



## ASSEMBLY, DISTRIBUTION, AND MAINTENANCE AGREEMENT

This Assembly, Distribution, and Maintenance Agreement is entered into this 26th day of April, 2010 by and between Canvas Systems, LLC ("Canvas") and C PORT Solutions, Incorporated ("Company").

### Recitals

Company owns the PORT brand of products, which converge audio, web and video conferencing with whiteboard technology (the "PORT"). Each PORT unit consists of various third party components ("PORT Parts"). Company is interested in obtaining warehousing, assembly, logistics, installation, and maintenance services from Canvas and Canvas is willing to provide such services on the terms and subject to the conditions of this Agreement.

### 1. Canvas Services.

- 1.1 **Shipments.** Upon prior written notice to Canvas, Company may ship PORT Parts necessary to assemble a complete PORT unit to Canvas for storage at Canvas' warehouse facility located in Norcross, Georgia or at such other location as Canvas may reasonably designate. Notices shall include shipment contents, tracking information, Company contact for resolution, sender and estimated date of arrival. All shipments from Company shall be FOB destination and Company shall be responsible for all freight charges incurred to deliver such parts to Canvas and all risk of theft or loss of or damage to such parts until they are received by Canvas at the destination facility.
- 1.2 **Storage.** Canvas will provide suitable warehouse space for the PORT Parts supplied by Company either at its Norcross, Georgia facility or at an off-site secondary storage facility. Canvas will provide sufficient warehouse space at its facility or the off-site facility to accommodate on an aggregate basis up to a maximum of 150 pallets (each measuring 48"x40"x48") worth of PORT Parts supplied by Company at any given time. Any shipments of PORT Parts by Company that will cause the storage volume at the facilities on an aggregated basis to exceed this maximum may be refused by Canvas acting in its sole discretion without penalty and at Company's sole cost and expense.
- 1.3 **Receiving.** Upon receipt of a shipment PORT Parts from Company pursuant to Section 1.1, Canvas will visually inspect the shipment for any obvious signs of damage and report such damage to Company, receive and label each item with a Canvas Internal Control Number ("ICN") and a Stock Keeping Unit number ("SKU"), enter the item into Canvas' inventory management system and warehouse each item. Canvas will use reasonable efforts to complete the inspection, receiving and inventory entry process for each shipment within 5 days of receipt of the shipment; provided, however, that if, in Canvas' sole judgment, the number of items of PORT Parts received by Canvas from Company is so large or other circumstances are present that a longer period is necessary to complete such process, Canvas will notify Company of a specific date by which such process will be completed. Company acknowledges that additional time may be needed for shipments with larger quantities of items.
- 1.4 **Inventory Management.** Canvas will conduct a SKU count every six months and update the inventory management system appropriately. Canvas will use its Norcross, Georgia facility as the main inventory and distribution facility for the PORT Parts; provided that Canvas retains the discretion to determine when it is necessary based on the other needs of Canvas' business to transfer PORT Parts to the secondary facility. Once PORT Parts are transferred to the secondary facility, Canvas will manage inventory volumes so as to minimize the number of times Canvas will transfer parts back to the main distribution facility to no more than two times per month.
- 1.5 **Order Processing and Assembly.** When Company receives an order for a PORT from a customer, Company shall submit a corresponding order to Canvas and Canvas will enter the order into Canvas' inventory management system. Each order must contain the following: items and quantities ordered, configuration, ship to address, expected customer delivery date, customer contact information, including phone number and any custom services required. Upon receipt of an order Canvas will verify that it meets the requirements of this Agreement. Orders meeting these requirements will be automatically processed by Canvas and Canvas will pick the required PORT Parts, assemble such parts as necessary into a complete PORT unit, package and ship the PORT ordered according to the order specifications.



Company shall be responsible to provide specific assembly instructions for each PORT model unit. Canvas will be asked to assemble and shall be solely responsible for any errors in operation of the unit or its assembly arising out of such specifications. Orders that are not in compliance with this Agreement will be rejected. Company shall be solely responsible for any errors or omissions in the orders it submits. Orders are non-cancelable by Company once Canvas begins processing them. Canvas is responsible to assemble the components as defined in the assembly instructions actually provided by Company and the order specification.

- 1.6 **Parts Supplement.** If at any time an order requires a PORT Part that has not been supplied by Company, Canvas will complete the order using a part held by Canvas in its own separate inventory or sourced specifically for the order by Canvas ("Supplement Parts"). Canvas shall not be responsible for any orders that are delayed or cannot be filled due to the unavailability of any part. All Supplement Parts provided by Canvas that are servers, switches, routers or UPS ("Qualifying Supplement Parts") will be sold with a thirty (30) day warranty from Canvas. If any Qualifying Supplement Part fails to operate under normal use and service within thirty days of the date it is shipped from Canvas' facility (the "Warranty Period") Canvas will repair or replace such part at no additional cost to Company. Replacement parts will be provided on an advance exchange basis conditioned on the return to Canvas of the defective part. Defective parts must be received by Canvas within two weeks of the date of shipment of the replacement or else Company will owe the cost of the replacement. Notwithstanding the foregoing, if Company directs Canvas to purchase a server, switch, router or UPS from a specific vendor or vendors, then such part shall not constitute a Qualifying Supplement Part, the foregoing warranty will be void for such part, the part will be sold by Canvas "AS IS" without any warranty of any kind.
- 1.7 **Customer Deliveries.** Once an order is complete, Canvas will ship the PORT to the applicable customer using packing materials provided by Canvas, as directed by Company or provided by Company. All outbound shipments will include a customized packing list for the customer's convenience and will be delivered to the destination designated on the order FOB Shipping Point using Canvas' preferred carrier. Canvas will arrange but charge Company for freight costs incurred. Tracking information will be provided at time of shipment. Canvas will accommodate international orders where possible; provided that Canvas shall not be responsible for any costs, taxes, tariffs, fees or other charges incurred in connection with the import or export of such shipments and Company shall be the designated importer/exporter as appropriate. Canvas will confirm feasibility to ship to, install, and offer on-site maintenance services for each particular order prior to accepting and processing the order from Company.
- 1.8 **Defects and Returns.** Each customer package shipped by Canvas will include information pertaining to the returns process for the PORT. PORT Parts returned will be re-entered into Company's inventory.
- 1.9 **Custom Orders.** Company may request installation services, expedited handling and other custom services in connection with any order placed hereunder. Canvas will use commercially reasonable efforts to accommodate Company's reasonable custom requests.
- 1.10 **Maintenance for Qualifying Supplement Parts.** Canvas will provide Company with remote telephone helpdesk support for Qualifying Supplement Parts shipped by Canvas to Company's customers installed with a PORT unit assembled by Canvas hereunder. Remote phone support is available Monday through Friday, 8:00 a.m. to 5:00 p.m. ET (excluding holidays). In addition, for such Qualifying Supplement Parts Canvas will provide at no additional cost replacement Qualifying Supplement Parts in exchange for Company's return to Canvas of the defective Qualifying Supplement Part. Defective parts must be returned to Canvas before Canvas will ship a replacement. Defects attributable to misuse, abuse, negligence or other acts or omissions of Company or its customer are not included. Installation of replacement parts and other on-site maintenance and repair services are not included unless otherwise agreed in writing in connection with a specific order. Replacement parts are shipped by Canvas FOB shipping point. Defective parts must be shipped to Canvas FOB destination to the return facility designated by Canvas. Maintenance does not include electrical work external to equipment, software maintenance, repair of manufacturing defects, furnishing of any items classified as consumable by the OEM or painting or refinishing equipment. Replacement parts are provided AS IS. At the time an order is placed, Company may request a quote for on-site maintenance services as part of such order. If Canvas cannot accommodate on-site maintenance services for the specific items or location involved with such order, Canvas shall notify Company prior to accepting and processing the order.

2. **Price and Payment Terms.** In consideration for the services set forth above, Company shall pay Canvas the amounts set forth in the table below. All amounts are payable by Company in USD net (30) days from the invoice date. Past due amounts shall accrue interest at 1.5% per month or, if less, the maximum interest rate allowed by applicable law. The fees below include a monthly program fee which shall be due by Company



hereunder each month during the Term (as hereinafter defined). All other fees stated below are based on Company's usage of the services set forth herein.

Line Item	Payment Frequency	Cost
<b>Program Fee</b>	monthly	\$750.00
<b>Assembly Labor Cost</b>	per PORT Unit	\$425.00
<b>Materials Storage Cost</b>	monthly per warehouse bay measuring 4'x8'x20' used, in whole or in part, to store Port Parts	\$100.00
<b>Port Crate</b>	per unit, if purchased by Company	\$1500.00
<b>Order Processing</b>	per unit	\$100.00
<b>Installation Services</b>	per site/per unit, if purchased by Company	Time and expenses plus \$200 per unit
<b>Supplement Parts</b>	per part if Canvas purchases part specifically to fill an PORT order hereunder, if requested by Company  per part (if pulled from Canvas' existing inventory)	Cost plus 10%  Canvas List Price
<b>Maintenance</b>	per Port Unit per month, if requested by Company	\$16.00

**3. Warranties and Warranty Disclaimers.**

- 3.1 Canvas warrants that it will provide all services hereunder in a good and workmanlike manner in accordance with generally accepted industry standards.
- 3.2 Canvas makes no warranty with respect to any PORT Parts other than Qualifying Supplement Parts and in that case only such warranty as is expressly provided for herein. All warranties from Canvas hereunder are made directly to and for the benefit of Company only. There are no third party beneficiaries to this Agreement or to any warranty provided by Canvas herein. Company shall be solely responsible for any warranty it provides to its customers and shall not extend to any customer any warranty on behalf of Canvas.
- 3.3 Company warrants that it is the sole owner of all PORT Parts delivered to Canvas hereunder and has good and marketable title thereto, free of any liens or encumbrances.
- 3.4 EXCEPT AS PROVIDED HEREIN, CANVAS MAKES NO WARRANTY EXPRESS OR IMPLIED AND CANVAS HEREBY DISCLAIMS ALL OTHER SUCH WARRANTIES, INCLUDING WITHOUT LIMITATION THE WARRANTY OF MERCHANTABILITY, NON-INFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE.

4. **Title.** Title to all PORT Parts delivered to Canvas by Company will remain with Company. Title to all Supplement Parts will remain with Canvas until such time as Company pays for the same.

5. **Term and Termination.** This Agreement shall begin on the date set forth above and shall remain in effect for an initial term of two (2) years (the "Term"). Thereafter this Agreement may be renewed upon the mutual written agreement of the parties. Either party may terminate this Agreement in the event the other party breaches a material term hereto and fails to cure such breach within thirty (30) days of its receipt of written



notice of the same. Either party may terminate this Agreement for convenience by providing sixty (60) days prior written notice to the other party. Upon any termination hereof, Company shall pay Canvas all amounts due or to become due hereunder and arrange at its expense to remove all PORT Parts located in Canvas' facility or in any secondary facility. Canvas may refuse to grant access to or refuse to relinquish custody of any PORT parts unless and until all amounts due or to become due hereunder are paid to Canvas in full by Company.

6. **Statutory Lien.** Canvas shall have the right to exercise any and all statutory lien rights applicable to the warehousing or storage of materials under applicable law.
7. **Limitation of Liability:** CANVAS SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND WHATSOEVER, INCLUDING WITHOUT LIMITATION ANY LOST PROFITS OR LOSS OF DATA, ARISING OUT OF THIS SLA OR ANY PARTS OR SERVICES PROVIDED HEREUNDER. IN NO EVENT SHALL CANVAS' AGGREGATE LIABILITY HEREUNDER EXCEED THE AMOUNT PAID BY COMPANY TO CANVAS FOR SERVICES PROVIDED HEREUNDER IN THE TWELVE MONTH PERIOD IMMEDIATELY PRECEDING THE CLAIM.
8. **Insurance:** During the Term, each party shall maintain with a company or companies rated "A" or better and lawfully authorized and licensed to do business in the jurisdiction of each party insurance in at least the following amounts and with at least the following coverages: (a) Workers' Compensation insurance as required by law, and Employer's Liability coverage with a minimum limit of \$500,000 each accident, \$500,000 disease-each employee and \$500,000 disease-policy limit; (b) General Liability insurance with a minimum limit of \$1,000,000 each occurrence and \$2,000,000 annual aggregate bodily injury and property damage, which insurance shall be written on a comprehensive form and include coverage for (i) premises and operations, including coverage for independent contractors liability; (ii) products and completed operations; (iii) personal injury liability; (iv) broad form property damage liability and (v) contractual liability to cover liability assumed under this Agreement; (c) commercial umbrella/excess liability insurance with a minimum limit of \$2,000,000 each occurrence and annual aggregate; and (d) Professional Liability insurance with a minimum limit of \$1,000,000 and, if applicable, Automobile Liability insurance in a minimum amount of \$1,000,000. Such insurance policies shall (A) be maintained in full force and effect without interruption during the Term, (B) provide that each party shall be given prior written notice of any cancellation or adverse material change in such policies and that any such cancellation or adverse material change shall not be effective as to the other party hereunder for at least thirty (30) days after its receipt of such written notice. Each party will provide evidence of such insurance coverage to the other party upon execution of this Agreement.
9. **Force Majeure:** Canvas' duty to perform will be suspended due to an act of God, force of nature or other event beyond Canvas' control ("Force Majeure Event") which hinders or prevents Canvas from complying with this Agreement and Canvas shall not be liable for any non-performance or delay in performance arising directly or indirectly from any such Force Majeure Event.
10. **Miscellaneous:** This Agreement is made in and it shall be governed by and construed in accordance with the laws of the State of Georgia, including matters of construction, validity, performance, and enforcement. This Agreement contains the entire understanding between the parties and supersedes any prior understandings concerning its subject. There are no other oral or written representations, or understandings between us. This Agreement may be amended, and rights under it may be waived, only in writing. The terms of this Agreement are severable. In the event any term of this Agreement is declared illegal, invalid, unenforceable or void, the remaining provisions will remain in full force and effect. No failure or delay to exercise any right or remedy hereunder shall operate as a waiver thereof. This Agreement may not be assigned by Customer in whole or in part.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their respective duly authorized representatives.

Canvas Systems, LLC

SIGNATURE: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

C PORT Solutions, Incorporated

SIGNATURE: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_