GAME DEVELOPMENT AND PUBLISHING AGREEMENT

This Game Development and Publishing Agreement (the “**Agreement**”) is made as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “**Effective Date**”), and is entered into by and between **Walkin Games Inc**., a company incorporated under the laws of Ontario whose principal office is located at 1105-28 Elizabeth Street North, Mississauga, ON, L5G 2Z6 (“**Walkin**”) and **BZR Empire Inc**., a company incorporated under the laws of Canada, whose principal office is located at 171 Rue Adelard, Rosemere, QC, J7A 2Y3 (“**BZR**”). Walkin and BZR may be referred to collectively as the “**Parties**”.

WHEREAS BZR is a developer and publisher of game applications and related video game products;

WHEREAS Walkin is a creator of video game designs;

WHEREAS the Parties wish to establish the terms on which BZR will develop and publish a video game application based on a concept created by Walkin, and the Parties will each share in the funding of the development of such application;

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS

Unless otherwise specified, the following definitions shall apply to the Agreement:

**“Additional Content”** means any content incorporated into the Game that was not originally included or contemplated in the Game Design Document;

**“Affiliate(s)”** means the parents, divisions and subsidiaries under common corporate Control of a Party, whether at present or hereafter acquired;

**“Agreement”** means this Agreement, including the schedules to this Agreement as it or they may be amended or supplemented from time to time, and the expressions “hereof, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement;

**“Business Day”** means any day other than a Saturday, a Sunday or any day on which banks are generally not open for business in the City of Rosemere, Quebec, Canada;

**“BZR”** has the meaning provided for in the Preamble of the Agreement;

**“BZR Rights”** has the meaning provided for in Section 6.1 of the Agreement;

**“Co-development Fee”** has the meaning provided for in Schedule B of the Agreement;

**“Concept”** means the concept of the Game as described in Schedule A of the Agreement;

**“Confidential Information”** has the meaning provided for in Section 11.1 of the Agreement;

**“Control”** means, with respect to any corporation, the ownership of shares of the corporation, whether directly or indirectly, to which are attached more than fifty per cent of the votes that may be cast to elect directors of the corporation and the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate;

**“Damages”** has the meaning provided for in Section 9.1 of the Agreement;

**“Defaulting Party”** has the meaning provided for in Section 10.2 of the Agreement;

**“Deliverables”** means the specific versions of the Game that are required to be delivered by BZR to Walkin for every Milestone pursuant to Schedule B of the Agreement, together with any other item(s) mutually agreed upon by the Parties;

**“Derivative Products”** means any product or medium other than the Products which is based on or derived from the Concept, the Products or any element or component therein, including without limitation, T-shirts, board games, comic books, merchandise, books, films and television shows;

**“Development Costs”** means the costs incurred to develop the Game and any Additional Content and complete all of the Milestones, as defined in Schedule B of the Agreement;

**“Digital Distributor”** has the meaning provided for in Schedule A of the Agreement;

**“Direct Sales and Marketing Expenditures”** has the meaning provided for in Schedule B of the Agreement;

**“Effective Date”** has the meaning provided for in the Preamble of the Agreement;

**“End-User(s)”** means a person or entity that acquires a copy of the Products for use rather than resale or distribution;

**“Error(s)”** has the meaning provided for in Schedule A of the Agreement;

**“Game”** means the video game application to be developed by BZR in accordance with the specifications described in Schedule A and based on the Game Design Document;

“**Game Design Document”** means the document to be concluded by the Parties and appended to the Agreement detailing the core design elements of the Game, such as gameplay, art, sound and music, level/environment design, characters and story, which may be modified by the Parties from time to time;

**“Gross Receipts”** has the meaning provided for in Schedule B of the Agreement;

**“Indemnified Party”** has the meaning provided for in Section 9.1 of the Agreement;

**“Indemnifying Party”** has the meaning provided for in Section 9.1 of the Agreement;

**“License”** has the meaning provided for in Section 2.1 of the Agreement;

**“Object Code”** means the form of a software program resulting from the translation or processing of Source Code by a computer into machine language or intermediate code, and thus is in a form that is not convenient to human understanding of the program logic, but which is appropriate for execution or interpretation by a computer;

**“Manufacturing Cost”** has the meaning provided for in Schedule B of the Agreement;

**“Marketing”** or **“To Market”** means to advertise, promote, publish, sell, distribute, license and otherwise exploit;

**“Milestones”** means the steps in the development of the Game as defined in Schedule B of the Agreement;

**“Net Profit”** has the meaning provided for in Schedule B of the Agreement;

**“Net Receipts”** has the meaning provided for in Schedule B of the Agreement;

**“Parties”** has the meaning provided for in the Preamble of the Agreement;

**“Personal Information”** means information about an identifiable individual that is recorded in any form including, without limitation, the address of the individual and the name of the individual where it appears with other personal information relating to the individual or where the disclosure of the name itself would reveal information about the individual;

**“PDF”** means Portable Document Format;

**“Products”** means the Game including any Additional Content and Subsequent Works, if any;

**“Report”** has the meaning provided in Section 5.1 of the Agreement;

**“Royalty”** means the variable amount to be paid by BZR to Walkin for use of the licensed Walkin Content, the whole as set out in Schedule B, plus any and all applicable federal, provincial and municipal taxes presently or hereafter imposed upon any and all such amounts;

**“Source Code”** means the form of a software program in which the program logic is easily deduced by a human being, such as a printed listing of the program, or in an encoded machine-readable form, such as might be recorded on magnetic tape or disk, from which a printed listing can be made by processing it with a computer;

**“Subsequent Works”** means any video game product based on or derived from the Game or any element or component therein, including without limitation any sequel, version of the Game for an electronic platform other than the one indicated in Schedule A, future version of the Game on the platform indicated in Schedule A, and translation of the Game in a language other than those indicated in Schedule A;

**“Tentative Delivery Date”** means the tentative date of delivery of the Deliverables associated with each Milestone, as defined in Schedule B of the Agreement;

**“Term of the Agreement”** has the meaning provided for in Section 10.1 of the Agreement;

**“Terminating Party”** has the meaning provided for in Section 10.2 of the Agreement;

**“Territory”** has the meaning provided in Schedule A of the Agreement;

**“Trade Allowances and Discounts”** has the meaning provided for in Schedule B of the Agreement;

**“Walkin”** has the meaning provided for in the Preamble of the Agreement;

**“Walkin Content”** means the Concept and Working Title of the Game created by Walkin, as defined in Schedule A;

**“Walkin Rights”** has the meaning provided for in Section 6.2 of the Agreement;

**“Working Title”** has the meaning provided for in Schedule A of the Agreement.

1. LICENSE
   1. **License.** Subject to the terms of the Agreement, Walkin grants to BZR a perpetual and exclusive license to use the Walkin Content for the purposes of developing and Marketing the Products throughout the Territory, in any language and through sales by Digital Distributors(the “**License**”).
   2. **Sublicensing.** BZR may sublicense any or all of the rights granted to it in section 2.1 herein, subject to obtaining the prior written consent of Walkin, , provided however that BZR shall be jointly and severally liable, along with any such sublicensee, to Walkin for any acts or omissions of such sublicensees and that BZR shall require each such sublicensee to agree to terms no less restrictive than those borne by BZR herein and shall provide Walkin with a copy of each such sublicense. For greater certainly, no grant of a sublicense by BZR shall affect BZR’s responsibilities to Walkin as set out herein, notwithstanding that any such sublicensee shall be jointly and severally responsible to Walkin in accordance with the terms set out herein.
   3. **Reservation of Rights.** Other than as explicitly granted to BZR in sections 2.1 and 2.2 herein, Walkin reserves all of its right, title and interest in any to the Walkin Content and all of its other intellectual property.
2. DEVELOPMENT OF THE PRODUCTS
   1. **Development.** BZR shall develop the Game in accordance with the specifications described in Schedule A and based on the Game Design Document and execute the Milestones and deliver the Deliverables under the delivery schedule and in conformity with the requirements and description set forth in Schedule B. BZR shall not market or promote the Game or any similar product in association with any title or trademark other than the Working Title without the prior written consent of Walkin.
   2. **Quality Standards.** BZR shall develop the Game in accordance with reasonable industry standards and warrants to Walkin that the Game shall be free from material bugs, defects, Trojan horses and time bombs and that the Game shall not violate any agreement with any third party, including but not limited to Digital Distributors.
   3. **Development Costs for the Game.** The Development Costs shall be borne by the Parties in the following manner:
      1. Walkin shall pay BZR a Co-development Fee which shall be reimbursed by BZR to Walkin, the whole in the manner specified in Schedule B; and
      2. BZR shall bear any Development Costs not covered by the Co-development Fee.
   4. **Reasonability of Development Costs**. Notwithstanding anything to the contrary in this Agreement, BZR shall not incur unreasonable Development Costs.
   5. **Additional Content.** In the event that the Parties agree for BZR to develop Additional Content, the Parties shall negotiate in good faith to:
      1. adjust the amount and terms of payment of the Co-development Fee in order to reflect any additional Development Costs incurred by BZR to develop the Additional Content, if applicable;
      2. adjust the delivery schedule in Schedule B to reflect any additional time needed by BZR to develop the Additional Content, if applicable.
   6. Subsequent Works. In the event that the Parties agree for BZR to develop any Subsequent Works, BZR shall be entitled to so develop such Subsequent Works in the following manner:
      1. BZR shall be responsible for the entire cost and expense of such development;
      2. BZR shall comply with all its other obligations under this Agreement, including, without limitation, the payment of the Royalty to Walkin.
3. MARKETING OF THE GAME
   1. **Marketing.** BZR shall Market the Game in the manner specified in Schedule C.
   2. **Walkin’s Involvement.** Walkin may elect at any time to become involved in the Marketing of the Game in which case both Parties agree prior to any reasonable Marketing expenses incurred by Walkin that will be offset against Marketing and Direct Sales expenses incurred by BZR for the purposes of calculating the Royalty.
   3. **Walkin’s Cooperation.** Walkin shall provide BZR with reasonable cooperation and support in BZR’s efforts to Market the Game, as required by BZR. The parties shall negotiate in good faith to determine the value of such cooperation and support, which shall be offset against Marketing and Direct Sales expenses incurred by BZR for the purposes of calculating the Royalty.
4. Royalty
   1. **Royalty.** BZR shall pay Walkin a Royalty in the manner specified in Schedule B.
   2. **Expenditures.** Direct Sales and Marketing Expenditures related to the Game shall be borne by BZR and shall not exceed the maximum amount previously agreed upon by the Parties for any given period. Direct Sales and Marketing Expenditures that were not pre-approved by Walkin shall not be deducted from the Gross Receipts for the purposes of the calculation of the Royalty specified in Schedule B.
5. REPORTING, ACCOUNTS AND AUDITING
   1. **Reports.** At the time of the reimbursement of the Co-development Fee and payment of the Royalty by BZR to Walkin as specified in Schedule B, BZR shall deliver to Walkin a report which shall provide all reasonably necessary information for computation of the payments, if any, due to Walkin for the relevant period, together with any adjustments in payments due by Walkin with respect to such period (the “**Report**”). The reports should include verifying third-party documentation, where applicable. Walkin shall have no obligation to review such reports nor to report any discrepancies, and the failure to do so shall not affect, in any way, Walkin's right to later collect any deficient payments from BZR.
   2. **Separate accounts, books and records.** BZR shall maintain separate accounts, books and records of all business done in connection with the Products for the Term of the Agreement and one year after termination thereof. Such accounts, books and records shall be in sufficient detail to enable the Reports to be properly made, and for inspection and audit to be properly conducted, under this Agreement.
   3. **Inspection and audit.** Walkin may retain a third-party auditor, upon reasonable notice to BZR, during normal business hours and no more than twice per year, in order to inspect the books and records of BZR on which the Reports are based, provided that such auditor shall hold such records in strict confidence except as necessary to report to the Parties on the accuracy of BZR’s Reports. Reports not subject to an audit within one year of receipt by Walkin shall not be challenged by Walkin and shall be final and binding upon the Parties. The cost for retaining such third-party auditor shall be borne by Walkin unless such third-party auditor determines through an inspection of a Report that the Royalty actually payable by BZR to Walkin for a Period varies more than 10% from the Royalty actually paid to Walkin by BZR for that Period.
6. OWNERSHIP AND INTELLECTUAL PROPERTY RIGHTS
   1. Except for and subject to the **Walkin Rights** (defined in Section7.2), as between the Parties, BZR shall own all rights in and to the Products and Deliverables as well as any rights related thereto, including intellectual property rights (the “**BZR Rights**”). Without limiting the generality of the foregoing, the BZR Rights shall include, subject to the Walkin Rights:
      1. Any and all rights, including intellectual property rights, in and to the title if different from the Working Title, Source Code, Object Code, trade dress, trade name, trade-marks, logos, script, speech, dialogues, catch phrases, images, storyline, settings, characters, character creation system, models, animations, characterizations, designs, graphics, artwork, music, sounds, audio-visual display, and other characteristics and creative elements associated with the Products and Deliverables;
      2. The rights in and to all materials created by or for BZR in relation the Marketing of the Products;
      3. The right to obtain any intellectual property registrations relating to the Products and Deliverables;
      4. Any and all data regarding the use of, and End-users of, the Products, including any Personal Information, regardless of the Party collecting or receiving such data and/or the manner in which such data is collected.
   2. As between the Parties, the Walkin Rights shall be held exclusively by Walkin and shall consist in:
      1. Any and all rights, title and interest, including intellectual property rights, in and to the Working Title, the Walkin Content, all trade dress, trade names, trade-marks, logos, scripts, speech, dialogues, catch phrases, images, storyline, settings, characters, characterizations, designs, graphics, artwork, music, sounds, audio-visual display, and other characteristics and creative elements included in or inferable from the Walkin Content, the Concept or the Game Design Document, subject to the License;
      2. A percentage of the BZR Rights equivalent to the greater of: (i) the entire Co-development Fee, whether or not actually delivered to BZR, divided by the Development Costs actually incurred; and (ii) 50%;
      3. Any and all right, title and interest in and to the Derivative Products
   3. Upon reasonable request of any of the Parties, the Parties shall sign any additional documents confirming the Parties’ respective ownership rights hereunder. All reasonable costs related to such request shall be borne by the Party who made such request.
   4. At any time during or after the Term of the Agreement, each Party shall refrain from directly or indirectly contesting, usurping, infringing or asserting any claim or interest in or to anything which may adversely affect the validity or enforceability of any intellectual property rights of the other Party under the Agreement, nor shall it participate in or facilitate the commission of such acts.
   5. Walkin shall cooperate in all reasonable ways with BZR in BZR’s anti-piracy and anti-counterfeiting efforts with respect to the Products. Without limiting the generality of the foregoing :
      1. Walkin authorizes BZR to take such actions, including without limitation legal actions in its own name and/or the name of Walkin, as BZR deems necessary and desirable to enforce or protect BZR’s and/or Walkin’s intellectual property rights in or relating to the Products, all at BZR’s cost and expense;
      2. Walkin agrees to reasonably cooperate with BZR, at BZR’s cost and expense, to:
         1. Obtain any intellectual property registrations relating to the Products as reasonably requested by BZR and in accordance with any reasonable schedule therefor provided by BZR; and
         2. Execute such additional documents as may reasonably be requested by BZR from time to time in connection with BZR’s anti-piracy efforts with respect to the Products.
   6. Notwithstanding anything to the contrary expressed or implied by this Agreement, the Parties shall not be prevented from using any ideas, knowledge, information, concepts, know-how, skills, or experience developed or obtained by it in the course of performing their obligations hereunder, provided that in so doing the Parties do not disclose any Confidential Information of the other Party or violate any rights of the other Party.
7. TECHNICAL SUPPORT
   1. After the Products are released, BZR shall be solely responsible, at its own cost and expense, for rendering support to End-Users regarding the Products.
8. REPRESENTATIONS AND WARRANTIES
   1. **General Representations.** Each Party represents and warrants that:
      1. it has the full power and authority and is free to enter into this Agreement and to perform its obligations hereunder;
      2. this Agreement, when executed, will be the legal, valid, and binding obligation of such Party; and
      3. its performance thereof will not conflict with any other agreement it has with or obligation it owes to any third party.
   2. **Walkin Representations.** Without limiting the generality of the foregoing, Walkin represents and warrants, solely to BZR and not to any sublicensee, that:
      1. it is the exclusive owner of the Walkin Content and has full authority to use the Walkin Content, authorize its incorporation into the Game and otherwise license it in accordance with the terms of the Agreement;
      2. it will maintain those rights in good standing for the Term of the Agreement, and
      3. to the best of its actual knowledge as of the date hereof, such use, incorporation and licensing of the Walkin Content will not infringe or violate any rights of third parties, including any rights of publicity, rights of privacy, patents, copyrights, trademarks, trade secrets and/or licenses;
      4. it has not previously granted nor will it grant any rights in the Walkin Content to any third party which are inconsistent with the rights granted to BZR under this Agreement;
      5. the Walkin Content is free of all liens and encumbrances and, to the best of its actual knowledge as of the date hereof, there will be no claims, demands or actions pending or threatened with respect thereto, except as may be created by this Agreement;
   3. **BZR Representations.** Without limiting the generality of the foregoing, BZR represents and warrants that:
      1. the Game shall conform in all material respects with the specifications set out in Schedule A and the Game Design Document and be developed in accordance with the delivery schedule and Milestones set out in Schedule B;
      2. the Products, including any Additional Content and excluding the Walkin Content, will be wholly original works of BZR and will not infringe or violate any rights of third parties, including any rights of publicity, rights of privacy, patents, copyrights, trademarks, trade secrets and/or licenses;
      3. it shall perform its obligations under the Agreement in a proper and workmanlike manner in accordance with the standards reasonably expected in North America in the video games industry;
      4. the Products will not include any material bugs, defects, Trojan horses, backdoors, timebombs or other malicious code or routine;
      5. it has and will have, during the Term of the Agreement, the technology, personnel and systems necessary to perform its obligations under this Agreement;
      6. it shall not include any language or material that is obscene, libelous or defamatory in the Products (and Additional Content, if any);
      7. the Products (and Additional Content, if any) shall be free of all liens and encumbrances and there will be no claims, demands or actions pending or threatened with respect thereto, except as may be created by this Agreement.
   4. **LIMITED WARRANTIES.** THE ABOVE EXPRESS WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES AND CONDITIONS (EXPRESS OR IMPLIED) AND THOSE ARISING BY STATUTE OR OTHERWISE IN LAW OR FROM A COURSE OF DEALING OR USAGE OF TRADE, INCLUDING BUT NOT LIMITED TO WARRANTIES OR CONDITIONS OF MERCHANTABLE QUALITY OR FITNESS FOR A PARTICULAR PURPOSE. NO OTHER WARRANTIES OR CONDITIONS EXPRESS OR IMPLIED ARE GIVEN.
   5. **No Extension of Representations.** BZR shall not extend Walkin’s representations, warranties and indemnities contained herein to third parties, including BZR’s customers and sublicenses. Walkin shall be entitled to treat any breach of this provision as a material breach of the Agreement.
   6. **Survival.** The representations, warranties and indemnities stated in this section shall survive the expiration or termination of this Agreement.
9. INDEMNIFICATION
   1. **Indemnification.** Each Party (the “**Indemnifying Party**”) shall defend, indemnify, and hold harmless the other, its Affiliates, their respective directors, officers and employees (the “**Indemnified Party**”) from and against any and all losses, claims (including third‑party claims), actions, damages, liabilities, costs and expenses (including reasonable legal fees and expenses) (collectively, “**Damages**”) suffered by, imposed upon or asserted against any of them as a result of, in respect of, connected with, or arising out of, under, or pursuant to:
      1. the failure of Indemnifying Party to perform or fulfil any of its obligations under this Agreement;
      2. any breach or inaccuracy of any representation, warranty or guarantee given by the Indemnifying Party contained in this Agreement; or
      3. the negligence or wilful misconduct on the part of the Indemnifying Party.
   2. **Limitation on Damages.** In no event will either Party hereto be liable with respect to the subject matter of this Agreement for any indirect, consequential, special, incidental, exemplary or punitive damages or similar damages or losses of any nature whatsoever, including, without limitation, for any loss of clientele, sales or profits, regardless of whether arising from breach of contract, warranty, tort, delict, quasi-delict, strict liability or otherwise, even if the Party is advised of the possibility of such damage or loss or if such loss or damage could have been reasonably foreseen.
   3. **Notification.** Promptly upon obtaining knowledge thereof, the Indemnified Party shall notify the Indemnifying Party of any cause which the Indemnified Party has determined has given or could give rise to indemnification under this section. The omission so to notify the Indemnifying Party shall not relieve the Indemnifying Party from any duty to indemnify and hold harmless which otherwise might exist with respect to such cause unless (and only to that extent) the omission to notify materially prejudices the ability of the Indemnifying Party to exercise its right to defend.
   4. **Defence.** The Indemnified Party may, at its own expense, assist in the defence if it chooses, provided that the Indemnifying Party shall control such defence and all negotiations relative to the settlement of any such claim and further provided that any settlement intended to bind or otherwise obligate the Indemnified Party shall not be final without the Indemnified Party’s written consent, which shall not be unreasonably withheld.
10. TERM AND TERMINATION
    1. **Term of the Agreement.** The Agreement shall come into force on the Effective Date and, unless otherwise terminated, shall remain in force and shall continue indefinitely (the “**Term of the Agreement**”).
    2. **Termination with Cause.** Either Party (such Party being referred to as the “**Terminating Party**”) may terminate the Agreement in the following circumstances:
       1. upon notice by a third party of infringement by either Party of such third party’s intellectual property rights as a result of the performance by either Party of its obligations hereunder or in the event of a significant challenge to manufacture or Marketing of the Product as provided hereunder that may not, in the reasonable opinion of either Party, be reasonably overcome; or
       2. the material breach of a material provision hereof by the either Party.

Where any such default may be cured, the Terminating Party must give the other Party written notice detailing the nature of the alleged default. If the default is not cured within thirty (30) days after such notice, the Terminating Party may terminate the Agreement by giving written notice of termination to the other Party which will be effective upon receipt.

* 1. **Termination for Insolvency.** Either Party may terminate this Agreement, at its sole discretion, in the event that the other Party is unable to pay its debts when due or becomes insolvent or adjudged bankrupt or insolvent, or consents to being subject to bankruptcy or insolvency proceedings, or is placed in the hands of a receiver, enters into any scheme or composition with its creditors, makes an assignment for the benefit of its creditors or is dissolved, liquidated or otherwise wound up.
  2. **Consequences of Termination by BZR.** In the event that BZR terminates the Agreement due to Walkin’s default:
     1. Before the Game is fully developed, BZR may pursue the development of the Game and Marketing of the Game for one year beginning on the date it is first made available by a Digital Distributor, provided that: (i) it reimburses the portion of the Co-development Fee already paid by Walkin; and (ii) except for sections 3.3(a), 3.5, 7.5, 9.2 and any indemnification by Walkin to BZR, this Agreement shall continue in full force and effect until the end of such one year period;
     2. After the Game is fully developed, BZR may pursue the Marketing of the Game for a year after termination, during which except for sections 3.3(a), 3.5, 7.5, 9.2 and any indemnification by Walkin to BZR, this Agreement shall continue in full force and effect and, should BZR wish to pursue the Marketing of the Game past that year, the Parties shall have the obligation to negotiate in good faith the terms upon which BZR may pursue the Marketing of the Game.
  3. **Consequences of Termination by Walkin.** In the event that Walkin terminates the Agreement due to BZR’s default:
     1. BZR shall cease any and all activities related to the development of the Products; and
     2. Walkin shall be the owner of the full right, title and interest in and to the BZR Right only for use to further develop and support the Game..
     3. BZR shall promptly make available to Walkin all Deliverables and/or the Products or any element thereto then existing via the projects version control system;
     4. Walkin shall have the right to exploit the Concept in any manner;
     5. BZR shall not have the right to use the Deliverables and/or the Products or any element thereto or to exploit the Concept as defined in the attached design document provided by Walkin Games Inc. in any manner without Walkin’s prior approval;
  4. **No limitation.** Save as otherwise provided above, nothing in this section shall be construed to limit or impair any other rights or remedies of the parties under this Agreement (especially Section 9) or at law or in equity by reason of any breach by a Party of this Agreement.

1. CONFIDENTIAL INFORMATION
   1. **Confidential Information.** Each Party acknowledges that it will receive confidential information and trade secrets (“**Confidential Information**”) from the other party in the course of performing the Agreement. The Confidential Information shall be deemed to include all the information one Party receives from the other, except anything designated as not confidential. Each Party agrees to maintain the secrecy of the other Party’s Confidential Information and agrees not to use it except in performing the Agreement and not to disclose it to anyone outside BZR or Walkin or to anyone within BZR or Walkin who does not have a need to know it to perform under this Agreement, save and except for outside financial and legal advisors that are subject to a similar obligation of confidentiality, or pursuant to an order of a competent judicial body.
      1. Without limiting the generality of the foregoing, Confidential Information shall include (i) information relating to existing or contemplated products, services, designs, technology, processes, technical data, engineering, methodologies and concepts; (ii) information relating to business plans, finances, sales or Marketing methods and customer lists or requirements; (iii) the content of the Agreement and any prior agreement or understanding entered into by the Parties prior to the Effective Date.
      2. Without limiting the generality of the foregoing, Confidential Information shall not include any information which is publicly available at the time of disclosure or subsequently becomes publicly available through no fault of the recipient Party or is rightfully acquired by the recipient Party from a third party who is not in breach of an agreement to keep such information confidential.
   2. The obligations of this Section are in addition to, not in place of, any confidentiality obligations the Parties and their respective employees, independent contractors and agents may be under pursuant to applicable law.
   3. This Section shall survive the termination of the Agreement.
2. DERIVATIVE PRODUCTS
   1. **Right of First Negotiation**. BZR shall have the right to be the first to negotiate with Walkin to develop and/or market any Derivative Product that Walkin intends to develop and/or market. If Walkin wishes to develop and/or market any Derivative Product, it shall notify BZR of such desire and give BZR specific detail of the Derivative Product in writing. BZR shall notify Walkin within fifteen (15) Business Days of BZR’s receipt of Walkin’s notice if it wishes to enter into negotiations with Walkin with respect to such Derivative Product. Walkin shall immediately thereafter negotiate exclusively with BZR in good faith with respect to such Derivative Product for a period of thirty (30) days. If BZR fails to notify Walkin within fifteen (15) Business Days of its desire to enter into such negotiations, or if BZR and Walkin are unable to come to agreement in good faith with respect to such Derivative Product within thirty (30) days after Walkin’s receipt of BZR’s notice of its desire to enter into such negotiations, then Walkin shall be free to pursue an agreement with a third party with regard to the Derivative Product.
3. MISCELLANEOUS
   1. **Assignment by BZR.** BZR’s rights and obligations under this Agreement may not be assigned to a third party (to the exception of subcontractors, see Section 14.3) without prior written consent of Walkin, which consent may not be reasonably withheld. Such third party shall assume and be bound by all of the terms and restrictions hereof.
   2. **Assignment by Walkin.** Walkin’s rights and obligations under this Agreement may not be assigned to a third party without prior written consent of BZR, which consent may not be reasonably withheld. Such third party shall assume and be bound by all of the terms and restrictions hereof.
   3. **Change of Control.** Either Party may immediately terminate this Agreement upon the Change of Control of the other Party without the prior written consent of the first Party, such consent not to be unreasonably withheld.
   4. **Subcontractors**. BZR shall have the right to have recourse to the services of subcontractors to fulfill its obligations under the Agreement. Subcontractors of BZR shall assume and be bound by all of the terms and restrictions hereof relevant in the circumstances. Notwithstanding the foregoing, BZR and such Subcontractor shall be jointly and severally liable to Walkin for all of their obligations under the Agreement.
   5. **Invitation to BZR meetings.** BZR shall invite Walkin to all internal meetings concerning the Game. BZR shall notify Walkin of any such meeting at least 48 hours in advance. In the event Walkin cannot attend a BZR meeting, BZR shall provide Walkin with a reasonably detailed written summary of the meeting details.
   6. **No Competitors.** Walkin understands and agrees that BZR may enter into similar agreements with third parties, other than for products that may be deemed competing with the Products.
   7. **Force majeure.** Neither Party shall be liable or deemed to be in default for any delay or failure in performance under this Agreement or interruption of service resulting directly or indirectly from acts of God, civil or military authority, acts of public enemy, wars, riots, civil disturbances, accidents, fires, explosions, earthquakes, floods, the elements, strikes, lockouts, labour disturbances, shortages of suitable parts, labour or transportation, delays caused by suppliers or any other cause beyond the reasonable control of such Party. In any such event, each Party shall perform its obligations hereunder within a reasonable time after the cause of the failure has been remedied. If a force majeure condition occurs, the Party affected by such condition shall, as soon as reasonably practicable thereafter, notify the other Party, advising it as to the nature and extent of the force majeure condition.
   8. **Currency.** Unless otherwise indicated, all dollar amounts referred to in this Agreement are expressed in Canadian dollars.
   9. **Severability**. If any provision of this Agreement is held invalid under an applicable statute or rule of law, such invalidity shall not affect other provisions of this Agreement which can be given effect without the invalid provisions, and to this end the provisions of this Agreement are declared to be severable. Notwithstanding the above, such invalid provision shall be construed, to the extent possible, in accordance with the original intent of the Parties.
   10. **Relationship between the Parties**. The Parties are independent contractors and shall not at any time be considered as partners or operating a joint venture or acting as principal or agent (mandator or mandatary) or employee of each other merely because they enter into this agreement and none of the Parties shall be entitled or shall have the power or right to bind or to oblige the other Party regarding a third party, unless otherwise specified in the Agreement.
   11. **Further Assurance.** The Parties hereto agree to execute such further agreements, documents, instruments and the like as may be necessary or desirable from time to time in order to effect the purposes of this Agreement and to carry out its provisions.
   12. **Joint Drafting and Neutral Construction.** This Agreement is a negotiated document and shall be deemed to have been drafted jointly by the parties and no rule of construction or interpretation shall apply against any particular party based upon a contention that the Agreement was drafted by one of the parties. This Agreement shall be interpreted in a neutral manner.
   13. **Applicable laws**. This Agreement is governed by the laws applicable in the Province of Quebec, Canada.
   14. **Election of Domicile**. The Parties agree to elect domicile in the judicial district of Montréal Province of Québec for the hearing of any claim arising with respect to the interpretation, application, performance, term, validity or effects of this Agreement.
   15. **Notice**. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be validly communicated by the delivery thereof to its addressees, either personally, by email, mail (postage prepaid) or reputable commercial courier service at the following postal and email addresses:
       1. To Walkin:

Walkin Games Inc.  
1105-28 Elizabeth Street North  
Mississauga, ON  
L5G 2Z6

Attention: Cary Walkin  
Email:[cary@walkin-games.com](mailto:cary@walkin-games.com)

* + 1. To BZR:

BZR Empire Inc.  
171 Rue Adelard  
Rosemere, QC  
J7A 2Y3

Attention: Matthew Zoern  
Email:[matthew@bzrempire.com](mailto:matthew@bzrempire.com)

or to such other email address, postal address or person as may be notified by any Party to the other. Any such demand, request or notice sent as aforesaid shall be deemed to have been received by the Party to whom it is addressed: (i) on the day it was delivered, if delivered personally or by commercial courier service, as aforesaid; (ii) on the third Business Day after it was mailed (excluding each Business Day during which there existed any general interruption of postal services due to strike, lock-out or other cause); or (iii) on the day of sending, if sent by email during normal business hours of the addressee on a Business Day and, if not, then on the first Business Day after the sending thereof.

* 1. **Entire agreement.** This Agreement, together with the schedules or other attachments named herein, attached hereto and made a part hereof in the future, if any, constitutes the sole and entire agreement between the Parties hereto and no representations, inducements, promises or agreements, oral or otherwise, not embodied or referred to herein shall be of any force or effect. This Agreement supersedes all prior agreements and understandings between the Parties hereto with respect to the subject hereof, including but not limited to the Letter of Intent signed by the Parties on November 18, 2013.
  2. **Modifications**. Any modification to the Agreement shall be made in writing and shall be binding only if signed by the Parties.
  3. **Waiver**. Failure or delay to exercise any right does not prevent a Party from later demanding full and exact compliance with the Agreement. A term of the Agreement can only be waived by a specific release in writing.
  4. **Headings**. The paragraph headings contained in this Agreement are for reference only and shall not affect the interpretation or meaning of this Agreement.
  5. **Binding agreement**. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto, their respective heirs, legal representatives, successors, successors in title and permitted assigns.
  6. **Language**. The Parties undersigned agree that this Agreement be written in English. Les Parties déclarent qu’elles ont demandé que la rédaction de ce contrat soit faite en anglais.
  7. **Counterparts**. This Agreement may be executed in several counterparts, each of which shall be enforceable as an original.
  8. **Execution by Exchange of PDF Copies.** This Agreement, including any schedules, may be executed by the Parties by exchange of PDF copies of the Agreement by email and the Parties are hereby authorized to act upon all such PDF copies as if they were originals.
  9. **Acknowledgement.** Each Party acknowledges that it has read and understands this Agreement and agrees to be bound by its terms.

**IN WITNESS WHEREOF**, the parties have executed this Agreement in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as of the date first set forth above.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **WALKIN GAMES INC.** | |  | **BZR EMPIRE INC.** | |
| By: |  | By: |  |
|  | Name: ⚫ |  | Name: Matthew Zoern |
|  | Title: ⚫ |  | Title:CEO |
|  | Date : ⚫ |  | Date: ⚫ |

SCHEDULE A

SPECIFICATIONS OF THE GAME

General information about the Game

|  |  |
| --- | --- |
| **Working Title** | Pattern Battle |
| **Platform(s)** | iOS with potential ports to Android, Blackberry, Windows Phone, Windows, Mac, Linux, PS3, PS4, Xbox 360, Xbox One, and Wii U. |
| **Language(s)** | French and English with potential other localization to Russian, Korean, Chinese, German, Danish, Dutch, Greek, Italian, Portuguese, Spanish, Polish, Hebrew, Swedish, Norwegian and Japanese. |
| **Territory** | The world. |
|  | **Original design concept document from Walkin Games appended** |

Summary description of the concept of the Game created by Walkin (the “Concept”)

The player must memorise and repeat a pattern of gestures and button commands correctly to progress to a more challenging sequence.

Logos and credits

Walkin’s logo and/or name shall appear alongside BZR’s name and/or logo in the opening screen of the Game and anytime credits are mentioned in both the game and in any marketing materials.

Quality requirements

Without limiting the generality of the other provisions of this Agreement, the Game shall be exempt of the following technical issues (“**Errors**”) before it can be released:

* + 1. Blocker: An issue of the highest importance that would have such a negative effect on the Game that it would be to detrimental to release with it. This includes, without limitation, server crashes, client crashes, unplayable gameplay and exploits; and
    2. Critical: An issue which severely effects Game play or player enjoyment but does not stop the player from progressing or playing the Game. A work around may exist but its use is unsatisfactory.

Without limiting the generality of the other provisions of this Agreement, the Game can but should not be released if it presents the following Error:

* + 1. Major: An issue which is easily noticeable and affects the player in a negative manner. Should this Error affect a lot of players, it should be bumped up in severity accordingly, as it reflects poorly on the Game. Post-launch, all identified Major errors shall be fixed within fourteen (30) days of reporting.

Without limiting the generality of the other provisions of this Agreement, the presence of the following Errors shall not impede the release of the Game:

* + 1. Normal: An issue that is common, such as a graphical or design issue that does not impact Game play, could affect public perception as to the quality of the Game. Should this Error affect a lot of players, it should be bumped up in severity accordingly, as it reflects poorly on the Game;
    2. Minor: An issue which is small, will not affect Game play and is unlikely to be noticed by a player.
    3. Trivial: An issue which is negligible and often due to personal taste or a difference of opinion, or graphical issues that are difficult to notice.
    4. Enhancement: A suggestion or feedback from a player that is not otherwise an Error.

SCHEDULE B

DELIVERY AND PAYMENT SCHEDULE

|  |  |  |
| --- | --- | --- |
| **Milestone** | **Delivery Date** | **Co-development Fee Payment** |
| Ideation and Preproduction | March 1, 2014 | $2,500 |
| Prototype | March 29, 2014 | $2,500 |
| First Playable | April 12, 2014 | $2,500 |
| Pre-alpha | April 26, 2014 | $2,500 |
| Alpha | May 24, 2014 | $2,500 |
| Closed Beta | June 7, 2014 | $2,500 |
| Beta | July 5, 2014 | $2,500 |
| Release | August 9, 2014 | $2,500 |

Milestone Definitions

**Ideation and preproduction**

* Definition of technologies
* Definition of the multiplayer goals
* Definition of the back-end architecture
* Moodboard
* User Flows based on initial game concepts.

**Prototype**

* Core Engine
* Server-Client communication
* Definition of the user data
* First test on device
* Wireframes for key screens based on User Flows.

**First Playable**

* Engine implemented
* Integrated solo player flow
* All screens are represented
* All transitions are represented
* Definition of move representation
* Integration of the first UI
* Initial Game-play and UI Design Concepts. Initial Logo design concepts.

**Pre-alpha**

* Standard moves implemented
* UX complete
* Definition of monetization
* Definition of social interaction
* Definition of app center interaction
* Deployed on device
* Refined UI concepts based on feedback from initial designs.

**Alpha**

* All moves implemented
* Enforced stability
* Finalized concepts for overall design direction of game. Most key screens represented. Logo refinement based on feedback.

**Closed Beta**

* Finalized monetization
* Compatibility testing
* Iteration of UI design where needed for any outstanding screens.

**Beta**

* Front-end debug
* Back-end debug
* Playtest feedback integration
* Scalability testing
* Refinement of UI based on feedback. Finalized Logo

**Release**

* Debug
* Polishing
* Integration with social interaction
* Packaging to publish on mobile
* Monetization packages
* Finalize all graphics based on any outstanding feedback.
* Publishing game on app centers
* Deployment of back-end

Terms of Delivery

BZR shall deliver to Walkin the Deliverables, including all source code accessible through version control system and other assets required to make the Deliverables, associated with each one of the Milestones on the Delivery Date identified in the table above.

In the event that BZR cannot deliver the Deliverables on the Tentative Delivery Date to Walkin , BZR shall notify Walkin promptly. The Parties shall then re-negotiate the Tentative Delivery Dates in good faith. Failure by BZR to deliver the Deliverables on the corresponding Tentative Delivery Date shall not constitute a material breach by BZR provided that the delay within which the Deliverables are delivered is not greater than ten (15) Business Days.

Walkin shall have ten (15) Business Days following delivery of each of the Deliverables to provide feedback, suggestions and comments to BZR regarding the Deliverables. BZR shall make reasonable efforts to modify the Deliverables according to Walkin’s comments, provided that such comments are reasonable in BZR’s sole opinion. If applicable, BZR shall provide Walkin with a modified version of the Deliverables within a reasonable time period.

Terms of Payment and Reimbursement of the Co-development Fee

Walkin shall pay BZR a fee in the total amount of CAD $20,000 plus any applicable taxes (the “**Co-development Fee**”) in eight instalments of CAD $2,500 upon the completion of each of Milestone. Each instalment of the Co-development Fee shall be paid within ten (10) Business Days of the delivery of the Deliverables associated with each Milestone.

The Co-development Fee plus applicable taxes shall be reimbursed by BZR to Walkin after BZR recouped the Development Costs that it incurred before any other disbursements are made from Gross Receipts. BZR shall then remit to Walkin the Net Profit (hereafter defined) generated by the sale of the Game on any digital distribution platform (the “**Digital Distributor**”) within thirty (30) days of the receipt by BZR of the monies related to the exploitation of the Game by the Digital Distributor, which is expected to be on a monthly basis, up until the Co-development Fee is fully reimbursed.

Terms of Payment of the Royalty

Royalty amount. Upon full reimbursement of the Co-development Fee plus applicable taxes by BZR to Walkin, BZR shall pay Walkin a Royalty equivalent to 50% of Net Profit. The Royalty is calculated as follows:

|  |
| --- |
| **Gross Receipts** |
| - Direct Sales and Marketing Expenditures |
| = **Net Profit**  **50% of Net Profit for Walkin (the “Royalty”)**  **50% of Net Profit for BZR** |

* + 1. “**Direct Sales and Marketing Expenditures**” means any and all reasonable operational or marketing costs relating to the Game and other than Trade Allowances and Discounts, all as approved by Walkin.
    2. “**Gross Receipts**” means all monies, directly or indirectly, including advertising revenue, in-Game purchases, or other revenue tools, actually received by BZR in connection with the sale of the Game by any Digital Distributor. In the event that BZR receives gross receipts in US Dollars, BZR shall pay that portion of the Royalty to Walkin in US Dollars to prevent foreign exchange losses on the Royalty.
    3. **“Net Profit”** means the Net Receipts less the Direct Sales and Marketing Expenditures, as approved by Walkin.

Subject to any agreed-to cap or fixed amount or percentage set forth above, all of the foregoing shall be calculated in accordance with GAAP.

Royalty payment. The Royalty shall be paid to Walkin within thirty (30) days of the receipt by BZR of corresponding Gross from a Digital Distributor, which is expected to be on a monthly basis. The Royalty shall be paid either by wire transfer or cheque, or as directed by Walkin.

SCHEDULE C

MARKETING OF THE GAME

**Commencement.** BZR shall commence the Marketing of the Game at the Beta Milestone, save for any delay caused by Walkin or by any other cause beyond BZR’s control.

**Commercially reasonable efforts.** BZR shall be responsible for the production of copies of the Game as well as all Marketing materials (including any strategy guides and Derivative Products) and shall use its commercially reasonable efforts to Market the Game in the Territory by exercising the same degree of effort and diligence, and adhering to at least the same standards and level of resources generally employed for products with similar market potential in the Territory. BZR makes no representations or warranties, however, that the Game will be successfully Marketed or that any minimum level of sales or licensing will be achieved.

**Marketing Rights.** BZR shall have the right to Market the Products throughout the Territory in electronic form by any methods. Save and except as otherwise set out herein, all aspects of the Marketing of the Products shall be in BZR’s sole control, including, without limitation, the methods of marketing, pricing, naming, packaging, labelling and identification, protection, advertising, terms and conditions of sale and/or license, collection of data regarding the use of, and End-users of, the Products, including any Personal Information, and use of warranty or End-user registration procedures. Walkin retains the right to promote the game including conducting discussions with the media. Any marketing expenditures undertaken by Walkin should be prior approved by BZR if it will qualify as Direct Sales and Marketing Expenditures for the purposes of royalty calculation and vice versa