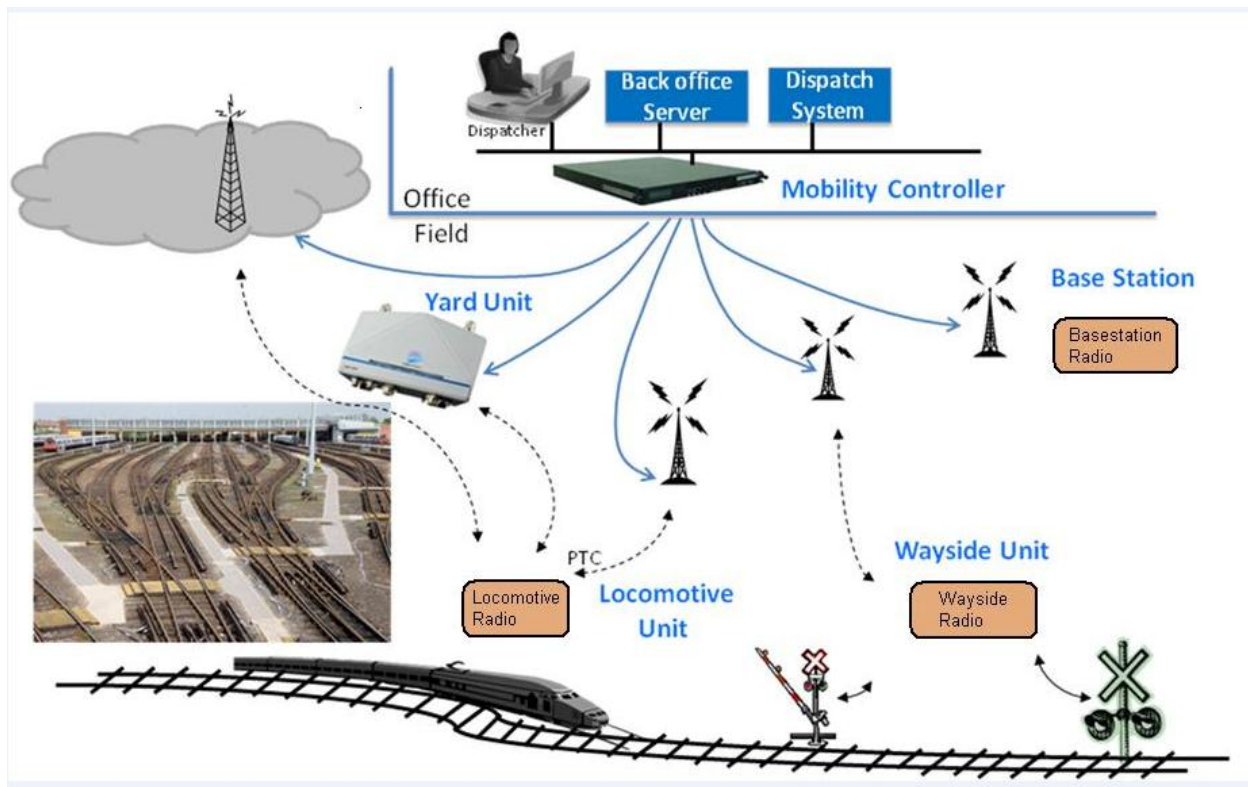


Question 7: if all the answers to Items 4, 5, 6 are “NO”, include as an exhibit a narrative statement describing in detail the following items:

- a. The complete program of research and experimentation proposed including description of equipment and theory of operation.
- There are three (3) components in the system, named: locomotive radio, wayside radio, and base-station radio. Dispatching command is initiated from central traffic control to the wayside track switches through radios; locomotive also receives command to proceed to using 220 MHZ radio. And locomotive uses peer to peer mode to communicate with wayside radio.



- b. The specific objectives sought to be accomplished.

- Lilee will develop product family in supporting PTC effort mandated by FRA (Federal Railroad Administration). Specifically, Lilee will provide both software and hardware of all locomotive, wayside, and base-station radios.

c. How the program of experimentation has a reasonable promise of contribution to the development, extension, expansion or utilization of the radio art, or I s along line not already investigated.

- The 220 MHZ PTC was originated from a government mandated signed-off by formal President George Bush, therefore, FRA decided to use the 220 MHZ radio for Train Control Purpose and Class 1. And Lilee is a premium vendor in supporting this effort in this industry.