

## PATENT LICENSE AND SETTLEMENT AGREEMENT

This Patent License and Settlement Agreement ("Agreement"), dated and effective as of December \_\_, 2007 (the "Effective Date"), is entered into, on the one hand, by Universal Avionics Systems Corporation, an Arizona corporation having its principal place of business at 3260 East Universal Way, Tucson, Arizona 85706 ("Universal"), and Optima Technology Corporation, a California corporation having its principal place of business at \_\_\_\_\_ ("Optima"). Universal and Optima are individually or collectively hereinafter referred to as "Party" or "Parties."

### WITNESSETH

WHEREAS, Optima is the assignee of U.S. Patent Nos. 5,566,073 (the "'073 patent"); 5,904,724 (the "'724 patent"), 5,978,488, 6,337,436 (*see* Exhibit A attached hereto) and provisional Application No. 60/745,111;

WHEREAS, Optima, through its sole Director and Authorized Signatory, Reza Zandian, represents and stipulates that it is the owner of the Optima Patents, as defined below;

WHEREAS, Universal filed a complaint (the "Complaint") against Optima, Optima Technology Group, Inc., Robert Adams and Jed Margolin on or about November 9, 2007 in the United States District Court for the District of Arizona, Civil Action No. 2:07-CV-02192-MHB (the "Litigation"), seeking a declaratory judgment of non-infringement and invalidity of the '073 and '724 patents and asserting claims from breach of contract, unfair competition and negligent interference with prospective economic advantage;

WHEREAS, Optima has yet to file an answer to Universal's Complaint;

WHEREAS, Universal and Optima desire to resolve and settle the Litigation under the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the above premises and the mutual promises and covenants herein contained, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

### ARTICLE I DEFINITION - OPTIMA PATENTS

- 1.1 "Optima Patents" means U.S. Patent Nos. 5,566,073; 5,904,724; 5,978,488; 6,337,436 and any parents, continuations, continuations-in-part, divisionals, reexaminations, reissue applications or patents, and all foreign counterparts related to such patents as well as provisional application no. 60/745,111.
- 1.2 "Term" means the duration of this Agreement, as provided for in Article 5.2 below.

**ARTICLE II  
PATENT LICENSE GRANT**

- 2.1 Grant of License. Optima grants to Universal a non-exclusive license under the Optima Patents to make, have made, use, sell, offer to sell, import, export, advertise, or otherwise exploit and dispose of the inventions claimed in the Optima Patents.
- 2.2 Warranty. Optima represents and warrants that it has the legal power to extend the rights granted hereto to Universal in connection with the Optima Patents. Optima further represents and warrants that it is the sole and exclusive owner of the Optima Patents.
- 2.3 Third Party Infringement. Optima shall promptly report in writing to Universal during the Term of this Agreement any known infringement or suspected infringement of any of the Optima Patents, and shall provide Universal with all available evidence supporting the infringement and/or suspected infringement. Universal shall have the sole and exclusive right to bring an infringement action or proceeding against any infringing third party. In the event, in Universal's sole discretion, that Universal brings such an action or proceeding, Optima shall cooperate and provide full information and reasonable assistance to Universal and its counsel, at Universal's expense, in connection with any such action or proceeding and agrees to join such action or proceeding as a co-plaintiff if Universal considers Optima to be an indispensable party to said action or proceeding.
- 2.4 Duration. The patent license granted hereunder is fully paid-up and irrevocable, and shall extend for the life of the Optima Patents.

**ARTICLE III  
COMPENSATION**

- 3.1 Patent License. The patent license hereunder is granted on a fully paid-up basis and does not require the payment of any royalties.

**ARTICLE IV  
ASSISTANCE**

- 4.1 Assistance. During the Term of the Agreement, Universal agrees to provide Optima with cooperation and assistance in Optima's efforts at licensing the Optima Patents to third parties. The Parties agree that they shall share all income received in connection with such licensing activities, with Optima receiving 85% and Universal receiving 15% thereof.



action, claims, and demands whatsoever in law or in equity, that have been made by Optima or could have been made by Optima as of the Effective Date of this Agreement, including but not limited to claims arising or to arise out of the any infringement or asserted infringement of the Optima Patents at any time prior to the Effective Date of this Agreement.

## **ARTICLE IX MISCELLANEOUS**

- 9.1 **Final Order of Dismissal.** The Parties shall execute, or direct their respective counsel to execute on their respective behalves, a final order of dismissal of the Litigation as it relates to the Parties to this Agreement and present the same to the Court for entry. The Parties agree that the Court has jurisdiction over the Parties and shall maintain jurisdiction to enforce the terms of this Agreement. The Court's Stipulation and Order of Dismissal is shown in Exhibit B hereto.
- 9.2 **Acknowledgment of the Parties.** The Parties hereto acknowledge that their respective entry into this Patent License and Settlement Agreement is their knowing, intentional, free, and voluntary act and that each Party has had the opportunity and has availed itself of that opportunity to receive legal advice in connection with the execution of this Agreement. Each Party hereto acknowledges that it is responsible for its own fees and costs in connection with the Litigation and its termination, including all legal fees and costs.
- 9.3 **No Joint Venture.** Nothing contained herein shall be construed to place the Parties in the relationship of partners, joint venturers or agents, and the Parties shall have no power or right to obligate or bind one another in any manner whatsoever.
- 9.4 **Assignment.** The Patent License and Settlement Agreement hereunder and all rights and duties herein are personal to the Parties, and shall not be assigned, mortgaged, sublicensed or otherwise encumbered by either Party or by operation of law, without the other Party's prior written approval, which shall not be unreasonably withheld. Notwithstanding the foregoing, either Party may, without the written consent of the other Party, assign or otherwise transfer its rights under this Agreement as part of the sale, transfer of assets, stock or otherwise, to any one successor to all of its business to which this Agreement relates. Any such future assignment shall preclude the assignee from making any further assignment of rights under this Agreement, except to a single successor to all of the business to which this Agreement relates.
- 9.5 **Entire Agreement.** This Patent License and Settlement Agreement constitutes the entire agreement and understanding between the Parties and terminates and supersedes any prior agreement or understanding, written or oral, relating to the subject matter hereof. None of the provisions of this Agreement can be waived or modified except in a written document signed by the Parties. There are no representations, promises, agreements, warranties, covenants or undertakings other than those expressly contained in this Agreement. The headings on any paragraph hereof are for convenience purposes only

and shall not be used to construe or affect the meaning or interpretation of this Agreement.

- 9.6 Severability. If any term, provision, covenant or condition of this Agreement is held invalid or unenforceable for any reason, the remaining provisions of this Agreement shall continue in full force and effect as if this Agreement had been executed with the invalid portion eliminated, provided the effectiveness of the remaining portions of this Agreement will not defeat the overall intent of the Parties. In such a situation, the Parties agree, to the extent legal and possible, to incorporate a replacement provision to accomplish the originally intended effect.
- 9.7 Survivorship of Provisions. Notwithstanding the expiration or termination of this Agreement, all rights, obligations and remedies which accrued prior to the termination or expiration hereof shall survive such termination or expiration.
- 9.8 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which, taken together, shall constitute one and the same instrument. A signed counterpart may be delivered by facsimile transmission, which shall be effective upon confirmation of receipt, with the manually signed counterpart promptly delivered in the same manner as prescribed for notices under this Agreement.
- 9.9 Confidentiality. The Parties agree that the content of this Agreement will not be published or disclosed to any third party without the other Party's prior written permission.
- 9.10 Governing Law. This Agreement shall be construed in accordance with the laws of the State of Arizona, U.S.A., excluding choice or conflict of laws provisions. All Parties consent to the jurisdiction of the United States District Court for the District of Arizona for the enforcement of this Agreement, and for any dispute involving its alleged breach.
- 9.11 Waiver. If either Party fails to enforce any provision of this Agreement, this is not a waiver of such provision, nor of any other provision of this Agreement. No waiver of any breach of this Agreement is a waiver of any other or subsequent breach.
- 9.12 Draftsmanship. The fact that one of the Parties may have drafted or structured any provision of this Agreement or any document attached as an exhibit hereto shall not be considered in construing the particular provision either in favor of or against such Party.

IN WITNESS WHEREOF, the Parties have executed this Agreement through authorized officers as of the date set forth above.

**Universal Avionics Systems Corporation**

**Optima Technology Corporation**

By: \_\_\_\_\_

[NAME]  
[TITLE]

By: \_\_\_\_\_

[NAME]  
[TITLE]