



**3553 Westwind Blvd.
Santa Rosa, CA 95403
Phone 707-541-7000 FAX 707-541-7030**

March 2004 VIDA Products, Inc. Status Report

March 15, 2004

A lot of good things are happening at VIDA Products. Most importantly, VIDA recently succeeded in acquiring the rights to all the remaining Intellectual Property originally created by VertiCom. In addition to the IP, the acquisition included both hardware and software assets relating to VertiCom's most recent engineering and product development activities. This acquisition allows VIDA Products to quickly establish a line of high performance YIG-based components and sub-assemblies using the latest and most effective technology. The patents were originally awarded to Ron Parrott, VIDA's founder and CEO, while he was employed by VertiCom.

The VertiCom IP includes all of the documentation for both the VIDA Oscillator and the Hammerhead project. The VIDA Oscillator will be the heart of VIDA's oscillator and synthesizer product lines . . . providing the best possible phase noise and broadband tunability performance with reduced power requirements, improved resistance to vibration, improved tuning/switching speeds, and significantly reduced physical size. The Hammerhead project yielded the MTS-1600 which was the most recent product developed by VertiCom to address the market for a high performance synthesizer designed to be manufactured at the lowest possible cost. Some of you may have had the opportunity to evaluate one of the early prototypes. Initial customer acceptance of the MTS-1600 was enthusiastic. The product is fully documented to ultimately allow cost effective outsourcing to reliably and efficiently obtain optimum pricing. Hammerhead technology will be the nucleus of the Dolphin (military and secure communication applications), Thresher (superior phase noise for satcom applications), and Maco (fast switching for radar/sensor applications) product families.

We have a significant order in house for synthesizers using Hammerhead technology that will switch in under one millisecond while maintaining the ability to tune over full octave frequency ranges.

We hope to be able to share more of our future product development plans with you in the near future.