

09-11-2006

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



2006 SEP -6 PM 2:32

103304598

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

**1. Name of conveying party(ies)**

Universal Support Systems, LLC

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

**3. Nature of conveyance/Execution Date(s):**

Execution Date(s) 8/29/06

☐ Assignment

☐ Merger

☒ Security Agreement

☐ Change of Name

☐ Joint Research Agreement

☐ Government Interest Assignment

☐ Executive Order 9424, Confirmatory License

☐ Other

**2. Name and address of receiving party(ies)**

Name: Bruce H. Blake

Internal Address:

Street Address: 2648 Fireside Circle

City: Lexington

State: Kentucky

Country: USA

Zip: 40513

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)

6,669,163

Additional numbers attached? ☐ Yes ☒ No

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

Name: STOCKWELL & SMEDLEY, PSC

Internal Address: Todd E. Stockwell

Street Address: 861 Corporate Drive, Suite 200

City: Lexington

State: Kentucky

Zip: 40503

Phone Number: 859-223-3400

Fax Number: 859-224-1399

Email Address: officeaction@stockwell.us

**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 19-4430

Authorized User Name Todd E. Stockwell

**9. Signature:**

Signature

9/1/06

Date

00000008 194430

6669163

Name of Person Signing

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

8

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:  
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450

## SECURED LOAN AGREEMENT

This Secured Loan Agreement is made and entered into as of the 29 day of August, 2006 (the "Effective Date"), among Universal Support Systems, LLC, a Kentucky limited liability company, whose address is P. O. Box 575, Bardstown, Kentucky 40004-0575 (hereinafter referred to as "Borrower"), and Bruce H. Blake, an individual residing at 2648 Fireside Circle, Lexington, Kentucky 40513 (hereinafter referred to as "Lender").

WHEREAS, Borrower is in the business of manufacturing, assembling, distributing and selling equipment support platforms with groundable weight-dispersing bases; and

WHEREAS, Borrower desires to borrow from Lender \$100,000.00 to be used to pay past due critical raw material suppliers, and suppliers of raw materials and current overhead for additional production; and

WHEREAS, Lender has agreed to loan \$100,000.00 to Borrower on the terms and conditions hereinafter stated; and

WHEREAS, to secure the payment of all amounts owed by Borrower to Lender, Borrower has agreed to grant to Lender a first priority security interest and lien on Borrower's principal patent, as well as a second lien on the other assets of Borrower as hereinafter provided.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable considerations, the receipt and sufficiency of which are mutually acknowledged, the parties agree as follows:

1. **Recitals.** The foregoing recitals are true and correct and are hereby made a part hereof.
2. **Loan.** Lender agrees to loan to Borrower the sum of \$100,000.00 (the "Loan"). Lender shall fund the Loan as follows: (a) Borrower hereby acknowledges having previously received \$50,000.00; and (b) the balance will be delivered within three (3) days of the date this Agreement is executed by both parties. Interest shall accrue on the Loan at the rate of six percent (6%) per annum. Borrower shall pay interest-only payments to Lender monthly in the amount of \$500.00 per month commencing sixty (60) days from the Effective Date. The entire principal amount of the Loan, including accrued interest, if any, shall be due and payable in full two years from the Effective Date. Borrower's obligation to pay the principal and interest payment under the Loan, and Borrower's obligation to pay the Trailer Fee (hereinafter defined) are hereinafter collectively referred to as the "Obligations". In addition, the entire principal amount of the Obligations, plus interest thereon, if any, shall be due and payable in full in the event Borrower is in default of any of its covenants, representations or warranties hereunder and fails to cure such default within the time frames enumerated in Section 5 below. Borrower may pre-pay the Loan in whole or in part at any time or times without penalty. Borrower agrees to limit the use of the Loan proceeds to the payment of past due critical raw material suppliers, and

Blake/Secured Loan-UniversalD6ARf/arf/8-29-06/1 1

*[Handwritten signature]*  
8/29/06

suppliers of raw materials for additional production and operational expenses. Payment of bank debt, past due rent, and non-critical suppliers will be made by Borrower out of operating cash flow.

3. **Trailer Fee.** Due to the risk associated with the Loan, Borrower agrees to pay to Lender, in addition to the principal and interest payments under the Loan, a "Trailer Fee" equal to ten percent (10%) of Borrower's Net Income (hereinafter defined) for a period of two (2) years, payable semi-annually commencing 6 months from the Effective Date. For purposes of this Agreement, Net Income means income before, taxes, depreciation and amortization (EBTDA). Payment of legal fees and other expense incurred in connection with Borrower's current litigation involving U.S. Patent No. 6669163B2 shall not be deducted from Borrower's gross income in calculating the Trailer Fee. Furthermore, salaries and other distributions to Wilman E. Davis, Jr. and his family will not be deducted from gross income in calculating the Trailer Fee. Income from Patent litigation (whether by settlement or as a result of a judgment), and income from the sale of the business as a whole, shall not be included as income for purposes of calculating the Trailer Fee. In no event will the Trailer Fee payable to Lender exceed \$150,000.00 per year. In the event of the sale of substantially all of the assets of Borrower out of the ordinary course of business, or in the event of the sale of more than 50% of the equity interest in Borrower, prior to the first anniversary of the Effective Date, Borrower shall pay to Lender the entire \$150,000.00 Trailer Fee cap. In the event of the sale of substantially all of the assets of Borrower out of the ordinary course of business, or in the event of the sale of more than 50% of the equity interest in Borrower in the second 12-month period from the Effective Date, Borrower shall pay to Lender the entire \$150,000.00 Trailer Fee cap for such second year.
4. **Security Interest.** As security for the prompt payment and performance of the Obligations, Borrower hereby grants to Lender a continuing security interest and first lien against U.S. Patent No. 6669163B2 (the "Patent"), owned jointly by Borrower and its principal, Wilman E. Davis, Jr. The Patent is sometimes hereinafter referred to as the "Collateral".
5. **Default.** Upon the occurrence of any of the following events or conditions (each an "Event of Default"), Borrower is in default under this Agreement:
  - a. Borrower fails, within sixty (60) days of the due date, to pay any amount due hereunder;
  - b. Borrower otherwise fails to timely and completely perform or pay any other obligation hereunder or otherwise defaults with respect thereto, and such failure continues for a period of sixty (60) days after Borrower's receipt of written notice of such failure;
  - c. Borrower breaches any of the representations, warranties, or covenants contained in this Agreement and such breach continues for a period of sixty (60) days after Borrower's receipt of written notice of such breach.;
  - d. Borrower makes a general assignment for the benefit of creditors;
  - e. A petition in bankruptcy under Chapter 7 of the Bankruptcy Code is filed by Borrower or consented to by Borrower;

*Handwritten signature and date:*  
JMD  
8/29/06

- f. A petition in bankruptcy is filed against Borrower and such petition is not dismissed or converted to a Chapter 11 bankruptcy within 120 days;
- g. Borrower is adjudicated as bankrupt;
- h. A bill in equity or other proceeding for the appointment of a receiver of Borrower or other custodian for the Borrower's business or assets is filed or consented to by Borrower;
- i. A receiver or other custodian (permanent or temporary) of Borrower's business or assets is appointed by any court of competent jurisdiction; or
- j. Proceedings for a composition with creditors under federal or state law is instituted by or against the Borrower.
- k. The filing of a Chapter 11 bankruptcy petition by Borrower shall **not**, by itself, constitute a default hereunder.

6. **Specific Remedies Upon Default.** In the event an event of Default occurs, interest shall accrue on the Obligations at the rate of 12% per annum, or the highest rate permitted by law, whichever is less (the "Default Rate"), from the date the Obligations were due until paid in full. Upon a Default by Borrower hereunder, Lender has—and may immediately exercise—all rights available at law or in equity, including but not limited to all rights of a Lender under the UCC, and any other applicable law.

7. **Covenants, Representations and Warranties of Borrower.** Borrower hereby covenants, represents and warrants to Lender as follows:

- a. Borrower's exact legal name is: Universal Support Systems, LLC.
- b. Universal Support Systems, LLC is a Kentucky limited liability company, validly existing and in good standing in the state of Kentucky, and has all corporate power and licenses to conduct its business as presently conducted.
- c. Borrower has the right, power and authority to enter into this Agreement and perform its obligations hereunder.
- d. Except as identified in Section 7.f. below, Borrower has not previously entered into any agreement or understanding which grants a lien or security interest on the Patent to any other person or entity.
- e. Borrower is—and, during the term of this Agreement, must remain—the exclusive legal and beneficial owner of the Patent free from any lien, security interest, mortgage, pledge, encumbrance, or third-party claim.
- f. Without Lender's prior written consent, other than in the ordinary course of the business of Borrower, neither the Patent nor any interest therein may be sold, transferred, or disposed of in any manner. Borrower will keep the Patent free and clear of all liens, security interests and encumbrances, excepting only the lien and security interest granted by this Agreement. Without first obtaining the prior written consent of Lender, Borrower will not further encumber the Patent or any interest therein. Lender acknowledges that First Federal Savings Bank (the "Bank") may have a prior security interest in the Patent. Borrower agrees to use its good faith efforts to have the Bank release its lien on the Patent, or to subordinate its security interest in the Patent to Lender. Borrower agrees that during any period in which any amount of the Loan



remains outstanding, Borrower's outstanding obligation to the Bank shall not exceed \$1,000,000.00.

- g. Borrower's place of business or, if more than one, its chief executive office, as well as Borrower's mailing address, if different, is 102 Manor Avenue, Suite 101, Bardstown, Kentucky 40004. The Borrower will not change its name, its place of business, or its type of organization, jurisdiction of organization or other legal existence without first providing Lender with at least 30 days' prior written notice.
- h. The Borrower's organizational identification number is: 0482359.
- i. The Borrower will operate its business in compliance with all applicable laws, rules and regulations.
- j. While any Obligations remain outstanding, Borrower shall provide to Lender quarterly unaudited financial statements, which financial statements shall be prepared in accordance with generally accepted accounting principals, consistently applied.
- k. Borrower hereby irrevocably authorizes Lender, at any time and from time to time, to file in any filing office in any Uniform Commercial Code jurisdiction, financing statements and amendments thereto, and any documents deemed necessary by Lender to secure its lien on the Patent. Borrower must also execute from time to time, along or with Lender, any financing statements or other documents, and do such other act or acts reasonably and commercially necessary to perfect or protect the security interest hereby created. Borrower must pay all costs and expenses (including, without limitation, reasonable fees and expenses of counsel and filing fees) related to filing any financing statements, continuation statements, or other documents related to the perfection or protection of the security interest hereby created. The Borrower further agrees, at the request and option of the Lender, to take any and all other actions reasonably necessary for the attachment, perfection and first priority of, and the ability of the Lender to enforce, the security interest in the Patent and the Collateral.

8. **Entire Agreement.** This Agreement constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter hereof and supersedes all previous and contemporaneous agreements, written or verbal. This Agreement may only be amended by a writing signed by both parties.

9. **Inspection.** Lender shall have the right, upon reasonable notice, and at reasonable intervals, to audit and/or inspect the relevant books and records of Borrower to confirm Borrower's compliance with this Agreement. In the event any such audit or inspection reveals that Borrower has failed to properly calculate and pay the Trailer Fee, Borrower shall promptly pay any deficiency, with interest thereon at the Default Rate, and Borrower shall reimburse Lender for its reasonable costs and expenses in connection with the audit or inspection.

10. **Independent Contractors.** The parties hereto are independent contractors. Nothing herein shall be deemed to constitute one party as the agent, partner or representative of the other party. Neither party shall have the right to bind or obligate the other party in any manner without the prior written consent of such



other party in each instance.

- 11. Indemnification.** Borrower hereby indemnifies and holds harmless Lender from and against any and all claims, actions, demands, losses, liabilities, costs and expenses (including but not limited to court costs, expenses and attorneys' fees incurred by Lender in defending or contesting any such claim) arising out of: (a) a breach by Borrower of any of its covenants, representations or warranties hereunder; and (b) any negligent act or intentional misconduct of Borrower or its employees or agents.
- 12. Governing Law/Venue.** This Agreement shall be construed and enforced in accordance with the laws of the State of Kentucky. Venue for any litigation arising out of this Agreement shall be proper only in Fayette County, Kentucky. The parties hereby consent to the personal jurisdiction of the state and federal courts situated in Fayette County, Kentucky.
- 13. Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and permitted assigns. Neither party shall have the right to assign this Agreement without the prior written consent of the other party.
- 14. Attorney's Fees.** In the event of any litigation between or among the parties hereto arising out of this Agreement, the prevailing party in any such litigation shall be entitled to an award of their court costs, expenses, and reasonable attorney's fees incurred in connection with such litigation, at all trial and appellate levels, in addition to any other or further relief to which such prevailing party may be entitled.
- 15. Non-Waiver.** No delay, failure or omission on the part of Lender in exercising any right hereunder shall operate as a waiver of such right or of any other right under this Secured Loan Agreement. No waiver of any right shall be effective unless in writing and signed by Lender, nor shall a waiver on any one occasion be construed as a bar to or waiver of any such right or any other right hereunder on any future occasions. Borrower and all sureties, endorsers, guarantors or any others who may at any time become liable for the payment hereof hereby severally waive presentment, demand for payment, notice of nonpayment, protest, notice of protest, notice of dishonor, and all other notices in connection with this Loan, filing of suit and diligence in collecting this Loan, and agree to pay, if permitted by law, all expenses incurred in collection, including a reasonable attorney's fee if placed with an attorney for collection, and hereby waive all benefits of valuation, appraisal and exemption laws.
- 16. Remedies Cumulative.** Except as expressly provided otherwise in this Agreement, no remedy herein conferred upon Lender is intended to be exclusive of any other remedy, and each and every such remedy is cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by Lender of any right, power, or remedy hereunder precludes any other or further



exercise thereof.

- 17. Notices.** All notices, requests, demands, consents and other communications required or permitted under this Agreement shall be in writing (including telex and telegraphic communication) and shall be (as elected by the person giving such notice) hand delivered by messenger or courier service, telecommunicated, or mailed (airmail if international) by registered or certified mail (postage prepaid), return receipt requested, addressed to the appropriate party at its address set forth above or to such other address as that party may designate by notice complying with the terms of this Section. Each such notice is deemed delivered: (a) on the date delivered if by personal delivery; (b) on the date of transmission, with confirmed answer back if by telefax or other telegraphic method; or (c) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities or courier service as not deliverable, as the case may be, if mailed or couriered.
- 18. Further Assurances.** Borrower must perform all further acts and make, execute, and deliver all further documents that Lender may reasonably require to evidence, protect, or perfect its rights under this Agreement.
- 19. Severability.** If any part of this Agreement or any other agreement entered pursuant hereto is contrary to, prohibited by, or deemed invalid under applicable law or regulation, such provision is inapplicable and deemed omitted to the extent so contrary, prohibited, or invalid, but the remainder hereof is not invalidated thereby and must be given full force and effect so far as possible. In no event shall the amount of interest due or payable hereunder exceed the maximum rate of interest allowed by applicable law, and in the event any such payment is inadvertently paid by Borrower or inadvertently received by Lender, then such excess sum shall be credited as a payment of principal, unless Borrower shall notify Lender, in writing, that Borrower elects to have such excess sum returned to it forthwith. It is the express intent hereof that Borrower not pay and Lender not receive, directly or indirectly, in any manner whatsoever, interest in excess of that which may be lawfully paid by Borrower under applicable law.
- 20. No Offsets.** This Loan is not subject to any offsets, affirmative defenses or counterclaims whatsoever. Borrower represents to Lender that Borrower has the financial ability to make the payments called for hereunder.

(signatures on following page)

*Handwritten signature and date:*  
JPB  
8/29/06

IN WITNESS WHEREOF, the parties have executed this Secured Loan Agreement as of the date first indicated above.

Witnesses

Universal Support Systems, LLC

Paul E. Davis  
Q u

By: Paul E. Davis

Title: Pres/Owner

Date: 8-29-2006

Paul E. Davis  
Q u

Lender:

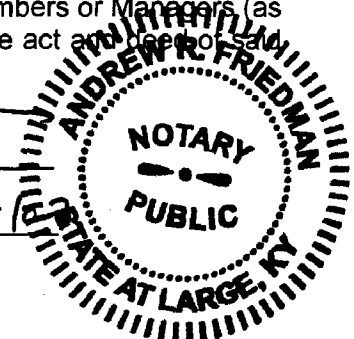
Bruce H. Blake  
Bruce H. Blake

Date: 8/29/06

STATE OF KENTUCKY )  
COUNTY OF Fayette )

Before me, the undersigned, a Notary Public in and for the county and state aforesaid, on this 29 day of August, 2006, personally appeared William E. Davis, Jr to me known personally or who produced \_\_\_\_\_ as identification, and who, being by me duly sworn, deposes and says the he is the President of **Universal Support Systems, LLC**, a Kentucky limited liability company, and that said instrument was signed and sealed on behalf of said company by authority of its Members or Managers (as applicable) and said President acknowledged said instrument to be the free act and deed of said company.

Andrew R. Friedman  
Notary Public, State of Kentucky  
My commission expires: 7/16/07

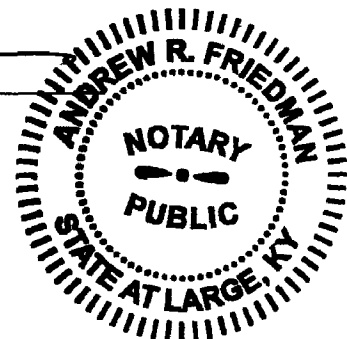


STATE OF KENTUCKY )  
COUNTY OF Fayette )

Before me, the undersigned, a Notary Public in and for the county and state aforesaid, on this 29 day of August, 2006, personally appeared **Bruce H. Blake** to me known personally or who produced \_\_\_\_\_ as identification, and who, being by me duly sworn, acknowledged said instrument to be his free act and deed.

Andrew R. Friedman  
Notary Public, State of Florida

My commission expires: 7/16/07



Blake/Secured Loan-UniversalD6ARf/arf/8-29-06/1 7

PATENT

RECORDED: 09/06/2006

REEL: 018268 FRAME: 0411

Paul E. Davis  
8/29/06