



Pacific Microsonics, Inc.
Steps to Obtaining an HDCD® Hardware Product License

<u>Step</u>	<u>Licensee Provides PMI</u>		<u>PMI Provides Licensee</u>
1.	Initial inquiry regarding HDCD license	⇒ ⇐	HDCD Licensee Package and Application
2.	Completed license application	⇒ ⇐	Confirmation of : a. Application acceptance with formal license documents or b. application rejection notice
3.	Signed license documents and \$2,500 initial license fee (1/2 of total required fee)	⇒ ⇐	a. Licensee information manuals, including detailed equipment approval procedures b. Signed license and approval to obtain sample IC's for prototype development
4.	Preliminary block or circuit diagrams and front panel art work (including display) of product for review	⇒ ⇐	a. Review of diagrams and modifications, if any, communicated b. Approval of preliminary diagrams
5.	Prototype circuit diagram and patent/trademark marking artwork for review	⇒ ⇐	a. Review of diagrams, patent/trademark markings and modifications, if any, communicated b. Approval of prototype circuit diagram and patent/trademark markings
6.	Prototype test results for review	⇒ ⇐	a. Review of test results and modifications, if any, communicated b. Approval of prototype test results
7.	Prototype product sample, with schematics, for review	⇒ ⇐	a. Review of prototype product sample and modifications, if any, communicated b. Approval prototype product sample
8.	Limited pilot run pre-production sample unit for evaluation	⇒ ⇐	a. Review of pre-production unit and modifications, if any, communicated b. Approval of pre-production unit c. PMI signed license agreement d. Authorization to purchase production quantity of IC's
9.	Owners manual and product literature for review	⇒ ⇐	a. Review of owner's manual/product literature and modifications, if any, communicated b. Approval of owner's manual and product literature
10.	Additional \$2,500 license fee (second 1/2 of total fee)	⇒ ⇐	Authorization for mass production granted