

STAY SAME

**VIRGINIA & TRUCKEE**  
**INTELLECTUAL PROPERTY LICENSE AGREEMENT**

This Agreement is effective as of last date of execution by the Parties below (Effective Date) by and between The Virginia & Truckee Railroad Co., Inc., a Nevada corporation (V&T), and the Nevada Commission for the Reconstruction of the V&T Railway, a political subdivision of the State of Nevada (Commission) (collectively the Parties).

**Section I** The following background is integral to this Agreement:

1. Since at least as early as 1976, V&T has engaged in railroad heritage preservation by operating a tourist railroad from Virginia City, Nevada to Gold Hill, Nevada (Short Line) under the marks and works shown on Exhibit A to this Agreement (incorporated by reference) (V&T IP).
2. Since at least as early as 1976, V&T also has sold a variety of promotional and souvenir merchandise under the V&T IP.
3. V&T owns all right, title and interest in and to the V&T IP, which it has the right to use and control.
3. The Nevada Legislature created the Commission in 1993 to extend railroad tracks from the end of the Short Line track in Gold Hill, Nevada down to Carson City, Nevada (Long Line).
4. The Long Line has been operational since August, 2009 and V&T has been the sole railroad operator for the Commission on the Long Line since that time.
5. V&T has allowed the Commission to use V&T's IP in connection with the Long Line since its inception in 2009.
6. V&T and the Commission wish to memorialize their agreement relative to the continued use of the V&T IP by the Commission.
7. This Agreement shall be effective for **ten (10) years** beginning the Effective Date (Initial Term). After the Initial Term, this Agreement shall renew automatically for two 5-year terms (Renewal Terms) unless one Party notifies the other of its intent to terminate the Agreement at least ninety (90) days prior to its automatic renewal.

**Section II** The Parties hereby agree that during the Term:

1. **V&T** grants the Commission an exclusive license with the right to sublicense the V&T IP on and in connection with the operation of a tourist railroad between Virginia City, Nevada and Carson City, Nevada during the Term and non-exclusive license to use the V&T marks on promotional merchandise during the Term.
2. During the Initial Term and any Renewal Terms (to prevent confusion) the Commission shall always market, advertise and promote V&T'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 (between Drake to East Gate) which may be marketed on its own. The Commission shall not use the V & T mark on any trains that do not use V&T tracks, i.e. trains that do not come into Virginia City, Nevada.

3. In order to facilitate V&T's exercise of quality control, the Commission and its sub-licensees shall submit to V&T product samples of any V&T 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 V&T 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. V&T maintains any and all rights not expressly granted herein and specifically the right to use or license its V&T IP in connection with the operation of the Short Line and the promotion thereof, including on retail and wholesale merchandise.
5. V&T shall acquire and maintain one or more trademark registrations of the V&T marks for railroad services.
6. The Commission shall pay V&T a royalty of seven and one-half percent (7.5%) on its gross revenue from the sale of any merchandise bearing the V&T 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 V&T IP inures to V&T.
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 V&T IP shall state "Used by Permission from the Virginia & Truckee Railroad Co."
10. In the event that a third-party operator takes over operation of the Commission's railroad, during the Term, then the Commission shall pay V&T a royalty of five percent (5%) of its gross revenue from tourist railroad tickets sales.

V&T 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 Agreement upon ten (10) days written notice. The Commission may provide documents reflecting revenue received from ticket and merchandise sales under this Agreement in lieu of providing its books, provided that such records are maintained in the normal course of business and contain detail sufficient for V&T to confirm the royalties due and owing under this Agreement

11. The addresses below the Parties signatures are to be used for any formal written notice regarding this Agreement.
12. This Agreement relates solely and exclusively to the licensing of intellectual property and not to any other aspect of the business relationship between the Parties.
13. In the event of a breach of this Agreement, each Parties' damages shall be capped at fifty thousand dollars (\$50,000).

14. This contract may be terminated by either party in the event that a material breach remains uncured after 60 days written notice or in the event that the Commission is dissolved or otherwise ceases operations for any reason. Termination will be effective as of the 61<sup>st</sup> day following delivery of notice of the breach (Termination Date).
15. The Commission would be in material breach of this Agreement if it: (a) failed to provide consideration provided for in Section II(6) and II(10) ; (b) failed to comply with the quality control provisions on Exhibit B or (c) Failed to include the identification designations called for in Section II(9).
16. V&T would be in material breach if it: (a) failed to register its mark as provided for in Section II(5) or (b) failed to enforce its rights in the V&T mark against infringement for use in connection with tourist railroad services.
17. Within thirty (30) days of the Termination Date of this Agreement: (a) the Commission shall pay all unpaid royalties; (b) the Commission and any sub-licensees shall cease use of the V&T IP; (c) the Commission shall provide written certification that conditions (a) and (b) have been met.
18. This is the entire agreement between the Parties. It was negotiated and prepared jointly by the Parties to govern the use of the V&T IP and supersedes any and all prior agreements, whether written or oral, before, during or after negotiation of this Agreement. This Agreement may be amended only in writing signed by both parties.
19. Each Party represents and warrants that it is fully able to enter into this Agreement and it has the authority and rights necessary to enter into this Agreement and perform the obligations required herein.
20. This Agreement be binding on and shall inure to the benefit of the parties hereto, and their heirs, administrators, successors, and assigns.

The provisions of this Agreement shall be binding on and shall inure to the benefit of the parties hereto, and their heirs, administrators, successors, and assigns.

Dated this \_\_\_\_ day of April, 2018

Dated this \_\_\_\_ day of April, 2018

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


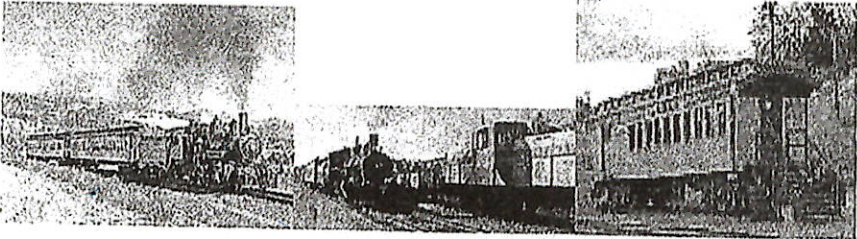


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By: \_\_\_\_\_

Deny Dotson, Chairman  
 Nevada Commission for the Reconstruction of  
 the V&T Railway  
 PO Box 1711  
 Carson City, Nevada 89701

**Exhibit A - V&T INTELLECTUAL PROPERTY (V&T IP)**

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>

 
<p>J. J. [unclear] [unclear] iiB.!!!!Mo-mH, &lt;J. 20. f.2.</p>
SILVER SHORT LINE

## **Exhibit B - V&T Railroad 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 Licensor'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 19<sup>th</sup> Century or turn-of-the-century appearances.

Licensor 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 days 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 V&T 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 V&T 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.

### **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 Licensor shall expressly state that the funds raised will not be distributed to the Virginia & Truckee Railroad Company.

Upon ten (10) days written notice, V&T may inspect the Fundraiser's books and records, to ensure compliance with this Agreement.

### **General Provisions**

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

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

The Commission shall assist V&T 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 Railroad.

V&T'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 Agreement.