

PROFESSIONAL SERVICES AGREEMENT (draft)

Nippon Gakki Seizo Kabushiki Kaisha, having its principal place of business at Hamamatsu, Shizuoka, Japan (hereinafter referred to as "Company"), and Dr. John M. Chowning of Stanford, California, USA, (hereinafter referred to as "Consultant"), concluded the PROFESSIONAL SERVICES AGREEMENT on July 20, 1979 which expires on June 30, 1983.

Whereas, Company desires to and Consultant is willing to renew the above said previous agreement.

Now, therefore, Company and Consultant agree as follows:

Article I. Statement of Work.

Consultant, for a period of four years, commencing July 1, 1983 and terminating June 30, 1987 shall be available for a maximum of two weeks per each twelve-month period for consultation to Company in connection with Company's research interest in digital electronic musical instruments employing a frequency modulation technique to synthesize quality electronic sound. Such consultation shall be rendered from time to time as reasonably requested by Company at such place or places as shall be reasonably designated by Company including Japan and the United States. Consultant shall act as an independent contractor and not as an employee of Company.

Article II. Payment.

For performing the consultant work specified above, Consultant shall be paid at the rate of Four Hundred Dollars (\$400) per each day or partial day of consultation or required travel, payable within 30 days of a given consultation. Additionally, Company shall pay to Consultant all actual expenses for travel, telephone, telegraph and other reasonable out-of-pocket costs incurred by Consultant in performance of services requested by Company hereunder.

Article III. Termination.

This agreement may be terminated at any time by either party upon 30 days written notice to the other party. Upon such termination the Consultant shall be paid pro rata for all work performed, and for expenses incurred, prior to such termination.

Article IV. Inventions.

Subject to Consultant's prior obligations, if any, under Article VII hereof, Consultant shall disclose, upon the discovery of or origination thereof, all inventions conceived by him during the performance of and which arise out of the work performed under the direction of Company and shall assign all right, title and interest in such inventions to Company and shall upon request, reasonably assist Company (at Company's expense) to obtain patent protection.

Article V. Business Data.

Consultant agrees that he will not disclose any know-how or other information not previously known to Consultant and first acquired or derived by him from his association with Company relating to proprietary or business affairs of Company without written authorization from Company to do so. Company agrees that it shall identify to Consultant in writing any know-how or information which it deems to be subject to this article.

Article VI. Assignment.

This agreement may not be assigned without prior approval of both parties hereto.

Article VII. Consultant's Employer.

In the event of any conflict between the provisions of this agreement and the terms and conditions of the employment of Consultant by Stanford University (including, without limitation, Consultant's University Patent Agreement or the provisions of any agreement between a research sponsor and Stanford University for research with which Consultant may be associated), such terms and conditions shall prevail, and Consultant shall have no obligation to Company which would conflict with such terms and conditions.

Article VIII. Applicable Law.

This agreement shall be governed by and construed in accordance with the Laws of the State of California, United States of America.

Article IX. Government Acceptance.

This agreement shall be effective upon execution by the parties hereto after acceptance hereof by the Japanese Government.

IN WITNESS WHEREOF, the parties have executed this agreement on this ____ day of _____, 1983.

NIPPON GAKKI SEIZO KABUSHIKI KAISHA

By _____

Its _____

John M. Chowning