
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTIONS 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): **February 14, 2007**

AVID TECHNOLOGY, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

0-21174
(Commission File Number)

04-2977748
(I.R.S. Employer
Identification No.)

Avid Technology Park, One Park West, Tewksbury, MA
(Address of Principal Executive Offices)

01876
(Zip Code)

Registrant's telephone number, including area code: **(978) 640-6789**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2 (b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02(e). Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

1997 Stock Incentive Plan – Form Agreements

On February 14, 2007, the Board of Directors (the “Board”) of Avid Technology, Inc. (the “Company”) determined that a portion of the 2007 annual stock-based compensation award to the Company’s executive officers would be in the form of stock options issued under the Company’s 1997 Stock Incentive Plan pursuant to the following form agreements previously approved by the Board:

- Incentive Stock Option Grant Terms and Conditions; and
- Nonstatutory Stock Option Grant Terms and Conditions.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

See Exhibit Index attached hereto.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 21, 2007

AVID TECHNOLOGY, INC.
(Registrant)

By: /s/ Joel E. Legon
Joel E. Legon
Vice President and Corporate Controller

EXHIBIT INDEX

Exhibit No.	Description
*#10.1	Form of Incentive Stock Option Grant Terms and Conditions.
*#10.2	Form of Nonstatutory Stock Option Grant Terms and Conditions.

* Documents filed herewith
Management contract or compensatory plan

Avid Technology, Inc.Incentive Stock Option Grant
Terms and Conditions

1. Grant of Option. Avid Technology, Inc., a Delaware corporation (the "Company"), has granted to the Optionee identified in the attached Notice of Stock Option Grant (the "Notice") an option pursuant to the Company's Stock Plan identified in the Notice (the "Plan") to purchase a total number of shares as identified in the Notice (the "Shares") of common stock, \$0.01 par value per share, of the Company ("Common Stock") at the price per share and subject to the terms and conditions set forth herein and in the Notice.

It is intended that the option evidenced hereby shall be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"). Except as otherwise indicated by the context, the term "Optionee", as used in this option, shall be deemed to include any person who acquires the right to exercise this option validly under its terms. Except where the context otherwise requires, the term "Company" shall include the parent and all present and future subsidiaries of the Company as defined in Sections 424(e) and 424(f) of the Code.

2. Vesting Schedule. Except as otherwise provided herein, this option may be exercised in whole or in part prior to the tenth anniversary of the date of grant (hereinafter the "Final Exercise Date") commencing on the first vest date set forth in the Notice (the "Vesting Commencement Date") in an initial installment of shares as provided therein. The remaining shares shall vest as provided in the Notice. The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this option under Section 3 hereof or the Plan.

3. Exercise of Option.

(a) Form of Exercise. Each election to exercise this option shall be in a manner as determined by the Company from time to time and shall be accompanied by payment in full in accordance with Section 4 below. The Optionee may purchase less than the number of shares covered hereby, provided that no partial exercise of this option may be for any fractional share or for fewer than ten whole shares.

(b) Continuous Relationship with the Company Required. Except as otherwise provided in this Section 3, this option may not be exercised unless the Optionee, at the time he or she exercises this option, is, and has been at all times since the grant date as indicated in the Notice (the "Grant Date"), an employee or officer of, or consultant or advisor to, the Company (an "Eligible Optionee").

(Revised Feb 2007)

(c) Termination of Relationship with the Company. If the Optionee ceases to be an Eligible Optionee for any reason, then, except as provided in paragraphs (d) and (e) below, the right to exercise this option shall terminate three months after such cessation (but in no event after the Final Exercise Date), provided that this option shall be exercisable only to the extent that the Optionee was entitled to exercise this option on the date of such cessation. Notwithstanding the foregoing, if the Optionee, prior to the Final Exercise Date, violates the non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other similar agreement between the Optionee and the Company, the right to exercise this option shall terminate immediately upon such violation.

(d) Exercise Period Upon Retirement, Death or Disability. If the Optionee retires, dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Optionee and the Company has not terminated such relationship for "cause" as specified in paragraph (e) below, this option shall be exercisable, within the period of one year following the date of retirement, death or disability of the Optionee, by the Optionee (or in the case of death by an authorized transferee), provided that this option shall be exercisable only to the extent that this option was exercisable by the Optionee on the date of his or her retirement, death or disability, and further provided that this option shall not be exercisable after the Final Exercise Date. For purposes of this Section 3, "retirement" shall mean the cessation of employment with the Company for any reason other than "cause" as specified in paragraph (e) below, by an Optionee who is at least 55 years of age and who has worked full-time for the company for the five years immediately preceding the date of cessation of employment.

(e) Discharge for Cause. If the Optionee, prior to the Final Exercise Date, is discharged by the Company for "cause" (as defined below), the right to exercise this option shall terminate immediately upon the effective date of such discharge. "Cause" shall mean willful misconduct by the Optionee or willful failure by the Optionee to perform his or her responsibilities to the Company (including, without limitation, breach by the Optionee of any provision of any employment, consulting, advisory, nondisclosure, non-competition or other similar agreement between the Optionee and the Company), as determined by the Company, which determination shall be conclusive. The Optionee shall be considered to have been discharged for "Cause" if the Company determines, within 30 days after the Optionee's resignation, that discharge for cause was warranted.

4. Payment of Purchase Price. Payment of the purchase price for shares purchased upon exercise of this option shall be made by delivery of cash or check payable to the order of the Company or, with the prior consent of the Company (which may be withheld in its sole discretion), by (A) delivery of shares of Common Stock owned by the Optionee for at least six months, valued at their fair market value, as determined by the Board of Directors of the Company (the "Board") in good faith; (B) delivery of a promissory note of the Optionee to the Company on terms determined by the Board; (C) delivery of an irrevocable undertaking by a credit worthy broker to deliver promptly to the Company sufficient funds to pay the exercise price or delivery by the Optionee of irrevocable and unconditional instructions to a credit worthy broker to deliver promptly to the Company cash or a check sufficient to pay the exercise price; (D) payment of such other lawful consideration as the Board may determine; or (E) any combination of the foregoing.

(Revised Feb 2007)

5. Tax Matters.

(a) Withholding. No Shares will be issued pursuant to the exercise of this option unless and until the Optionee pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option. In the Board's discretion, and subject to such conditions as the Board may establish, such tax obligations may be paid in whole or in part in shares of Common Stock, including shares retained from the option creating the tax obligation, valued at their fair market value. The Company may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to the Optionee.

(b) Disqualifying Disposition. If the Optionee disposes of Shares acquired upon exercise of this option within two years from the Grant Date or one year after such Shares were acquired pursuant to exercise of this option, the Optionee shall notify the Company in writing of such disposition.

6. Nontransferability of Option. This option may not be sold, assigned, transferred, pledged or otherwise encumbered by the Optionee, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Optionee, this option shall be exercisable only by the Optionee.

7. Provisions of the Plan. This option is subject to the provisions of the Plan, a copy of which is furnished to the Optionee with this option.

8. Miscellaneous.

(a) Governing Law. This option shall be governed by and construed in accordance with the laws of the State of Delaware without regard to applicable conflicts of laws.

(b) Severability. The invalidity or unenforceability of any provision hereof shall not affect the validity or enforceability of any other provision hereof, and each such other provision shall be severable and enforceable to the extent permitted by law.

(c) Binding Effect. These terms and conditions shall be binding upon and inure to the benefit of the Company and the Optionee and their respective heirs, executors, administrators, legal representatives, successors and assigns.

(d) Entire Agreement. These terms and conditions, the attached Notice and the Plan constitute the entire agreement between the parties, and supersedes all prior agreements and understandings, relating to the subject matter hereof.

(e) Amendment. These terms and conditions may be amended or modified only by a written instrument executed by both the Company and the Optionee.

(Revised Feb 2007)

Avid Technology, Inc.

Notice of Grant of Stock Option

[NAME]

Employee ID: _____

Dear _____,

Effective _____ (the “Grant Date”), you have been granted a stock option to buy _____ shares of common stock of Avid Technology, Inc. (the “Company”) at an exercise price of \$____ per share.

Shares in each period will become fully vested on the date shown.

Number of Shares	Vest Type	Date Fully Vested	Expiration

By your signature and the Company’s signature below, you and the Company agree that this option is granted under and governed by the terms and conditions of the Company’s 1997 Stock Incentive Plan and the attached Terms and Conditions.

AVID TECHNOLOGY, INC.

By _____

Date _____

Employee

Date _____

(Revised Feb 2007)

Avid Technology, Inc.Nonstatutory Stock Option Grant
Terms and Conditions

1. Grant of Option. Avid Technology, Inc., a Delaware corporation (the "Company"), has granted to the Optionee identified in the attached Notice of Stock Option Grant (the "Notice") an option pursuant to the Company's Stock Plan identified in the Notice (the "Plan") to purchase a total number of shares as identified in the Notice (the "Shares") of common stock, \$0.01 par value per share, of the Company ("Common Stock") at the price per share and subject to the terms and conditions set forth herein and in the Notice.

It is intended that the option evidenced hereby shall not be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"). Except as otherwise indicated by the context, the term "Optionee", as used in this option, shall be deemed to include any person who acquires the right to exercise this option validly under its terms. Except where the context otherwise requires, the term "Company" shall include the parent and all present and future subsidiaries of the Company as defined in Sections 424(e) and 424(f) of the Code.

2. Vesting Schedule. Except as otherwise provided herein, this option may be exercised in whole or in part prior to the tenth anniversary of the date of grant (hereinafter the "Final Exercise Date") commencing on the first vest date set forth in the Notice (the "Vesting Commencement Date") in an initial installment of shares as provided therein. The remaining shares shall vest as provided in the Notice. The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this option under Section 3 hereof or the Plan.

3. Exercise of Option.

(a) Form of Exercise. Each election to exercise this option shall be in a manner as determined by the Company from time to time and shall be accompanied by payment in full in accordance with Section 4 below. The Optionee may purchase less than the number of shares covered hereby, provided that no partial exercise of this option may be for any fractional share or for fewer than ten whole shares.

(b) Continuous Relationship with the Company Required. Except as otherwise provided in this Section 3, this option may not be exercised unless the Optionee, at the time he or she exercises this option, is, and has been at all times since the grant date as indicated in the Notice (the "Grant Date"), an employee, officer or director of, or consultant or advisor to, the Company (an "Eligible Optionee").

(c) Termination of Relationship with the Company. If the Optionee ceases to be an Eligible Optionee for any reason, then, except as provided in paragraphs (d) and (e) below, the

(Revised Feb 2007)

right to exercise this option shall terminate three months after such cessation (but in no event after the Final Exercise Date), provided that this option shall be exercisable only to the extent that the Optionee was entitled to exercise this option on the date of such cessation. Notwithstanding the foregoing, if the Optionee, prior to the Final Exercise Date, violates the non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Optionee and the Company, the right to exercise this option shall terminate immediately upon such violation.

(d) Exercise Period Upon Death, Disability or Retirement. If the Optionee retires, dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Optionee and the Company has not terminated such relationship for “cause” as specified in paragraph (e) below, this option shall be exercisable, within the period of one year following the date of retirement, death or disability of the Optionee, by the Optionee (or in the case of death by an authorized transferee), provided that this option shall be exercisable only to the extent that this option was exercisable by the Optionee on the date of his or her retirement, death or disability, and further provided that this option shall not be exercisable after the Final Exercise Date. For purposes of this Section 3, “retirement” shall mean the cessation of employment with the Company for any reason other than “cause” as specified in paragraph (e) below, by an Optionee who is at least 55 years of age and who has worked full-time for the company for the five years immediately preceding the date of cessation of employment.

(e) Discharge for Cause. If the Optionee, prior to the Final Exercise Date, is discharged by the Company for “cause” (as defined below), the right to exercise this option shall terminate immediately upon the effective date of such discharge. “Cause” shall mean willful misconduct by the Optionee or willful failure by the Optionee to perform his or her responsibilities to the Company (including, without limitation, breach by the Optionee of any provision of any employment, consulting, advisory, nondisclosure, non-competition or other similar agreement between the Optionee and the Company), as determined by the Company, which determination shall be conclusive. The Optionee shall be considered to have been discharged for “Cause” if the Company determines, within 30 days after the Optionee’s resignation, that discharge for cause was warranted.

4. Payment of Purchase Price. Payment of the purchase price for shares purchased upon exercise of this option shall be made by delivery of cash or check payable to the order of the Company or, with the prior consent of the Company (which may be withheld in its sole discretion), by (A) delivery of shares of Common Stock owned by the Optionee for at least six months, valued at their fair market value, as determined by the Board of Directors of the Company (the “Board”) in good faith; (B) delivery of a promissory note of the Optionee to the Company on terms determined by the Board; (C) delivery of an irrevocable undertaking by a credit worthy broker to deliver promptly to the Company sufficient funds to pay the exercise price or delivery by the Optionee of irrevocable and unconditional instructions to a credit worthy broker to deliver promptly to the Company cash or a check sufficient to pay the exercise price; (D) payment of such other lawful consideration as the Board may determine; or (E) any combination of the foregoing.

(Revised Feb 2007)

5. Tax Matters. No Shares will be issued pursuant to the exercise of this option unless and until the Optionee pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option. In the Board's discretion, and subject to such conditions as the Board may establish, such tax obligations may be paid in whole or in part in shares of Common Stock, including shares retained from the option creating the tax obligation, valued at their fair market value. The Company may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to the Optionee.

6. Nontransferability of Option. This option may not be sold, assigned, transferred, pledged or otherwise encumbered by the Optionee, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Optionee, this option shall be exercisable only by the Optionee.

7. Provisions of the Plan. This option is subject to the provisions of the Plan, a copy of which is furnished to the Optionee with this option.

8. Miscellaneous.

(a) Governing Law. This option shall be governed by and construed in accordance with the laws of the State of Delaware without regard to applicable conflicts of laws.

(b) Severability. The invalidity or unenforceability of any provision hereof shall not affect the validity or enforceability of any other provision hereof, and each such other provision shall be severable and enforceable to the extent permitted by law.

(c) Binding Effect. These terms and conditions shall be binding upon and inure to the benefit of the Company and the Optionee and their respective heirs, executors, administrators, legal representatives, successors and assigns.

(d) Entire Agreement. These terms and conditions, the attached Notice and the Plan constitute the entire agreement between the parties, and supersedes all prior agreements and understandings, relating to the subject matter hereof.

(e) Amendment. These terms and conditions may be amended or modified only by a written instrument executed by both the Company and the Optionee.

(Revised Feb 2007)

Notice of Grant of Stock Option

[NAME]

Employee ID: _____

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Shares in each period will become fully vested on the date shown.

Number of Shares	Vest Type	Date Fully Vested	Expiration

By your signature and the Company’s signature below, you and the Company agree that this option is granted under and governed by the terms and conditions of the Company’s 1997 Stock Incentive Plan and the attached Terms and Conditions.

AVID TECHNOLOGY, INC.

By _____

Date _____

Employee

Date _____

(Revised Feb 2007)