, statutory law, and all other laws including, but not limited to, all contract, tort, and property disputes, are subject to binding arbitration in accord with this Agreement and (iii) the arbitrator shall have all powers provided by law and this Agreement, except for powers limited or prohibited by this Agreement. The arbitrator shall not have any authority however, to award damages or penalties in contravention to the provisions of this Agreement. No class action or request for relief may be brought under this arbitration agreement. Customer agrees that it shall not have the right to participate in arbitration or in court proceedings as a representative or a member of any class of claimants pertaining to any claim arising from or relating to this Agreement. Notwithstanding anything herein to the contrary, we retain an option to use judicial or non-judicial relief to recover the Products or to enforce our security interest in the Products, to enforce the monetary obligation secured by the Products or to foreclose on the Products. Such judicial relief would take the form of a lawsuit. The institution and maintenance of any action for judicial relief in a court to foreclose upon any Products, to obtain a monetary judgment or to enforce this Agreement, shall not constitute a waiver of the right of any party to compel arbitration regarding any other dispute or remedy subject to arbitration in this Agreement, including the filing of a counterclaim in a suit brought by GSI pursuant to this provision. CUSTOMER UNDERSTANDS AND AGREES THAT IN ARBITRATION YOU GIVE UP RIGHTS TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO A JURY TRIAL; YOUR ABILITY TO COMPEL OTHER PARTIES TO PRODUCE DOCUMENTS OR BE EXAMINED IS MORE LIMITED THAN IN A LAWSUIT AND YOUR RIGHTS TO APPEAL OR CHANGE ANY ARBITRATION AWARD IN ANY COURT ARE STRICTLY LIMITED.

16. Other Product Information. Refurbished batteries, used battery products and supplies limited to stock on hand. No rain checks. Pricing, specifications, and availability valid in U.S. only and

subject to change without notice. Taxes, fees, shipping, handling and any applicable restocking charges, other than free GSI shipping offers, if applicable, are extra and vary. Special offers on refurbished GSI batteries not necessarily combinable. GSI deals and GSI discounts cannot be retroactively applied. For GSI purchases only. The GSI site and special offers on refurbished GSI batteries and used GSI batteries contained herein valid only for end users and not resellers and/or online computer auctions. GSI cannot be responsible for pricing or other errors, and reserves the right to cancel orders arising from such errors. Due to used GSI battery supplies being limited to stock on hand, GSI reserves the right to cancel any used GSI battery orders in which the payment method used is not authorized within 2 business days of the order processing. Your GSI order is subject to cancellation by GSI, at GSI's sole discretion. If orders for GSI batteries are cancelled by GSI, all GSI batteries, and GSI related item(s) will be returned to stock.

17. Hazmat regulations. Customer understands that Lithium battery shipments are regulated by DOT and **MUST BE SHIPPED AS FULLY REGULATED CLASS 9 HAZMAT**. Failure to ship in this manner will result in fines, additional handling fees, and delay in your order.

18. Abandonment. GSI requires that all products/services be picked up or shipped within a 30 day period of being completed. If said product/service is not picked up within 30 days after completion customer then forfeits ownership of said goods and they shall be sold or recycled at the sole discretion of GSI. Furthermore, product that is shipped to GSI without an order being placed in advance may result in the loss or forfeiture of said shipment. Without an order being in place prior to the products receipt GSI cannot be reasonably expected to be able to track and/or store said shipment. GSI shall bear no liability to notify the customer of forfeiture.

19. Entire Agreement. This Agreement sets forth the entire agreement of the parties with respect to the subject matter hereof. These terms and conditions may not be altered, supplemented, or amended by the use of any other document(s). Any attempt to alter, supplement or amend this document or to enter an order for Product(s) that are subject to additional or altered terms and conditions will be null and void, unless otherwise agreed to in a written agreement signed by both you and GSI.