



# YAMAHA

SINCE 1887

NIPPON GAKKI CO., LTD. (NIPPON GAKKI CO., LTD.)

10-1, Nakazawa-cho, Hamamatsu-shi, Shizuoka-ken 430, Japan.  
Cable: NIPONGAKKI HAMAMATSU, Telex: 4225-311, Telephone: (534) 65-1111

Mr. Niels J. Reimers  
Director  
Office of Technology Licensing  
105 Encina Hall  
Stanford University  
Stanford, CA 94305  
U.S.A.

1984 December 17

Re: License Agreement Between Stanford and Nippon Gakki  
Under The Chowning FM Patent

Dear Mr. Reimers:

Subject of this letter is the Japanese ¥/US \$ exchange rate to be used in calculating royalty amount of the Agreement.

The royalty of this Agreement is calculated in each Semiannual Period from May 1 to October 31 and November 1 to April 30 which accords with our semiannual fiscal period. Since our company demands settlement of all accounts at the end of every semiannual fiscal period, we are required to carry out the royalty calculation (including judgment with the maximum royalty and adjustment with the accumulated credits both defined in \$) based on the ¥/\$ rate on the date of the end of the fiscal period. On the other hand, Section 8.1 of the Agreement provides that the payment is to be made in U.S. currency "at a prevailing rate of exchange on the date of payment." However, recalculation of the royalty amount using the rate on the date of the actual payment requires much trouble because such recalculation and payment must be made within one day and the recalculation probably causes modification of the settled accounts of our company.

Therefore, we would like to modify Section 8.1 of the Agreement to read:

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 the end of the pertinent Semiannual Period, if such exchange is required, to the credit of GRANTOR -----.

We sincerely hope that the above modification is agreeable to you, and further that such modification is rendered effective retroactively because we have taken the liberty of using the exchange rate of Semiannual Period end in making the royalty report already sent to you.

Mr. Niels J. Reimers  
Page 2

1984 December 17

If the above modification which is effective retroactively is agreeable to you, please sign on a copy of this letter enclosed herewith and return it to us as a "side letter" in place of rewriting portions of the Agreement.

Sincerely yours,

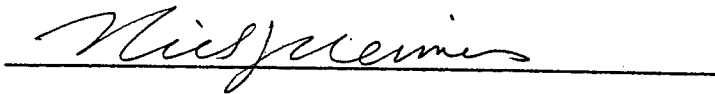


Maki KAMIYA  
Chief, Patent Department

KK/ca

AGREED:

The Leland Stanford Junior University



By its Director, Technology Licensing

Date 23 January 1985