

ATTACHMENT EE – INTELLECTUAL PROPERTY LICENSE

I. Definitions:

This Intellectual Property License will hereinafter be referred to as the “IP License”.

The railroad from Virginia City, Nevada to Gold Hill, Nevada will hereinafter be referred to as the “Short Line”.

The railroad from the end of the “Short Line” in Gold Hill, Nevada to Carson City, Nevada will hereinafter be referred to as the “Long Line”.

II. Terms:

The Parties hereby agree that during the Contract Term, which is specified in *Section 1, Contract Term*:

1. VTRR grants the Commission an exclusive license with the right to sublicense the VTRR IP on and in connection with the operation of a tourist railroad between Virginia City, Nevada and Carson City, Nevada and a non-exclusive license to use the VTRR marks on promotional merchandise.
2. The Commission shall include, reference and acknowledge on the Commission’s website VTRR’s Short Line along with the Commission’s Long Line, (including at a minimum its comparable schedule, website and phone number,) except in connection with the Carson River Canyon Loop which may be marketed on its own. The Commission shall not use the VTRR mark on any trains that do not use VTRR tracks, i.e. trains that do not come into Virginia City, Nevada.
3. In order to facilitate VTRR’s exercise of quality control, the Commission and its sub-licensees shall submit to VTRR product samples of any VTRR merchandise as well as all marketing, advertising, promotional and ticketing materials created on its behalf at least thirty (30) days prior to mass production thereof VTRR shall provide specific reasons for disapproval of any item within 14 days of its receipt and all samples not expressly disapproved in writing shall be deemed approved. After approval, the commercially distributed merchandise and/or marketing materials must be of substantially similar nature and quality to that which was approved.
4. VTRR maintains any and all rights not expressly granted herein and specifically the right to use or license its VTRR IP in connection with the operation of the Short Line and the promotion thereof, including on retail and wholesale merchandise.
5. VTRR shall acquire and maintain one or more trademark registrations of the VTRR marks for railroad services.
6. The Commission shall pay VTRR a royalty of seven and one-half percent (7.5%) on its gross revenue from the sale of any merchandise bearing the VTRR IP. Payments shall be made twice annually, within 45 days after the end of the second and fourth quarters of each calendar year.
7. Any and all intellectual property rights resulting from the Commission’s use of the VTRR IP inures to VTRR.
8. The Commission shall adhere to the Quality Control provisions set forth on Exhibit B to this Agreement, which is a necessary part hereof.
9. All billboards, websites, brochures and posters bearing the VTRR IP shall state "Used by Permission from the Virginia & Truckee Railroad Co."

10. VTRR may inspect the Commission's books and records, premises railroad track and equipment used in operation of the Long Line to ensure compliance with this IP License upon ten (10) days written notice. The Commission may provide documents reflecting revenue received from ticket and merchandise sales under this IP License in lieu of providing its books, provided that such records are maintained in the normal course of business and contain detail sufficient for VTRR to confirm the royalties due and owing under this IP License.
11. In the event of a breach of this IP License, each Party's' damages shall be capped at fifty thousand dollars (\$50,000).
12. The Commission would be in material breach of this IP License if it: (a) failed to provide consideration provided for in Subsections II.6 and II.10 of this IP License; (b) failed to comply with the quality control provisions on Exhibit B or (c) Failed to include the identification designations called for in Subsection II.9.
13. V&T would be in material breach if it: (a) failed to register its mark as provided for in Paragraph 5 of this IP License or (b) failed to enforce its rights in the V&T mark against infringement for use in connection with tourist railroad services.
14. Within thirty (30) days of the Termination Date of this IP License: (a) the Commission shall pay all unpaid royalties; (b) the Commission and any sub-licensees shall cease use of the VTRR IP; (c) the Commission shall provide written certification that conditions (a) and (b) have been met.
15. In the event Attachment CC of the Contract, Charter Services Agreement, is terminated for any reason, VTRR shall continue to allow the Commission to use the VTRR IP on the Commission's Track.

(End of Attachment EE- Intellectual Property License)

Exhibit A - VTRR INTELLECTUAL PROPERTY (VTRR IP)

1. The following marks are licensed in connection with tourist railroad services:





VIRGINIA & TRUCKEE RAILROAD
VIRGINIA & TRUCKEE
V&T RAILROAD
V&T
QUEEN OF THE SHORT LINES
VIRGINIA & TRUCKEE R.R. QUEEN OF THE SHORT LINES
VIRGINIA & TRUCKEE RAILROAD QUEEN OF THE SHORT LINES 
<i>Yellow and green with black trim trade dress.</i>   

Exhibit B – VTRR QUALITY CONTROL PROVISIONS

Type of Trains & Exterior Appearance of Passenger Trains

All passenger train equipment must be, or appear to be, vintage, i.e., from the 1930s or earlier.

All passenger coaches shall bear VTRR's distinctive green and yellow trade dress.

All passenger coaches shall have a letter-board bearing the VIRGINIA & TRUCKEE service mark.

All passenger coaches shall be numbered in sequence.

All passenger coaches shall be named after a Nevada regional town or location. All passenger coaches shall have Pullman riveted iron safety gates.

The letter-board name, and numbering of each train shall be in the same color paint in gold leaf, silver gilt or red or black.

Interior Appearance of Passenger Coaches

All closed passenger coaches shall have 19th Century or turn-of-the-century appearances.

VTRR shall control on the appearance of the interior of the passenger coaches, as part of its efforts to create a "magical" authentic vintage train experience for all passengers (see Miscellaneous provisions herein as follows below).

All closed passenger coaches shall have historical displays (e.g., photographs, maps, old posters, etc.) in the advertising spaces.

All closed passenger coaches shall have clerestory style windows and roofing.

All closed passenger coaches shall have wicker or mohair or leather or leatherette walkover seats.

All closed passenger coaches shall have Victorian style carpet.

All closed passenger coaches shall have vintage lighting.

All closed passenger coaches shall have appropriate time period artifacts in the luggage racks.

All closed passenger coaches shall have polished mahogany or hardwood railings and window frames.

All closed passenger coaches shall have provisions for old-style bell cords.

The interior of each passenger train shall be cleaned and the windows shall be washed after each day's run between Virginia City and Carson City or Carson City and Virginia City to maintain the highest standards of cleanliness and professionalism.

Photography Policy

Public photography is encouraged, and all employees shall facilitate people taking photographs of the train equipment, so long as it may be accomplished safely and does not interfere with the operation of the trains.

Dress Code

All conductors on the open-air-excursion trains shall wear uniforms consisting of a VTRR baseball

cap or a conductor's hat, a white or denim shirt, a black or denim vest and black or denim pants. All conductors on the closed passenger coaches shall wear uniforms consisting of a conductor's hat, a white shirt, a black or denim vest with a pocket watch, and black or denim pants.

The only baseball caps that may be worn by any public-facing employees are the authorized VTRR baseball caps.

Employees may be required to wear costumes on occasion during theme coaches, e.g., dressing up like elves during the Christmas Train or wearing costumes on the Halloween train, etc.

1.1 Fundraising Transparency

All fundraising efforts must explicitly state: (a) what entity or individuals are conducting the fundraising activity; and (b) what entity or entities shall receive the funds that are raised (c) and the amount of gross revenue to be distributed.

Any fundraising activities that shall not result in funds being provided to VTRR shall expressly state that the funds raised will not be distributed to the Virginia & Truckee Railroad Company.

Upon ten (10) days' written notice, VTRR may inspect the Fundraiser's books and records, to ensure compliance with this IP License.

1.2 General Provisions

All train employees shall demonstrate knowledge and passion for railroad heritage and preservation.

The Commission shall not interfere with or prevent VTRR from maintaining the "Ma & Pa" image of hardworking entrepreneurs with "Yankee Ingenuity" for which the VTRR is well known and respected.

The Commission shall assist VTRR to maintain a flat organizational structure wherein the brand owner is able to make its representatives available to the ridership in order to provide highly personalized service to them; provided however that the Commission shall be allowed to maintain its own phone line if desired for the Long - Line.

VTRR's Principal shall be informed of all complaints, comments or compliments of which the Commission becomes aware relative to the tourist railroad services being offered in connection with this IP License.

