

LICENSE AGREEMENT

Effective as of May 1, 1981, THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY, a body having corporate powers under the laws of the State of California, United States of America (GRANTOR), and NIPPON GAKKI SEIZO KABUSHIKI KAISHA, a Japanese corporation, having a principal place of business at 10-1, Nakazawa-cho, Hamamatsu-shi, Shizuoka-ken, Japan (GRANTEE), agree as follows:

Section 1 - Background

1.1 GRANTOR is the owner by assignment of certain inventions which are the subject matter of United States Patent No. 4,018,121 issued on April 19, 1977 entitled "Method of Synthesizing a Musical Sound". Corresponding foreign (to U.S.) Patent applications have been made.

1.2 GRANTEE wishes to manufacture, assemble, distribute, sell and service Musical Instruments and has expressed the desire to benefit from GRANTOR's Patents and is desirous of securing a license under GRANTOR's Patents.

1.3 GRANTOR is entitled to grant rights and licenses with respect to the Patents relating to the Musical Instruments and is willing to grant to the GRANTEE, upon the terms and conditions of this Agreement, rights and licenses to such Patents to GRANTEE.

1.4 GRANTOR and GRANTEE both acknowledge the License and Technical Assistance Agreement of March 19, 1975 and the Amendments 1 through 4 to such License and Technical Assistance Agreement.

1.5 GRANTOR and GRANTEE both recognize that the License and Technical Assistance Agreement of March 19, 1975 together with its Amendments 1 through 4 have created a complex agreement and therefore, are desirous of combining together the terms and conditions of the License and Technical Assistance Agreement and its Amendments 1 through 4 into a single agreement and to eliminate those terms and conditions which are no longer applicable.

Section 2 - Definitions

2.1 "Musical Instrument" shall mean a musical instrument or device embodying techniques of Patents, and covered by claims of Patents.

2.2 "Selling Price" shall mean the actual wholesale price of a Musical Instrument quoted by GRANTEE's sales department to its customers; provided, however,

a) that the Selling Price shall be the FOB price of a Musical Instrument when the Musical Instruments (including those in a knockdown kit form) are exported from Japan by GRANTEE or its Subsidiaries; and

b) that when the Musical Instruments are made or assembled by Yamaha Music Manufacturing Inc. or other GRANTEE's Subsidiaries in the U.S.A., the Selling Price shall be the exfactory price of them.

2.3 "Patents" shall mean the above U.S. Patent No. 4,018,121, and any U.S. patent applications for improvements under which the licenses are to be added pursuant to Section 10 ("Section 10 Improvements"), and include divisions, reissues, continuations, renewals, extensions and patents of addition. Further, Patents shall include any and all issued or registered patents, covering the invention disclosed in the specification of U.S. Patent Application Serial No. 454,790 and U.S. patent applications for the Section 10 Improvements and continuations thereof, if any, and assigned for licensing to GRANTOR in any of the countries of the world. It is understood that such issued or registered patents shall include a patent which may issue from Japanese patent applications corresponding to the U.S. Patent No. 4,018,121 and U.S. patent applications for the Section 10 Improvements and continuation thereof, if any. Patents existing as of April 1, 1981 are listed in Exhibit 1 Table of Patent Applications and Patents for the purpose of clarification but are not limited to those listed. This listing will be amended from time to time by GRANTOR's notice to GRANTEE.

2.4 "Term of this Agreement" shall mean the period beginning on May 1, 1981 and ending on April 30, 1991 or the date of expiration of the last to expire of the Patents, whichever is later.

(3/25/95 French patent expires, the last one)

2.5 "Subsidiary" shall mean any corporation of which over 50% of the voting stock is directly or indirectly owned or controlled by GRANTEE.

2.6 "Musical Instrument otherwise disposed of" shall mean:

a) Musical Instrument not sold but delivered by GRANTEE to others (including deliveries for export) regardless of the basis of compensation, if any;

b) Musical Instrument put into use by GRANTEE for any purpose other than routine testing of such Instrument; and

c) Musical Instrument not sold as such but sold by GRANTEE as component or constituent of other products.

2.7 "Semiannual Period" shall mean May 1 to October 31 of a year, and November 1 to April 30 of the next year.

2.8 "Deficit" shall mean, for any Semiannual Period from May 1, 1981 to April 30, 1986 in which the calculated earned royalty is less than the applicable minimum royalty,

a) the difference between the calculated earned royalty and the applicable minimum royalty, or

b) U.S. FIFTY THOUSAND DOLLARS (U.S.\$50,000.00), whichever is less.

2.9 "Excess" shall mean, for any Semiannual Period in which the calculated earned royalty otherwise payable exceeds the applicable minimum royalty, the difference between the calculated earned royalty and the applicable minimum royalty or the difference between the maximum royalty and the applicable minimum royalty, whichever is less.

Section 3 - License

3.1 GRANTOR shall grant to GRANTEE and its Subsidiaries under the Patents:

a) a worldwide exclusive right and license, with a right to sublicense, to make, use and sell Musical Instruments for a period of ten (10) years from the date of issue or registration of patent of each of the Patents in the respective countries where the Patents exist; and

b) a worldwide non-exclusive right and license, with a right to sublicense, to make, use and sell Musical Instruments for the remainder of the Term of this Agreement.

Section 4 - Reports by GRANTOR

4.1 GRANTOR agrees to furnish to GRANTEE during the Term of this Agreement such annual reports summarizing the acquired and accumulated academic research conducted by Professor John Chowning as are prepared by him for GRANTOR relating to an electronic musical sound synthesized by the use of digital techniques and such annual report shall be

submitted by GRANTOR to GRANTEE by the end of January of each year of the Term of this Agreement.

4.2 In consideration for the annual reports, GRANTEE has paid to GRANTOR the sum of U.S. TWENTY THREE THOUSAND DOLLARS (U.S.\$23,000.00) under the Amendment 4 of the Agreement of March 19, 1975.

4.3 If any tax is levied on the above-mentioned payment of U.S. TWENTY THREE THOUSAND DOLLARS (U.S.\$23,000.00) by the Japanese Government, GRANTEE may deduct such tax from the payment to GRANTOR.

Section 5 - Consultation

5.1 To shorten the time required for commercialization, GRANTOR further agrees to use its best efforts to facilitate a separate agreement between Dr. John M. Chowning individually and GRANTEE whereby Dr. Chowning shall consult with GRANTEE in Japan or in the United States upon reasonable notice from GRANTEE for approximately two weeks per year for each year from 1981 to 1983 to provide GRANTEE with such reasonable information and assistance as GRANTEE may require. GRANTOR shall not have any liability in connection with the separate agreement or its performance. The separate agreement shall be on terms and conditions agreed to by GRANTEE and Dr. Chowning; provided that, the separate agreement shall not require of Dr. Chowning any act or thing which violates the normal policies of GRANTOR relating to individual consulting agreements made by its faculty.

5.2 GRANTOR shall have the right to review any such separate agreement between GRANTEE and Dr. Chowning to ascertain that there are no provisions therein which jeopardize or otherwise affect GRANTOR's proprietary rights.

Section 6 - Royalties

6.1 For Patents licensed to GRANTEE by GRANTOR under this Agreement, GRANTEE shall pay to GRANTOR an earned royalty of one half of one percent (0.5%) of the Selling Price of a Musical Instrument which is made, used, sold or otherwise disposed of by GRANTEE or its Subsidiaries during the Term of this Agreement in any of the countries in which any of the Patents is in force and which is covered by any of the valid claims of any of the registered or issued Patents in that country. The maximum royalty payable in a Semiannual Period shall be U.S. FOUR HUNDRED FIFTY THOUSAND DOLLARS (U.S.\$ 450,000.00), even if the calculated earned royalty exceeds that sum. GRANTEE shall have the right to credit the

12/20/85
1.000
1/1/86 + 12/31/86
1985
1986

6.1a + 6.1b added by Amend. No. 1

accumulated Deficits against the earned royalty to be payable pursuant to the foregoing, to the extent of fifty percent (50%) of any Excess until all accumulated Deficits have been exhausted.

6.2 A minimum royalty shall be paid semiannually by GRANTEE to GRANTOR. The applicable minimum royalty for each Semiannual Period from May 1, 1981 to April 30, 1986 is U.S. ONE HUNDRED TWENTY FIVE THOUSAND DOLLARS (U.S.\$125,000.00) and, for subsequent Semiannual Periods from May 1, 1986, is U.S. SEVENTY FIVE THOUSAND DOLLARS (U.S.\$75,000.00).

6.3 Only one earned royalty is payable for a given Musical Instrument.

6.4 If the calculated earned royalty for any Semiannual Period on and after May 1, 1986 is less than U.S. SEVENTY FIVE THOUSAND DOLLARS (U.S.\$75,000.00), and credit or credits are still outstanding or accumulated up to April 30, 1986, then such credits shall be applied by GRANTEE to any minimum royalty due after May 1, 1986 to the extent to which any applicable amount of credit for each Semiannual Period shall not exceed fifty percent (50%) of U.S. SEVENTY FIVE THOUSAND DOLLARS (U.S.\$75,000.00).

6.5 If Japanese Patent Application No. 49-41602 corresponding to the United States Patent No. 4,018,121 is irrevocably rejected or the patent which may be once granted on said Japanese Patent Application becomes irrevocably not in force, the respective amounts of the U.S. SEVENTY FIVE THOUSAND DOLLARS (U.S.\$75,000.00), and the U.S. ONE HUNDRED TWENTY FIVE THOUSAND DOLLARS (U.S.\$125,000.00) appearing in Provision 6.2 above shall be halved and Provision 6.2 is maintained as otherwise set forth therein. The provision set forth in the foregoing language of this Provision 6.5 shall be applicable from a Semiannual Period succeeding the period in which the Japanese Patent Application or a patent issued therefrom has become irrevocably rejected or unenforceable. In such event, GRANTOR further agrees to negotiate in good faith with GRANTEE so that the rate of "fifty percent (50%) of Excess" in Provision 6.1 shall be revised to a higher percent and that the maximum royalty of U.S. FOUR HUNDRED FIFTY THOUSAND DOLLARS (U.S.\$450,000.00) shall be modified to a lower amount.

6.6 If, in any given country, all Patents expire or become invalid except for patents or patent applications for an improvement or improvements deriving from inventions disclosed in the specification of U.S. Patent No. 4,018,121 (including foreign patents or patent applications corresponding to said U.S. Patent) (hereinafter referred to as "Improvement Patents"), then GRANTOR and GRANTEE agree that

a revised royalty shall be payable with respect to the sales of Musical Instruments in such country wherein any of the Improvement Patents is in force and as long as the Musical Instruments are covered by any of the effective Improvement Patents. Said revised earned royalty shall be a fair and reasonable royalty for said Improvement Patents per Musical Instrument as agreed upon by GRANTOR and GRANTEE, or, in the absence of such agreement, by arbitration pursuant to Section 23 hereof. Said revised earned royalty shall not exceed the royalty rate set forth in Provision 6.1 above. Said revised earned royalty in the specified country shall become effective as of the date that only the Improvement Patents remain valid in such country, and shall not affect the royalty payable under this Agreement with respect to sales in other countries. The foregoing revised earned royalty shall be in addition to the sum required to be paid for improvements by GRANTEE pursuant to Section 10, Improvements, hereof.

6.7 GRANTOR shall make timely notification in writing to GRANTEE of any issuance, registration, invalidation or other disposal of any of Patents for the purpose of this Section 6.

Section 7 - Payment, Reporting and Accounting

7.1 GRANTEE agrees to make written reports to GRANTOR semiannually within two (2) months after the 30th day of April and the 31st day of October of each year during the Term of this Agreement, stating in each such report the number of Musical Instruments sold or otherwise disposed of during the preceding Semiannual Period and upon which royalty is payable in accordance with Section 6. *However, if the royalties covered by said max. royalty,* ~~However, if the royalty due GRANTOR from GRANTEE for any Semiannual Period is declared by GRANTEE as reaching the maximum royalty due for that period, GRANTEE is no longer required to make the semiannual report stated above for that period with respect to earned royalties covered by said max. royalty.~~

7.2 GRANTEE agrees to make the written reports to GRANTOR within two (2) months after the date of termination of this Agreement, stating in such report the number of all Musical Instruments sold or otherwise disposed of upon which royalty is payable hereunder but which was not previously reported to GRANTOR.

7.3 Concurrently with the making of each report required under the Section 6, payment shall be made of royalties provided for in Section 6. However, during the first two (2) years of this Agreement, the minimum royalty of U.S. ONE HUNDRED AND TWENTY FIVE THOUSAND DOLLARS (U.S.\$125,000.00) guaranteed to be paid for each of the Semiannual Periods from May 1 to October 31 of said two (2)

years shall be paid by August 20, 1981 and by August 20, 1982. GRANTEE shall use best efforts so that the last-mentioned above payments of U.S. ONE HUNDRED TWENTY FIVE THOUSAND DOLLARS (U.S.\$125,000.00) each are received by GRANTOR by August 31.

7.4 GRANTEE agrees to keep records showing the sales or other disposition of Musical Instruments sold or otherwise disposed of under the License herein granted in sufficient detail to enable the royalties payable hereunder by GRANTEE to be determined. GRANTEE further agrees to permit its books and records to be examined from time to time to the extent necessary to verify the reports provided for in Provision 7.1. Such examination shall be made at the expense of GRANTOR by an auditor appointed by GRANTOR who shall be acceptable to GRANTEE or, at the option and expense of GRANTEE, by a certified public accountant appointed by GRANTOR.

7.5 Royalties paid by GRANTEE to GRANTOR shall be subject to such tax deduction by way of taxation as is required by the Japanese Government at the time of payment.

Section 8 - Designation of Currency

8.1 The payments to be made by GRANTEE to GRANTOR under this Agreement shall be made in the United States currency at a prevailing rate of exchange on the date of payment, if such exchange is required, to the credit of GRANTOR at such location as it may designate from time to time in writing. At present payments shall be made to the address specified in Section 19.

Section 9 - Registration of License

9.1 GRANTOR agrees to execute any document or documents which may be required by any patent office of any country to enable GRANTEE to register the license granted under this Agreement in the patent office of such country.

Section 10 - Improvement

10.1 With respect to improvements of the invention covered by the Patents and for which improvement inventions GRANTOR has been assigned for licensing, GRANTOR shall submit in writing appropriate invention description to GRANTEE for right of first refusal before submittal to any other commercial organization. Within ninety (90) days of receipt by GRANTEE of such description, GRANTEE shall advise GRANTOR in writing whether or not GRANTEE wishes licenses under such

improvements to be added to this Agreement. When advised that GRANTEE wishes license under such improvements, GRANTOR, if it has not already done so, shall promptly file a U.S. patent application at GRANTOR's expense and submit copy of such application to GRANTEE. GRANTEE is then obligated to pay, within sixty (60) days of receipt of such U.S. patent application, to GRANTOR the sum of U.S. FIVE THOUSAND DOLLARS (U.S.\$5,000.00), if such payment is approved by the Japanese Government for the licenses to be granted pursuant to this Section 10.

10.2 Corresponding foreign (to U.S.) application may be filed pursuant to Provision 12.2.

10.3 Under the patents to be issued from the patent applications on the above-mentioned improvements, GRANTOR shall grant licenses to GRANTEE on an exclusive basis, provided that in the United States of America such license may be non-exclusive when research sponsors of GRANTOR so require, and provided that the payment provided in Provision 10.1 has been made.

Section 11 - Confidential Nature of Information

11.1 All information supplied by virtue of this Agreement shall be accepted in confidence by GRANTEE and its Directors and employees and shall not be imparted to third parties unless such information (i) is at the time it is supplied by GRANTOR, or becomes thereafter through no fault of GRANTEE, public knowledge or (ii) is obtained by GRANTEE from another source with the right to disclose such information to others. When information being provided is considered of a confidential nature, GRANTOR will use best efforts to advise GRANTEE to that effect.

11.2 If information or knowledge is supplied from GRANTEE to GRANTOR by virtue of this Agreement or is obtained or known by GRANTOR in connection with the Musical Instruments made by GRANTEE, GRANTOR shall use its best efforts not to disclose such information or knowledge unless such information or knowledge (i) is, at the time it is supplied, already obtained or known by GRANTOR, or becomes, thereafter through no fault of GRANTOR, public knowledge or (ii) is obtained or known by GRANTOR from another source with the right to disclose such information or knowledge to others or (iii) is authorized in writing for disclosure by GRANTEE. When information being provided is considered of a confidential nature, GRANTEE will use best efforts to advise GRANTOR to that effect.

Section 12 - Cost of Patent Applications and Patents

12.1 GRANTOR shall bear the cost of filing and prosecuting the United States Patent Application described in Provision 2.3 and of divisions, continuations, and reissues thereof, but in no case beyond an appeal to, and decision by, the United States Patent Office Board of Appeals.

12.2 With respect to foreign (to U.S.) patent applications, the procedure shall be as follows: Foreign (to U.S.) patent applications shall be filed by GRANTOR at the request of GRANTEE, such filing and the resulting prosecution and maintenance thereof, and maintenance of resulting Patents, to be done at the expense of GRANTEE. GRANTEE, having elected that GRANTOR file a foreign (to U.S.) application, may later request it be deleted from Patents, and GRANTEE shall not be liable for further prosecution and maintenance expense not already committed or necessary to abandon the foreign (to U.S.) application, provided, however, that GRANTOR may, if it desires, and for its separate purposes, continue such prosecution and/or maintenance at its expense.

Section 13 - Other Licenses

most favored nation

13.1 If GRANTOR, during any time in which the license to GRANTEE hereunder is non-exclusive, shall grant to any manufacturer or seller a license which is under any United States Letters Patent licensed in this Agreement and if such license is on more favorable terms, including but not limited to a lower royalty, than those hereby granted to GRANTEE, GRANTOR will promptly notify and advise GRANTEE as to the differences in terms between such more favorable license and the license granted under this Agreement. GRANTEE shall, at its election, be entitled to the benefit of such more favorable terms as of the date upon which such more favorable license shall become effective.

13.2 The provision of Provision 13.1 shall not be applicable, however, to any situation wherein GRANTOR has in good faith and to protect its patent position and that of its licensees, entered into a cross-licensing or similar arrangement with a third party and as consideration therefor has granted a lower royalty rate to such third party.

Section 14 - Negation of Warranties; Indemnification

14.1 Nothing in this Agreement shall be construed as a) a warranting or representation by GRANTOR as to the validity or scope of any licensed Patent; or b) a warranty or

representation that anything made, used, sold or otherwise disposed of under any license granted in this Agreement is or will be free from infringement of patents of third parties; or c) an obligation to bring or prosecute actions or suits against third parties for infringement, or d) conferring a right to use in advertising, publicity or otherwise any trademark or trade name of GRANTOR; or e) granting by implication, estoppel or otherwise any licenses or rights under patents of GRANTOR other than Patents.

14.2 GRANTOR makes no representations, extends no warranties of any kind, either express or implied, and assume no responsibilities whatsoever with respect to use, sale or other disposition by GRANTEE or its vendees or other transferees of Musical Instruments, provided, however, that if a third party institutes any action for infringement or any other action, proceeding or claim against GRANTEE for its sale or disposition of Musical Instruments, and GRANTEE so notifies GRANTOR, GRANTOR will make its best efforts to provide GRANTEE with necessary and useful information.

14.3 GRANTEE will defend, indemnify and hold GRANTOR harmless from and against all liability, demands, damages, expenses or losses arising a) out of use by GRANTEE or its transferees of Patents licensed or information furnished under this Agreement, or b) out of any use, sale or other disposition by GRANTEE or its transferees of Musical Instruments made by use of such Patent or information.

Section 15 - Infringement by Others; Protection of Patents

15.1 GRANTEE shall promptly inform GRANTOR of any suspected infringement of any licensed Patent by a third party and GRANTOR and GRANTEE each shall have the right to institute an action for infringement of the licensed Patent against such third party in accordance with the following procedure:

a) In the event that GRANTOR and GRANTEE agree to institute suit jointly, the suit shall be brought in both their names, the costs thereof, including attorneys' fees, shall be borne equally, and recoveries, if any, whether by judgement, award, decree or settlement, shall be shared equally. GRANTEE shall exercise control over such action, provided, however, that GRANTOR may, if it so desires, be represented by counsel of its own selection, the fees for which counsel shall be paid by GRANTOR.

b) In the absence of agreement to institute a suit jointly, GRANTOR may institute suit, and, at its option, join GRANTEE as a plaintiff. GRANTOR shall bear the entire cost of such litigation and shall be entitled to retain the

entire amount of any recovery by way of judgement, award, decree or settlement.

c) In the absence of agreement to institute a suit jointly and if GRANTOR determines not to institute a suit, as provided in Provision 15.1 b), GRANTEE may institute suit and, at its option, join GRANTOR as a plaintiff. GRANTEE shall bear the entire cost of such litigation and shall be entitled to retain the entire amount of any recovery by way of judgement, ward, decree or settlement.

15.2 Should either party commence a suit under the provisions of this Section 15 and thereafter elect to abandon the same, it shall give timely notice to the other party who may, if it so desires, continue prosecution of such suit, provided, however, that the sharing of expenses and any recovery in such suit shall be as agreed upon between the parties.

15.3 GRANTOR shall not be liable to GRANTEE for any losses incurred as the result of an action for infringement or any other action, proceeding or claim brought against GRANTEE as the result of GRANTEE's exercising any right granted under this Agreement.

Section 16 - Term and Termination

16.1 The word "termination" and cognate words, such as "term" and "terminate", as used in this Section 16 and elsewhere in this Agreement are to be read, except where the contrary is specifically indicated, as omitting from their effect the following rights and obligations, all of which survive any termination to the degree necessary to permit their complete fulfillment or discharge:

a) GRANTEE's obligation to supply a terminal report as specified in Section 7 of this Agreement.

b) GRANTOR's right to receive or recover and GRANTEE's obligation to pay royalties accrued or accruable for payment at the time of any termination.

c) GRANTEE's obligation to maintain records and GRANTOR's right to conduct a final audit as provided in Section 7 of this Agreement.

d) Licenses, releases and agreements of non-assertion running in favor of customers or transferees of GRANTEE in respect to Musical Instruments sold or transferred by GRANTEE prior to any termination and on which royalties shall have been paid as provided in Section 6 of this Agreement.

e) Any cause of action or claim of GRANTOR, accrued or to accrue, because of any breach or default by GRANTEE.

16.2 If GRANTEE shall at any time default in the payment of any royalty or the making of any report hereunder, or shall commit any breach of any covenant herein contained, or shall make any false report and shall fail to remedy any such default, breach, or report within sixty (60) days after written notice thereof by GRANTOR, GRANTOR may, at its option, terminate this Agreement and the license herein granted by notice in writing to such effect.

16.3 GRANTEE shall have the right to terminate this Agreement in its entirety, at its option, effective May 1 of any year by giving at least six (6) months' advance notice thereof to GRANTOR. Provided, in the event of such a termination, GRANTOR shall have no obligation to rebate any moneys theretofore paid to it and GRANTEE shall pay any remaining moneys due as of the effective date of such termination.

16.4 This Agreement and the license granted hereunder shall become effective on the date first hereinabove written after the acceptance hereof by the Japanese Government and, unless previously terminated in accordance with other provisions of this Agreement, shall continue in full force and effect until the end of the Term of this Agreement.

16.5 GRANTEE agrees neither to manufacture nor to sell Musical Instruments in any country in which effective patents exist, if this Agreement is terminated prior to the expiration of the Term of this Agreement.

Section 17 - Prohibition Against Assignment

17.1 GRANTEE shall not assign this Agreement or any interest herein or any right hereunder without the prior written consent of GRANTOR.

Section 18 - Applicable Law

18.1 This Agreement shall be construed, interpreted and applied in accordance with the laws of the State of California, United States of America.

Section 19 - Notices

19.1 All notices, demands, or other writings in this Agreement provided to be given or made or sent, or which may be given or made or sent, by either party hereto to the other, shall be deemed to have been fully given or made or sent when made in writing and deposited in the United States, first class postage prepaid and addressed as follows:

To GRANTOR: Stanford University
Encina 105
Stanford, California 94305

Attention: Director, Technology
Licensing

To GRANTEE: Nippon Gakki Seizo Kabushiki Kaisha
10-1, Nakazawa-cho, Hamamatsu-shi,
Shizuoka-ken, Japan

Attention: Chief, Patent Department

The address to which any notice, demand or other writing may be given or made or sent to any party may be changed upon written notice given by such party as above provided.

Section 20 - Waiver

20.1 GRANTEE covenants and agrees that if GRANTOR fails or neglects for any reason to take advantage of any of the terms hereof provided for the termination of this Agreement or if GRANTOR, having the right to declare this Agreement terminated, shall fail so to do, any such failure or neglect by GRANTOR shall not be or be deemed or be construed to be a waiver of any cause for the termination of this Agreement subsequently arising, or as a waiver of any of the terms, covenants, or conditions of this Agreement or of the performance thereof. None of the terms, covenants, or conditions of this Agreement can be waived except by the written consent of GRANTOR.

Section 21 - Scope of Agreement

21.1 This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof. No representative of GRANTOR has been authorized to make any representation, warranty, or promise not contained herein.

Section 22 - Sublicensing

22.1 Any sublicense granted by GRANTEE under this Agreement shall be subject to terms and conditions of this Agreement including the following:

a) If GRANTEE grants a sublicense pursuant to Provision 3.1 of this Agreement, GRANTEE shall transfer to GRANTOR an earned sublicense royalty of one half of one percent (0.5%) per each Musical Instrument which is made, used, sold or otherwise disposed of by any such sublicensee of GRANTEE during the term of such sublicense in any of the countries in which any of the Patents is in force.

GRANTOR to get same royalty rate

see Amend #1

b) Notwithstanding Provision 22.1 a), an earned sublicense royalty, with respect to sublicensee NEW ENGLAND DIGITAL CORPORATION (hereinafter NED), to be transferred from GRANTEE to GRANTOR shall be U.S. TEN DOLLARS (U.S.\$10.00) per Musical Instrument so long as the royalty to be paid by NED to GRANTEE is determined on the basis of a fixed amount of money per Musical Instrument. The said U.S. TEN DOLLARS (U.S.\$10.00) shall be adjusted every three (3) years beginning March 1, 1981 by multiplying the U.S. TEN DOLLARS (U.S.\$10.00) by the ratio of the Consumer Price Index of the San Francisco Bay Area at such date to the Consumer Price Index of the San Francisco Bay Area as of March 1, 1978.

c) GRANTOR shall receive no portion of any initial payment made to GRANTEE from any sublicensee to secure such sublicense from GRANTEE. However, from any accumulated royalty which is payable to GRANTEE from any sublicensee for any Musical Instrument which is made, used, sold or otherwise disposed of by any such sublicensee before the effective date of any such sublicense, GRANTEE shall transfer to GRANTOR an accumulated sublicense royalty in accordance with Provision 22.1 a) to GRANTOR.

d) GRANTEE shall pay to GRANTOR such sublicense royalty at the rate set forth in Provision 22.1 a) and b) per such Musical Instrument which is made, used, sold or otherwise disposed of by any sublicensee of GRANTEE within two (2) months after GRANTEE receives any such royalty payments from a sublicensee.

e) Any sublicense royalty paid by GRANTEE to GRANTOR shall be subject to such deduction by way of taxation as is required by the Japanese Government at the time of payment.

f) The payment of U.S. FIVE THOUSAND DOLLARS (U.S.\$5,000.00), U.S. ONE HUNDRED THOUSAND DOLLARS (U.S.\$100,000.00) and U.S. TWENTY THREE THOUSAND DOLLARS (U.S.\$23,000.00) previously paid from GRANTEE to GRANTOR in accordance with the Agreement of March 19, 1975 including Amendments, which has not been credited against any payments due under Section 5 of said previous Agreement, may be credited against any sublicense royalty which any sublicensee shall owe to GRANTEE for the periods up to April 30, 1981.

Section 23 - Arbitration

23.1 All disputes, controversies or differences which may arise between the parties, out of or in relation to or in connection with this Agreement, or for the breach hereof, shall be settled through bona fide negotiations between the parties hereto. Should such negotiations fail to come to the

settlement within three (3) months, the parties hereto agree to finally settle by arbitration pursuant to the Japan-American Trade Arbitration Agreement of September 16, 1952, by which each party hereto is bound. The award shall be final and binding upon both the parties.

23.2 The arbitration venue shall be Stanford, California, U.S.A.

Section 24 - Right of First Refusal for Additional Technology

24.1 If U.S. Patent No. 4,018,121 licensed under this Agreement, shall be declared invalid in any Court of law in the United States prior to July 1, 1984 and if GRANTOR at the date of such declaration of invalidity shall have title to other patents (not already subject of this Agreement), which are in the field of computer music and which were invented by Dr. John M. Chowning and assigned by him to GRANTOR; and if GRANTOR is not prevented from offering such other patents for license to GRANTEE by reason of any legal obligations of GRANTOR existing at such time; then GRANTOR agrees that GRANTEE shall have the right of first refusal to negotiate all license from GRANTOR covering such other patents on terms reasonably acceptable to GRANTOR.

Section 25 - Previous Agreement

25.1 GRANTOR and GRANTEE hereby expressly agree that the ~~License~~ and Technical Assistance Agreement of March 19, 1975 and the Amendments 1 through 4 to such Agreement shall remain in full force and effect up to the effective date of this Agreement as to all acts which occur prior to such effective date, and shall thereupon terminate except for the liabilities of the parties incurred under such Agreement and Amendments prior to such termination date.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate originals by their duly authorized officers or representatives as of the date first hereinabove written.

THE BOARD OF TRUSTEES OF THE
LELAND STANFORD JUNIOR UNIVERSITY

By *Neil Merris*
Its Director, Technology Licensing

NIPPON GAKKI SEIZO KABUSHIKI KAISHA

By *Yasumori Mochida*
Its Senior Managing Director

EXHIBIT 1

Table of Patent Applications and Patents

Country	Patent Application No.	Patent Application Filing Date	Patent No.	Patent Issue Date	Patent Expiration Date
U.S.	573,933	05/02/75	4,018,121	04/19/77	04/19/94
U.S.	454,790	03/26/74	Abandoned	-	-
*France	75 09274	03/25/75	75 09274	03/09/79	03/25/95
*Japan	41602/1974	04/10/74	1,072,895 pending	11/30/81	03/25/94
*Gr. Britain	10725/75	03/14/75	1.505.712	07/26/78	03/14/95
*Germany	P2513127.5	03/25/75	pending	06/02/83	07/26/95
*Holland	7503560	03/25/75	pending	-	-

*Corresponding to U.S. Patent Application No. 454,790 (abandoned)

** See for more details App. 10

End of Exhibit