

UNIVERSAL SYSTEMS, INC.
ANNUAL SHAREHOLDERS MEETING MINUTES
March 1, 2010 at 11:00 a.m.
Best Western Sunridge Inn, 1 Sunridge Lane, Baker City, Oregon

Agenda Item No. 1: Dennis Rasmussen, CEO, called the meeting to order and welcomed all attending shareholders, members of the Board of Directors and Officers.

Agenda Item No. 2: Mr. Rasmussen reported on the state of USI. Mr. Rasmussen reported that the company presently has virtually no cash assets, and it is, therefore, severely constrained from proceeding with any business ventures. He also indicated that the company has substantial obligations, including an obligation in excess of \$13,000,000 to Powell Water Company, which Mr. Rasmussen and Scott Powell, who are USI directors, have an ownership interest and/or are related to Powell Water Company. Mr. Rasmussen indicated that a proposal by Powell Water with respect to his contractual relationship with USI was being submitted to the shareholders for their review and vote.

Mr. Rasmussen indicated that the company had obtained certain rights to underwater communications cable, and the Board of Directors have been determining how to best realize on that asset. The Board of Directors reviewed a number of proposals with respect to extraction of such cable and attempt to realize revenues from the metals contained therein. One of the Board's major considerations with respect to which proposal to accept was based upon the fact that the company had little, if any, cash resources and its balance sheet was substantially negative. A substantial amount of the meeting time was expended in answering questions of the shareholders related to the present status of the company.

Mr. Rasmussen indicated that because of the company's cash limitations, it decided to enter into a cable retrieval agreement with Mexus Gold US. Mr. Rasmussen then introduced Paul Thompson, the owner of Mexus Gold US, and they discussed the cable retrieval.

Agenda Item No. 3: Paul Thompson, who is a shareholder of USI, and an owner of Mexus Gold US, reported on the status of the cable salvage project. He indicated that they were presently working on obtaining retrieval permission from authorities in Alaska. He indicated that he expected the retrieval of the cable to begin by early summer.

Agenda Item No. 4: Darin Honn, legal counsel to USI, reported on litigation proceedings against USI. Mr. Honn reported that Frank Perkins, a former employee of USI, had filed a complaint against USI in the Summer of 2009 with OSHA for an alleged "whistle blower" violation. Mr. Honn's law firm, Sussman Shank LLP, filed a response with OSHA and the complaint was dismissed in September 2009.

Mr. Honn also reported that Gerald Bell, a former employee of USI, filed a complaint against USI, John Dennis Rasmussen, Scott Powell and MaryLynne Evans, individually, for breach of contract, violation of wage laws and to pierce the corporate liability veil. Discovery in said lawsuit has not yet been initiated. Mr. Honn responded to questions from the shareholders relating to litigation matters.

Agenda Item No. 5: Messrs. Rasmussen and Honn administered the voting by ballot for election of Directors to USI's Board of Directors. Prior to the voting, Mr. Rasmussen, Mr. Powell and Ms. Evans all expressed their willingness to step down as directors or to be re-elected. Mr. Honn collected the ballots and proxy statements for tallying. Because some votes were cast by persons without substantiated ownership in USI, Mr. Honn notified the shareholders that they had until 5:00 p.m. on Monday, March 8, 2010 to provide proof of ownership of shares in USI. Votes cast without timely proof of ownership will not be counted.

Agenda Item No. 6: A proposal forwarded to USI by Powell Water was the next item on the Agenda. Mr. Honn and John Parsons, legal counsel to Powell Water Systems, Inc., discussed with the shareholders present the Powell Water proposal, which was included with the notice materials for the annual meeting. Messrs. Honn (on behalf of USI) and Parsons (on behalf of Powell Water) responded to questions regarding the same. The Powell Water proposal was amended by agreement of the shareholders present and Powell Water; Mr. Honn took note of these amendments and agreed to revise the Powell Water proposal accordingly.

Mr. Honn administered the voting by ballot for approval of the Powell Water proposal as amended by discussion of the shareholders. Those shareholders without proof of share ownership were given the same instructions to provide proof of ownership as shareholders were given relating to the election of Directors. The revised Powell Water proposal is attached as Exhibit A.

Agenda Item No. 7: Mr. Rasmussen opened the discussion for any other items of USI business.

a. Various shareholders asked whether USI had directors and officers insurance as of the date of the meeting. This not being the case, these shareholders made known their desire for USI to obtain such insurance for the protection of the directors and officers as soon as there was money available.

b. The shareholders discussed and approved the creation of an advisory board consisting of Bill Brinker, Dean Spence, Dick Spence, Stephen Rich, Robert Moore, Daniel Spencer, Scott Throckmorton and Jimmy Driver.

There being no additional business, the 2010 annual meeting of the shareholders of USI was adjourned by Mr. Rasmussen at approximately 2:30 p.m.

The voting tabulations specified in the attached Exhibit B are hereby incorporated by this reference.

Respectfully submitted,

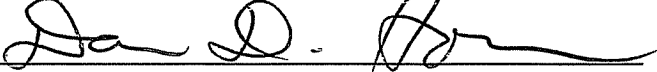

Darin D. Honn, Attorney and Acting Secretary

EXHIBIT A

Revised Power Water Proposal



POWELL WATER SYSTEMS, INC.
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January 13, 2010

This proposal sets out the terms on which Powell Water Systems, Inc. ("Powell Water Systems"), Water Solutions, LLC ("Water Solutions"), Scott Powell, and Dennis Rasmussen are willing to resolve certain outstanding issues that have arisen between them, collectively and individually, and Universal Systems, Inc. ("USI"). This proposal is not a binding commitment or offer, and none of its provisions will be binding unless and until a final, definitive written agreement has been drafted, signed and delivered by each of the affected parties, following the receipt of all necessary approvals, including without limitation approval of the principle elements described below by the shareholders of USI.

1. Powell Water Systems will agree with USI to reduce the purchase price for equipment associated with USI's failing to place at least \$10 million/year in minimum equipment orders through December 31, 2009, (adjusted for phase-ins as described in the "Slop Oil Agreement") to zero dollars (\$0.00), subject to item 5 below.
2. Powell Water Systems, Water Solutions and USI will mutually acknowledge that the Slop Oil Agreement is terminated in its entirety.
3. Within thirty (30) days of approval of the transaction, USI will issue a promissory note to Powell Water Systems in the amount of approximately \$200,000 (final amount to be confirmed by Powell Water Systems) to reimburse Powell Water Systems for amounts advanced as salary and insurance costs for USI employees at USI's request. Such amounts and activities were approved by the USI Board and/or USI officers other than Scott Powell or Dennis Rasmussen. This note will bear an interest rate of six percent (6%), and will provide for repayment when USI achieves a specified revenue target of \$1.5 million from cable recovery (or other) operations, but in no event later than 2 years from the date of issuance of the note. The note will be accompanied by a confession of judgment for the full amount of the note, with interest. The existing note to Dennis Rasmussen secured by the company's boat will also be paid no later than the note to Powell Water Systems, and will continue to enjoy its current secured status.
4. Except for the obligations of Powell Water Systems specified in this proposal, USI will release any and all claims it may have, known or unknown, against Powell Water Systems, Water Solutions, Scott Powell, and Dennis Rasmussen, and any company in which Dennis Rasmussen and/or Scott Powell has any direct or indirect

ownership interest, including claims related to the Slop Oil Agreement and/or to Mr. Powell's and Mr. Rasmussen's actions as shareholders, directors and officers of USI.

5. Except for the obligations of USI specified in this proposal, and the promissory notes and confessions of judgments referenced herein, Powell Water Systems, Water Solutions, Scott Powell and Dennis Rasmussen will release any and all claims it may have against USI, other than rights to indemnification as referenced in Section 6 of this proposal.

6. If any legal proceedings are instituted against Powell Water Systems, Water Solutions, Scott Powell, or Dennis Rasmussen with respect to their respective relationship with or activities in connection with USI, by USI or by any past, current or future shareholder, officer, director or employee of USI, then in addition to rights of indemnification allowed by USI's Articles, Bylaws or Washington law, all amounts owed by USI to Powell Water Systems as of the transaction date will automatically be reinstated. USI will provide a confession of judgment in the amount of USD \$5,500,000.00 at the time the debt is initially reduced, to be held by Powell Water Systems and used only in the event of such a suit.

7. Powell Water Systems will pay to USI a commission equal to 5% of the sales price for each Powell Water System slop oil chamber unit sold by it only for slop oil treatment facilities and only those located in North America. This commission will apply only to sales made during the 2-year period following the date USI shareholder approval is granted for this transaction. Payment of the commission will be made only after collection by Powell Water Systems of the full amount due from the purchaser of the slop oil chamber.

8. USI will expressly acknowledge that Powell Water Systems, Water Solutions, Scott Powell, and Dennis Rasmussen are otherwise free to market, distribute, sell and service water treatment technologies of all types, in all markets and to all prospective purchasers, without obligation to USI except as specified in Section 7 of this proposal, and USI will release any and all claims USI may have with respect to any such activities, including without limitation that such activities constitute the usurpation of corporate opportunities of USI.

9. Powell Water Systems, Dennis Rasmussen, and Scott Powell will retain all USI shares they currently own.

10. Dennis Rasmussen and Scott Powell ^{agree to} will offer to resign as officers and directors of USI effective immediately. However, they are willing to continue to serve as officers and directors for a period of not more than 6 months to facilitate the transition to active cable recovery operations, if the shareholders desire them to do so, during which time USI will diligently seek to identify and appoint their replacements as officers and directors.

10.

Powell water agrees that if
USI has sufficient funds within
the period set forth in Section
7 to fund a Stop Oil treatment
facility as specified in that ~~Exclusive~~
Oil Service Company Stop Oil
Equipment Supply Agreement dated
March 14, 2007 ("Stop Oil Agreement"),
that Powell water agrees to
~~enter into~~ negotiate in good
faith an agreement similar to
the Stop Oil Agreement, except
that the new agreement
will not be exclusive

to enter into

1. ~~Robert Moore~~

2. ~~Steve Rich~~

3. ~~Dean Spence~~

EXHIBIT B

Voting Tabulations

UNIVERSAL SYSTEMS, INC.
 ANNUAL SHAREHOLDERS MEETING VOTING RESULTS
 March 1, 2010 at 11:00 a.m.
 Best Western Sunridge Inn, 1 Sunridge Lane, Baker City, Oregon

| PROPOSAL | FOR | AGAINST | ABSTAIN | RESULT |
|------------------------------------|-------------|-----------|---------|-----------------|
| John Dennis Rasmussen for Director | 161,159,626 | 3,127,580 | 285,600 | Elected |
| Scott Powell for Director | 161,134,626 | 3,152,580 | 285,600 | Elected |
| MaryLynne Evans for Director | 159,011,419 | 5,275,787 | 285,600 | Elected |
| Powell Water Proposal | 156,334,720 | 6,639,170 | 312,208 | Proposal Passed |