

## AGREEMENT

### Parties:

This Product Development and Purchase Money Security Agreement is entered into and dated as of April 01, 2007 by and between USCL Corporation, A Nevada Corporation (hereinafter referred to as USCL) franchised by the State of California to conduct business in California and whose principal office is located at 2433 Garfield Avenue, Carmichael, California 95608 United States of America and Mr. Jeffrey Michel (hereinafter referred to as Michel,) a U. S. citizen resident in the Federal Republic of Germany (FRG) and doing business as Ingenieur-Buero Jeffrey Michel a registered entity with its principal place of business located at Heuersdorfer Strasse 25, Regis-Breitingen, FRG.


### Recitals:

Whereas, USCL is engaged in the design, research & development and commercialization of a product line which includes but is not limited to its EnergyCite power meter and EMS-2020 which will be sold to electrical utilities in the United States and North America.

Whereas, USCL desires to accelerate the commercialization of the EnergyCite meter component by the release of a down payment check and the mechanical engineering build package consisting of CAD produced drawings, files, BOMs and the like to a group of companies managed by BMP International Inc., 317 Lantern Ridge Lane, Cary, North Carolina 27513, hereinafter referred to as supplier, which will result in the fabrication of various molds and dies from which injected molded plastic parts and metal components generally composing the base, enclosure, current transformer mounting structure, current conducting bus structure, printed circuit board mounting collar and cover of the EnergyCite meter. Additionally, first article and initial beta enclosures will be injected and stamped as a result of this effort based on the USCL CAD drawings.

Whereas, the cost associated with the production of the molds, dies, and first article parts is approximately \$60,000. USCL and Michel entered into a Memorandum of Understanding (MOU) dated February 2, 2007 wherein under reliance of such MOU, Michel agreed to advance to USCL and did advance to USCL the sum of \$60,000 from which USCL will fund the tooling production and first article release.

Whereas, Michel is an engineer, environmental, and energy consultant located in Germany. Michel is a USCL shareholder and member of the USCL Board of Directors and it is the desire of Michel that USCL complete the design and commercialization of the EnergyCite meter and related system components as swiftly as possible and begin the marketing and sales of the resulting meter product line.

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NOW THEREFORE in consideration of these premises, the covenants and other promises contained herein and the exchange of good and valuable consideration the receipt of which is hereby acknowledged, the parties hereto agree as follows:

**Agreements:**


1. **Agreement:** This agreement will be the sole and binding agreement concerning the subject matter hereof between the parties and upon execution shall supersede the February 2, 2007 Memorandum of Understanding between the parties hereto.
2. **Advance of funds:** USCL hereby acknowledges the receipt of sixty thousand dollars (\$60,000) from Michel in good and lawful funds and specifically check number 640, Smith Barney.
3. **USE of Funds:** USCL agrees that the funds received from Michel shall be used for the specific purposes defined in the recitals above.
4. **Conveyance of title:** USCL hereby conveys all title, rights and interest in the drawings, CAD files, tooling, and enclosures (Product enclosures) resulting from the manufacturing of tooling based on said drawings and CAD files to Michele and USCL hereby assures that such conveyance will be respected by the suppliers and other third parties.
5. **Sale of Product by Michel:** Michel hereby agrees that all Product enclosures produced shall be sold exclusively to USCL provided however, that USCL purchases a minimum quantity of 35,000 Product enclosures within 18 months of the date of this agreement.
6. **Sale Price of Product:** USCL shall pay the sum of Product cost from the supplier, including all handling, shipping, customs, and insurance costs (COGS NET) plus \$2.00 to Michel for each Product enclosure purchased hereunder.
7. **Default of Product Purchase by USCL:** In the event USCL has not purchased 35,000 Product enclosures within the agreed 18 month period, Michel may at his sole option send a written demand to USCL requesting payment of an amount equal to \$2.00 times the difference between 35,000 and the actual number of units purchased within ten business days. Should Michel not receive such payment, the exclusive right to sell only to USCL shall be immediately terminated and Michel shall have the ability to produce Product enclosures and sell them to any party he alone chooses. Further, Michel shall have the right to dispose of all drawings, molds, tooling, and inventory by any means to any party with no obligation to USCL. Upon such termination, USCL shall be responsible to pay Michel the sum of \$2.00 times the difference between 35,000 and the actual number of Product enclosures purchased by USCL as of the date of termination and this payment shall be due and payable immediately.
8. **Reconveyance of Title to USCL:** Upon the satisfactory performance by USCL of all its payment obligations to Michel under paragraphs 6 and 7 above, title to said drawings, CAD files, tooling and inventory of Product

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enclosures shall automatically be conveyed to USCL. USCL shall bear all costs related to accounting and notice thereof.

9. **Payment to suppliers:** USCL shall make all payments to all suppliers including but not limited to all engineers, tool and die makers and injection plastic producers in the supply chain of the Product Enclosures and all transportation, customs, insurance and other related product acquisition costs directly by a means agreed to by the various suppliers and USCL. Beginning with the first release of Product enclosures, Michel shall be notified in writing of the release schedule and such notification shall provide the number of Product enclosures to be manufactured and the scheduled delivery dates.
10. **Payment to Michel:** USCL shall pay Michel by company check or bank wire the sum of \$2.00 times the number of Product Enclosures received within ten days of each and every delivery of Product enclosures to USCL until the completion of USCL's performance requirements as provided in paragraphs 6 and 7 above.
11. **Default of payment by USCL to Michel:** In the event Michel does not receive payment for Product enclosures received by USCL pursuant to paragraph 10 above he shall have the option to issue a written demand and notice of default to USCL requesting such payment along with a liquidated damage charge equal to 5% of the amount of such past due obligation. USCL shall have 15 days to cure said default. In the event USCL does not so cure such default, Michel shall be entitled to produce Product enclosures and sell them to any party he alone chooses. Further, Michel shall have the right to dispose of all drawings, molds, tooling, and inventory by any means to any party with no obligation to USCL. Upon such termination, USCL shall be responsible to pay Michel the sum of \$2.00 times the difference between 35,000 and the actual number of Product enclosures purchased by USCL as of the date of termination and this payment shall be due and payable immediately.
12. **Warranty of Merchantability and Fitfulness of Purpose:** Both parties hereto agree that USCL is responsible for the design, engineering and purchase procurement management of the molds, tooling and Product enclosures. USCL hereby indemnifies and holds Michel harmless for any additional costs associated with the redesign of any tooling and or Product enclosures resulting from any oversight of USCL, its employees, contractors and suppliers. Any cost over runs associated with the production of the Product Enclosures tooling and cost shall be borne exclusively by USCL and USCL shall be solely responsible for such payment. USCL's failure to make such payment shall in no way excuse USCL from the timely performance of all USCL obligations to Michel hereunder. Product enclosure shall imply any version suitable for the USCL meter commercialization, regardless of modifications made.
13. **Purchase Money Security Agreement:** This agreement shall be deemed a Purchase Money Security Agreement pursuant to the definitions provided in Section 9 of the United States Uniform Commercial Code. USCL does hereby pledge all its assets including physical, cash on hand, accounts

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receivables, fixtures, furniture, intellectual property, to Michel as security. This security interest is automatic and self fulfilling as a result of this agreement by the two parties hereto. In accordance with UCC provisions, USCL shall file, or cause to be filed, UCC-1 statements with the Secretary of States in the State of Nevada and California and evidence thereof shall be forwarded to Michel within 10 business days from the date of execution of this agreement.

14. **Disclosure of Prior Security Interest:** USCL has an existing pledge and security agreement in the approximate amount of \$50,000 to Robert S. Block of Reno Nevada pursuant to a promissory note of like amount. It is anticipated that Mr. Block shall liquidate said promissory note by means of a transfer of USCL common shares by June 30, 2008.
15. **Entire Agreement:** This Agreement embodies the entire understanding of the parties as it relates to the subject matter hereof and this Agreement supersedes the MOU dated February 2, 2007 and any other agreements or understandings between the parties with respect to such subject matter.
16. **Headings:** The headings and paragraph numbers herein are for convenience only and shall not affect the construction hereof.
17. **Waiver:** Should either USCL or Michel fail to enforce any provision of this Agreement or to exercise any right in respect thereto, such failure shall not be construed as constituting a waiver or a continuing waiver of its rights to enforce such provision or right or any other provision or right.
18. **Notices:** Any notice required or permitted to be given by either party to the other party under this shall be in writing delivered by electronic means such as fax or email.
19. **Invalidity:** If any provision of this Agreement, or the application thereof to any situation or circumstance, shall be invalid or unenforceable, the remainder of this Agreement of application of such provision to situations or circumstances other than those as to which it is invalid on unenforceable, shall not be affected; and each remaining provision of this Agreement shall be valid and enforceable to the fullest extent permitted by applicable law. In the event of such partial invalidity, the parties shall seek in good faith to agree on replacing any such legally invalid provisions with provisions which, in effect, will most nearly and fairly approach the effect of the invalid provision.
20. **Assignment:** This Agreement and all rights and obligations herein shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. USCL shall not assign any of its rights or privileges, or delegate any of its obligations, hereunder without the prior written consent of Michel. Such consent shall not be unreasonably withheld.
21. **Amendment:** This Agreement may not be extended, supplemented or amended in any manner except by an instrument in writing referring to this Agreement and duly executed by both parties.
22. **Force Majeure:** Either party shall be excused for failures and delays in performance caused by war, declared or not, proclamations, strikes, lockouts, floods, fires, explosions, acts of terrorism, or such other catastrophes as are beyond the control or without the material fault of such party (Causes.) Any

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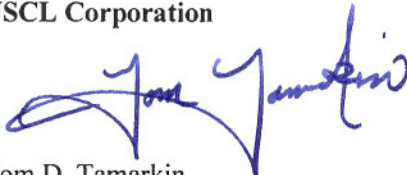


party claiming any such excuse for failure or delay in performance due to such causes shall give prompt notice thereof to the other party, and neither party shall be required to perform hereunder during the period of such excused failure or delay in performance except as otherwise provided herein. This provision shall not, however, release such party from using its best efforts to avoid or remove all such causes and such party shall continue performance hereunder with the utmost dispatch whenever such causes are removed.

23. **Governing Law:** This Agreement and matters connected with the performance hereof shall be construed, interpreted, applied and governed in all respects in accordance with the Laws of the State of California, the United States of America without regard to conflicts of laws principles. California shall be the venue of any litigation brought by either party to this Agreement.
24. **Prevailing Party Attorneys Fees:** In the event either party to this agreement commences legal action against the other party, the prevailing party in such action shall be entitled to recover from the other party its reasonable attorneys fees and related costs.

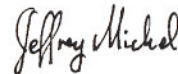
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above by their duly authorized signatures below.

USCL Corporation



Tom D. Tamarkin  
President & CEO

Jeffrey Michel



Jeffrey Michel