

Jacobsen Declaration Exhibit L

The Conductor

KAM Industries Technology License Program

KAM Industries invests considerable resources in promoting and discovering new technologies and the applications of those technologies to model railroads. As a result of KAM's investment, KAM's novel software concepts are being expanded and enhanced to support the model railroad hobby. KAM products implement these novel concepts. KAM has been granted numerous patents on these novel technologies and processes.

KAM Industries software and technology is a licensed product. KAM Industries has significant Intellectual Property that is available for licensing to third party **software developers, dealers, distributors and manufacturers**. KAM Industries has a flexible technology license policy designed to promote the Model Railroad Industry, by sharing KAM Industries software and technology with other manufacturers and competitors. This document is a FAQ on KAM Industries licensing policy, basic licensee requirements, and basic financial requirements associated with such an agreement.

What countries does KAM Industries have patent protection in?

KAM Industries has patents that were issued in the United States, Canada, England, and Germany. In addition, KAM Industries has several pending patent applications for additional technology in the United States and other countries.

Who may license technology from KAM Industries?

KAM Industries has two types of licensees; (1) those that sign a license agreement directly with KAM Industries and (2) customers who purchase a licensed KAM Industries software product.

What patents and trademarks are available for cross license?

All of KAM Industries Intellectual property, including patents, trademarks, trade secrets, and copyrights are available for cross license. KAM Industries issued patents are identified on KAM Industries home page in the foot note section (www.kamind.com). Copies of KAM Industries patents are available at www.uspto.gov (enter the patent number in the search field) or select 'view patent option' at www.kamind.com.

How Can I tell if my product infringes?

The only manner to determine if any software product infringes any KAM Industry patents is to review the KAM Industry patents, normally by hiring an independent attorney.

What are the simple rules to tell if my software product infringes a KAM Industries patent?



KAM Industries patented technology was built on novel concepts that were not in use in the Model Railroad Industry when the technology was developed. This technology has wide ranging benefits and is just now becoming prevalent in the market. Manufacturers are realizing that they need to implement KAM Industries patented technology to address deficiencies in their software products and controlling processes. KAM Industries goal is to offer the technology to manufacturers at reasonable terms to help promote the Model Railroad Industry and to develop a wide range of software applications by licensing the technology to any and all interested parties.

The only manner to determine if any software product infringes any KAM Industry patents is to review the KAM Industry patents, normally by hiring an independent attorney. However, here are some simple questions as an initial guide; if the answer to any of these questions is yes, then your product will likely infringe one or more of KAM Industries patents and you should contact KAM Industries for a license.

- Does your product buffer command and control data to a command station in a non FIFO format?
- Does your product handle asynchronous commands between the user interface and the command station in a multi-threaded manner?
- Does your product process error feedback and modify the commands in the queue to control the command station?
- Does your product process out of sequence events from the command station in processing commands to the model railroad and modify the commands in the queue?
- Does your product not wait for a user interface command to be processed by the command station?
- Does your product distribute model railroad commands to an internal process that is asynchronous to the user interface?
- Does your product have a locking feature to ensure commands are written to a command station and are not shared between single and multi user processes?
- Does your product have a multicasting feature to ensure that commands that are written to a command station are shared between a single or multiple user processes?

If you have answered "Yes" to any of the above questions, you should consider contacting an independent attorney for evaluation and then contact KAM Industries for a license. **Note:** This list is merely intended to provide an overview of some of KAM Industries patents at this **point in time**. This list is not intended to limit or otherwise construe the claims of any of the patents. To ensure that your product does not infringe any KAM Industries patents, you should have your product evaluated against each patent by an independent attorney. KAM Industries files multiple patents in the patent office on a yearly basis for new technology. In addition, KAM Industries invests a significant amount of money on a yearly basis developing new technologies.

Do software manufacturers need a license if their product is compliant with KAM Industries programmatic interfaces? (NMRA proposed API, or KAM XML Interface)?

Any software manufacturer that distributes a software product that is compliant with the interface to KAM Industries Trains Server *and* incorporates the Train Server in their product does not need a license of any KAM Industries patents for that product. However, if that software product can operate in a standalone mode that does not require KAM Industries Train Server interface or Train Server, that software product requires a technology license if it infringes any patent of KAM Industries.

If I do not want to license KAM Industries technology, what should I do?

You will need to remove any feature from your software that infringes and cease distribution of any existing products that infringe on KAM Industries technology. You may not distribute infringing product in any form or manner.

What are the terms of KAM's license agreement?

KAM Industries license agreements are either a license agreement with a joint marketing agreement or a cross license agreement with a joint marketing agreement. Each agreement with KAM Industries is unique to the particular manufacturer and/or distributor.

What are the Royalties associated with KAM Industries license agreement?

KAM Industries technology license agreement fees start at \$19 per copy (quantity 1) and decrease with increased volume. The licensee fees are composed of two factors:

- What is the volume of the items being licensed?
- Has the end user already purchased a patented KAM Industries product?

As a KAM technology Licensee how can I tell if my end user has a licensed product?

KAM Industries Flexible License™ validation program is described below. This program is subject to modification and depends on the technology license agreement.

Briefly, manufacturers, dealers and developers have the option to establish a pre-paid royalty account with KAM Industries to validate end user licenses. The licensee submits the end user's email address to the KAM Industries website. KAM Industries contacts the end user and requests an acknowledgement from the end user on the product status and serial number. The licensee's account will be debited/credited when the end user responds to the request. KAM Industries goal is to supply the licensee credit if an end user has already purchased one of KAM Industries products.

I'm a small developer. Is there a simpler way to license KAM software?

KAM Industries allows developers to purchase distribution CDROMs from KAM Industries web site on an as-needed basis. The Licensee includes the KAM Industries serialized distribution CDROMs with the product being shipped by the Licensee. Each CDROM has a unique serial number, and requires the end user to activate the serial number within 45 days after installation. These CDROMS may be purchased in groups of 5 at \$19 per copy.

I'm a dealer shipping a freeware software product. Do I need a license?

Any product distributed that infringes any patent of KAM Industries requires a technology license. If you feel that the product you are distributing violates the KAM Industries technology license, you may purchase KAM Industries CDROMs from the developer site and supply a KAM Industries serialized licensed CDROM with each freeware product shipped.

Note: If you make, use, sell, offer for sale, or import a product that violates any patent of KAM Industries, you are legally responsible for such violations.

What companies and dealers does KAM Industries have legal action pending?

KAM Industries policy is to not comment on pending or contemplated legal actions. KAM Industries has previously filed two patent infringement lawsuits.

I'm an international company. Does the patent law apply to me?

KAM Industries patents are valid for all countries in which a patent exists. If you do business in any country where KAM Industries has a patent either through a local office, a dealer, distributors, OEMs, or through internet sales, you are required to license KAM Industries technology if your product is infringing.

What is KAM's policy on patent infringers?

KAM Industries desires to avoid legal action when possible and tries to resolve any issues through negotiation. In the case that negotiations are not successful, KAM Industries will institute legal action in an appropriate court to ensure compliance. KAM Industries will seek all appropriate injunctions to halt the distribution of product that violates KAM Industries intellectual property, both in the U.S. and internationally.

It is to be understood that this FAQ is provided merely for informational purposes, and that KAM Industries reserves the right to change any and all of its policies, licensing agreements, or royalty rates. In addition, if KAM Industries has to resort to any legal action and expense to enforce its rights against parties who do not respect its legal rights then the aforementioned rates may not necessarily apply.

For additional information on KAM product license program please contact:

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