

TERMS AND CONDITION OF SALE

FOR SHIPMENTS WITHIN THE CONTINENTAL UNITED STATES

EFFECTIVE OCT 31, 2005

TERMS

To all customers for whom Amerillum Corporation has established credit, payment is due within 30 days from the date of invoice. Any deviation from the standard terms is subject to management approval. In all other instances, payment must be made by cashiers check or money order in advance of the order being produced. Visa/MC is accepted with an additional 5% processing fee. New customers submitting credit applications will be subject to 100% CIA on the first order. Any credit given will apply to orders thereafter.

PAST DUE PAYMENTS

A finance charge of 1-1/2% per month will be assessed on past due invoices. Any account submitted for collection is subject to reasonable agency costs and/or attorney fees. In the event a suit is brought to enforce collection, the jurisdiction and venue of the action shall be exclusively in the San Diego Judicial District.

SALES TAX

State sales tax regulations apply. Please call customer service for details.

RETURNED CHECK

A \$25 check charge will be assessed for any check returned by the bank.

FREIGHT TERMS

F.O.B. Vista, "customer pays freight". Local deliveries will be maintained at the discretion of Amerillum Corporation. "On- Call" deliveries will be charged at a rate of \$75.00 an hour.

MERCHANDISE CLAIMS AND TERMS

All shipments are F.O.B. Vista. Title passes from Amerillum Corporation to the customer upon execution of a bill of lading, or tender of freight to customer's agent, whichever occurs first. When Amerillum Corporation makes shipments; truck title passes to customer at destination point. The consignee must make all claims for loss or damage in transit to the carrier within 30 days, regardless of who pays freight.

SHIPPING DATES

Shipping dates are approximate, and are based on conditions existing at the time of Amerillum Corporation receipt of the customer's firm order and full information. Amerillum Corporation, in good faith, will endeavor to ship by the estimated shipping date, but shall not be responsible for any delay or damage arising there from. It is agreed that time is not of the essence.

CANCELLATION CHARGE

Orders for stock items may be cancelled prior to shipping without charge. All other orders may not be cancelled; unless Amerillum Corporation is reimbursed for work already performed, and for special material purchased by Amerillum Corporation. If an order is cancelled after shipment, or if delivery is refused by destination, all warehousing, delivery and return costs will be charged to the customer. Custom designed and manufactured product may not be cancelled for any reason.

RETURN MERCHANDISE TERMS

The customer may return merchandise with prior written authorization, in the form of a Return Goods Agreement (RGA). Amerillum Corporation issues the RGA expressly for the merchandise to be returned. The issuance of the RGA is at the sole discretion of Amerillum Corporation, and must be requested within 90 days of the original shipment date. Except with respect to damaged goods, all returned goods must be in their factory sealed cartons. All returns will be subject to a 35% handling and factory inspection charge, and a deduction will be made for the freight expense of the original shipment with the exception of products considered by Amerillum Corporation to be defective in workmanship or materials. Custom designed and manufactured product may not be returned for any reason. If any component of a returned product is missing or damaged, credit will not be allowed. Customer will be notified and has 15 days to pick up the unaccepted material or it will be discarded.

MINIMUM ORDER CHARGE

A service charge of \$25.00 will be added to all original customer orders, which total less than \$75.00 net.

PRICING

Prices are subject to change without notice. Amerillum Corporation will ship merchandise at prices prevailing at the time of shipment. Prices are exclusive of sales tax, use, excise or similar taxes unless otherwise noted in writing.

SPECIFICATIONS

Amerillum Corporation, in no way, express or implied, accepts responsibility for voltage determination. Amerillum Corporation shall not be responsible for quotations of prices or specifications concerning non-catalogued items, unless Amerillum Corporation confirms this to the customer in writing. Catalog items are those listed in the most current Amerillum Catalog. Unless specifically agreed to in writing, Amerillum Corporation does not warrant compliance of our products with any individual project specification.

CHANGES IN PRODUCT DESIGN

Amerillum Corporation reserves the rights to change, discontinue, or modify the design and construction of any of its products, and to substitute material of equal or superior quality to that originally specified.

GUARANTEE

Amerillum Corporation warrants all equipment to be free from defects in manufacturing, under normal use and proper storage for a period of one (1) year. Amerillum Corporation liability extends to the repair and replacement of the defective part(s) only. No labor charges for the correction of any defect by repair or replacement will be honored by Amerillum Corporation, unless Amerillum Corporation's Customer Service Department has granted prior written authority. Amerillum does not warranty lamps or ballasts or other items manufactured outside our factory. These manufacturers have their own warranty and customer must contact the lamp or ballast manufacturer directly for credit and/or replacements on failures.