

AGREEMENT

made this 27th day of October 1987, between Richard Paynter of 2, Lendrim Close, Brompton, Gillingham of the one part (hereinafter called the Author, which expression shall, where the context permits, include his executors, administrators and assigns) and British Telecommunications plc, (hereinafter called the Publisher, which expression shall, where the context admits, include its assigns or successors in business as the case may be).

Whereas the Author has agreed to write a computer programme at present entitled Worrone consisting of a Commodore 64 computer game (hereinafter called the Work), now it is hereby agreed and declared between the Author and the Publisher as follows.

1 DELIVERY OF WORK The Author undertakes to deliver the complete master tapes or disks of the Work in a form and content satisfactory to the Publisher by 9th November 1987. Should the Author neglect to deliver all the master copies by the prescribed date, the Publisher may terminate this Agreement by giving 31 days notice in writing and shall thereupon without further notice be entitled to recover all amounts advanced to the Author hereunder.

2 WARRANTY The Author hereby warrants to the Publisher that neither the Work nor any part thereof is in any way whatever an infringement of any copyright or other right, that the Work contains nothing obscene, indecent, objectionable or libellous, that all statements contained therein purporting to be facts are true, and that he has full power to make this Agreement, and will indemnify the Publisher against any loss, injury or damage (including any legal costs and expenses and any compensation costs and disbursements paid to the Publisher on legal advice to compromise or settle any claim) occasioned to the Publisher in consequence of any breach of this warranty.

3 RIGHTS GRANTED In consideration of the payment hereinafter mentioned the Author grants to the Publisher during the legal terms of copyright, by way of license only, the right to duplicate, publish and sell the Work in tape cassette, disk or any other physical recording medium, or in telesoftware form, and to license others to do so. This right shall be exclusive throughout the World.

4 **COMPETING WORK** The author shall not during the continuance of this agreement, without the consent of the Publisher, publish any abridgement or part of the Work, nor shall the Author prepare other than for the publication, any work which is of a substantially similar nature to the Work which is the subject of this agreement.

5 **PUBLICATION** Unless prevented by the circumstances beyond its control, the Publisher shall publish the Work, at its own risk (subject to the provisions of the Warranty provided in Clause 2 hereof) and expense, within six months after agreement between the Author and Publisher that the master copy and all ancillary material are ready for publication. The Publisher shall have the entire control of publication; and the tape, disk or other medium, the inlays and covers, the manner and extent of advertisement, the number and distribution of free copies for the Press and otherwise, and the price and terms of sale of the first and any subsequent editions shall be at its sole discretion. The Publisher warrants that the the name of the Author (or pseudonym or copy name at the Author's discretion) shall appear in due prominence in the cover of every copy produced, incorporated in a copyright notice.

6 **CORRECTIONS OF SOFTWARE ERRORS AND ASSISTANCE BY AUTHOR.**

If at any time during the continuance of this Agreement, errors in the software leading to incorrect functioning of the software are detected, these shall be corrected by the Author at his own expense, within one month of the Author receiving written notification from the Publisher of the existence and nature of such errors. The Author shall promptly supply to the Publisher any source of material, supporting documentation and/or the like as specified by the Publisher for the purposes of evaluating the Work and/or for any purpose pursuant to publication of the Work by the Publisher. The Publisher may call upon the Author to demonstrate the Work to selected staff of the Publisher and give such explanation as the staff may require in order fully to appreciate the possibilities reasonably to be expected therefrom. The Publisher shall at no cost to the Author, provide computing facilities for any such demonstrations, but the Publisher shall not be committed to accept the Work while it is being evaluated, nor be responsible for any cost incurred by the Author.

7 ROYALTIES PAYABLE The Publisher shall pay the Author the following royalties of fees in respect of sales of the Work during the legal term of copyright:

a) Physical Sales: 6 per cent of the UK recommended retail price (excl VAT) per copy sold either by the Publisher or by any party licensed by the Publisher. The same actual royalty payment to apply for all copies sold throughout the world.

b) Telesoftware: 20 per cent of the actual amounts received by the Publisher in respect of the sale of the work, not in a physical form, but by transmission through a medium of telecommunications such as the telephone, broadcasting, cable or other such medium.

8 SUBSIDIARY RIGHT The subsidiary rights for publication of the work other than as a separate programme on tape, disk or other physical medium or as telesoftware shall be controlled jointly by the Publisher and the Author and shall not be licensed without the consent of both parties, and in the event of their being licensed, the Author shall receive a percentage of the proceeds to be agreed, being not less than 50%.

9 AUTHOR'S COPIES The Author shall receive six copies of the Work free of charge on publication, and no royalty shall be payable on these copies or on copies used for purposes of publicity, review, criticism or advertisement. The Author shall have the right to purchase at the ordinary trade price such further copies as he may require for personal use but not for resale except with the written permission of the Publisher.

10 BREACH OF COPYRIGHT The Publisher shall not be liable to the Author for the wrongful acts of third parties in relation to the Work. If during the life of this Agreement the Publisher shall believe that the copyright or some proprietary right to the Work is being infringed or injured by the act of another, the Publisher shall give written notice to the Author. If, after conference, the Publisher and the Author shall proceed jointly, then the costs and recovery arising out of any prosecution shall be shared equally. If no agreement is reached for joint action, either party may proceed as he shall see fit, bearing all costs incidental thereto and enjoying all the benefits arising therefrom. If one party shall decline to proceed, he shall, upon being indemnified against all costs connected with said proceedings, execute all instruments necessary or convenient to permit the other part to proceed at his own cost, and for his own benefit, either in his own name or in their joint names as the law may require.

11 ACCOUNTS The Publisher shall not be liable to the Author in respect of royalties until after payment is received by the Publisher for copies sold directly or by sublicense. The Publisher shall render accounts of the sales of the said Work as at March 31st, June 30th, September 30th and December 31st in each year, and moneys due to the Author shall be paid to him within two months of the said date, provided however, that no account need be submitted unless specifically demanded nor payment made in respect of any period in which the sum is less than ten pounds, in which case the amount will be carried forward to the next accountancy date.

12 INSPECTION OF ACCOUNTS The Author or his authorised representative shall have the right, upon written request, to examine the books of account of the Publisher in so far as they relate to the sales of the Work, which examination shall be at the cost of the Author unless errors of accounting amounting to 5% or more the total sums paid to the Author shall be found to his disadvantage; in which case the cost shall be paid by the Publisher.

13 TERMINATION OF CONTRACT If a) the Publisher fails to fulfill or comply with any of the provisions of this Agreement within one month after written notification from the Author of such failure, or if b) after the Work is no longer available for sale the Publisher has not within nine months of a written request from the Author, issued a new edition of at least five hundred copies, then and in any of these events this Agreement will automatically determine without prejudice to any claim which the Author may have either for moneys due and/or damages and/or otherwise.

14 WASTAGE OF UNSOLD COPIES If at the end of one year after the date of publication or at any time thereafter the publisher gives notice to the Author that in its opinion the demand for the Work has ceased, the Publisher's liability under Clause 7 hereof shall cease and the Publisher shall be at liberty to waste copies remaining unsold.

15 ASSIGNMENT The Publisher's right to assign referred to in the preamble shall be restricted to the assignment of the Publisher's business as a whole, and shall not apply to an individual Work or Author.

16 ARBITRATION If any difference shall arise between the Author and the Publisher touching the meaning of this Agreement or the rights and liabilities of the parties there to, the same shall be referred to arbitration in accordance with the provisions of the law of England.

17 ADVANCE The Publisher shall pay the Author as an advance as a non-returnable advance against all sums that may become due to the Author under the provisions of this Agreement, the sum of One Thousand Five Hundred Pounds (1500) payable as to Five Hundred Pounds (500) on signature of this Agreement , Five Hundred Pounds (500) on delivery of the master tape satisfactory to the Publisher and Five Hundred Pounds (500) on publication.

18 ADVANCE MATERIAL Any material already supplied in anticipation of this Agreement shall be deemed to have been supplied under the terms hereof.

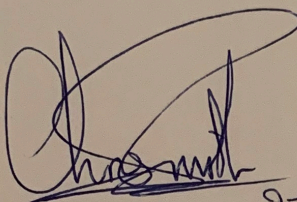
19 IMPROVEMENT Each of the parties hereto shall promptly inform the other of any improvement which may with advantage be incorporated in the Work and they shall co-operate towards the attainment of such incorporation at their joint expense. In the event that any customer proposes an improvement of the Work the party hereto receiving particulars thereof shall inform the other thereof and they shall jointly negotiate with such customers as to the terms upon which such improvement (if considered by both to be desirable) may be incorporated in the Work.

20 This agreement shall not create any relationship between the parties other than that of Author and Publisher.

As witness the hands of the parties on the day and year first hereinbefore written.

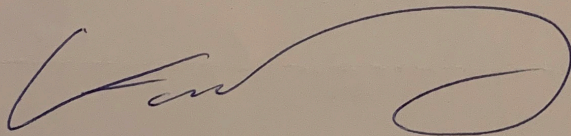
Signed at 64-76 New Oxford Street, London WC1A 1PS

by



27/10/87

in the presence of
(Witness)

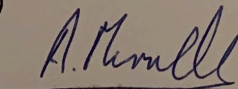


signed at 2, Lendrum Close, Brompton, Gillingham.

by

Richard Payuter. 31/11/87
Signed as Richard Payuter's behalf Vivian M.F. Payuter
(Parent & Guardian)
Next Friend 5/11/87

in the presence of
(Witness)



ANNEX A

CONVERSIONS TO OTHER COMPUTERS

1 The version of the programme submitted by the Author to the Publisher may be suitable only for a limited range of computers. In this event, that version shall be designated the Prime Version.

2 The Author or the Publisher may wish to prepare other versions, to run on computers which will not run the Prime Version. Such other versions shall be known as Conversion Versions.

3 The Author gives to the Publisher the exclusive right to publish such Conversion Versions, if any, as may be prepared by the Author, the Publisher or their agents.

4 The decision to publish Conversion Versions rest solely with the Publishers.

5 If the Conversion Versions shall be prepared at the Publishers expense, the Author shall make available all reasonable documentation and other assistance. In the circumstances, the royalties payable to the Author shall be as follows:-

Physical Sales	2 per cent
Telesoftware	10 per cent

Instead of those shown in paragraph 7 of the Main contract.

6 If the Conversion Version shall be prepared at the Author's expense, the royalties shown in paragraph 7 of the Main Contract shall remain unchanged.

Signed For the Author

Richard Paynter
Signed on behalf of Richard Paynter Vivian M F Paynter
Date 3/11/87 (Parent & Guardian)
Next Friend 5/11/87

Signed for the Publisher

Date

21/10/87