

**AGREEMENT FOR TERMINATION OF EXCLUSIVE OIL SERVICE COMPANY
SLOP OIL EQUIPMENT SUPPLY AGREEMENT, PAYMENT OF COMMISSION ON
SLOP OIL TREATMENT SALES, AND SETTLEMENT AND RELEASE OF CLAIMS**

This Agreement for Termination of Exclusive Oil Service Company Slop Oil Equipment Supply Agreement, Payment of Commission on Slop Oil Treatment Sales, and Settlement and Release of Claims ("Agreement") is dated effective March 8, 2010 ("Effective Date") by and between Powell Water Systems, Inc. ("Powell Water"), Water Solutions, Universal Systems, Inc. ("USI"), Scott Powell ("Powell") and J. Dennis Rasmussen ("Rasmussen"). Powell Water, Water Solutions, USI, Powell and Rasmussen will each be a "Party" and will collectively be referred to as the "Parties."

RECITALS

A. Powell Water, Water Solutions and USI entered into that certain Exclusive Oil Service Company Slop Oil Agreement dated March 14, 2007 (the "Slop Oil Agreement"), which is attached hereto as Exhibit A;

B. Powell Water, Water Solutions and USI now desire to terminate the Slop Oil Agreement and to provide for the mutual covenants set forth herein;

C. On March 1, 2010, the shareholders of USI approved the termination of the Slop Oil Agreement and the entering into of this Agreement; and

D. Rasmussen and Powell, along with the other Parties, desire to set forth certain other agreements relating to the termination of the Slop Oil Agreement and other relationships between the Parties.

AGREEMENT

In consideration of the above Recitals, the terms and conditions contained herein and for other good and valuable consideration, the Parties agree as follows:

1. The Slop Oil Agreement is hereby terminated in its entirety effective as of the Effective Date.

2. As of the Effective Date, USI will issue a promissory note to Powell Water in the amount of Ninety Six Thousand Five Hundred Sixty U.S. Dollars (\$96,560.00) substantially in the form attached hereto as Exhibit B (the "Note") for amounts previously paid by Powell Water as salary and insurance costs for USI employees at USI's request. The Note will accrue interest at the rate of six percent (6%) per annum and will provide for full repayment when USI achieves aggregate revenues of One Million Five Hundred Thousand Dollars (\$1,500,000) from its business operations, including cable recovery operations, but in no event later than two (2) years from the Effective Date. USI will also

provide a confession of judgment substantially in the form attached hereto as Exhibit C in the same amount as the Note, with interest, which confession of judgment may be filed only in the event of USI's material default under the Note.

3. USI will provide to Powell Water an additional confession of judgment substantially in the form attached hereto as Exhibit D in the amount of Five Million Five Hundred Thousand U.S. Dollars (\$5,500,000) (the "Confessed Amount"). The additional confession of judgment will be held by Powell Water and filed only in the event of the institution of legal proceedings by USI or by any past, current or future shareholder, officer, director or employee of USI, against Powell Water, Water Solutions, Powell or Rasmussen which in any way arise out of or relate to their respective relationships with or activities in connection with USI. In the case of such legal proceedings and in addition to this confession of judgment, Powell Water, Water Solutions, Powell and Rasmussen will have all the rights of indemnification allowed by USI's Articles, Bylaws and Washington law, and in addition all amounts owed by USI to Powell Water under the Slop Oil Agreement immediately prior to the Effective Date will automatically be reinstated, which is to say a sum of not less than \$8,850,000 (\$17,700,000 guaranteed gross sales, less production expenses of approximately 50% of gross sales price) through February, 2010 (the "Reinstated Amount").

By way of clarification, the confession of judgment in the amount of \$5,500,000 is held as security. If legal action is brought against any of the parties named in the preceding paragraph Powell Water will be entitled to execute on the judgment for the Confessed Amount and use the proceeds for any purpose that it deems appropriate. USI expressly waives any right to dispute the amount of or basis for entry of the confession of judgment for, and to appeal the entry of judgment on, the Confessed Amount. USI does not waive the right to challenge the basis for or amount of the balance of the Reinstated Amount in excess of the Confessed Amount. The Confessed Amount will be deducted from any sum determined to be owed by USI to Powell Water in connection with the Reinstated Amount; but in no event will Powell Water be obligated to release, return, repay or forego collection of the Confessed Amount, nor may the Confessed Amount be offset against any amounts determined to be owed by USI to Powell Water, Water Solutions, Powell or Rasmussen other than the Reinstated Amount.

The preceding \$5,500,000 confession of judgment will not be applicable to the lawsuit (and the related arbitration, coupled with any counterclaims, third party claims or other lawsuits related thereto) between Gerald Bell v. Universal Systems, Inc., et al., Baker County Circuit Court Case No. 10006 ("Lawsuit"), which Lawsuit names Scott Powell and Dennis Rasmussen as defendants. With respect to said Lawsuit, Powell and Rasmussen will be entitled to all rights of indemnification and contribution as allowed by USI's Articles and Bylaws, shareholder or director resolutions, statutory law and common law.

4. The promissory notes to Dennis Rasmussen secured by all of USI's assets, including USI's boat, copies of which are attached hereto as Exhibit E, will be paid no later than the Note and will continue to enjoy their current secured status.

5. Each of Powell Water, Dennis Rasmussen and Scott Powell will retain all shares in USI owned as of the Effective Date.

6. Beginning as of the Effective Date, Powell Water will pay to USI a commission equal to five percent (5%) of the sales price actually received by Powell Water for each Powell Water slop oil chamber unit sold by it exclusively for use in slop oil treatment facilities and only those slop oil treatment facilities located in North America. This commission will apply only to sales made during the three (3) year period following the Effective Date. Payment of the commission will be made only after collection by Powell Water of the full amount due from the purchaser of any such slop oil chamber.

7. Powell Water, Water Solutions, Powell and Rasmussen are free to market, distribute, sell and service water treatment technologies of all types, including for slop oil treatment facilities, in all markets and to all prospective purchasers without obligation to USI, except as expressly provided in Section 6 .

8. If USI has sufficient funds within the three-year period set forth in Section 6 to fund the development and operation of a slop oil treatment facility as specified in the Slop Oil Agreement, Powell Water agrees to negotiate with USI in good faith to enter into an agreement similar to the Slop Oil Agreement, except that the new agreement will not be exclusive.

9. Rasmussen and Powell will continue to serve as officers and directors of USI for up to twelve (12) months from the Effective Date.

10. USI fully and forever releases, acquits and discharges Powell Water, Water Solutions, Powell and Rasmussen, and all of their respective successors, assigns, heirs, legal representatives, agents and affiliates, including, without limitation, any company in which Rasmussen or Powell has any indirect or direct ownership interest (collectively, the "Releasees") from, for and against any and all claims, demands, causes of action, damages, obligations and liabilities of every kind and nature whatsoever ("Claims") except for those obligations contained in this Agreement, whether legal, equitable, or administrative, known or unknown, suspected or unsuspected, fixed or contingent, which USI had, has, may have, or might in the future have or assert, against any of the Releasees including, without limitation, any claims against Powell Water, Powell and Rasmussen for exercise of their rights granted in Section 7, including that such activities constitute the usurpation of corporate opportunity, any Claims related to the Slop Oil Agreement and any Claims related to Rasmussen's and Powell's actions or inactions as shareholders, directors or officers of USI.

11. Powell Water, Water Solutions, Powell and Rasmussen, all of their successors, assigns, heirs, legal representatives, agents and affiliates fully and forever release, acquit and discharge USI from, for and against any and all Claims except for or with respect to those obligations of USI contained in this Agreement, the Note, the confessions of judgment for the benefit of Powell Water, the promissory note for the benefit of Rasmussen, and the indemnity rights referenced in Section 3, whether legal, equitable, or administrative, known or unknown, suspected or unsuspected, fixed or contingent, which they had, have, may have, or might in the future have or assert, against USI with respect to actions or events that have occurred through the Effective Date.

12. All covenants and agreements herein contained are binding on and inure to the benefit of the Parties and their successors and assigns. No Party may assign or delegate its rights and obligations hereunder without the prior written consent of the other Parties.

13. Any notices permitted or required under this Agreement will be deemed given upon the date of personal delivery or forty-eight (48) hours after deposit in the United States mail, postage fully prepaid, return receipt requested, addressed to the Parties at the addresses set forth below:

Dennis Rasmussen, President
Universal Systems, Inc.
PO Box 716
Baker City, OR 97814

Scott Powell
Powell Water Systems, Inc.
19331 E Tufts Circle
Centennial, Colorado 80015

With a copy to:

Darin D. Honn
Sussman Shank LLP
1000 SW Broadway, Ste. 1400
Portland, OR 97205

With a copy to:

John Parsons
Parsons Farnell & Grein, LLP
1030 SW Morrison Street
Portland, Oregon 97205

Water Solutions
1621 N. Spruce Street
La Grande, OR 97850

J. Dennis Rasmussen
1621 N. Spruce Street
La Grande, OR 97850

With a copy to:

John Parsons
Parsons Farnell & Grein, LLP
1030 SW Morrison Street
Portland, Oregon 97205

Scott Powell
19331 E Tufts Circle
Centennial, Colorado 80015

The address to which notices or other communications must be mailed may be changed from time to time by the Party whose address has changed, giving written notice to all other Parties as provided in this Section.

14. All recitals, exhibits, schedules and lists attached to this Agreement or delivered pursuant to this Agreement will be deemed a part of this Agreement and incorporated herein, where applicable, as if fully set forth herein.

15. If any arbitration, suit or action, including any proceeding brought under the United States Bankruptcy Code, is filed or commenced by any Party to interpret, enforce or rescind this Agreement or otherwise with respect to the subject matter of this Agreement, the prevailing Party will be entitled to recover reasonable attorney fees incurred in preparation or in prosecution or defense of such arbitration, suit or action as fixed by the arbitrator, trial court or bankruptcy court, and if any appeal is taken from the decision in any such arbitration, suit, or action, reasonable attorney fees as fixed by the appellate court.

16. This Agreement embodies the entire agreement of the Parties with respect to the subject matter hereof. This Agreement supersedes all prior communications, representations or agreements, verbal or written, between the Parties with respect to the subjects contained herein and will not be amended except in writing subscribed to by the Parties hereto.

17. If one or more of the provisions contained in this Agreement will for any reason be held to be invalid, illegal, or unenforceable, such provision or provisions will not affect any other provision of this Agreement, and in lieu of such invalid, illegal, or unenforceable provision there will be automatically added a provision as similar in terms to such invalid, illegal, or unenforceable provision as may be possible and as may be valid, legal, and enforceable.

18. This Agreement will be governed by and construed in accordance with the laws of the State of Oregon without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Agreement. If any suit or action is filed by any Party to enforce this Agreement or otherwise with respect to the subject matter of this Agreement, exclusive jurisdiction and venue will be in the federal or state courts in Multnomah County, Oregon. This Agreement may be executed by the Parties in separate counterparts, each of which when executed and delivered will be an original, but all of which together will constitute one and the same instrument.

19. Fax transmission of any signed original document, and retransmission of any signed fax or e-mail transmission, will be the same as delivery of an original. At the request of either Party, the Parties must confirm fax or e-mail transmitted signatures by signing an original document.

NOW THEREFORE, the parties hereby execute this Agreement as of the Effective Date:

Universal Systems, Inc.

Powell Water Systems, Inc.

By: _____

By: _____

Its: _____

Its: _____

Water Solutions

J. Dennis Rasmussen

By: _____

Its: _____

Scott Powell

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EXHIBIT A
Slop Oil Agreement

EXHIBIT B

Form of Promissory Note (Powell Water)

PROMISSORY NOTE

\$96,560.00

March 8, 2010

Portland, Oregon

FOR VALUE RECEIVED, the undersigned promises to pay to the order of Powell Water Systems, Inc., 19331 East Tufts Circle, Centennial, Colorado 80015, the principal sum of Ninety Six Thousand Five Hundred Sixty Dollars (\$96,560.00), together with interest on the unpaid principal balance at the rate of six percent (6%) per annum from the date hereof until paid.

All principal and interest hereunder shall be due and payable on demand after the first to occur of (a) the date on which the undersigned achieves aggregate revenues of One Million Five Hundred Thousand Dollars (\$1,500,000) from business operations, or (b) March 8, 2012.

In the event any payment (including, without limitation, any interim or final payment of principal) hereunder is not received by the holder hereof within five (5) days of the due date thereof and after the expiration of any applicable cure period, if any, the holder declares all sums owing hereunder immediately due and payable, as well as any other remedies available at law or in equity:

This Note may be prepaid in full or in part without any prepayment penalty. Any such prepayment of less than the full balance owing does not relieve the undersigned of the obligation to continue to make regularly scheduled payments under this Note, if any.

The undersigned agrees to pay all collection costs and reasonable attorneys' fees incurred or paid by the holder of this Note in protecting or enforcing its rights hereunder whether or not a lawsuit is commenced and including any costs and attorneys' fees incurred in any proceeding under the federal bankruptcy laws or incurred in an appeal from any of the foregoing and including any fees incurred in any post judgment collection efforts.

If there is more than one maker signing this Note, then all makers are jointly and severally liable.

All parties liable, either now or hereafter, for the payment of this Note, hereby jointly and severally waive presentment, notice of dishonor, protest, demand and notice of nonpayment hereof, and notices of all kinds, and agree that any modification of the terms of payment or extension of time of payment shall in no way impair their liability, and further agree that all or any part of any collateral securing this Note may be released without impairing their liability.

UNIVERSAL SYSTEMS, INC., a Washington Corporation

By _____

EXHIBIT C

Form of Confession of Judgment (Salary and Insurance Costs)

EXHIBIT D

Form of Confession of Judgment (Lawsuit)

EXHIBIT E

Copies of Rasmussen Notes