

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW HAMPSHIRE**

)	
T-Peg, Inc. and Timberpeg East, Inc.)	
)	
Plaintiffs,)	
)	
v.)	No. C-03-462-M
)	
Vermont Timber Works, Inc. and Douglas Friant)	
)	
Defendants.)	
)	

AFFIDAVIT OF RICHARD NERONI
IN SUPPORT OF OPPOSITION TO DEFENDANTS’ MOTION
FOR SUMMARY JUDGMENT BASED ON PLAINTIFFS’ LACK OF STANDING

I, Richard Neroni, on oath depose and say that:

1. I am a Director of T-Peg, Inc. and Timberpeg Services, Inc. I am also the Chief Operating Officer for Timberpeg East, Inc. and Timberpeg Services, Inc. In these capacities, I oversee and am familiar with the relationship between T-Peg, Inc. and its subsidiaries and related companies, and their businesses.

2. Timberpeg Services, Inc. is a wholly owned subsidiary of T-Peg, Inc. and it provides design, drafting and manufacturing services to Timberpeg East, Inc. as well as other related Timberpeg companies. Timberpeg Services, Inc. was incorporated in 2000.

3. Timberpeg Services, Inc.’s predecessor-in-interest was Timberpeg Design Services Division (“TDSD”), which operated as a division of Timberpeg East, Inc. and, like Timberpeg Services, Inc., provided design, drafting and manufacturing services to Timberpeg East, Inc. and other related Timberpeg companies. TDSD was separated from

Timberpeg East, Inc. and incorporated as Timberpeg Services, Inc. in 2000 for accounting purposes.

4. In 1994, TDSD entered into an agreement with Timberpeg East, Inc. whereby TDSD agreed, among other things, to transfer all of its copyright ownership interests to Timberpeg East, Inc. A copy of the executed agreement is attached hereto as Exhibit 1.

5. Timberpeg Services, Inc. assumed all of the rights, duties and obligations of TDSD when it was incorporated in 2000, including the rights and obligations reflected in the attached agreement between TDSD and Timberpeg East, Inc. Moreover, Timberpeg Services, Inc. and Timberpeg East, Inc. have acted consistent with the terms of this agreement, including the transfer of copyright ownership interests from Timberpeg Services, Inc. to Timberpeg East, Inc.

6. To the extent Timberpeg Services, Inc. held any copyright ownership interests in the April 2001 architectural plans created for Mr. Isbitski, those interests were transferred to Timberpeg East, Inc. by operation of the agreement between TDSD and Timberpeg East, Inc.

I DECLARE UNDER THE PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

Executed On: July 25, 2007

By: /s/ Richard Neroni
Richard Neroni

EXHIBIT 1

SERVICE AGREEMENT

1. *Introduction.* Agreement dated January 1, 1994 by and between Timberpeg Design Services Division (TDS), with offices at West Lebanon, New Hampshire, and Timberpeg East, Inc. (TEI) with offices at Claremont, New Hampshire.

2. *Retention and Description of Services.* During the term of this Agreement, TDS will furnish services as requested by TEI. The services will relate to work being done or planned by TEI in the field of designing, manufacturing, and marketing TIMBERPEG® brand pre-cut post and beam home kits. The services will be within TDS's area of technical competence and may include the following: product design services (not including stamped architectural or engineered plans), product manufacturing services, customer relations services, customer contract administration and record keeping services, safety consultative services, quality control consultative services, product pricing services, product documentation services, and product evaluation services.

3. *Term of Agreement.* TDS's services shall be available to TEI on a calendar year basis beginning January 1, 1994. The Agreement shall automatically renew at the start of each subsequent calendar year unless either party terminates the Agreement pursuant to Paragraph 9.

4. *Where Services Are to Be Performed.* TDS's services may be performed at TDS's offices in West Lebanon, New Hampshire, TEI's facilities in Claremont, New Hampshire, and/or such other places that may be appropriate and are mutually agreed to by TDS and TEI.

5. *Compensation and Reimbursement of Travel Expenses.* TEI will pay TDS a service fee that will be established at the beginning of each calendar year on an estimated basis and subsequently modified/adjusted at the end of the calendar year based upon an assessment of actual activity, the circumstances regarding the demand for services, and other related factors. The service fee shall be payable at the end of each month in which TDS furnishes services pursuant to this Agreement. TEI will reimburse TDS for all authorized expenses incurred by TDS for travel required in connection with furnishing services under this Agreement.

6. *TDS is an Independent Contractor.* TDS will furnish TDS's services as an independent contractor and not as an employee of TEI. TDS has no power or authority to act for, represent, or bind TEI or any company affiliated with TEI in any manner unless TEI so consents in writing. TDS is not entitled to any benefits afforded to TEI's regular employees or those of TEI's affiliated companies. If TEI or any of its affiliated companies is required to pay or withhold any taxes or make any other payment with respect to fees payable to TDS, TDS will reimburse TEI or the affiliated company in full for taxes paid, and permit TEI to make deductions for taxes required to be withheld from any sum due TDS.

7. *TDS Not to Engage in Conflicting Activities.* During the term of this Agreement, TDS will not enter into any activity, employment, or business arrangement that conflicts with TEI's interests or TDS's obligations under this Agreement. TEI acknowledges and agrees that TDS may enter into similar service agreements with other companies associated with

Service Agreement

TIMBERPEG® brand post and beam homes. In view of the sensitive nature of TDS's status and notwithstanding the notice provision of Section 9, TEI shall have the option to terminate this Agreement immediately at any time if, in TEI's sole judgment, a conflict of interest exists or is imminent. TDS will advise TEI of its position with respect to any activity, employment, or business arrangement contemplated by TDS that may be relevant to this Paragraph. For this purpose, TDS agrees to disclose any such plans to TEI prior to implementation.

8. *Proprietary Information.* TDS will treat as proprietary any information belonging to TEI, its affiliated companies, or any third parties, that is disclosed to TDS in the course of TDS's services. TDS assigns and agrees to assign to TEI or its nominee all rights in inventions or other proprietary information, including, but not limited to, copyright interests conceived by TDS during the term of this Agreement with respect to any work that TDS performs under this Agreement.

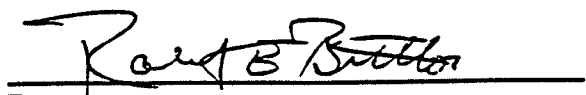
9. *Termination of Agreement by Notice.* Either party may terminate this Agreement upon 30 days' notice by registered or certified mail, return receipt requested, addressed to the other party. If this Agreement is terminated by either party, TEI shall only be liable for payment of service fees earned as a result of work actually performed prior to the effective date of the termination. The 30 days' notice shall be measured from the date the notice is posted.

10. *Governing Law.* This Agreement is subject to and shall be interpreted in accordance with the laws of the State of New Hampshire.

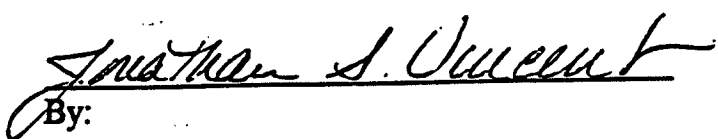
Agreed and Accepted:

Timberpeg East, Inc.
PO Box 1500
Claremont, NH 03743
(TEI)

Timberpeg Design Services Division
112 N. Main Street
West Lebanon, NH 03784
(TDS)



By:
Its:
Duly Authorized



By:
Its:
Duly Authorized