

01-27-2005

U.S. DEPARTMENT OF COMMERCE
United States Patent and Trademark Office

REI



102926890

To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies)/Execution Date(s):

USM Systems, Ltd.; Chester T. Przygoda; the Chester Przygoda,
Jr. Revocable Trust UAD 06/03/04

Execution Date(s) December 10, 2004

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Government Interest Assignment
☐ Executive Order 9424, Confirmatory License
☐ Other _____

2. Name and address of receiving party(ies)

Name: USMS Investors, L.L.C.

Internal Address: _____

Street Address: 2000 Town Center, Suite 1500

City: Southfield

State: Michigan

Country: United States Zip: 48075

Additional name(s) & address(es) attached? ☒ Yes ☐ No

4. Application or patent number(s):

☐ This document is being filed together with a new application.

A. Patent Application No.(s)

B. Patent No.(s)

5,438,607

Additional numbers attached? ☐ Yes ☒ No

5. Name and address to whom correspondence concerning document should be mailed:

Name: Mark Cantor, Brooks Kushman P.C.

Internal Address: _____

Street Address: 1000 Town Center, 22nd Floor

City: Southfield

State: Michigan Zip: 48075

Phone Number: 248-358-4400

Fax Number: 248-358-3351

Email Address: bk@brookskushman.com

6. Total number of applications and patents involved:

1

7. Total fee (37 CFR 1.21(h) & 3.41) \$ 40.00

- ☐ Authorized to be charged by credit card
☐ Authorized to be charged to deposit account
☒ Enclosed
☐ None required (government interest not affecting title)

8. Payment Information

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number _____

Authorized User Name _____

9. Signature:

Signature

Date

Mark Cantor

Name of Person Signing

Total number of pages including cover sheet, attachments, and documents:

14

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, V.A. 22313-1450

01/26/2005 6TDH11 00000104 5438607

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40.00

PATENT
REEL: 016172 FRAME: 0614

Receiving Parties (cont.):

**USMS Capital Investors
2000 Town Center, Suite 1500
Southfield, MI 48075**

**USMS Select Investors
2000 Town Center, Suite 1500
Southfield, MI 48075**

SECURITY AGREEMENT

THIS SECURITY AGREEMENT, effective as of December 10, 2004, is between **USM Systems, Ltd.**, a Michigan corporation (the "Borrower"), **CHESTER T. PRZYGODA, the Chester Przygoda, Jr. Revocable Trust UAD 06/03/04**, (together "Przygoda"), **USMS Investors, LLC**, a Michigan limited liability company (the "Lender"), **USMS Capital Investors**, a Michigan co-partnership and **USMS Select Investors**, a Michigan co-partnership (together the "Grantees").

WHEREAS, Borrower has provided a secured loan to Borrower evidenced by that certain Secured Promissory Note, in the principal amount of up to Three Hundred Eighty Thousand and 00/100 (\$380,000) Dollars (the "Note"), contemporaneously with this Security Agreement;

WHEREAS, Borrower and Przygoda have granted Grantees a royalty interest in their intangible assets and issued to them Common Stock Purchase Warrants in exchange for good and valuable consideration, receipt of which is hereby acknowledged, pursuant to that certain Royalty Agreement and Common Stock Purchase Warrant of even date herewith.

WHEREAS, the Borrower, in order to secure Borrower's performance under the Investment Agreement, Promissory Note, Royalty Agreement, Common Stock Purchase Warrant and this Security Agreement, wishes to grant security interests in favor of the Lender and Grantees as herein provided;

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions**. The term "Obligations" as used herein, means all of the indebtedness, obligations and liabilities of the Borrower to the Lender and Grantees, whether direct or indirect, joint or several, absolute or contingent, due or to become due, now existing or hereafter arising under or in respect of the Note, that certain Investment Agreement Royalty Agreement, Common Stock Purchase Warrant or any other obligation or indebtedness owed by Borrower to Lender and Grantees or this Agreement, and the term "default", as used herein, means the failure of the Borrower to pay or perform any of the Obligations as and when due to be paid or performed under the terms of this Agreement, the Note, the Investment Agreement, Royalty Agreement or Common Stock Purchase Warrant or any other agreements, obligations or indebtedness owed by Borrower to Lender or Grantees arising prior to, on or after the date hereof.

2. **Grant of Security Interest**. The Borrower hereby grants to the Lender and Grantees, to secure the payment and performance in full of all of the Obligations, a security interest in and so pledges and assigns to the Lender and Grantees the following properties,

assets and rights of the Borrower, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof (all of the same being hereinafter called the "Collateral"): (i) all proprietary and intellectual property and rights therein of the Borrower, including patents, copyrights, licenses, trademarks, trade names, and service marks, as well as all source and object codes, routines and sub-routines, software and all computer programs, tapes, discs, flow charts or similar or related media of the Borrower; and (ii) all proceeds of any of the foregoing whether tangible or intangible.

3. **Authorization to File Financing Statements.** The Borrower hereby irrevocably authorizes the Lender and/or Grantees at any time (and from time to time) to file in any Uniform Commercial Code jurisdiction, or any similar information in the United States Patent Office, any initial financing statements and amendments thereto that (a) indicate the Collateral is described in Section 2 above, and (b) contain any other information required by part 5 of Article 9 of the Uniform Commercial Code of the State for the sufficiency or filing office acceptance of any financing statement or amendment, including whether the Borrower is an organization, the type of organization and any organization identification number issued to the Borrower. The Borrower agrees to furnish any such information to the Lender promptly upon request. The Borrower also ratifies its authorization for the Lender and/or Grantees to have filed in any Uniform Commercial Code jurisdiction, or in the United States Patent Office, any like initial financing statements or amendments thereto if filed prior to the date hereof.

4. **Other Actions.** Further to insure the attachment, perfection and priority of, and the ability of the Lender to enforce, the Lender's and Grantees' security interest in the Collateral, the Borrower agrees, in each case at the Borrower's own expense, to take any action reasonably requested by the Lender or Grantees to insure the attachments, perfection and priority of, and the ability of the Lender to enforce, the Lender's and Grantees' security interests in any and all of the Collateral.

5. **Affirmative Covenants.** Borrower covenants and agrees, that until all Obligations due Lender and Grantees are paid in full, it will:

5.1 **Borrower's Legal Status.** Not change its name, its place of business or, if more than one, chief executive office, or its mailing address or organizational identification number if it has one, nor will it change its type of organization, jurisdiction of organization or other legal structure.

5.2 **Payments of Principal and Interest on Obligations.** Pay the Obligations when due in accordance with the terms of the Investment Agreement, Promissory Note, Royalty Agreement, Common Stock Purchase Warrant and this Agreement, whether by acceleration or otherwise.

5.3 **Performance of Obligation.** Perform or cause to be performed, all of the Obligations and covenants of Borrower as required by this Agreement, or any other

agreement, note, or other documents executed between Lender, the Grantees and Borrower and/or another Person, whether now existing or hereafter created.

5.4 **Maintenance of Existence.** Maintain its corporate existence and all rights, licenses, leases, agreement and franchise necessary to continue the operation of its business in the same manner as of the date of execution hereof.

5.5 **Information.** Furnish promptly and in a form satisfactory to Lender and Grantees, such information as Lender and Grantees may reasonably request, from time to time, and to permit a representative of Lender and/or Grantees access to any of its premises.

5.6 **Notification of Dispute.** Notify Lender and Grantees promptly of any claim, litigation, administrative or tax proceeding, or other action threatened or instituted against Borrower or any property of Borrower or any other material matter which is not fully covered by insurance which could adversely impair Borrower's financial condition or its ability to conduct its business including, but not limited to, any inquiry or proceedings initiated by any state, federal or regulatory agency.

5.7 **Payment of Taxes.**

- A. Pay when due all FICA taxes and all withheld federal, state and/or city income taxes, or notify Lender promptly in the event of its failure to make any such payment when due.
- B. Pay all other taxes, assessments, and other governmental charges to which Borrower or the property of same is or shall be subject before such charges become delinquent or notify Lender and Grantees promptly in the event of its failure to make such payment, except that no such charge need be paid so long as its validity or amount is being contested in good faith by appropriate proceedings and Borrower shall have established such reserve with respect thereto as shall be required by sound accounting principles, provided that any such tax, assessment, charge or levy shall be paid forthwith (under protest) upon the commencement of proceedings to foreclose any liens securing the same or upon institution of distraint proceedings.

5.8 **Insurance.** Maintain insurance pursuant to all applicable Worker's Compensation laws, and liability insurance for damage to persons. All such insurances shall be in such form, with such companies and in such amounts as shall be acceptable to Lender and Grantees.

5.9 **Compliance With Laws.** Continue at all times to comply with all laws, ordinances, regulations or requirements of any governmental authority relating to Borrower's business, property or affairs.

5.10 **Continuation of Business.** Maintain and conduct its business in substantially the same manner as such business is now or has heretofore been carried on.

5.11 **Preservation of Collateral.** Maintain any and all copyrights, patents, or trademarks in full force and effect, and do all things which, in management's reasonable discretion are necessary to enforce any infringements thereof.

5.12 **Financial Information/Reports.** Deliver to Lender and Grantees, all financial information, reports, certificates, notices and other information herein required of Borrower, pursuant to any provision of this Agreement or any other agreements between Borrower and Lender and Grantees.

6. **NEGATIVE COVENANTS.** Borrower covenants and agrees, that until all Obligations due Lender and Grantees are paid in full, it will not do any of the following without the prior written consent of Lender and Grantees (which shall not be unreasonably withheld):

6.1 **Event Of Default.** Permit any event of default to occur.

6.2 **Liens.** Create, assume or otherwise suffer to exist any lien, mortgage, pledge or other encumbrance, or claim therefor, upon any of the Collateral, now owned or hereafter acquired, or modify, amend, change or alter any indebtedness, or security interest securing any such indebtedness without the written consent of Lender and Grantees. To the extent requested by any third party lender, Lender and Grantees agree to subordinate their liens in any such accounts receivable, contract rights, and chattel paper to the lien of such unaffiliated institutional lender, pursuant to the terms and conditions of a subordination agreement mutually agreeable between such third party and Lender and Grantees.

6.3 **Dividends.** Declare or pay any dividend or make any other distribution of, or with regard to, its capital stock or other equity security, or purchase or retire any of its capital stock or other equity security.

6.4 **Loans/Liabilities.** Make a loan to, or incur or assume any liability as guarantor, surety, indemnitor or otherwise with respect to any indebtedness or other obligation of, any Affiliate.

6.5 **Transactions With Affiliates.** Enter into any transaction with any affiliates of Borrower, except on terms not less favorable than would be usual and customary in similar transactions between persons or entities dealing at arm's length.

6.6 **Redemption/Issuance.** Redeem, retire, purchase or otherwise acquire, directly or indirectly, any of its capital stock or other equity security.

6.7 **Default in Payment.** Default in any payment or performance on any Obligation to Lender or Grantees when and as the same shall have become due and payable, or performable, whether at maturity, by acceleration or otherwise.

6.8 **Default in Payment Of Other Debt.** Default (except for defaults waived in writing) in any payment of principal or interest on any obligation to any other person for borrowed money.

6.9 **Judgment.** Suffer or permit any judgement, decree or order not fully covered by insurance to be entered by a court of competent jurisdiction against Borrower or permit or suffer any writ or warrant of attachment or any similar process to be filed against Borrower or against any property or asset of Borrower, which judgment, decree, order, writ or warrant of attachment or similar process shall have remained unsatisfied, unvacated, unbonded or unstayed for a period of fifteen (15) days.

6.10 **Bankruptcy.** Borrower shall not become a debtor under the bankruptcy laws of the United States, or apply for the appointment of a trustee, receiver or custodian for or of any portion of its properties, or if any such trustee or receiver shall be appointed, and if appointed in a proceeding brought against Borrower by any action, shall indicate its approval of, consent to or acquiescence in such appointment, or if any such trustee or receiver shall not be discharged within thirty (30) days; or any proceedings shall be commenced by or against Borrower under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law or statute of the United States or any state thereof, and if such proceeding shall be instituted against Borrower, Borrower shall, by any action, indicate its approval of, consent to, acquiescence therein, or that the same shall remain undismissed for thirty (30) days.

6.11 **License Agreements.** Enter into any license agreement with respect to the Collateral, unless such license: (i) is with a non-affiliate (or is with an affiliate and is on arm's length terms); and, (ii) notice of entry into such license has been provided to, and approved by, the Lender and Grantees. Lender and Grantees shall have the right to inspect all such license agreements at Borrower's place of business upon Lender's or Grantees' request.

6.12 **Cross Default.** Default in any obligation which Borrower has to Lender, Grantees or any Affiliate or related party of Lender or Grantees.

7. Collateral Protection Expenses; Preservation of Collateral.

7.1 **Expenses Incurred by Lender and Grantees.** In its discretion, the Lender or Grantees may discharge taxes and other encumbrances at any time levied or placed on any of the Collateral, make repairs thereto and pay any necessary filing fees. The Borrower agrees to reimburse the Lender on demand for any and all expenditures so

made. Neither the Lender nor Grantees shall have any obligation to the Borrower to make any such expenditures, nor shall the making thereof relieve the Borrower of any default.

7.2 **Lender's and Grantees' Obligations and Duties.** Anything herein to the contrary notwithstanding, the Borrower shall remain liable under each contract or agreement comprised in the Collateral to be observed or performed by the Borrower thereunder. Neither the Lender nor Grantees shall have any obligation or liability under any such contract or agreement by reason of or arising out of this Agreement or the receipt by the Lender or Grantees of any payment relating to any of the Collateral, nor shall the Lender or Grantees be obligated in any manner to perform any of the Obligations of the Borrower under or pursuant to any such contract or agreement, to make inquiry as to the nature or sufficiency of any payment received by the Lender or Grantees in respect of the Collateral or as to the sufficiency of any performance by any party under any such contract or agreement, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to the Lender or Grantees or to which the Lender or Grantees may be entitled at any time or times. The Lender's and Grantees' sole duty with respect to the custody, safe keeping and physical preservation of the Collateral in its possession, under §9.207 of the Uniform Commercial Code of the State or otherwise, shall be to deal with such Collateral in the same manner as the Lender and Grantees deal with similar property for its own account.

8. **Securities and Deposits.** The Lender or Grantees may at any time following and during the continuance of a default, at its option, transfer to itself or any nominee any securities constituting Collateral, receive any income thereon and hold such income as additional Collateral or apply it to the Obligations. Whether or not any Obligations are due, the Lender or Grantees may, following and during the continuance of a default demand, sue for, collect, or make any settlement or compromise which it deems desirable with respect to the Collateral. Regardless of the adequacy of Collateral or any other security for the Obligations, any deposits or other sums at any time credited by or due from the Lender or Grantees to the Borrower may at any time be applied to or set off against any of the Obligations then due and owing.

9. **Notification to Account Borrowers and Other Persons Obligated on Collateral.** If a default shall have occurred and be continuing, the Borrower shall, at the request of the Lender, notify account borrowers and other persons obligated on any of the Collateral of the security interest of the Lender or Grantees in any account, chattel paper, general intangible, instrument or other Collateral and that payment thereof is to be made directly to the Lender or Grantees or to any financial institution designated by the Lender or Grantees as the Lender's or Grantee's agent therefor, and the Lender or Grantees may themselves, if a default shall have occurred and be continuing, without notice to or demand upon the Borrower, so notify account borrowers and other persons obligated on Collateral. After the making of such a request or the giving of any such notification, the Borrower shall hold any proceeds of collection of accounts, chattel paper, general intangibles, instruments and other Collateral received by the Borrower as trustee for the Lender or Grantees without commingling the same with other funds of the Borrower and shall turn the same over to the Lender or Grantees in the identical form received, together with any necessary

endorsements or assignments. The Lender or Grantees shall apply the proceeds of collection of accounts, chattel paper, general intangibles, instruments and other Collateral received by the Lender or Grantees to the Obligations, such proceeds to be immediately entered after final payment in cash or other immediately available funds of the items giving rise to them.

10. **Power of Attorney.**

10.1 **Appointment and Powers of Lender and Grantees.** The Borrower hereby irrevocably constitutes and appoints the Lender and Grantees and any officer or agent thereof, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of the Borrower or in the Lender's or Grantees' own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or desirable to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby gives said attorneys the power and right, on behalf of the Borrower, without notice to or assent by the Borrower, to do the following:

(a) upon the occurrence and during the continuance of a default, generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral in such manner as is consistent with the Uniform Commercial Code of the State and as fully and completely as though the Lender or Grantees were the absolute owner thereof for all purposes, and to do at the Borrower's expense, at any time, or from time to time, all acts and things which the Lender or Grantees deem necessary to protect, preserve or realize upon the Collateral and the Lender's and Grantees' security interest therein, in order to effect the intent of this Agreement, all as fully and effectively as the Borrower might do; and

(b) to the extent that the Borrower's authorization given in §3 is not sufficient, to file such financing statements with respect hereto, with or without the Borrower's signature, or a photocopy of this Agreement in substitution for a financing statement, as the Lender or Grantees may deem appropriate and to execute in the Borrower's name such financing statements and amendments thereto and continuation statements which may require the Borrower's signature.

10.2. **Ratification by Borrower.** To the extent permitted by law, the Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. The power of attorney is a power coupled with an interest and shall be irrevocable.

10.3 **No Duty on Lender.** The powers conferred on the Lender and Grantees hereunder are solely to protect their interests in the Collateral and shall not impose any duty upon them to exercise any such powers. The Lender and/or Grantees shall be accountable only for the amounts that they actually receive as a result of the exercise of

such powers and neither they nor any of their partners, members, managers, officers, directors, employees or agents shall be responsible to the Borrower for any act or failure to act, except for the Lender's or Grantees' own gross negligence or willful misconduct.

11. **Remedies.** If a default shall have occurred and be continuing, the Lender or Grantees may, without notice to or demand upon the Borrower, declare this Agreement to be in default, and the Lender and Grantees shall thereafter have in any jurisdiction in which enforcement hereof is sought, in addition to all other rights and remedies, the rights and remedies of a secured party under the Uniform Commercial Code of the State or of any jurisdiction in which Collateral is located, including, without limitation, the right to take possession of the Collateral, and for that purpose the Lender or Grantees may, so far as the Borrower can give authority therefor, enter upon any premises on which the Collateral may be situated and remove the same therefrom. The Lender or Grantees may in their discretion require the Borrower to assemble all or any part of the Collateral at such location or locations within the jurisdiction(s) of the Borrower's principal office(s) or at such other locations as the Lender or Grantees may reasonably designate. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Lender or Grantees shall give to the Borrower at least five business days prior written notice of the time and place of any public sale of Collateral or of the time after which any private sale or any other intended disposition is to be made. The Borrower hereby acknowledges that five business days prior written notice of such sale or sales shall be reasonable notice. In addition, the Borrower waives any and all rights that it may have to a judicial hearing in advance of the enforcement of any of the Lender's or Grantees' rights hereunder, including, without limitation, its right following a default to take immediate possession of the Collateral and to exercise its rights with respect thereto.

12. **Standards for Exercising Remedies.** To the extent that applicable law imposes duties on the Lender or Grantees to exercise remedies in a commercially reasonable manner, the Borrower acknowledges and agrees that it is not commercially unreasonable for the Lender or Grantees (a) to incur expenses reasonably deemed significant by the Lender or Grantees to prepare Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (b) to fail to obtain third party consent for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or dispositions of Collateral to be collected or disposed of, (c) to fail to exercise collection remedies against account borrowers or other persons obligated on Collateral or to remove liens or encumbrances on or any adverse claims against Collateral, (d) to exercise collection remedies against account borrowers and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other persons, whether or not in the same business as the Borrower, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the collateral is of a specialized nature, (h) to dispose of Collateral by utilizing Internet sites

that provide the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, (k) to purchase insurance or credit enhancements to insure the Lender or Grantees against risks of loss, collection or disposition of Collateral or to provide to the Lender or Grantees a guaranteed return from the collection or disposition of Collateral, or (l) to the extent deemed appropriate by the Lender or Grantees, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Lender or Grantees in collection or disposition of any of the Collateral. The Borrower acknowledges that the purpose of this Section is to provide non-exhaustive indications of what actions or omissions by the Lender or Grantees would not be commercially unreasonable in the Lender's exercise of remedies against the Collateral and that other actions or omissions by the Lender or Grantees shall not be deemed commercially unreasonable solely on account of not being indicated in this Section. Without limitation upon the foregoing, nothing contained in this Section shall be construed to grant any rights to the Borrower or to impose any duties on the Lender or Grantees that would have not been granted or imposed by this Agreement or by applicable law in the absence of this Section.

13. **No Waiver by Lender and Grantees, etc.** The Lender and Grantees shall not be deemed to have waived any of their rights upon or under the Obligations or the Collateral unless such waiver shall be in writing and signed by the Lender and Grantees. No delay or omission on the part of the Lender or Grantees in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion. All rights and remedies of the Lender or Grantees with respect to the Obligations of the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly, alternatively, successively or concurrently at such time as the Lender or Grantees deems expedient.

14. **Notice, Suretyship Waivers by Borrower.** This Borrower waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect to both the Obligations and the Collateral, the Borrower assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of or failure to perfect any security interest in any Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising or adjustment of any thereof, all in such manner and at such time or times as the Lender or Grantees may deem advisable. The Lender and Grantees shall have no duty as to the collection or protection of the Collateral or any income thereon, nor as to the preservation of rights against prior parties, nor as to the preservation of any rights pertaining thereto beyond the safe custody thereof as set forth above. The Borrower further waives any and all other suretyship defenses.

15. **Marshaling.** The Lender and Grantees shall not be required to marshal any present or future collateral security (including but not limited to this Agreement and the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights, however existing or arising. To the extent that it lawfully may, the Borrower hereby agrees that it will not invoke any law relating to the marshaling of collateral which might cause delay in or impede the enforcement of the Lender's or Grantees' rights under this Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, the Borrower hereby irrevocably waives the benefits of all such laws.

16. **Proceeds of Dispositions; Expenses.** The Borrower shall pay to the Lender or Grantees on demand any and all expenses, including reasonable attorneys' fees and disbursements, incurred or paid by the Lender or Grantees in protecting, preserving or enforcing the Lender's or Grantees' rights under or in respect of any of the Obligations or any of the collateral. After deducting all of said expenses, the residue of any proceeds of collection or sale of the Obligations or Collateral shall, to the extent actually received in cash, be applied to the payment of the Obligations in such order or preference as the Lender and Grantees may determine, proper allowance and provision being made for any Obligations not due. Upon the final payment and satisfaction in full of all of the Obligations and after making any payments required by Sections 9-608(a)(1)(C) or 9-615(a)(3) of the Uniform Commercial Code of the State, any excess shall be returned to the Borrower, and the Borrower shall remain liable for any deficiency in the payment of the Obligations.

17. **Governing Law; Consent to Jurisdiction.** THIS AGREEMENT IS INTENDED TO TAKE EFFECT AS A SEALED INSTRUMENT AND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF MICHIGAN. The Borrower agrees that any suit for the enforcement of this Agreement may be brought in the courts of the State of Michigan or any federal court sitting therein and consents to the non-exclusive jurisdiction of such court and to service of process in any such suit being made upon the Borrower by mail at the address set forth above. The Borrower hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

18. **Waiver of Jury Trial.** THE BORROWER WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THE PERFORMANCE OF ANY SUCH RIGHTS OR OBLIGATIONS. Except as prohibited by law, the Borrower waives any right which it may have to claim or recover in any litigation referred to in the preceding sentence any special, exemplary,

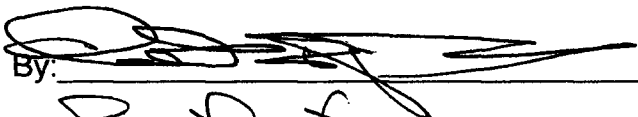
punitive or consequential damages or any damages other than, or in addition to, actual damages. The Borrower certifies that neither the Lender, Grantees nor any representative, agent or attorney of the Lender or Grantees has represented, expressly or otherwise, that the Lender or Grantees would not, in the event of litigation, seek to enforce the foregoing waiver.

19. **Miscellaneous**. The headings of each section of this Agreement are for convenience only and shall not define or limit the provisions thereof. This Agreement and all rights and obligations hereunder shall be binding upon the Borrower and its respective successors and assigns, and shall inure to the benefit of the Lender and Grantees and their successors and assigns. If any term of this Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. The Borrower acknowledges receipt of a copy of this Agreement.

IN WITNESS WHEREOF, intending to be legally bound, the Borrower has caused this Agreement to be duly executed as of the date first above written.

BORROWER:

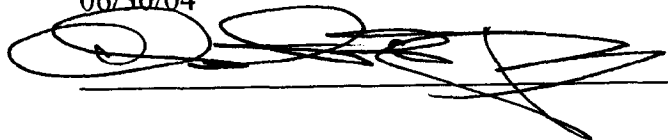
USM SYSTEMS, Ltd., a Michigan corporation

By: 
Its: President

PRZYGODA:

Chester T. Przygoda, Individually and as Trustee of
the Chester Przygoda, Jr. Revocable Trust UAD

06/30/04



LENDER:

USMS INVESTORS, LLC, a Michigan limited liability company

By: _____

Its: _____

GRANTEES:

USMS CAPITAL INVESTORS, a Michigan co-partnership

By: _____

Its: _____

USMS SELECT INVESTORS, a Michigan co-partnership

By: _____

Its: _____