

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (this "MOU"), dated 29th day of April 2004, is entered into between IPS Ltd., a corporation organized under the laws of the Republic of Korea, with an address at #33 Jije-dong, Pyungtaek, Kyungki-Do, Korea ("IPS") and VESTA Technology, Inc., a Delaware corporation, with an address at 3973 Soutirage Lane, San Jose, CA., 95135, USA ("VESTA"). IPS and VESTA are sometimes referred to in this MOU, individually, as a Party and, collectively, as the Parties.

Recitals

A. Whereas, IPS and VESTA are engaged in discussions regarding the possible formation of a strategic alliance in the United States to market, distribute, develop, support and service IPS' products worldwide (the "Alliance").

B. Whereas, the Parties wish to memorialize their current understandings and agreement prior to preparing definitive documentation.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration and intending to be legally bound, the Parties agree as follows:

Agreement

1. Confidentiality. As soon as reasonably practical, the Parties shall execute and deliver a mutual nondisclosure agreement. The Parties agree that IPS' confidential and proprietary information generally consists of technical information about its current product as well products that are currently in research and development, and VESTA's confidential and proprietary information generally consists of new orders, sales customer relationships, customers lists, marketing or business projections and pricing pertaining to IPS' products. The Parties shall maintain the confidentiality of such information for a period of five (5) years.
2. Exclusive License Agreement. IPS shall license, on an exclusive basis, all of its technology and related intellectual property to VESTA to be used in connection with joint research and development activities to be conducted in connection with the Alliance.
3. Exclusive Distribution Agreement. IPS shall retain VESTA as its exclusive worldwide distributor of all of its commercial products, except that IPS shall retain all rights with respect to Korea. VESTA shall also be the exclusive provider of sales, marketing and support services for IPS' products throughout the world.
4. Brands. IPS shall license all of its trademarks, service marks and trade names to VESTA for use in connection with the activities contemplated by the Parties in connection with the Alliance.
5. Future Activities. Promptly following the execution and delivery of this MOU, the Parties shall use their best efforts to form the Alliance and to negotiate and sign the definitive agreements referenced in this MOU.

6. Counterparts. This MOU may be executed in multiple counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same instrument. Signatures received by facsimile shall be deemed the same as originals.

7. Governing Law. This MOU shall be governed by and interpreted in accordance with the laws of the State of California, excluding that body of law related to choice of law.

8. Entire Agreement. This MOU sets forth the current understanding and agreement of the Parties as to the subject matter of this MOU and may only be amended or modified by a written agreement duly executed by both Parties. It is intended that the above-referenced definitive agreements will amend and supercede this MOU its entirety.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in their names by their properly and duly authorized officers or representatives as of the date first above written.

IPS Ltd.

VESTA Technology, Inc.

By: H.S. CHANG

By: [Signature]

Name: HO SEUNG CHANG

Name: Chuck Kim

Title: CEO & President

Title: Exec. Director & Secretary

