SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

AVID TECHNOLOGY, INC.
(Name of Issuer)

Common Stock
(Title of Class of Securities)

05367P100
(CUSIP Number)

Peter N. Detkin
Acting General Counsel and Director of Litigation
Intel Corporation
2200 Mission College Boulevard
Santa Clara, CA 95052
Telephone: (408) 765-8080
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

March 26, 1997
(Date of Event which Requires
Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1 (b)(3) or (4), check the following box [ ].

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act.

1.	NAME OF REPORTING PERSON	Intel Corporation
	S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON	94-1672743
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	(a) [ ] (b) [ ]
3.	SEC USE ONLY	
4.	SOURCE OF FUNDS	WC
5.	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)	[ ]
6.	CITIZENSHIP OR PLACE OF ORGANIZATION	Delaware
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH 7.	SOLE VOTING POWER	1,552,632
8.	SHARED VOTING POWER	N/A
9.	SOLE DISPOSITIVE POWER	1,552,632
10.	SHARED DISPOSITIVE POWER	N/A
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	1,552,632
12.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES	[ ]
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	6.75%
14.	TYPE OF REPORTING PERSON	CO

Item 1. Security and Issuer.

(a) Name and Address of Principal Executive Offices of Issuer:
Avid Technology, Inc.

Metropolitan Technology Park
One Park West
Tewksbury, Massachusetts 01878

(b) Title and Class of Equity Securities: Common Stock

Item 2. Identity and Background.

(a) Name of Person Filing: Intel Corporation

The executive officers and directors of Intel Corporation are set forth on Appendix A hereto.

(b) State of Incorporation: Delaware

(c) Principal Business: Manufacturer of microcomputer components, modules and systems

(d) Address of Principal Business and Principal Office:

2200 Mission College Boulevard
Santa Clara, CA 95052-8119

(e) Criminal Proceedings:

During the last five years neither the Reporting Person nor any officer or director of the Reporting Person has been convicted in any criminal proceeding.

(f) Civil Proceedings:

During the last five years neither the Reporting Person nor any officer or director of the Reporting Person has been party to any civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which such person would have been subject to any judgment, decree or final order enjoining future violations of or prohibiting or mandating activities subject to Federal or State

securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

Funds for the purchase of the securities are derived from the Reporting Person's working capital. $14,750,004 was paid to acquire 1,552,632 shares of Common Stock of the Issuer.

Item 4. Purpose of the Transaction.

The Reporting Person acquired the Common Stock as an investment and in connection with a Software and Hardware Development, License and Distribution Agreement between the Issuer and the Reporting Person pursuant to which (i) the Issuer and Reporting Person will collaborate to allow the Issuer to modify its products to work or personal computers using Intel architecture microprocessors and to advance the state of video technology on such computers by exchanges of information concerning technology and (ii) certain licenses will be provided relating to resale of certain products.

Item 5. Interests in Securities of the Issuer.

(a) Number of Shares Beneficially Owned: 1,552,632 shares

Percent of Class: 6.75% (based upon 23,003,526 shares of common stock

outstanding, determined from representations made by the Issuer to the Reporting Person in connection with the closing under the Purchase Agreement (as defined below)

(b) Sole Power to Vote, Direct the Vote of, or Dispose of Shares: 1,552,632 shares

Shared Power to Vote, Direct the Vote of, or Dispose of Shares: None

(c) Recent Transactions:

On March 26, 1997, pursuant to the terms of that certain Common Stock Purchase Agreement dated as of March 22, 1997 (the "Purchase Agreement"), the Reporting Person purchased 1,552,632 newly issued shares of Common Stock of the Issuer at a price per share of $9.50.

See the Purchase Agreement filed as an Exhibit hereto, for additional details.

(d) Rights with Respect to Dividends or Sales Proceeds: N/A

(e) Date of Cessation of Five Percent Beneficial Ownership: N/A

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

Pursuant to the Investor Rights Agreement between the Reporting Person and the Issuer, the Reporting Person has, under certain circumstances, various rights related to (a) registration of the Common Stock that the Reporting Person owns, pursuant to a registration statement to be maintained effective for the benefit of the Reporting Person (b) participation in future sales and issuances of securities by the Issuer, (c) a representative of the Reporting Person to observe board of director meetings in a nonvoting capacity. The Reporting Person has certain standstill obligations relating to its acquisition of shares of Common Stock of the Issuer and certain restrictions on its voting rights. The Purchase Agreement also contains certain restrictions on transfer of the Common Stock by the Reporting Person. See the Investor Rights Agreement, attached as an Exhibit hereto, for a further description of these provisions.

Item 7. Material to Be Filed as Exhibits.

Exhibit 1 Avid Technology, Inc. Common Stock Purchase Agreement dated as of March 22, 1997, between Avid Technology, Inc. and Intel Corporation.

Exhibit 2 Avid Technology, Inc. Investor Rights Agreement dated as of March 22, 1997, between Avid Technology, Inc. and Intel Corporation.

Exhibit 3 Press Release of Avid Technology, Inc. dated March 24, 1997.

Exhibit 4 Signature Authority

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated as of April 4, 1997.

INTEL CORPORATION

By: /s/Peter N. Detkin
Peter N. Detkin
Acting General Counsel
and Director of Litigation

APPENDIX A

DIRECTORS

The following is a list of all Directors of Intel Corporation and certain other information with respect to each Director. All Directors are United States citizens.

Name:	Craig R. Barrett
Business Address:	2200 Mission College Boulevard, Santa Clara, CA 95052
Principal Occupation:	Executive Vice President and Chief Operating Officer of Intel Corporation
Name, principal business and address of corporation or other organization on which employment is conducted:	Intel Corporation, a manufacturer of microcomputer components, modules and systems. 2200 Mission College Boulevard Santa Clara, CA 95052

Name:	Winston H. Chen
Business Address:	Paramitas Foundation, 3945 Freedom Circle, Suite 760, Santa Clara, CA 95054
Principal Occupation:	Chairman of Paramitas Foundation
Name, principal business and address of corporation or other organization on which employment is conducted:	Paramitas Foundation, a charitable foundation. 3945 Freedom Circle, Suite 760 Santa Clara, CA 95054

Name:	Andrew S. Grove
Business Address:	2200 Mission College Boulevard, Santa Clara, CA 95052
Principal Occupation:	President and Chief Executive Officer of Intel Corporation
Name, principal business and address of corporation or other organization on which employment is conducted:	Intel Corporation, a manufacturer of microcomputer components, modules and systems. 2200 Mission College Boulevard Santa Clara, CA 95052

Name:	D. James Guzy
Business Address:	1340 Arbor Road, Menlo Park, CA 94025
Principal Occupation:	Chairman of The Arbor Company
Name, principal business and address of corporation or other organization on	The Arbor Company, a limited partnership engaged in the electronics and computer industry. 1340 Arbor Road Menlo Park, CA 94025

which employment is conducted:	
Name:	Gordon E. Moore
Business Address:	2200 Mission College Boulevard, Santa Clara, CA 95052
Principal Occupation:	Chairman of the Board of Intel Corporation
Name, principal business and address of corporation or other organization on which employment is conducted:	Intel Corporation, a manufacturer of microcomputer components, modules and systems. 2200 Mission College Boulevard Santa Clara, CA 95052
Name:	Max Palevsky
Business Address:	924 Westwood Boulevard, Suite 700, Los Angeles CA 90024
Principal Occupation:	Industrialist
Name, principal business and address of corporation or other organization on which employment is conducted:	Self-employed.
Name:	Arthur Rock
Business Address:	One Maritime Plaza, Suite 1220, San Francisco, CA 94111
Principal Occupation:	Venture Capitalist
Name, principal business and address of corporation or other organization on which employment is conducted:	Arthur Rock and Company, a venture capital firm. One Maritime Plaza, Suite 1220 San Francisco, CA 94111
Name:	Jane E. Shaw
Business Address:	c/o Intel Corporation, 2200 Mission College Boulevard, Santa Clara, CA 95052
Principal Occupation:	Founder of The Stable Network, a biopharmaceutical consulting company
Name, principal business and address of corporation or other organization on which employment is conducted:	c/o Intel Corporation 2200 Mission College Boulevard Santa Clara, CA 95052
Name:	Leslie L. Vadasz
Business Address:	2200 Mission College Boulevard, Santa Clara, CA 95052
Principal Occupation:	Senior Vice President, Director, Corporate Business Development, Intel Corporation
Name, principal	Intel Corporation, a manufacturer of

Name, principal business and address of corporation or other organization on which employment is conducted:	microcomputer components, modules and systems. 2200 Mission College Boulevard Santa Clara, CA 95052
Name:	David B. Yoffie
Business Address:	Harvard Business School, Soldiers Field Park 1-411, Boston, MA 92163
Principal Occupation:	Max and Doris Starr Professor of International Business Administration
Name, principal business and address of corporation or other organization on which employment is conducted:	Harvard Business School, an educational institution. Harvard Business School Soldiers Field Park 1-411 Boston, MA 92163
Name:	Charles E. Young
Business Address:	405 Hilgard Avenue, Los Angeles, CA 90024
Principal Occupation:	Chancellor
Name, principal business and address of corporation or other organization on which employment is conducted:	University of California at Los Angeles, an educational institution. 405 Hilgard Avenue Los Angeles, CA 90024

EXECUTIVE OFFICERS

The following is a list of all executive officers of Intel Corporation excluding executive officers who are also directors. Unless otherwise indicated, each officer's business address is 2200 Mission College Boulevard, Santa Clara, CA 95052-8119, which address is Intel Corporation's business address. All executive officers are United States citizens.

Name:	Frank C. Gill
Title:	Executive Vice President; General Manager, Internet and Communications Group
Address:	5200 N.E. Elam Young Parkway, Hillsboro, OR 97124-6497
Name:	Paul S. Otellini
Title:	Executive Vice President; Director, Sales and Marketing Group
Name:	Gerhard H. Parker
Title:	Executive Vice President, General Manager, Technology and Manufacturing Group
Name:	Ronald J. Whittier
Title:	Senior Vice President; General Manager, Content Group
Name:	Albert Y. C. Yu
Title:	Senior Vice President; General Manager, Microprocessor Products Group
Name:	Michael A. Aymar
Title:	Vice President; General Manager, Desktop Products Group
Name:	Andy D. Bryant
Title:	Vice President and Chief Financial Officer
Name:	F. Thomas Dunlap, Jr.
Title:	Vice President, General Counsel and Secretary

Name: Patrick P. Gelsinger
Title: Vice President, General Manager, Desktop Products Group
Address: 5200 N.E. Elam Young Parkway, Hillsboro, OR 97124-6497

Name: John H. F. Miner
Title: Vice President, General Manager, Enterprise Server Group
Address: 5200 N.E. Elam Young Parkway, Hillsboro, OR 97124-6497

Name: Stephen P. Nachtsheim
Title: Vice President; General Manager, Mobile/Handheld Products Group

Name: Ronald J. Smith
Title: Vice President, General Manager, Computing Enhancement Group

EXHIBIT INDEX

EXHIBIT 1

AVID TECHNOLOGY, INC.
COMMON STOCK PURCHASE AGREEMENT
AVID TECHNOLOGY, INC.
COMMON STOCK PURCHASE AGREEMENT

This Common Stock Purchase Agreement (this "Agreement") is made and entered into as of March 22, 1997, by and between Avid Technology, Inc., a Delaware corporation (the "Company"), and Intel Corporation, a Delaware corporation (the "Investor").

R E C I T A L

WHEREAS, the Company desires to sell to the Investor, and the Investor desires to purchase from the Company, shares of the Company's Common Stock, $0.01 par value per share ("Common Stock"), on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing recital, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. AGREEMENT TO PURCHASE AND SELL STOCK.

1.1 Authorization. As of the Closing (as defined below), the Company's Board of Directors will have authorized the issuance, pursuant to the terms and conditions of this Agreement, of 1,552,632 shares (the "Purchase Shares") of the Company's Common Stock.

1.2 Agreement to Purchase and Sell Common Stock. The Company hereby agrees to sell to the Investor at the Closing, and the Investor agrees to purchase from the Company at the Closing, the Purchased Shares at a price per share equal to the Per Share Purchase Price.

1.3 Per Share Purchase Price. The "Per Share Purchase Price" shall be $9.50 per share.

2. CLOSING

2.1 The Closing. The purchase and sale of the Purchased Shares will take place at the offices of Venture Law Group, A Professional Corporation, 2800 Sand Hill Road, Menlo Park, California 94025 at 10:00 a.m. California time, within three (3) business days after the conditions set forth in Articles 5 and 6 have been satisfied, or at such other time and place as the Company and the Investor mutually agree upon (which time and place are referred to in this Agreement as the "Closing"). At the Closing, the Company will send to the Investor via appropriate overnight courier mutually agreeable to the Company and the Investor, a certificate representing the Purchased Shares, , and will cause the delivery of such certificate to the Investor on the first business day following the Closing, against delivery to the Company by the Investor at the Closing of the full purchase price of the Purchased Shares, paid by wire transfer of funds to the Company.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company hereby represents and warrants to the Investor that the statements in this Section 3 are true and correct, except as set forth in the SEC Documents or the Disclosure Letter from the Company dated March 22, 1997 (the "Disclosure Letter").

3.1 Organization, Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all corporate power and authority required to (a) carry on its business as presently conducted, and (b) enter into this Agreement, the Investor Rights Agreement (as defined in Section 5.8) and the Development Agreement (as defined in Section 5.9) and to consummate the transactions contemplated hereby and thereby. The Company is qualified to do business and is in good standing in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect. As used in this Agreement, "Material Adverse Effect" means a material adverse effect on, or a material adverse change in, or a group of such effects on or changes in, the business, operations, financial condition, results of operations, assets or liabilities of the Company and its subsidiaries taken as a whole.

3.2 Capitalization. As of the date of this Agreement the capitalization of the Company is as follows:

(a) Preferred Stock. A total of 1,000,000 authorized shares of Preferred Stock, $0.01 par value per share (the "Preferred Stock"), none of which is issued or outstanding.

(b) Common Stock. A total of 50,000,000 authorized shares of Common Stock, $0.01 par value, of which 21,450,894 shares are issued and outstanding as of March 17, 1997. All of such outstanding shares are validly issued, fully paid and non-assessable. No such outstanding shares were issued in violation of any preemptive right.

(c) Options, Warrants, Reserved Shares. Except for the plans set forth in the SEC Documents (as defined below) (the "Plans"), there are no outstanding options, warrants, rights (including conversion or preemptive rights) or agreements for the purchase or acquisition from the Company of any shares of its capital stock or any securities convertible into or ultimately exchangeable or exercisable for any shares of the Company's capital stock. Except for any stock repurchase rights of the Company under its plans described in the SEC Documents, no shares of the Company's outstanding capital stock, or stock issuable upon exercise, conversion or exchange of any outstanding options, warrants or rights, or other stock issuable by the Company, are subject to any rights of first refusal or other rights to purchase such stock (whether in favor of the Company or any other person), pursuant to any agreement, commitment or other obligation of the Company.

3.3 Subsidiaries. The Company does not presently own or control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, association or other entity other than as set forth in the SEC Documents (the "Subsidiaries"). The Company

holds of record or beneficially all of the issued and outstanding capital stock of each of the Subsidiaries.

3.4 Due Authorization. All corporate action on the part of the Company, its officers, directors and shareholders necessary for the authorization, execution, delivery of, and the performance of all obligations of the Company under, this Agreement, the Investor Rights Agreement and the Development Agreement, and the authorization, issuance, reservation for issuance and delivery of all of the Purchased Shares being sold under this Agreement has been taken or will be taken prior to the Closing, and this Agreement constitutes, and the Investor Rights Agreement and the Development Agreement when executed, will constitute, valid and legally binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except as may be limited by (i) applicable bankruptcy, insolvency, reorganization or others laws of general application relating to or affecting the enforcement of creditors' rights generally, (ii) the effect of rules of law governing the availability of equitable remedies and (iii) the fact that any indemnification or contribution provision contained in the Investor Rights Agreement or this Agreement may be unenforceable insofar as the enforceability of such provision may be sought under federal or state securities laws.

3.5 Valid Issuance of Stock.

(a) The Purchased Shares, when issued, sold and delivered in accordance with the terms of this Agreement for the consideration provided for herein, will be duly and validly issued, fully paid and nonassessable.

(b) Based in part on the representations made by the investors in Section 4 hereof, the Purchased Shares will be issued in compliance with the registration and prospectus delivery requirements of the Securities Act of 1933, as amended (the "1933 Act"), or in compliance with applicable exemptions therefrom, and the registration and qualification requirements of all applicable securities laws of the states of the United States.

3.6 Governmental Consents. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority on the part of the Company is required in connection with the consummation of the transactions contemplated

by this Agreement, except for the filing of such qualifications or filings under the 1933 Act and the regulations thereunder and all applicable state securities laws as may be required in connection with the transactions contemplated by this Agreement. All such qualifications and filings will, in the case of qualifications, be effective on the Closing and will, in the case of filings, be made within the time prescribed by law.

3.7 Non-Contravention. The execution, delivery and performance of this Agreement, the Investor Rights Agreement and the Development Agreement by the Company, and the consummation by the Company of the transactions contemplated hereby and thereby, do not and will not (i) contravene or conflict with the Certificate of Incorporation or Bylaws of the Company; (ii) constitute a material violation of any provision of any federal, state, local or foreign law binding upon or applicable to the Company; or (iii) constitute a default or require any consent under, give rise to any right of termination, cancellation or acceleration of, or to a loss of

any benefit to which the Company is entitled under, or result in the creation or imposition of any lien, claim or encumbrance on any assets of the Company under, any contract to which the Company is a party or any permit, license or similar right relating to the Company or by which the Company may be bound or affected in such a manner as would have a Material Adverse Effect.

3.8 Litigation. There is no action, suit, proceeding, claim, arbitration or investigation ("Action") pending: (a) against the Company, its activities, properties or assets or, to the best of the Company's knowledge, against any officer, director or employee of the Company in connection with such officer's, director's or employee's relationship with, or actions taken on behalf of, the Company which is reasonably likely to have a Material Adverse Effect, or (b) that seeks to prevent, enjoin, alter or delay the transactions contemplated by this Agreement, the Investor Rights Agreement or the Development Agreement. Except as individually or in the aggregate is not reasonably likely to have a Material Adverse Effect (i) there is no Action pending or, to the best of the Company's knowledge, threatened, relating to the current or prior employment of any of the Company's current or former employees or consultants, their use in connection with the Company's business of any information, technology or techniques allegedly proprietary to any of their former employers, clients or other parties, or their obligations under any agreements with prior employers, clients or other parties; and (ii) the Company is not a party to or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality.

3.9 Intellectual Property.

(a) Ownership or Right to Use. To the best of the Company's knowledge, the Company has sole title to and owns, or is licensed or otherwise possesses legally enforceable rights to use, all patents or patent applications, software, know-how, registered or unregistered trademarks and service marks and any applications therefor, registered or unregistered copyrights, trade names, and any applications therefor, trade secrets or other confidential or proprietary information ("Intellectual Property") necessary to enable the Company to carry on its business as currently conducted or proposed to be conducted under the Development Agreement, except where any deficiency therein would not have a Material Adverse Effect. For so long as Investor holds all the Purchased Shares, the Company covenants that it will, where the Company in the exercise of its good faith judgment deems it appropriate, use reasonable business efforts to seek copyright and patent registration, and other appropriate intellectual property protection, for Intellectual Property of the Company.

(b) Licenses; Other Agreements. The Company has not granted to any third party any exclusive licenses (whether such exclusivity is temporary or permanent) to any material portion of the Intellectual Property of the Company. To the best of the Company's knowledge, there are not outstanding any licenses or agreements of any kind relating to any Intellectual Property of the Company, except for agreements with OEM's and other customers of the Company entered into in the ordinary course of the Company's business, where a breach thereof would have a Material Adverse Effect. The Company is not obligated to pay any royalties or other payments to third parties with respect to the marketing, sale, distribution,

manufacture, license or use of any Intellectual Property, except as the Company may be so obligated in the ordinary course of its business or where the failure to make such payments would not have a Material Adverse Effect.

(c) No Infringement. To the best of the Company's knowledge, the Company has not violated or infringed and is not currently violating or infringing, and the Company has not received any communications alleging that the Company (or any of its employees or consultants) has violated or infringed, any Intellectual Property of any other person or entity, to the extent that any such violation or infringement, either individually or together with all other such violations and infringements, would have a Material Adverse Effect.

(d) Employees and Consultants. To the best of the Company's knowledge, no employee of or consultant to the Company is in default under any term of any employment contract, agreement or arrangement relating to Intellectual Property of the Company or any non-competition arrangement, other contract, or any restrictive covenant relating to the Intellectual Property of the Company, which default would have a Material Adverse Effect.

3.10 Compliance with Law and Charter Documents. The Company is not in violation or default of any provisions of its Certificate of Incorporation or Bylaws, both as amended, and except for any violations that would not, either individually or in the aggregate, have a Material Adverse Effect. The Company has complied and is in compliance with all applicable statutes, laws, and regulations and executive orders of the United States of America and all states, foreign countries and other governmental bodies and agencies having jurisdiction over the Company's business or properties except where such noncompliance would not, either individually or in the aggregate, have a Material Adverse Effect.

3.11 Title to Property and Assets. The properties and assets of the Company which are owned by the Company are owned free and clear of all mortgages, deeds of trust, liens, charges, encumbrances and security interests except for statutory liens for the payment of current taxes that are not yet delinquent and liens and encumbrances and security interests that arise in the ordinary course of business and do not affect material properties and assets of the Company in a way reasonably likely to have Material Adverse Effect. With respect to the property and assets it leases, the Company is in compliance with such leases in all material respects.

3.12 Registration Rights. Except as provided in the Investor Rights Agreement effective upon the Closing, the Company is not currently subject to any grant or agreement to grant to any person or entity any rights (including piggyback registration rights) to have any securities of the Company registered with the United States Securities and Exchange Commission ("SEC") or any other governmental authority.

3.13 SEC Documents.

(a) The Company has furnished to the Investor on or prior to the date hereof copies of its Annual Report on Form 10-K for the fiscal year ended December 31, 1996 ("Form 10-K"), and all other registration statements, reports and proxy statements filed by the Company with the Securities and Exchange Commission ("Commission") on or after

December 31, 1996 (the Form 10-K and such registration statements, reports and proxy statements, are collectively referred to herein as the "SEC Documents"). Each of the SEC Documents, as of the respective date thereof, did not, and each of the registration statements, reports and proxy statements filed by the Company with the Commission after the date hereof and prior to the Closing will not, as of the date thereof, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, except as may have been corrected in a subsequent SEC Document. The Company is not a party to any material contract, agreement or other arrangement which was required to have been filed as an exhibit to the SEC Documents that is not so filed.

(b) Since December 31, 1996, the Company has duly

filed with the Commission all registration statements, reports and proxy statements required to be filed by it under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the 1933 Act. The audited and unaudited consolidated financial statements of the Company included in the SEC Documents filed prior to the date hereof fairly present, in conformity with generally accepted accounting principles ("GAAP") applied on a consistent basis (except as may be indicated in the notes thereto), the consolidated financial position of the Company and its consolidated subsidiaries as at the date thereof and the consolidated results of their operations and cash flows for the periods then ended.

(c) Except as and to the extent reflected or reserved against in the Company's Financial Statements (including the notes thereto), the Company has no material liabilities (whether accrued or unaccrued, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined or determinable) other than: (i) liabilities incurred in the ordinary course of business since the Balance Sheet Date that are consistent with the Company's past practices, (ii) liabilities with respect to agreements to which the Investor is a party, and (iii) other Liabilities that either individually or in the aggregate, would not result in a Material Adverse Effect.

3.14 Absence of Certain Changes Since Balance Sheet Date. Since December 31, 1996, the business and operations of the Company have been conducted in all material respects in the ordinary course consistent with past practice, and there has not been:

(a) any declaration, setting aside or payment of any dividend or other distribution of the assets of the Company with respect to any shares of capital stock of the Company, or any repurchase, redemption or other acquisition by the Company or any subsidiary of the Company of any outstanding shares of the Company's capital stock;

(b) any damage, destruction or loss, whether or not covered by insurance, except for such occurrences that have not resulted, and are not expected to result, in a Material Adverse Effect;

(c) any waiver by the Company of a valuable right or of a material debt owed to it, except for such waivers that have not resulted, and are not expected to result, in a Material Adverse Effect;

(d) any material change or amendment to, or any waiver of any material rights under, a material contract or arrangement by which the Company or any of its assets or properties is bound or subject, except for changes, amendments, or waivers that are expressly provided for or disclosed in this Agreement or that have not resulted, and are not expected to result, in a Material Adverse Effect;

(e) any change by the Company in its accounting principles, methods or practices or in the manner it keeps its accounting books and records, except any such change required by a change in GAAP; and

(f) any other event or condition of any character, except for such events and conditions that have not resulted, and are not expected to result, in a Material Adverse Effect.

3.15 Tax Matters. The Company and each of its subsidiaries have filed all material tax returns required to be filed, which returns are true and correct in all material respects, and neither the Company nor any of its subsidiaries is in default in the payment of any taxes, including penalties and interest, assessments, fees and other charges, shown thereon due or otherwise assessed, other than those being contested in good faith and for which adequate reserves have been provided or those currently payable without interest which were payable pursuant to said returns or any assessments with respect thereto.

3.16 Real Property Holding Corporation Status. Since its inception the Company has not been a "United States real property holding corporation", as defined in Section 897(c)(2) of the U.S. Internal Revenue Code of 1986, as amended, and in Section 1.897-2(b) of the Treasury Regulations issued thereunder (the "Regulations"), and the Company has filed with the Internal Revenue Service all statements, if any, with its United States

income tax returns which are required under Section 1.897-2(h) of the Regulations.

3.17 Full Disclosure. The information contained in this Agreement, the Disclosure Letter and the SEC Documents with respect to the business, operations, assets, results of operations and financial condition of the Company, and the transactions contemplated by this Agreement, the Investor Rights Agreement and the Development Agreement, are true and complete in all material respects and do not omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

4. REPRESENTATIONS, WARRANTIES AND CERTAIN AGREEMENTS OF THE INVESTOR. The Investor hereby represents and warrants to the Company, and agrees that:

4.1 Authorization. This Agreement and the Investor Rights Agreement have been duly authorized by all necessary corporate action on the part of the Investor. This Agreement and the Investor Rights Agreement constitute the Investor's valid and legally binding obligations, enforceable in accordance with their respective terms, except as may be limited by (a) applicable bankruptcy, insolvency, reorganization or other laws of general application relating

to or affecting the enforcement of creditors' rights generally and (b) the effect of rules of law governing the availability of equitable remedies. The Investor has full corporate power and authority to enter into this Agreement and the Investor Rights Agreement

4.2 Purchase for Own Account. The Purchased Shares are being acquired for investment for the Investors own account, not as a nominee or agent, and not with a view to the public resale or distribution thereof within the meaning of the 1933 Act, and the Investor has no present intention of selling, granting any participation in, or otherwise distributing the same. The Investor also represents that it has not been formed for the specific purpose of acquiring the Purchased Shares.

4.3 Disclosure of Information. The Investor has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the Purchased Shares to be purchased by the Investor under this Agreement. The Investor further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Purchased Shares and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to the investor or to which the Investor had access. The foregoing, however, does not in any way limit or modify the representations and warranties made by the Company in Article 3.

4.4 Investment Experience. The Investor understands that the purchase of the Purchased Shares involves substantial risk. The Investor: (a) has experience as an investor in securities of companies and acknowledges that it is able to fend for itself, can bear the economic risk of its investment in the Purchased Shares and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of this investment in the Purchased Shares and protecting its own interests in connection with this investment and/or (b) has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables the Investor to be aware of the character, business acumen and financial circumstances of such persons.

4.5 Accredited Investor Status. The Investor is an "accredited investor" within the meaning of Regulation D promulgated under the 1933 Act.

4.6 Restricted Securities. The Investor understands that the Purchased Shares to be purchased by the Investor hereunder are characterized as "restricted securities" under the 1933 Act inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under the 1933 Act and applicable regulations thereunder such securities may be resold without registration under the 1933 Act only in certain limited circumstances. The Investor is familiar with Rule 144 of the SEC, as presently in effect, and understands the

resale limitations imposed thereby and by the 1933 Act. The Investor understands that the Company is under no obligation to register any of the securities sold hereunder except as provided in the Investor Rights Agreement.

4.7 Further Limitations on Disposition. Without in any way limiting the representations set forth above, the Investor further agrees not to make any disposition of all or any portion of the Purchased Shares unless and until:

(a) there is then in effect a registration statement under the 1933 Act covering such proposed disposition and such disposition is made in accordance with such registration statement; or

(b) the Investor has notified the Company of the proposed disposition and has furnished the Company with a statement of the circumstances surrounding the proposed disposition, and the Investor has furnished the Company, at the expense of the Investor or its transferee, with an opinion of counsel, reasonably satisfactory to the Company, that such disposition will not require registration of such securities under the 1933 Act.

Notwithstanding the provisions of paragraphs (a) and (b) of this Section 4.7, no such registration statement or opinion of counsel will be required for any transfer of any Purchased Shares in compliance with SEC Rule 144, Rule 144A or Rule 145(d), or if such transfer otherwise is exempt, in the view of the Company's legal counsel, from the registration requirements of the 1933 Act.

4.8 Legends. Certificates evidencing the Purchased Shares will bear each of the legends set forth below:

(a) THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

(b) Any Legends required by any applicable state securities laws.

The legend set forth in Section 4.8(a) hereof will be removed by the Company from any certificate evidencing Purchased Shares upon delivery to the Company of an opinion of counsel, reasonably satisfactory to the Company, that such security can be freely transferred pursuant to Rule 144(k) without a registration statement being in effect and that such transfer will not jeopardize the exemption or exemptions from registration pursuant to which the Company issued the Purchased Shares.

5. CONDITIONS TO THE INVESTOR'S OBLIGATIONS AT CLOSING. The obligations of the Investor under Sections 1 and 2 of this Agreement are subject to the fulfillment or waiver, on or before the Closing, of each of the following conditions:

5.1 Representations and Warranties True. Except for representations and warranties expressed to be as of a specified date (which shall be true and correct as of such date), each of the representations and warranties of the Company contained in Section 3 will be true and correct on and as of the date hereof and on and as of the date of the Closing, except as set forth in the Disclosure Letter, as amended through the Closing, with the same effect as though such representations and warranties had been made as of the Closing.

5.2 Performance. The Company will have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Closing and will have obtained all approvals, consents and qualifications necessary to complete the purchase and sale described herein.

5.3 Compliance Certificate. The Company will have delivered to the Investor at the Closing a certificate signed on its behalf by its Chief Executive Officer or Chief Financial Officer certifying that the conditions specified in Sections 5.1 and 5.2 hereof have been fulfilled.

5.4 Securities Exemptions. The offer and sale of the Purchased Shares to the Investor pursuant to this Agreement will be exempt from the registration requirements of the 1933 Act and the registration and/or qualification requirements of all applicable state securities laws.

5.5 Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated at the Closing and all documents incident thereto will be reasonably satisfactory in form and substance to the Investor, and the Investor will have received all such counterpart originals and certified or other copies of such documents as it may reasonably request. Such documents shall include (but not be limited to) the following:

(a) Certified Charter Documents. A copy of (i) the Certificate of Incorporation certified as of a recent date by the Secretary of State of Delaware as a complete and correct copy thereof, and (ii) the Bylaws of the Company (as amended through the date of the Closing) certified by the Secretary of the Company as true and correct copies thereof as of the Closing.

(b) Board Resolutions. A copy, certified by the Secretary of the Company, of the resolutions of the Board of Directors of the Company providing for the approval of this Agreement, the Investor Rights Agreement and the Development Agreement and the issuance of the Purchased Shares and the other matters contemplated hereby.

5.6 Opinion of Company Counsel. The Investor will have received an opinion on behalf of the Company, dated as of the date of the Closing, from Hale and Dorr, in form and substance reasonably satisfactory to the Investor.

5.7 Investor Rights Agreement. The Company will have executed and delivered the Investor Rights Agreement substantially in the form attached to this Agreement as Exhibit A (the "Investor Rights Agreement").

5.8 Development Agreement. The Company will have executed and delivered the Software and Hardware Development, License and Distribution Agreement (the "Development Agreement") in a form reasonably satisfactory to the Investor.

5.9 No Material Adverse Effect. Between the date hereof and the Closing, there shall not have occurred any Material Adverse Effect.

6. CONDITIONS TO THE COMPANY'S OBLIGATIONS AT CLOSING. The obligations of the Company to the Investor under this Agreement are subject to the fulfillment or waiver on or before the Closing (defined in Section 2.1), of each of the following conditions:

6.1 Representations and Warranties True. The representations and warranties of the Investor contained in Section 4 will be true and correct on and as of the date hereof and on and as of the date of the Closing with the same effect as though such representations and warranties had been made as of the Closing.

6.2 Payment of Purchase Price. The Investor will have delivered to the Company the full purchase price of the Purchased Shares as specified in Section 1.2.

6.3 Securities Exemptions. The offer and sale of the Purchased Shares to the Investor pursuant to this Agreement will be exempt from the registration requirements of the 1933 Act and the registration and/or qualification requirements of all applicable state securities laws.

6.4 Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated at the Closing and all documents incident thereto will be reasonably satisfactory in form and substance to the Company and to the Company's legal counsel, and the Company will have received all such counterpart originals and certified or other copies of such documents as it may reasonably request.

6.5 Investor Rights Agreement. The Investor will have executed and delivered the Investor Rights Agreement.

6.6 Development Agreement. Investor will have executed and delivered the Development Agreement.

7. INDEMNIFICATION.

7.1 Agreement to Indemnify.

(a) Company Indemnity. The Investor, its Affiliates and Associates, and each officer, director, shareholder, employer, representative and agent of any of the

foregoing (collectively, the "Investor Indemnitees") shall each be indemnified and held harmless to the extent set forth in this Section 7 by the Company with respect to any and all Damages (as defined below) incurred by any Investor Indemnitee as a proximate result of any inaccuracy or misrepresentation in, or breach of, any representation, warranty, covenant or agreement made by the Company in this Agreement or the Investor Rights Agreement (including any Exhibits and Schedules hereto).

(b) Investor Indemnity. The Company, its respective Affiliates and Associates, and each officer, director, shareholder, employer, representative and agent of any of the foregoing (collectively, the "Company Indemnitees") shall each be indemnified and held harmless to the extent set forth in this Section 7, by the Investor, in respect of any and all Damages incurred by any Company Indemnitee as a result of any inaccuracy or misrepresentation in, or breach of, any representation, warranty, covenant or agreement made by the Investor in this Agreement or the Investor Rights Agreement.

(c) Equitable Relief. Nothing set forth in this Section 7 shall be deemed to prohibit or limit any Investor Indemnitee's or Company Indemnitee's right at any time before, on or after the Closing Date, to seek injunctive or other equitable relief for the failure of any Indemnifying Party to perform or comply with any covenant or agreement contained herein.

7.2 Survival. All representations and warranties of the Investor and the Company contained herein or in the Investor Rights Agreement, and all claims of any Investor Indemnitee or Company Indemnitee in respect of any inaccuracy or misrepresentation in or breach thereof, shall survive the Closing until the second anniversary of the date of this Agreement, regardless of whether the applicable statute of limitations, including extensions thereof, may expire (except to the extent any such covenant or agreement shall expire by its terms). All covenants and agreements of the Investor and the Company contained herein or in the Investor Rights Agreement shall survive the Closing in perpetuity (except to the extent any such covenant or agreement shall expire by its terms). All claims of any Investor Indemnitee or Company Indemnitee in respect of any breach of such covenants or agreements shall survive the Closing until the expiration of two years following the non-breaching party's obtaining actual knowledge of such breach.

7.3 Claims for Indemnification. If any Investor Indemnitee or Company Indemnitee (an "Indemnitee") shall believe that such Indemnitee is entitled to indemnification pursuant to this Section 7 in respect of any Damages, such Indemnitee shall give the appropriate Indemnifying Party (which for purposes hereof, in the case of an Investor Indemnitee, means the Company, and in the case of a Company Indemnitee, means the Investor) prompt written notice thereof. Any such notice shall set forth in reasonable detail and to the extent then known the basis for such claim for indemnification. The failure of such Indemnitee to give notice of any claim for indemnification promptly shall not adversely affect such Indemnitee's right to indemnity hereunder except to the extent that such failure adversely affects the right of the Indemnifying Party to assert any reasonable defense to such claim. Each such claim for indemnity shall expressly state that the Indemnifying Party shall have only the twenty (20) business day period referred to in the next sentence to dispute or deny such claim. The

Indemnifying Party shall have twenty (20) business days following its receipt of such notice either (a) to acquiesce in such claim by giving such Indemnitee written notice of such acquiescence or (b) to object to the claim by giving such Indemnitee written notice of the objection. If Indemnifying Party does not object

thereto within such twenty (20) business day period, such Indemnitee shall be entitled to be indemnified for all Damages reasonably and proximately incurred by such Indemnitee in respect of such claim. If the Indemnifying Party objects to such claim in a timely manner, the senior management of the Company and the Investor shall meet to attempt to resolve such dispute. If the dispute cannot be resolved by the senior management either party may make a written demand for formal dispute resolution and specify therein the scope of the dispute. Within thirty days after such written notification, the parties agree to meet for one day with an impartial mediator and consider dispute resolution alternatives other than litigation. If an alternative method of dispute resolution is not agreed upon within thirty days after the one day mediation, either party may begin litigation proceedings. Nothing in this section shall be deemed to require arbitration.

7.4 Defense of Claims. In connection with any claim that may give rise to indemnity under this Section 7 resulting from or arising out of any claim or Proceeding against an Indemnitee by a person or entity that is not a party hereto, the Indemnifying Party may but shall not be obligated to (unless such Indemnitee elects not to seek indemnity hereunder for such claim), upon written notice to the relevant Indemnitee, assume the defense of any such claim or proceeding if the Indemnifying Party with respect to such claim or Proceeding acknowledges to the Indemnitee the Indemnitee's right to indemnity pursuant hereto to the extent provided herein (as such claim may have been modified through written agreement of the parties or arbitration hereunder) and provides assurances, satisfactory to such Indemnitee, that the Indemnifying Party will be financially able to satisfy such claim to the extent provided herein if such claim or Proceeding is decided adversely; provided, however, that nothing set forth herein shall be deemed to require the Indemnifying Party to waive any crossclaims or counterclaims the Indemnifying Party may have against the Indemnified Party for damages. The Indemnified Party shall be entitled to retain separate counsel, reasonably acceptable to the Indemnifying Party, if the Indemnified Counsel shall determine, upon the written advice of counsel, that claims of or defenses available to the Indemnifying Party and the Indemnified Party in connection with such Proceeding may differ. The Indemnifying Party shall be obligated to pay the reasonable fees and expenses of such separate counsel to the extent the Indemnified Party is entitled to indemnification by the Indemnifying Party with respect to such claim or Proceeding under this Section 7.4. If the Indemnifying Party assumes the defense of any such claim or Proceeding, the Indemnifying Party shall select counsel reasonably acceptable to such Indemnitee to conduct the defense of such claim or Proceeding, shall take all steps necessary in the defense or settlement thereof and shall at all times diligently and promptly pursue the resolution thereof. If the Indemnifying Party shall have assumed the defense of any claim or Proceeding in accordance with this Section 7.4, the Indemnifying Party shall be authorized to consent to a settlement of, or the entry of any judgment arising from, any such claim or Proceeding, but only with the prior written consent of such Indemnitee, which consent shall not be unreasonably withheld; provided, however, that the Indemnifying Party shall pay or cause to be paid all amounts arising out of such settlement or judgment concurrently with the effectiveness thereof; provided, further, that the Indemnifying Party shall not be authorized to encumber any of the assets of any Indemnitee

or to agree to any restriction that would apply to any Indemnitee or to its conduct of business; and provided, further, that a condition to any such settlement shall be a complete release of such Indemnitee and its Affiliates, directors, officers, employees and agents with respect to such claim, including any reasonably foreseeable collateral consequences thereof. Such Indemnitee shall be entitled to participate in (but not control) the defense of any such action, with its own counsel and at its own expense. Each Indemnitee shall, and shall cause each of its Affiliates, directors, officers, employees and agents to, cooperate fully with the Indemnifying Party in the defense of any claim or Proceeding being defended by the Indemnifying Party pursuant to this Section 7.4. If the Indemnifying Party does not assume the defense of any claim or Proceeding resulting therefrom in accordance with the terms of this Section 7.4, such Indemnitee may defend against such claim or Proceeding in such manner as it may deem appropriate, including settling such claim or proceeding after giving notice of the same to the Indemnifying Party, on such terms as such Indemnitee may deem appropriate, but only with the prior written consent of Indemnitee which consent shall not

be unreasonably withheld. If any Indemnifying Party seeks to question the manner in which such Indemnitee defended such claim or Proceeding or the amount of or nature of any such settlement, such Indemnifying Party shall have the burden to prove by a preponderance of the evidence that such Indemnitee did not defend such claim or Proceeding in a reasonably prudent manner.

7.5 Certain Definitions. As used in this Section 7, (a) "Affiliate" means, with respect to any person or entity, any person or entity directly or indirectly controlling, controlled by or under direct or indirect common control with such other person or entity; (b) "Associate" means, when used to indicate a relationship with any person or entity, (1) any other person or entity of which such first person or entity is an officer, director or partner or is, directly or indirectly, the beneficial owner of ten percent (10%) or more of any class of equity securities, membership interests or other comparable ownership interests issued by such other person or entity, (2) any trust or other estate in which such first person or entity has a ten percent (10%) or more beneficial interest or as to which such first person or entity serves as trustee or in a similar fiduciary capacity, and (3) any relative or spouse of such first person or entity who has the same home as such first person or entity or who is a director or officer of such first person or entity; (c) "Damages" means all demands, claims, actions or causes of action, assessments, losses, damages, costs, expenses, liabilities, judgments, awards, fines, response costs, sanctions, taxes, penalties, charges and amounts paid in settlement, including reasonable out-of-pocket costs, fees and expenses (including reasonable costs, fees and expenses of attorneys, accountants and other agents of, or other parties retained by, such party), and (d) "Proceeding" means any action, suit, hearing, arbitration, audit, proceeding (public or private) or investigation that is brought or initiated by or against any federal, state, local or foreign governmental authority or any other person or entity.

7.6 Limitations on Indemnities. Notwithstanding any other provision in this Section 7, neither party shall have any obligation to indemnify the other party under Section 7.1 unless the aggregate for all such claims exceeds $500,000, in which case to the full extent of Damages (including such initial $500,000) up to a maximum aggregate indemnity of $14,750,000. NEITHER PARTY TO THIS AGREEMENT NOR ANY OF ITS AFFILIATES SHALL BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES SUFFERED

BY A PARTY OR ITS AFFILIATES WITH RESPECT TO ANY TERM OR THE SUBJECT MATTER OF THIS AGREEMENT.

8. STANDSTILL. The Investor hereby agrees that the Investor (together with all of its subsidiaries in which Investor owns beneficially or of record a majority of the outstanding Voting Stock of such subsidiary ("Majority Owned Subsidiaries")) shall not acquire "beneficial ownership" (as defined in Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) of any Voting Stock (as defined below), any securities convertible into or exchangeable for Voting Stock, or any other right to acquire Voting Stock (except, in any case, by way of stock dividends or other distributions or offerings made available to holders of any Voting Stock generally) without the prior written consent of the Company, if the effect of such acquisition would be to increase the Voting Power of all Voting Stock then beneficially owned by the Investor or which it has a right to acquire (together with all Majority Owned Subsidiaries) to a percentage greater than nineteen and ninety-nine one hundredths percent (19.99%) (the "Standstill Percentage") of the Total Voting Power (as defined below) of the Company at the time in effect; provided that:

(a) The Investor may acquire Voting Stock without regard to the foregoing limitation, and such limitation shall be suspended, but not terminated, if and for as long as (i) a tender or exchange offer is made and is not withdrawn or terminated by another person or group to purchase or exchange for cash or other consideration any Voting Stock that, if accepted or if otherwise successful, would result in such person or group beneficially owning or having the right to acquire shares of Voting Stock with aggregate Voting Power of more than nineteen and ninety-nine one hundredths percent (19.99%) of the Total Voting Power of the Company then in effect (not counting for these purposes any shares of Voting Stock of the Company originally acquired (where such Shares or shares exchanged with the Company in respect thereof, are still held) by such person or group from the Investor or any Majority Owned Subsidiary), and such offer is not

withdrawn or terminated prior to the Investor making an offer to acquire Voting Stock or acquiring Voting Stock; provided, however, that the foregoing standstill limitation will be reinstated once any such tender or exchange offer is withdrawn or terminated, (ii) another person or group hereafter acquires Voting Stock with aggregate Voting Power of twenty percent (20%) or more of the Total Voting Power of the Company then in effect (not counting for these purposes any shares of Voting Stock of the Company originally acquired (where such Shares or shares exchanged with the Company in respect thereof, are still held) by such person or group from the Investor or any Majority Owned Subsidiary), where such person or group files a Schedule 13D (under the rules promulgated under Section 13(d) under the Securities and Exchange Act of 1934, as such rules and section are in effect on the date hereof), or other similar or successor schedule or form, indicating that such person's or group's holdings equal or exceed twenty percent (20%); provided, however, that the foregoing standstill limitation will be reinstated once the percentage of Total Voting Power beneficially owned by such other person or group falls below twenty percent (20%); (iii) another person or group hereafter acquires Voting Stock that results in such person or group being required to file a Schedule 13G, or other similar or successor schedule or form, indicating that such other person or group beneficially owns or has the right to acquire Voting Stock with aggregate Voting Power equal to or more than twenty percent (20%) of the Total Voting Power of the Company (not counting for these purposes any

shares of Voting Stock of the Company originally acquired (where such Shares or shares exchanged with the Company in respect thereof, are still held) by such person or group from the Investor or any Majority Owned Subsidiary); provided, however, that the foregoing standstill limitation will be reinstated once the percentage of Total Voting Power beneficially owned by such other person or group falls below twenty percent (20%); or (iv) another person or group orally or in writing contacts the Company and advises the Company of such person's or group's intention to commence a tender or exchange offer that, if so commenced, would result in a suspension pursuant to clause (i) above (e.g., a "bear hug" offer) and such contact by such person or group is publicly disclosed or otherwise becomes publicly known; provided, further, that if such a bear hug offer is not publicly disclosed or known to the public then the Company shall notify Investor of such bear hug and from time to time of its ongoing status (which information Investor shall treat as confidential); provided, however, that the foregoing standstill limitation will be reinstated if such intention is withdrawn in writing or other reasonable evidence of such withdrawal is provided to the Investor. The Company shall notify the Investor in writing of the occurrence of any event described in clauses (i) through (iv) of the immediately preceding sentence as soon as practicable following the Company's becoming aware of any such event, and in any case, shall provide the Investor written notice of any such event within two (2) business days of the Company's being aware of the occurrence of any such event.

(b) The Investor will not be obliged to dispose of any Voting Stock to the extent that the aggregate percentage of the Total Voting Power of the Company represented by Voting Stock beneficially owned by the Investor or which the Investor has a right to acquire is increased beyond the Standstill Percentage (i) as a result of a recapitalization of the Company or a repurchase or exchange of securities by the Company or any other action taken by the Company or its affiliates; (ii) as the result of acquisitions of Voting Stock made during the period when the Investor's "standstill" obligations are suspended pursuant to Section 8.1(a); (iii) as a result of an equity index transaction, provided that Investor shall not vote such shares; (iv) by way of stock dividends or other distributions or rights or offerings made available to holders of shares of Voting Stock generally; (v) with the consent of a simple majority of the independent authorized members of the Company's Board of Directors; or (vi) as part of a transaction on behalf of Investor's Defined Benefit Pension Plan, Profit Sharing Retirement Plan, 401(k) Savings Plan, Sheltered Employee Retirement Plan and Sheltered Employee Retirement Plan Plus, or any successor or additional retirement plans thereto (collectively, the "Retirement Plans") where the Company's shares in such Retirement Plans are voted by a trustee for the benefit of Investor employees or, for those Retirement Plans where Investor controls voting, where Investor agrees not to vote any shares of such Retirement Plan Voting Stock that would cause Investor to exceed the Standstill Percentage.

(c) As used in this Section 8, (i) the term "Voting

Stock" means the Common Stock and any other securities issued by the Company having the ordinary power to vote in the election of directors of the Company (other than securities having such power only upon the happening of a contingency that has not occurred), (ii) the term "Voting Power" of any Voting Stock means the number of votes such Voting Stock is entitled to cast for directors of the Company at any meeting of shareholders of the Company, and (ii) the term "Total Voting Power" means the total number of votes which may be cast in the election of directors of the

Company at any meeting of shareholders of the Company if all Voting Stock was represented and voted to the fullest extent possible at such meeting, other than votes that may be cast only upon the happening of a contingency that has not occurred. For purposes of this Section 8, the Investor shall not be deemed to have beneficial ownership of any Voting Stock held by a pension plan or other employee benefit program of the Investor if the Investor does not have the power to control the investment decisions of such plan or program.

9. MISCELLANEOUS.

9.1 Successors and Assigns. Neither party may assign this Agreement or any rights hereunder without the consent of the other party except to a Majority Owned Subsidiary. In the event of a permitted assignment, the terms and conditions of this Agreement will inure to the benefit of and be binding upon the respective successors and assigns of the parties.

9.2 Governing Law. This Agreement will be governed by and construed under the internal laws of the State of Delaware as applied to agreements among Delaware residents entered into and to be performed entirely within Delaware, without reference to principles of conflict of laws or choice of laws.

9.3 Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

9.4 Headings. The headings and captions used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. All references in this Agreement to sections, paragraphs, exhibits and schedules will, unless otherwise provided, refer to sections and paragraphs hereof and exhibits and schedules attached hereto, all of which exhibits and schedules are incorporated herein by this reference.

9.5 Notices. Any notice required or permitted under this Agreement will be given in writing, shall be effective when received, and shall in any event be deemed received and effectively given upon personal delivery to the party to be notified or three (3) business days after deposit with the United States Post Office, by registered or certified mail, postage prepaid, or one (1) business day after deposit with a nationally recognized courier service such as Federal Express for next business day delivery, or one (1) business day after facsimile with copy delivered by registered or certified mail, postage prepaid and addressed to the party to be notified at the address indicated for such party on the signature page hereof or at such other address as the Investor or the Company may designate by giving at least ten (10) days advance written notice pursuant to this Section 9.5.

9.6 No Finder's Fees. Each party represents that it neither is nor will be obligated for any finder's or broker's fee or commission in connection with this transaction. The Investor will indemnify and hold harmless the Company from any liability for any commission or compensation in the nature of a finders' or broker's fee for which the Investor or any of its officers, partners, employees or consultants, or representatives is responsible. The Company will indemnify and hold harmless the Investor from any liability for any commission or compensation

in the nature of a finder's or broker's fee for which the Company or any of its officers, employees or consultants or representatives is responsible.

9.7 Amendments and Waivers. This Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of

the Company and the Investor. Any amendment or waiver effected in accordance with this Section 9.7 will be binding upon the Investor, the Company and their respective successors and assigns.

9.8 Severability. If any provision of this Agreement is held to be unenforceable under applicable law, such provision will be excluded from this Agreement and the balance of the Agreement will be interpreted as if such provision were so excluded and will be enforceable in accordance with its terms.

9.9 Entire Agreement. This Agreement and the Investor Rights Agreement, together with all Exhibits and schedules hereto, constitutes the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes any and all prior negotiations, correspondence, agreements, understandings duties or obligations between the parties with respect to the subject matter hereof.

9.10 Further Assurances. From and after the date of this Agreement upon the request of the Investor or the Company, the Company and the Investor will execute and deliver such instruments, documents or other writings as may be reasonably necessary or desirable to confirm and carry out and to effectuate fully the intent and purposes of this Agreement.

9.11 Meaning of Include and Including. Whenever in this Agreement the word "include" or "including" is used, it shall be deemed to mean "include, without limitation" or "including, without limitation," as the case may be, and the language following "include" or "including" shall not be deemed to set forth an exhaustive list.

9.12 Fees, Costs and Expenses. All fees, costs and expenses (including attorneys' fees and expenses) incurred by either party hereto in connection with the preparation, negotiation and execution of this Agreement, the Investor Rights Agreement and the Development Agreement and the consummation of the transactions contemplated hereby and thereby, shall be the sole and exclusive responsibility of such party.

9.13 Limitation. The entire liability of either party to the other party shall not exceed the aggregate amount of consideration received by the Company for the Purchased Shares pursuant to Section 1 of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

AVID TECHNOLOGY, INC.	INTEL CORPORATION
By: /s/William L. Flaherty	By: /s/Arvind Sodhani
Name: William L. Flaherty	Name: Arvind Sodhani
Title: Senior Vice President of Finance and Chief Financial Officer	Title: Vice President and Treasurer
Address: Metropolitan Technology Park One Park West Tewksbury, Massachusetts 01878	Address: 2200 Mission College Boulevard M/S SC4-210 Santa Clara, California 95052
Attention: General Counsel	Attention: Treasurer
Telephone No.: (508) 640-6789	Telephone No.:(408) 765-1240
Facsimile No.: (508) 851-7216	Facsimile No.:(408) 765-6038
	with a copy to
	Address: SC4-203 2200 Mission College Blvd. Santa Clara, California 95052
	Attention: General Counsel
	Telephone No.: (408) 765-1125

Facsimile No.: (408) 765-5859

[Signature Page to Common Stock Purchase Agreement]

COMMON STOCK AGREEMENT

LIST OF EXHIBITS

Exhibit A - Form of Investor Rights Agreement

EXHIBIT 2

INVESTOR RIGHTS AGREEMENT
INVESTOR RIGHTS AGREEMENT

This Investor Rights Agreement (the "Agreement") is made and entered into as of March 22, 1997 by and among Avid Technology, Inc., a Delaware corporation (the "Company"), and Intel Corporation, a Delaware corporation ("Stockholder").

RECITALS

A. The Company and Stockholder have entered into a Common Stock Purchase Agreement dated as of March 22, 1997 (the "Purchase Agreement") pursuant to which Stockholder has agreed to purchase 1,552,632 shares of the Company's Common Stock, par value $0.01 per share ("Common Stock").

B. The execution and delivery of this Agreement by the parties hereto is a condition precedent to the obligations of the parties under the Purchase Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, the parties hereto agree as follows:

1. Definitions

For the purposes of this Agreement, the following terms have the meanings indicted below:

1933 Act. The Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, as in effect from time to time.

1934 Act. The Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, as in effect from time to time.

Business Day. Each weekday that is not a day on which banking institutions in New York are authorized or obligated by law or executive order to close.

Commission. The United States Securities and Exchange Commission.

Holder. Any person owning Registrable Securities who is a party to this Agreement, and any transferee thereof in accordance with Section 7 or 11 of this Agreement.

Prospectus. The prospectus included in any Registration Statement, as amended or supplemented by any prospectus supplement (including, without limitation, any prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by such Registration Statement), and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

Register, registration and registered. A registration effected by preparing and filing a registration statement or similar document with the Commission in compliance with the 1933 Act, and the declaration or ordering of effectiveness of such registration statement or document.

Registrable Securities. The shares of Common Stock issued to Stockholder pursuant to the Purchase Agreement and any securities that may be issued by the Company or any successor to the Company from time to time with respect to, in exchange for, or in replacement of such shares of Common Stock, including, without limitation, securities issued as a stock dividend on or pursuant to a stock split of such shares of Common Stock; provided, however, that those shares as to which the following apply shall cease to be Registrable Securities when: (a) a Registration Statement with respect to the sale of such Registrable Securities shall have become effective under the 1933 Act and such Registrable Securities shall have been disposed of under such Registration Statement; (b) such Registrable Securities shall have become transferable, or have become eligible and remain eligible for transfer (whether or not so

transferred), in accordance with Rule 144(k), or any successor rule or provision, under the 1933 Act; (c) such Registrable Securities shall have been transferred in a transaction in which the Holder's rights and obligations under this Agreement were not assigned in accordance with this Agreement; (d) such Registrable Securities shall have ceased to be outstanding; or (e) such Registrable Securities shall have been sold pursuant to Rule 144.

Registration Expenses. All expenses incident to the Company's performance of or compliance with Sections 2 and 4 hereof, including, without limitation, all registration and filing fees (including filing fees with respect to the Commission and to the National Association of Securities Dealers, Inc. and listing fees of the Nasdaq National Market), all fees and expenses of complying with state securities or "blue sky" laws (including fees and disbursements of underwriters' counsel in connection with any "blue sky" memorandum or survey, but excluding any fees and expenses for foreign qualification in such jurisdictions), all printing expenses, all registrars' and transfer agents' fees and all fees and disbursements of the Company's counsel and independent public accountants; provided, however, that Registration Expenses shall not include the fees and expenses of more than one counsel to the holders of Registrable Securities, or underwriters' discounts and commissions, or brokerage fees, associated with the sale of the Registrable Securities.

Registration Statement. A registration statement prepared and filed with the Commission in compliance with the 1933 Act.

Seller. Any person, including any Holder, selling any Registrable Securities in an offering of any Registrable Securities of the Company pursuant to this Agreement.

Selling Expenses. All applicable discounts and commissions, brokerage fees, transfer taxes and any fees and disbursements of more than one counsel or any accountants or other advisors for the Sellers of the Registrable Securities being registered.

2. "Piggy-Back" Registration Rights

If at any time the Company shall determine to register pursuant to an underwritten public offering under the 1933 Act any of its Common Stock for its own account, or the account of other stockholders of the Company desiring to sell "restricted securities" of the Company (as defined in Rule 144 of the 1933 Act) pursuant to an underwritten public offering, it shall send to the Holder written notice of such determination and, if within 15 calendar days after receipt of such notice, Holder shall so request in writing, the Company shall include in such registration statement all or any part of the Registrable Securities the Holder requests to be registered. This right shall not apply to a registration of shares of Common Stock on Form S-8 or Form S-4 (or their then equivalents) relating to shares of Common Stock to be issued by the Company in connection with any acquisition of any entity or business, or shares of Common Stock issuable in connection with any stock option, stock purchase plan or other employee benefit plan.

If, in connection with any offering involving an underwriting of Common Stock to be issued for the account of the Company or selling securityholders, the managing underwriter shall impose a limitation on the number of shares of such Common Stock which may be included in any such registration statement because, in its judgment, such limitation is necessary to effect an orderly public distribution of the Common Stock and to maintain a stable market for the securities of the Company, then the Company shall be obligated to include in such registration statement only such limited portion of the stock with respect to which the Holder has requested inclusion hereunder, on a pro rata basis based on the number of shares of Common Stock owned by the Holder and all other selling securityholders, other than securityholders whose shares are to be included in such registration statement pursuant to the exercise of demand registration rights under any agreement with the Company (a "Demand Securityholder"); provided, however, there shall be no reduction in the number of shares included therein by the Company, or if such registration statement is filed at the request of a Demand Securityholder, by such Demand Securityholder.

3. Shelf Registration

3.1 Undertaking to Register

As soon as practicable but in any event within 150 days following the Closing (as that term is defined in the Purchase Agreement), upon written request of Stockholder, the Company will use its commercially reasonable best efforts to prepare, file and have declared effective a registration statement under the Securities Act to register all of the Registrable Securities for resale in the public market in brokerage transactions or transactions with market makers, in block trades, and in privately negotiated transactions.

3.2 Selling Procedures; Suspension

(a) Except in the event that paragraph (b) below applies, the Company shall (i) if deemed necessary by the Company, prepare and file from time to time with the Commission a post-effective amendment to the Registration Statement or a supplement to the related Prospectus or a supplement or amendment to any document incorporated therein by

reference or file any other required document so that such Registration Statement will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and so that, as thereafter delivered to purchasers of the Registrable Securities being sold thereunder, such Prospectus will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (ii) provide the Holders of the Registrable Securities copies of any documents filed pursuant to Section 3.2(a)(i); and (iii) inform each Holder that the Company has complied with its obligations in Section 3.2(a)(i) (or that, if the Company has filed a post-effective amendment to the Registration Statement which has not yet been declared effective, the Company will notify each such Holder to that effect, will use its best efforts to secure the effectiveness of such post-effective amendment and will immediately notify each such Holder pursuant to Section 3.2(a)(i) hereof when the amendment has become effective).

(b) In the event (i) of any request by the Commission or any other federal or state governmental authority during the period of effectiveness of the Registration Statement for amendments or supplements to a Registration Statement or related Prospectus or for additional information; (ii) of the issuance by the Commission or any other federal or state governmental authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose; (iii) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; (iv) of any event or circumstance which necessitates the making of any changes in the Registration Statement or Prospectus, or any document incorporated or deemed to be incorporated therein by reference, so that, in the case of the Registration Statement, it will not contain any untrue statement of a material fact or any omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and that in the case of the Prospectus, it will not contain any untrue statement of a material fact or any omission to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; or (v) that, in the reasonable, good faith judgment of the Company's Board of Directors, upon the advice of counsel, (A) the offering of securities pursuant thereto would materially and adversely affect (i) a pending or scheduled public offering or private placement of the Company's securities, (ii) a pending or proposed acquisition, merger, consolidation, reorganization, restructuring or similar transaction of or by the Company or other material corporate activity or transaction, (iii) bona fide negotiations, discussions or proposals with respect to any of the foregoing, or (iv) the position or strategy of the Company in connection with any pending or threatened litigation, claim, assessment or government investigation and (B) in the event sales of Registrable Securities were made under the Registration Statement and disclosure of all material information with respect to the applicable circumstance(s) described in subparagraph (A) had not been made, such circumstances could reasonably be expected to

cause a violation of the 1933 Act or the 1934 Act (each a "Suspension Event"); then, subject to paragraph (d) below, the Company shall deliver a certificate in writing to the Holders (the "Suspension Notice") to the effect of the foregoing and, upon receipt of such Suspension Notice, each such Holder will refrain from selling any Registrable Securities

pursuant to the Registration Statement (a "Suspension") until such Holder's receipt of copies of the supplemented or amended Prospectus provided for in Section 3.2(a)(i) hereof, or until it is advised in writing by the Company that the Prospectus may be used, and has received copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference in such Prospectus.

(c) In the event of any Suspension, or any delay in effecting the Registration under Section 3.2 above, the Company will use its best efforts to ensure that the use of the Prospectus so suspended or delayed may be commenced or resumed, as the case may be, and that the Suspension will terminate and the Holder's ability to sell pursuant to the Prospectus so suspended will commence or resume, as the case may be, as soon as practicable and, in the case of a pending development, filing or event referred to in Section 3.2(b)(iv) or (v) hereof, as soon, in the judgment of the Company's Board of Directors (in accordance with the provisions of Section 3.2), as disclosure of such pending development, filing or event would not have a material adverse effect on the Company's ability to consummate the transaction, if any, contemplated by such development, filing or event. Notwithstanding any other provision of this Agreement, the Company shall have the right to cause a maximum of two (2) Suspensions pursuant to Section 3.2(b)(iv) and (v), neither of which may be within 45 days of the other, as provided above (including for this purpose a delay in effecting the Registration pursuant to Section 3.2 above) during any 12-month period after the initial effective date of the Registration Statement, and the total number of days for which all Suspensions (including for this purpose a delay in effecting the Registration Statement pursuant to Section 3.2 above) during any 12-month period shall not exceed 90 days in the aggregate; provided that no such individual Suspension may be in effect for more than 60 days.

(d) The Company will use its commercially reasonable best efforts to maintain the effectiveness of any registration statement pursuant to which any of the Registrable Securities are being offered for (i) up to 120 days, (or such shorter period of time as the underwriters need to complete the distribution of the registered offering in any Company-primary or secondary offering), in the case of a registration pursuant to Section 2, or (ii) in the case of a "shelf" Registration Statement pursuant to Section 3.1 until the date on which each Holder may sell all Registrable Securities then held by such Holder without restriction by the volume limitations of Rule 144(e). The Company from time to time will amend or supplement such Registration Statement and the Prospectus contained therein to the extent necessary to comply with the 1933 Act and any applicable state securities statue or regulation.

3.3 Underwriting Agreement

If in connection with any proposed distribution by the Holder under the "piggy back" registration referred to in Section 2, the Company in its discretion shall determine that it is in the best interests of the Company to effect distribution by means of an underwriting, the Company shall promptly notify the Holder of such determination. In such event, in addition to the limitations set forth in Section 2, the right of Holder to participate in such distribution shall be conditioned upon such Holder's participation in the underwriting arrangements required by this Section 3.3, including without limitation, the requirement that the Holder enter into an

underwriting agreement and a lock-up agreement (for a period determined by the managing underwriter not to exceed the period agreed to by all directors and officers of the Company), each in customary form with the managing underwriter selected for the underwriting by the Company.

4. Expenses

The Company will pay all Registration Expenses in connection with the registration of Registrable Securities effected by the Company pursuant to Section 4; provided that Holder shall pay the

first $50,000 of Registration Expenses applicable to registrations of Holder's shares of Common Stock under this Agreement. Holders of Registrable Securities registered pursuant to this Agreement shall pay all Selling Expenses with each such Holder bearing a pro rata portion of the Selling Expenses based upon the number of Registrable Securities registered by each such Holder.

5. Expiration of Registration Rights

The obligations of the Company under Section 2 of this Agreement to register the Registrable Securities shall expire and terminate at the earlier of (a) three years following the Closing or (b) such time as the Holder shall be entitled or eligible to sell all such securities without restriction and without a need for the filing of a registration statement under the Securities Act, including without limitation, for any resales of restricted securities made pursuant to Rule 144(k) as promulgated by the Securities and Exchange Commission. The determination as to whether the Holder is entitled or eligible to sell all Registrable Securities without the need for registration under the Securities Act shall be based on a written opinion of counsel that registration of the Registrable Securities is not required under the Securities Act, sufficient to permit the transfer agent to transfer such securities upon a sale by the Holder. The obligations of the Company under Section 3 of this Agreement shall expire at the time specified in Section 3.2(d)(ii).

6. Registration Procedures

In connection with the registration of Registrable Securities under this Agreement, and subject to the other provisions of this Agreement, the Company shall:

(a) use its commercially reasonable best efforts to cause the Registration Statement filed in accordance with Section 2 or Section 3 to become effective as soon as practicable after the date of filing thereof;

(b) prepare and file with the Commission such amendments and supplements to such Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement continuously effective for the shorter of (i) the duration of its registration obligations, or (ii) until there are no Registrable Securities outstanding, and to comply with the provisions of the 1933 Act with respect to the disposition of the Registrable Securities;

(c) furnish to each Seller of such Registrable Securities such number of copies of the Prospectus included in such Registration Statement as such Seller may reasonably request in order to facilitate the sale or disposition of such Registrable Securities;

(d) use its commercially reasonable best efforts to register or qualify all securities covered by such Registration Statement under such other securities or "blue sky" laws of such jurisdictions as each Seller shall reasonably request, and do any and all other acts and things that may be necessary to enable such Seller to consummate the disposition in such jurisdictions of its Registrable Securities covered by such Registration Statement, except that the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction wherein it is not so qualified, or to subject itself to taxation in respect of doing business in any such jurisdiction, or to consent to general service of process in any such jurisdiction;

(e) notify each Seller of Registrable Securities covered by such Registration Statement, at any time when a Prospectus relating thereto is required to be delivered under the 1933 Act, of the happening of any event as a result of which the Prospectus included in such Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing or if it is necessary to amend or supplement such Prospectus to comply with the law, and at the request of any such Seller, prepare and furnish to such Seller a reasonable number of copies of a supplement to or an amendment of such Prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Registrable Securities or securities, such Prospectus, as amended or supplemented, will comply with the law;

(f) use its best efforts to qualify such securities for inclusion in the Nasdaq National Market, and provide a transfer agent and registrar for such Registrable Securities not later than the effective date of such Registration Statement; and

(g) issue to any person to which any Holder of Registrable Securities may sell such Registrable Securities in connection with such registration certificates evidencing such Registrable Securities without any legend restricting the transferability of the Registrable Securities (unless otherwise required by law).

7. 1934 Act Registration

The Company shall timely file with the Commission such information as the Commission may prescribe under Section 13 or 15(d) of the 1934 Act and shall use its best efforts to take all action and make all filings of information referenced in Rule 144(c) as may be required as a condition to the availability of Rule 144 under the 1933 Act (or any successor exemptive rule hereinafter in effect) with respect to such Common Stock. The Company shall furnish to any holder of Registrable Securities forthwith upon request (i) a written statement by the Company as to its compliance with the reporting requirements of Rule 144(c), (ii) a copy of the most recent annual or quarterly report of the Company as filed with the Commission, and (iii) such other publicly-filed reports and documents as a holder may reasonably request in availing itself of any

rule or regulation of the Commission allowing a holder to sell any such Registrable Securities without registration.

8. Stockholder Information

It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Agreement that all Holders of Registrable Securities shall furnish to the Company such information regarding themselves, the Registrable Securities held by them and the intended method of disposition of such Registrable Securities as shall be reasonably required to effect the registration of their Registrable Securities and to execute such documents in connection with such registration as the Company may reasonably request.

9. Indemnification and Contribution

In the event any Registrable Securities are included in a Registration Statement under Sections 2 and 3:

(a) The Company will indemnify and hold harmless each Seller, the officers, directors, partners, agents and employees of each Seller, any underwriter (as defined in the 1933 Act) for such Seller and each person, if any, who controls such Seller or underwriter within the meaning of the 1933 Act or the 1934 Act, against any losses, claims, damages or liabilities (joint or several) to which they may become subject under the 1933 Act, the 1934 Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively, a "Violation"): (i) any untrue statement or alleged untrue statement of a material fact contained in such Registration Statement, including any preliminary Prospectus or final Prospectus contained therein or any amendments or supplements thereto; (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; or (iii) any violation or alleged violation by the Company of the 1933 Act, the 1934 Act, any state securities law or any rule or regulation promulgated under the 1933 Act, the 1934 Act or any state securities law; and the Company will reimburse each such Seller, officer, director, partner, agent, employee, underwriter or controlling person for any reasonable legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the indemnity agreement contained in this Section 9(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld or delayed), nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation (i)

which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Seller, underwriter or controlling person or (ii) which is based upon any information in a Prospectus that has been amended or supplemented if such Seller had been notified of such amendment or supplement and the use of such amendment or supplement by the Seller would have avoided the Violation.

(b) Each Seller will indemnify and hold harmless the Company, each of its officers, directors, partners, agents or employees, each person, if any, who controls the Company within the meaning of the 1933 Act, any underwriter and any other Seller or any of its directors, officers, partners, agents or employees or any person who controls such Seller, against any losses, claims, damages or liabilities joint or several) to which the Company or any such director, officer, partner, agent, employee, controlling person or underwriter, or other such Seller or director, officer, partner, agent, employee or controlling person may become subject, under the 1933 Act, the 1934 Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Seller expressly for use in connection with such registration; and each such Seller will reimburse any reasonable legal or other expenses reasonably incurred by the Company or any such director, officer, partner, agent, employee, controlling person or underwriter, other Seller, officer, director, partner, agent, employee or controlling person in connection with investigating or defending any such loss, claim, damage, liability or action. Notwithstanding anything contained in this Agreement to the contrary, the indemnity agreement contained in this Section 9(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Seller, which consent shall not be unreasonably withheld or delayed; provided further, that the aggregate liability of each Seller in connection with any sale of Registrable Securities pursuant to a Registration Statement in which a Violation occurred shall be limited to the net proceeds from such sale.

(c) Promptly after receipt by an indemnified party under this Section 6 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 9, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel selected by the indemnifying party and reasonably acceptable to the indemnified party; provided, however, that an indemnified party shall have the right to retain its own counsel, with the reasonable fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing or conflicting interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, to the extent prejudicial to its ability to defend such action, shall relieve such indemnifying party of liability to the indemnified party under this Section 9 to the extent of such prejudice, but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 9.

(d) If recovery is not available under the foregoing indemnification provisions of this Section 9, for any reason other than as specified therein, the parties entitled to indemnification by the terms thereof shall be entitled to contribution to liabilities and expenses in

such proportion as is appropriate to reflect the relative fault of the indemnifying parties and the indemnified parties, except to the extent that contribution is not permitted under Section 11(f) of the 1933 Act. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, the parties' relative knowledge and access to

information concerning the matter with respect to which the claim was asserted, the opportunity to correct and prevent any statement or omission and any other equitable considerations appropriate under the circumstances, including, without limitation, whether any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company, on the one hand, or by the Holder of Registrable Securities, on the other hand. The Company and Stockholders of the Registrable Securities covered by such Registration Statement agree that it would not be equitable if the amount of such contribution were determined by pro rata or per capita allocation. No seller of Registrable Securities covered by such Registration Statement or person controlling such Seller shall be obligated to make any contribution hereunder which in the aggregate exceeds the net proceeds of the securities sold by such seller, less the aggregate amount of any damages which such seller and its controlling persons have otherwise been required to pay in respect of the same claim or any substantially similar claim. The obligations of such Stockholders to contribute are several in proportion to their respective ownership of the Registrable Securities covered by such Registration Statement and not joint. Notwithstanding the foregoing, in no event shall any contribution by a Holder under this Section 9(d) exceed the net proceeds from the offering received by such Holder.

10. Transferability

Each Holder agrees that he will not make any disposition of all or any portion of the Registrable Securities (a) except in a registered public offering pursuant to the rights granted in this Agreement; or (b) until (i) such Holder shall have furnished the Company with a statement of the circumstances surrounding the proposed disposition and (ii) if reasonably requested by the Company, such Holder shall have furnished the Company with an opinion of counsel, reasonably satisfactory to counsel for the Company, that such disposition will not require registration of such Registrable Securities or such transaction under the 1933 Act or applicable state securities laws.

11. Covenants

11.1 Board Observership

During the "Development Period" (as defined in that certain Software and Hardware Development, License and Distribution Agreement dated as of March __, 1997 between the Company and Stockholder (the "Development Agreement")), Stockholder shall be entitled to appoint a non-voting observer to the Company's Board of Directors who is reasonably acceptable to the Company; and such observer shall be entitled to attend all meetings of the Company's Board of Directors and committees thereof (other than the audit, nominations and governance and compensation committees as conducted under their current charters) and shall receive notice of all meetings and all materials furnished to members of the Company's Board of

Directors in their capacities as such, unless the Chairman of the Board of the Company shall reasonably determine that delivery of such materials to Stockholder is detrimental to the Company. Stockholder acknowledges its intent (without an obligation) that the observer be the same person for purposes of providing continuity. Upon the request of the Chairman of the Company, the observer will excuse himself from any portion of the Board or committee meetings if the Chairman of the Board of the Company shall reasonably determine that the observer's presence is detrimental to the Company. The materials furnished to Stockholder and the discussions and presentations in connection with or at such meetings shall be considered confidential information not to be disclosed to any third party unless such information is generally available to the public or disclosure is required by law.

11.2 Limitations

During the Development Period, without the prior written consent of Stockholder, the Company will not enter into any agreement or obligation that could reasonably be anticipated to prevent the Company from meeting the milestones listed in an Exhibit to the Development Agreement.

12. Miscellaneous

12.1 Amendments and Waivers

Any provision of this Agreement may be amended and the observance thereof may only be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and the Holders of a majority of the Registrable Securities then outstanding. Any amendment or waiver effected in accordance with this Section 12.1 shall be binding upon each Holder of Registrable Securities at the time outstanding, each future Holder of Registrable Securities, and the Company.

12.2 Notices

Any notice required or permitted under this Agreement will be given in writing, shall be effective when received, and shall in any event be deemed received and effectively given upon personal delivery to the party to be notified or three (3) business days after deposit with the United States Post Office, by registered or certified mail, postage prepaid, or one (1) business day after deposit with a nationally recognized courier service such as Federal Express for next business day delivery, or one (1) business day after facsimile with copy delivered by registered or certified mail, postage prepaid and addressed to the party to be notified at the address indicated for such party on the signature page hereof or at such other address as the Shareholder or the Company may designate by giving at least ten (10) days advance written notice pursuant to this Section 12.2

12.3 Governing Law

This Agreement shall for all purposes be governed by and construed in accordance with the internal laws of the State of Delaware without regard to conflicts-of-laws

principles. The parties hereto agree to submit to the jurisdiction of the federal and state courts of the County of Santa Clara in the State of California with respect to the breach or interpretation of this Agreement or the enforcement of any and all rights, duties, liabilities, obligations, powers and other relations between parties arising under this Agreement.

12.4 Severability

If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excised from this Agreement, and the remainder of this Agreement shall be interpreted as if such provision were so excised and shall be enforceable in accordance with its remaining terms.

12.5 Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

12.6 Effectiveness.

Any other provision of this Agreement to the contrary notwithstanding, neither party to this Agreement shall have any obligation to the other under this Agreement unless and until the Closing under the Common Stock Purchase Agreement between the parties dated March 22, 1997 shall have occurred.

12.7 Assignment.

The rights set forth in this Agreement are not transferable except to a person controlling, controlled by, or under common control with Holder. All transferees shall agree in writing to be bound by all of the provisions of this Agreement. A Holder shall promptly advise the Company in writing of the identity and address of any person to whom it transferred its registration rights hereunder.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Investor Rights Agreement as of the date first above written.

AVID TECHNOLOGY, INC. INTEL CORPORATION

By: /s/William L. Flaherty By: /s/Arvind Sodhani

Name: William L. Flaherty	Name: Arvind Sodhani
Title: Senior Vice President of Finance and Chief Financial Officer	Title: Vice President and Treasurer
Address: Metropolitan Technology Park One Park West Tewksbury, Massachusetts 01878	Address: 2200 Mission College Boulevard M/S SC4-210 Santa Clara, California 95052
Attention: General Counsel	Attention: Treasurer
Telephone No.: (508) 640-6789	Telephone No.:(408) 765-1240
Facsimile No.: (508) 851-7216	Facsimile No.:(408) 765-6038
	with a copy to
	Address: SC4-203 2200 Mission College Blvd. Santa Clara, California 95052
	Attention: General Counsel
	Telephone No.: (408) 765-1125
	Facsimile No.: (408) 765-5859

[Signature Page to Investor Rights Agreement]

EXHIBIT 3

Press Release dated 3/24/97

Avid and Intel Announce Strategic Alliance to Bring Visual Computing Technology to Desktop Platforms

Intel Supports Avid's Plans To Expand Its Digital Content Creation Business Into New Market Segments

TEWKSBURY, MA. March 24, 1997 -- Avid Technology Inc. (NASDAQ: AVID) and Intel Corporation (NASDAQ: INTC) today announced a strategic alliance to support Avid's plans to offer video and audio editing products on the Intel architecture. Under terms of the agreement, Avid will develop digital content creation products for the Intel architecture. Also under terms of the agreement, Intel will purchase 1,552,632 newly issued shares of Avid common stock for a total investment of $14.75 million. The investment was made at $9.50 per share, the closing price on March 21, 1997 and gives a Intel a 6.75 percent ownership position in Avid.

The agreement supports Avid's overall strategy to provide digital content creation solutions for open environments. The agreement also represents Avid's and Intel strategic commitment to supporting a range of digital media solutions for users of Intel-based computers.

"This agreement marks a significant milestone in Avid's drive to bring powerful digital content creation solutions to the millions of potential users in corporations, government and academic institutions, small businesses and homes," said William J. Miller, chairman and CEO of Avid Technology, Inc. at Intel's technology forum on visual computing. "Intel architecture-based computers are the clear volume leaders in these market segments. We look forward to linking Avid's award-winning video and audio technology and the superior price/performance of Intel platforms to develop powerful, affordable desktop digital content creation solutions for these market segments."

"Our goal is to bring the best visual computing technologies to the Intel architecture," said Pat Gelsinger, vice president and general manager of Intel's Desktop Products Group. "As technologies continue to converge to enable visual computing, digital content creation - particularly digital video editing and image manipulation -- will become a key application. Avid is a recognized leader in this area, one that we believe will deliver superior solutions at all price points, from workstations to volume desktop PCs."

Avid already supports the Intel platform with several of its products, including MCXpress*/ for WindowsNT, NewsView, and Elastic Reality* winner of a 1996 technical achievement award from the Academy of Motion Pictures and Sciences. Under the terms of the agreement, Avid and Intel will collaborate to bring a broad range of additional digital content creation products to the Intel architecture. In order to meet customer needs in other market segments, Avid will continue to provide content creation products for multiple computing platforms.

Intel, the world's largest chip maker, is also a leading manufacturer of personal computer, networking, and communications products. Additional information is available at http://www.intel.com.

EXHIBIT 4

SIGNATURE AUTHORITY

[INTEL CORPORATE ADDRESS]

[INTEL LOGO]

March 7, 1997

TO WHOM IT MAY CONCERN:

I will be out of the office on sabbatical from Monday, March 10 through Tuesday, May 6, 1997. In my absence, Peter N. Detkin, Director of Litigation, will have full signature authority.

Sincerely,

/s/F. Thomas Dunlap, Jr.
- --------------------------
F. Thomas Dunlap, Jr.
Vice President, General Counsel & Secretary