



SOFTWARE DEVELOPMENT CONTRACTING AGREEMENT

Between

FASTLab, Inc., A California Corporation

and

MATSUSHITA ELECTRIC INDUSTRIAL CO., LTD.

This software licensing and contract development Agreement (“Agreement”) is entered on this 14 January, 2004 into by and between FASTLAB, Inc. a California Corporation, hereinafter called “FASTLab,” and, Panasonic Spin-Up Fund Promotion Office, a division of Matsushita Electric Industrial Co., Ltd., a Japanese Corporation, having a office at 6F Kyobashi National Bldg, 2-13-10 Kyobashi Tokyo Japan, hereinafter called “Customer.”

WHEREAS, FASTLab is a California Corporation that specializes in technology development for multi-media software applications;

WHEREAS, the development project contemplated by this Agreement is of mutual interest and benefit to both the FASTLab and Customer;

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

1. Statement of Work

FASTLab, through its Project Manager assigned to the project, shall use reasonable efforts to perform the development activities set forth in the Statement of Work attached hereto as Exhibit A, which is hereby incorporated in full by reference. Customer acknowledges and agrees that minor deviations from the Statement of Work may occur to further the technical goals of the Statement of Work.

2. Specification

At least (30) days prior to the delivery of each Deliverable, FASTLab shall provide Customer with a written specification book describing the Deliverable. The parties shall discuss in good faith with respect to this specification; Customer may request modifications, which will be the subject of negotiations.

3. Reports

At Customer’s request FASTLab shall submit to Customer an interim progress report on the research activities.

4. Deliverables

4.1 Deliverables under this agreement are described in and will be submitted to Customer in accordance with Exhibit B hereof, which is hereby incorporated in full by reference. FASTLab shall, at its own expense, deliver to Customer each and all Deliverables on or before the date specified in the Exhibit B for testing and acceptance by Customer.

4.2 In the performance of this agreement, FASTLab will deliver an upgraded version of the EMA Artificial-Intelligence-Based Music Mastering Tool (EMA, the Deliverable) to Customer. Customer acknowledges that certain components of EMA (described in Exhibit D) are owned by the Regents of the University of California (UC) and are covered by a separate licensing agreement between Customer and UC, and that

other components of EMA (described in Exhibit D) are licensed by FASTLab to the Customer, and are covered by a separate licensing agreement between Customer and FASTLab. FASTLab retains ownership of these components. The Customer may use the components of EMA developed by FASTLab under the terms of this agreement for any purposes.

4.3 EXCEPT AS PROVIDED IN THIS AGREEMENT, FASTLAB MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESSED OR IMPLIED. THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR THAT THE USE OF THE DELIVERABLES WILL NOT INFRINGE ANY PATENT, COPYRIGHT, TRADEMARK, OR OTHER PROPRIETARY RIGHTS. Except to the extent prohibited by law, the Customer assumes all liability for claims for damages which may arise from the Customer's use of the Deliverables. FASTLab will not be liable to the Customer for any loss, claim or demand made by the Customer, or made against the Customer by any other party, due to or arising from the use of the Deliverables by the Customer and will indemnify, hold harmless, and defend FASTLab against any and all claims for damages made against Customer for use of the Deliverables while performing hereunder.

4.4 FastLab shall ensure that any Deliverables under this agreement do not infringe upon any third party's Intellectual Property Rights and whenever it becomes aware of any claims of actual infringement or threatened infringement of a third party's Intellectual Property Rights, it shall immediately notify Customer in writing. If a claim described above occurs, Customer shall, at its own cost and expense, resolve such claims with the relevant third party unless such claim arose as a result of a negligent act of omission or specific instruction given by Customer.

5. Performance Period and Term of the Agreement

The Period of Performance and the Term of this Agreement shall be from January 1, 2004 through June 30, 2004.

6. Cost to Customer

The cost to Customer for FASTLab's performance hereunder shall be \$63,480 U.S. dollars. This project is to be paid in full, upon acceptance of contract by Customer.

7. Project Manager

FASTLab's performance hereunder will be under the direction of Stephen Pope, who will serve as Project Manager. In the event that the Project Manager becomes unable or unwilling to continue work under this Agreement and an alternate Project Manager is not agreeable to Customer, Customer will have the option to terminate this Agreement in accordance with Article 17 hereof.

8. Rights in Data

FASTLab will have the right to use, in whole and in part, any software code or information developed by FASTLab under this Agreement, or received in the performance of this Agreement except as set forth in Article 11 ("Confidentiality") hereof. Except as set forth in Section 9 ("Patents, Inventions, and Copyrights"), and in the accompanying licensing agreement, Customer will have the right to publish and use any technical reports and information specified to be delivered hereunder. Customer understands and agrees that such data is provided "as is" and thus, Customer uses such data at its own risk. The ownership of projects results is detailed in Exhibit D of this contract.

9. Patents, Inventions, and Copyrights

Customer will solely own all rights, titles and interests in and to patents, design patents, utility models, copyrights, mask work rights, trade secrets and other intellectual property first conceived and actually reduced to practice in the performance of this Agreement (hereinafter jointly referred to as "Intellectual Property Rights"). As covered by the accompanying licensing agreement between FASTLab and Customer, FastLab shall grant to Customer a license to FASTLab's software code and prior inventions without any additional royalty or other consideration, to the extent necessary to use, copy, modify, sub-license and dis-

tribute the Deliverable. Exhibit D of this contract and the accompanying licensing agreement describe FASTLab's pre-existing software code and prior inventions. Other than as set forth in this agreement, its exhibits, or the accompanying licensing agreement, nothing is transferred to Customer.

10. Supplies and Equipment

In the event that FASTLab purchases supplies or equipment hereunder, title to such supplies and equipment will vest in FASTLab.

11. Confidentiality

During the course of this Agreement, Customer and FASTLab may provide one another with certain proprietary business or technical information or materials ("Confidential Information"). Except as required by law, and as long as all such written information or materials are clearly marked "Confidential" and all oral disclosures of such information or materials are reduced to a writing clearly marked "Confidential" that is provided to the partner party within thirty (30) days of such oral disclosure, both parties will hold such information and materials in confidence and agrees to use reasonable efforts to prevent its disclosure to third parties.

Information and materials disclosed by the parties shall not be considered confidential which: (1) is now public knowledge or subsequently becomes such through no breach of this Agreement; (2) is rightfully in the partner's possession prior to its disclosure as shown by written records; (3) is rightfully disclosed to one of the parties by a third party; or, (4) is independently developed by or for one of the parties without reliance upon confidential information received by the partner.

12. Publication

FASTLab shall have the right, at its discretion, to release any information or to publish any material resulting from its performance hereunder. FASTLab will furnish Customer with a copy of any proposed written or oral publication (including manuscripts, abstracts, and oral presentations) at least seven (7) days prior to submission for publication ("Review Period"). Upon written notification by Customer within the Review Period, FASTLab agrees to delete any of Customer's Confidential Information that appears in the publication. If it is determined that a patent application should be filed, FASTLab will delay publishing such proposed publication for a maximum of an additional seven (7) days in order to protect the potential patentability of any invention described therein.

13. Applicable Law

This Agreement will be governed by the laws of the State of California, United States of America, without regard to the conflict of laws provisions thereof.

14. Notice

Whenever any notice is to be given hereunder, it will be in writing and sent to the Authorized Representative for the receiving party indicated below, at following address:

FASTLab: Stephen T. Pope
FASTLab, Inc.
4764 Calle Camarada
Santa Barbara, CA 93101, USA

Customer: Ms. Miwa Fukino
Panasonic Spin-up Fund
6F Kyobashi National Bldg
2-13-10 Kyobashi, Chuo-Ku
Tokyo Japan 104-0031

15. Termination

Either FASTLab or Customer may terminate this Agreement by giving sixty (60) days written notice to the other. Customer will pay FASTLab actual direct and indirect costs and noncancellable commitments incurred prior to the date of termination and fair close-out related costs. If the total of such costs is less than the total funds advanced, the balance will be returned to Customer.

16. Publicity

Neither party will use the name, trade name, trademark or other designation of the other party in connection with any products, promotion, or advertising, without the prior written permission of the other party. However, nothing in this Article is intended to restrict either party from disclosing the existence of and nature of this agreement (including the name of the other party) or from including the existence of and nature of this agreement in the routine reporting of its activities.

17. Indemnification

Customer shall defend, indemnify, and hold FASTLab, its officers, employees, and agents harmless from and against any and all liability, loss, expense (including reasonable attorney's fees), or claims for injury or damages arising out of the performance of this Agreement but only in proportion to and to the extent such liability, loss, expense, attorney's fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of Customer, its officers, agents, or employees.

FASTLab shall defend, indemnify, and hold Customer, its officers, employees, and agents harmless from and against any and all liability, loss, expense (including reasonable attorney's fees), or claims for injury or damages arising out of the performance of this Agreement but only in proportion to and to the extent such liability, loss, expense, attorney's fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of FASTLab, its officers, agents, or employees.

This section shall survive the termination or expiration of this Agreement.

18. Excusable Delays

FASTLab will be excused from performance hereunder if a delay is caused by inclement weather, fire, flood, strike, or other labor dispute, acts of God, acts of governmental officials or agencies, terrorism, or any other cause beyond the control of FASTLab. The excusable delay is allowed for the period of time affected by the delay. If a delay occurs, the parties will revise the performance period or other provisions hereunder as appropriate.

19. Assignment

Neither party will assign its rights or duties under this Agreement to another without the prior express written consent of the other party; provided, however, that Customer may assign this Agreement to Customer's subsidiary and a successor in ownership of all or substantially all its business assets in the field to which this Agreement relates if such successor will expressly assume in writing the obligation to perform in accordance with the terms and conditions of this Agreement. Any other purported assignment will be void.

20. Amendments

No agreements, modifications, or waivers to this Agreement shall be valid unless in writing and signed by the Authorized Representatives of the parties.

21. Miscellaneous

21.1 Not a Partnership or Joint Venture. It is understood and agreed by the parties that FASTLab is performing this contract as an independent contractor. The parties, by this Agreement, do not intend to create a partnership, principal/agent, master/servant, or joint venture relationship and nothing in this Agreement shall be construed as creating such a relationship between the parties.

21.2 Severability. If any term or provision of this Agreement shall be held to be invalid or illegal, such term or provision shall not affect the validity or enforceability of the remaining terms and provisions of this

Agreement.

21.3 Recitals & Headings. The recitals herein constitute an integral part of the Agreement reached and are to be considered as such. However, the captions and headings contained in this Agreement have been inserted for reference and convenience only and in no way define, limit, or describe the text of this Agreement or the intent of any provision.

21.4 No Waiver. The wavier by either party of a breach or default of any provision of this Agreement shall not constitute a waiver of any succeeding breach, nor shall any delay or omission on the part of either party to exercise any right that it has under this Agreement operate as a waiver of such right, unless the terms of this Agreement sets forth a specific time limit for the exercise thereof.

22. Survival

After the expiration or termination of this Agreement for any reason, the article,8, 10, 12, 15, 16, 21 and this article shall remain in effect and each party shall perform the obligations and duties pursuant to such articles.

23. Entire Agreement

This Agreement, and Exhibits A through C, constitute the entire agreement and understanding between the parties and supersedes all previous agreements and understandings, if any.

Matsushita

FASTLab, Inc.

By: _____

By: _____

By:

By:

Title:

Title:

Date:

Date:

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EXHIBIT A: Statement of Work

1. FASTLab will provide to Customer an executable version of the FASTLab Music Analysis Kernel (FMAK), a software library used for constructing music/sound databases. The delivery includes FMAK API documentation and support/upgrades for the period of one year from the start of the contract.

2. FASTLab will provide development support (described in the task list below) to Customer and UCSB in the development of the Expert Mastering Assistant (EMA) version 2 software. All source code and documentation prepared as part of the project will be provided to Customer.

Tasks

1. Development of an interface between the FMAK analysis classes and a relational database management system (RDBMS)

2. Development of an extended 5.1-channel FMAK analysis engine and extraction of surround-sound features from musical selections

3. Extensions to the EMA version 1 GUI to support 5.1-channel surround sound inputs and high-resolution (24-bit 96 kHz) processing.

4. Extensions to the EMA version 1 real-time signal processing functions to support 5.1-channel surround sound inputs and high-resolution (24-bit 96 kHz) processing.

5. Development of a new parameter mapping expert system for EMA version 2 that makes use of the new genre database built using the FMAK analysis software and database clustering tools.

6. Documentation of the full EMA application, including the GUI, mapping system, and database construction formats.

EXHIBIT B: Deliverable Schedule

1. In fulfillment of this agreement, FASTLab will deliver to Customer an interim upgraded version of the EMA software on or before April 30, 2004. This version of the EMA software will support analysis and processing of high-resolution (24-bit 96 kHz) surround sound (5.1-channel) musical content, through the genre database and mapping components of EMA may or may not be upgraded to the high-resolution surround sound format.

2. In fulfillment of this agreement, FASTLab will deliver to Customer an final upgraded version of the EMA software on or before June 30, 2004. This version of the EMA software will include a genre database and mapping system that is upgraded to support the high-resolution surround sound format.

EXHIBIT C: Payment Schedule

1. In consideration to the obligation of FASTLab, Customer shall pay \$63,480 U.S. dollars to FASTLab upon signature acceptance of contract.

Exhibit D: Ownership of Project Results

The results from the EMA round 1 project are the source code owned by UCSB and licensed to Customer under the terms of the UC/Matsushita round 1 Research Agreement. For round 2, the ownership of project results will be as follows. (Numbers in parentheses refer to the sections of the UCSB contract's Exhibit A task list., which is included below)

UCSB,

- (U1) Maintains ownership of items already-owned
 - (U1-1) Round 1 EMA source code: GUI, mapping, processing
- (U2) Components developed on-campus during round 2
 - (U2-1) New feature database full and clustered/classified/pruned versions (1.4, 1.5)
 - (U2-2) New mapping expert systems and neural net code and training (2.1, 2.2, 2.3)

FASTLab, Inc.,

- (F1) Owns pre-existing FASTLab Music Analysis Kernel (FMAK)
 - (F1-1) Analysis/segmentation/clustering/classification library (1.2, 1.3)
 - (F1-2) Analysis API and feature vector definition (1.1)
- (F2) Owns previous IP disclosures (from January, 2000) and patent documents

Customer,

- (P1) Granted a one-year limited right-to-use license to UCSB source code as specified in the UC/Panasonic licensing agreement
- (P2) Owns software developed by FASTLab Inc. under subcontract during round 2 (3.3)
- (P3) FMAK extensions and driver code developed for EMA (1.3, 3.3)
- (P4) Surround version of EMA App, database, mapping, processing, and GUI (2.4, 2.5, 3.4, 3.5, 3.6)
- (P5) Granted a one-year limited right-to-use license to FMAK core library as specified in the FASTLab/Panasonic licensing agreement

Condensed version of the task list from Exhibit A of the UCSB contract

1) Analysis and classification

- 1) Define an initial set of low-level analysis features;
- 2) Build an analysis engine for this feature vector;
- 3) Create a database for a wide variety of musical styles using the feature vector;
- 4) Develop data a clustering system and use it to map sets of features onto musical genres; and
- 5) Use the genre classifier to “prune” the database, leaving only the “genre representatives.”

2) Mapping of analysis properties to processing parameters

- 1) Locate or port a forward-chaining rule-based expert system framework in C++;
- 2) Define a simple set of genre-specific mapping rules based on the data clusterer;
- 3) Locate or port a framework for training and testing neural networks;
- 4) Test training networks of various configurations using the clustering data; and
- 5) Integrate these two systems with the statistical mapper and test the results iteratively.

3) Support 24/96 format 6-in/6-out analysis and processing

- 1) Obtain and import 24/96/5.1 content for testing;
- 2) Evaluate the performance of the analysis engine, clusterer, and classifier using the high-resolution data;
- 3) Extend the feature vector adding surround-sound analysis features;
- 4) Extend the mapping system for the processing of surround-sound features;
- 5) Test the signal processing routines running with 24/96/5.1 data, enhance as necessary; and
- 6) Extend the GUI as necessary for 24/96/5.1 data.