

STATE OF NORTH CAROLINA
COUNTY OF UNION

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
FILE NO. 07-CVS-3186

A-1 PAVEMENT MARKING,)
LLC,)
)
Plaintiff,)
Vs.)
)
APMI CORPORATION,)
LINDA BLOUNT and)
GARY BLOUNT,)
)
Defendants.)

**DEFENDANTS' BRIEF
IN OPPOSITION TO PLAINTIFF'S
MOTION FOR MANDATORY
INJUNCTION REGARDING
MOTOR VEHICLE TITLES**

INTRODUCTION

Plaintiff's Motion for a Mandatory Injunction under Rule 65 of the North Carolina Rules of Civil Procedure should be denied because neither the subject matter nor remedy sought are proper matters for injunctive relief. Furthermore, Plaintiff's motion not only requests this Court to ignore the Plaintiff's own actions in signing the Security Agreement pledging Truck 107 as collateral for a loan from Defendant Linda Blount of one million dollars, but also asks this Court to ignore the Plaintiff's breach of the Court's Preliminary Injunction Order and the fact that the violation of the Court's Order caused the purported need for "emergency relief"

Plaintiff has failed to show irreparable harm or a likelihood of success on the merits. Furthermore, Plaintiff's Motion does substantial harm to Linda Blount by removing pledged security for her Promissory Note without compensation by way of proceeds at a time that the Plaintiff has implied that it is having trouble making payroll.

FACTS

I. Current Dispute

The current dispute arises from the Plaintiff's attempted sale of truck 107 which is listed as collateral for a Promissory Note given by Plaintiff to Linda Blount. Mrs. Blount has held the title to truck 107 for two years along with the titles to other trucks which are collateral for the Plaintiff's debt. Plaintiff has refused Mrs. Blount's offer to sign over the title to truck 107 upon receipt of the proceeds from the sale which would be applied to the balance on the Plaintiff's Promissory Note. Instead, the Plaintiff has filed this motion seeking "emergency relief" even though it was Plaintiff's breach of the Preliminary Injunction which required 10 days prior notice of the disposition of certain trucks, including truck 107, which has created the "emergency". The affidavit of Carolyn Langevin indicates that the truck was sold on January 22, 2009, but no notice was provided to the Defendants or counsel until February 6, 2009 and the Defendants believe that the Plaintiff has already delivered truck 107 to an out of state buyer in clear violation of this Court's Order.

II. General Background

Plaintiff ("new A-1") purchased the assets of A-1 Pavement Marking, Inc. ("old A-1" or "APMI") on April 21, 2006 pursuant to an Asset Purchase Agreement ("APA") which contained several ancillary agreements. Plaintiff made the monthly payments of the current and long-term liabilities of old A-1 following the purchase on April 21, 2006. However, seventeen months after the closing, the Plaintiff stopped paying the vehicle loans which had been listed as long-term liabilities on old A-1's balance sheets. Plaintiff's purported reason for stopping these payments was its contention that these long-term

liabilities were not identified as assumed liabilities on Schedule 2.3 of the APA. The Defendants disputed this assertion and claimed that the failure to pay the vehicle loans constituted a default of the APA and associated documents. After Defendant APMI's repossession of certain vehicles, Plaintiff filed suit, and on December 10, 2007, the parties entered into a consent Preliminary Injunction (Exhibit 1) providing in part that pending ultimate resolution of the disputed issues at trial, the Defendants would be responsible for the vehicle loans and the Plaintiff would make payments on the Promissory Note to Linda Blount. Additionally the Plaintiff was required to give 10 days prior notice of any attempt to dispose of any of the vehicles listed on Exhibit "A" attached to the Preliminary Injunction (that list including truck 107).

Although the Plaintiff now denies that the APA obligated it to pay the long-term liabilities of old A-1, there is no dispute that the Plaintiff agreed to pay \$1,500,000 for the assets of old A-1, \$500,000 in cash at closing and an additional \$1,000,000 pursuant to a Promissory Note and Security Agreement (Exhibits "B" and "C" to Linda Blount Affidavit attached as Exhibit "2"). The Security Agreement identified 3 pages of collateral for the Promissory Note, including most of the vehicles of old A-1.

Following closing, new A-1 was unable to refinance or assume the vehicle loans, which comprised the bulk of old A-1's long term liabilities, so it began making the monthly payments on the loans that had been taken out by old A-1 (Affidavit of Linda Blount, para. 3). Plaintiff made the payments on all of old A-1's outstanding vehicle loans from May 2006 through September 2007, and also paid off a line of credit that had been listed as a long term liability on A-1's balance sheet at closing (Linda Blount Affidavit, para. 4). Plaintiff sold Truck 115 six months after closing on October 16, 2006

for \$105,000; \$58,395.35 of the sales proceeds were paid by new A-1 to pay off the old A-1 bank loan encumbering the truck, and the remaining net proceeds were paid to Linda Blount and applied to the balance of the Promissory Note. (Linda Blount Affidavit, para. 10). On January 9, 2007, Plaintiff sold a second piece of equipment listed as collateral called the Scorpion for \$11,250, and the entire sum was applied to the Plaintiff's Promissory Note. (Linda Blount Affidavit, para. 10).

The Plaintiff was aware that Linda Blount was holding the titles to vehicles which were pledged as security for her loan, but were unencumbered by bank loans. On June 11, 2007 Mr. Langevin called Linda Blount seeking the title for a parts truck that he had sold, Truck No. 125 (Linda Blount Affidavit, para. 11). Additionally, at least by May 19, 2008, Carolyn Langevin knew that the title to Truck 107 was being held by Linda Blount as Ms. Langevin wrote a check to APMI reimbursing it for having paid the registration fee for the truck. (Linda Blount Affidavit, para. 12 and check copy attached thereto as Exhibit "D").

Following the entry of the Preliminary Injunction, the parties and counsel have generally worked well together in dealing with issues that have arisen in the context of ongoing business needs of the Parties and the subject litigation. Through a series of communications during the month of June 2008, both Parties, through Counsel, acknowledged that the title to "a large thermo-stripper" (truck 107) was in APMI and set forth differing positions concerning the legal and contractual basis for APMI to hold title to the vehicle. Ultimately, the Defendant offered to allow the Plaintiff to put the vehicle titles being held in the Plaintiff's name, with the Defendants' lien recorded on the title, if the Plaintiff would be responsible for the re-registration/title fees. The Plaintiff has never

indicated that it was willing to be responsible for the fees associated with re-titling the vehicles. Little communication regarding the titling of the vehicles occurred after June 2008 until Friday, February 6, when counsel for Plaintiff advised by email that truck 107 had been sold and requested Linda Blount to sign over the title without payment of her security interest.

ARGUMENT

I. Plaintiff Has Failed to Show Irreparable Harm

It is well settled law in this state that an applicant for a preliminary injunction must do more than merely allege that irreparable injury will occur and is required to set out with particularity facts supporting such statements so the court can decide for itself if irreparable injury will occur. *United Tel Co. of Carolinas, Inc. v. Universal Plastics, Inc.*, 287 N.C. 232, 236, 214 S.E. 2d 49,52 (1975). Conclusory allegations of irreparable harm are insufficient to allow a trial court to weigh the equities and determine in its sound discretion whether an interlocutory injunction should be issued or refused. *Town of Knightdale v. Vaughn*, 95 N.C. App. 649,651, 383 S.E. 2d 460,461 (N.C. App. 1989).

The only information offered by Plaintiff remotely related to the issue of irreparable harm is contained in paragraphs 13-15, and 17 of the Affidavit of Carolyn Langevin. Her Affidavit indicates in paragraph 13 that on January 22, 2009, A-1 sold Truck 107 to an unidentified third party for "approximately \$90,000". Paragraph 14 states that the Purchaser has requested the title and Ms. Langevin, along with her husband "believe that the third party purchaser will seek to unwind the deal and demand the return of his \$90,000 if he does not get the title soon." Paragraph 15 states that Ms. Langevin believes that A-1 will violate its contract with the unidentified third party if it does not

supply the title, and Paragraph 17 indicates that Plaintiff is relying on the "cash from the sale of Truck 107 to help it make payroll".

Ms. Langevin has failed to set forth any particular facts supporting her contention of irreparable harm. While providing little information concerning the sale of the truck, other than a price of approximately \$90,000 to an unidentified third party, she provides no information whatsoever to indicate why or how the loss of the funds will result in irreparable injury. Stating that it will be used for payroll certainly does not establish irreparable harm. Furthermore, even assuming that Plaintiff has set out a valid claim, Plaintiff has not come forward with anything establishing that monetary damages are inadequate redress for the alleged wrongful conduct.

Ordinarily, a mandatory injunction will not issue except where the threatened injury is immediate, pressing, irreparable and clearly established. In order for a preliminary mandatory injunction to be issued, there must generally be a clear showing of substantial injury to plaintiff if the existing status is allowed to continue till final hearing.

.....
An injury is considered irreparable when money alone cannot compensate for it.

Board of Light and Water Commissioners v. Parkwood Sanitary District, 49 N.C. App. 421, 423, 271 S.E.2d 402, 404 (1980), disc. rev. denied, 301 N.C. 721, 276 S.E.2d 282 (1981)(citations omitted).

II. Plaintiff Has Not Shown a Likelihood of Success on the Merits

Plaintiff's attempt to sell truck 107 without paying the proceeds to Linda Blount is in violation of the Security Agreement. Plaintiff does not dispute that it executed the Security Agreement on April 21, 2006 that identifies truck No. 107 as part of the collateral to secure the \$1,000,000 loan made by Mrs. Blount to the Plaintiff. Plaintiff makes the novel argument that it really did not "own" truck 107 when it signed the

Security Agreement listing it as collateral for the loan from Mrs. Blount because it was part of a lease-purchase contract, and therefore it should be allowed to sell truck 107 without honoring its obligation to treat it as collateral under the Security Agreement. Despite the obvious inconsistency of Plaintiff's execution of a Security Agreement pledging collateral that Plaintiff now disclaims any legal right to pledge, this argument fails to consider that under North Carolina law, old A-1 was the "owner" of truck 107 as a Lessee and that the Plaintiff became an owner when it took possession of the truck and began making Lease payments. N.C.G.S. §20-4.01(26) defines "owner" for purposes of the motor vehicle statutes as:

(26) Owner. -- a person holding the legal title to a vehicle, or in the event a vehicle is the subject of a chattel mortgage or an agreement for the conditional sale **or lease** thereof or other like agreement, **with the right of purchase upon performance of the conditions stated in the agreement, and with the immediate right of possession vested in the mortgagor, conditional vendee or lessee, said mortgagor, conditional vendee or lessee shall be deemed the owner** for the purpose of this Chapter...

N.C.G.S. §20-4.01(26) (emphasis added).

Additionally, review of the Lease Agreement and the circumstances giving rise to the Lease clearly establishes that it was in reality a conditional sales contract used to finance the purchase of truck 107. As set forth in Linda Blount's Affidavit, old A-1 agreed to buy Truck 107 from All Mark Pavement Marking Systems, Inc. in 2002 for the sum of \$75,000. Conventional financing for a 1990 vehicle for that sum could not be located, so an agreement was struck with Priority Leasing, Inc. to lease the vehicle for 5 years at the rate of \$1,921.50 per month. The Lease called for old A-1 to be responsible for all registrations, titling, plates, permits and licenses, along with all insurance and maintenance on the vehicle and provided for the right of purchase upon performance of

the conditions stated in the Lease, with the immediate right of possession vested in the Lessee.(Linda Blount Affidavit, paras. 5-7).

Not only was new A-1 an owner of truck 107 as defined by North Carolina Statute when it conveyed the security interest to Linda Blount on April 21, 2006, it also had sufficient ownership interest in the vehicle through the Lease Contact to convey a valid security interest. At the time the Promissory Note and Security Agreement were signed by new A-1, it owed total payments on the Lease of \$21,837.71 according to Schedule 4.7 of the APA (Item 2317 Feb 28,2006 Balance Sheet attached hereto as Exhibit" 3"). Upon paying that sum in compliance with the Lease terms, new A-1 would have the option to purchase the vehicle for an additional \$1.00 according to the documents obtained by Linda Blount from the Leasing Company (Linda Blount affidavit para. 5 and exhibit "A" attached thereto) (Note that Mrs. Blount's affidavit inadvertently references its exhibits slightly out of order, exhibits "B" and "C" being first referenced in para. 4 prior to the initial reference to exhibit "A" in para. 5). At most, the option purchase price was \$15,000 as paid by the Plaintiff pursuant to the calculation set forth in the Default and Remedies section of the Lease and Carolyn Langevin's Affidavit . Whether the Plaintiff paid this sum because it was in default (see paragraph 11 of the Lease) or by mistake, the payment was still nominal in context of the value of the vehicle at the time the option was exercised. In addressing this question of differentiating a lease from a conditional sales contract, the Court of Appeals has stated:

The question of whether a purchase option is necessarily indicative of a conditional sale has not previously been addressed in this State. Defendant refers us to a decision of the Georgia Court of Appeals, *Woods v. General Electric Credit Auto Lease, Inc.*, 187 Ga. App. 57, 369 S.E.2d 334 (1988), which we find persuasive. In holding that an automobile lease agreement was a true lease and not a disguised security transaction under the purview of Article 9, the Georgia Court

in *Woods* stated that a purchase option "does not per se make the Agreement a lease intended for security or give rise to a conditional sales agreement." *Id.* at 59, 369 S.E.2d at 336. It also found that the "best test" to determine the agreement's purpose and the parties' intent is "a comparison of the option price with the market value of the equipment at the time the option is to be exercised." *Id.*, quoting *Mejia v. C. & S. Bank*, 175 Ga. App. 80, 82, 332 S.E.2d 170, 172 (1985). "If the lessees can acquire the property under the purchase option **for little or no additional consideration in relation to its true value**, the lease would be one intended for security." *Woods, supra.*

Alpiser V. Eagle Pontiac-GMC-Isuzu, Inc., 97 N.C. App. 610,613, 389 S.E. 2d 293,295 (1990 N.C. App.) (emphasis added) . In the present case, the fair market value of truck 107 at the time the option was exercised in January 2007 was approximately \$100,000 (Linda Blount Affidavit, para. 7). Two years later the Plaintiff located a buyer willing to pay \$90,000 according to the present motion and Carolyn Langevin's Affidavit. The option price for the vehicle was nominal, whether the option was exercised at \$1.00 or \$15,000 in light of the true fair market value of the vehicle. Clearly, new A-1 had an ownership interest in the vehicle which it conveyed to Linda Blount as collateral for securing her Promissory Note. Furthermore, Plaintiff should be estopped from seeking to avoid its obligations under a Security Agreement it signed which specifically pledged truck 107 as collateral by now claiming that it really did not have an ownership interest in truck 107 when it conveyed the security interest to Linda Blount. As stated by the North Carolina Supreme Court:

One of the best known and most often reiterated maxims of equity is: 'He who seeks equity must do equity.' It is a mandatory application of the 'Golden Rule' in the field of law administration, and has been said to express the fundamental principle of equity jurisprudence."

Gaston--Lincoln Transit, Inc. v. Maryland Casualty Co., 285 N.C. 541, 547, 206 S.E.2d 155, 158-59 (1974)(citations omitted).

Plaintiff knew that it had conveyed a security interest in Truck 107, not only at the time of the Asset Purchase Agreement, but also at the time the Preliminary Injunction was issued in December 2007. The Court's Order specifically required the Plaintiff to give ten (10) days' notice prior to disposing of Truck 107 or any other trucks on Exhibit A attached to the Order (all vehicles listed as security for the Plaintiff's Promissory Note to Linda Blount). At the very least, Plaintiff should have let Mrs. Blount and the Court know of Plaintiff's contention that Mrs. Blount lacked a security interest in truck 107 before it was included with the other vehicles identified by the Preliminary Injunction.

Carolyn Langevin's affidavit is in error in contending that she did not know that Linda Blount had the title to truck 107. Plaintiff was clearly aware that Linda Blount had title to the vehicle at least as early as May 19, 2008 when Carolyn Langevin issued a check to APMI in reimbursement for registration costs APMI had incurred for Truck 107 in the amount of \$696.00 (Linda Blount affidavit para. 12). As set forth in Linda Blount's Affidavit, she paid the registration and title fee for the vehicle on May 6, 2008. Upon receiving the registration, which showed the Owner as APMI Corporation, she took it to the Plaintiff and received the reimbursement check signed by Carolyn Langevin.

III. Allowing Plaintiff's Motion does Substantial Harm to Linda Blount.

A ruling on a Motion for Preliminary Injunction is addressed to the sound discretion of the trial judge after a careful balancing of the equities. The burden is on the Plaintiff to establish the right to a preliminary injunction. *Pruett v. Williams*, 288 N.C. 368, 372, 218 S.E. 2d 348,351 (1975). When the propriety of injunctive relief is a close question, the hearing judge should consider the relative convenience and inconvenience to the parties in determining whether to grant the Motion. *Setzer v. Annas*, 286 N.C. 534,

540, 212 S.E. 2d 154,158 (1975). In the present action, it is undisputed that Truck 107 is listed as collateral in the Security Agreement for the payment of the Promissory Note to Linda Blount. The Affidavit by Carolyn Langevin states that the Plaintiff is relying on the cash from the sale of the truck to help it make payroll. Although this conclusory statement does not shed much light on the financial status of the Plaintiff, the implication would clearly put any creditor on notice of potential financial and payment difficulties. That is the exact reason that the Promissory Note was secured and collateralized in the first place. Allowing the Plaintiff to sell truck 107 without applying the proceeds to the balance of the promissory note results in Mrs. Blount's loss of security and collateral that formed the basis for agreeing to the Promissory Note in the first place.

Linda Blount has never refused to sign the title to Truck 107 to the Plaintiff. Her only requirement has always been payment of the proceeds from the sale towards the Promissory Note. Payment of those proceeds towards the Promissory Note causes no harm whatsoever to the Plaintiff, as it only pays down an obligation that the Plaintiff already has by contract. However, failure to apply the proceeds towards the Promissory Note forces Linda Blount to continue extending credit to Plaintiff with significantly less collateral to protect her should the Plaintiff default.

CONCLUSION

Other than vague information and conclusory allegations about the sale of truck 107 and the intended use of the proceeds, Plaintiff has come forward with nothing to substantiate its claim of irreparable harm. Furthermore, any "emergency" was created by the failure of the Plaintiff to observe the requirements of the Preliminary Injunction. The Plaintiff should be estopped from now denying that it had an ownership interest in truck

107 to pledge as collateral in the Security Agreement when it freely executed the agreement without acknowledging its purported lack of an ownership interest in order to obtain a million dollar loan from Linda Blount. Finally, the harm to Mrs. Blount is clear and obvious if she loses her security without payment toward the Plaintiff's debt, especially considering the Plaintiff's implied unstable financial condition.

The Defendant requests the Court to deny Plaintiff's Motion and further requests that Plaintiff be required to show cause why it should not be held in contempt for violating the Preliminary Injunction and as appropriate relief, Defendant suggests that the Plaintiff should be responsible for Defendant's costs to defend this motion. The Defendant also requests the Court to order the Plaintiff to turn over to Linda Blount any sales proceeds from truck 107, and upon receipt Mrs. Blount will sign the title to truck 107 to the Plaintiff or its designee.

Respectfully submitted this 9th day of March.

/S/ REX C. MORGAN
REX C. MORGAN,
Attorney for Defendants

OF COUNSEL:
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CERTIFICATE OF COMPLIANCE

I do hereby certify that the foregoing DEFENDANTS' BRIEF IN OPPOSITION TO PLAINTIFF'S MOTION FOR MANDATORY INJUNCTION REGARDING MOTOR VEHICLES complies with Rule 15.8 of the General Rules of Practice for the North Carolina Business Court.

This 9th day of March, 2009.

/s/ REX C. MORGAN
REX C. MORGAN, NC Bar # 9965
Baucom, Claytor, Benton, Morgan & Wood, P.A.
P O Box 35246
Charlotte, NC 28235
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rmorgan@baucomclaytor.com

CERTIFICATE OF SERVICE

I, Rex C. Morgan, do hereby certify that a copy of the foregoing document was served upon the parties entitled thereto by electronic mail and by placing same in the United States mail, postage prepaid and addressed as follows:

Ms. Amy Worley
McGuireWoods,LLP
201 North Tryon Street, Suite 3000
Charlotte, NC 28202
aworley@mcguirewoods.com

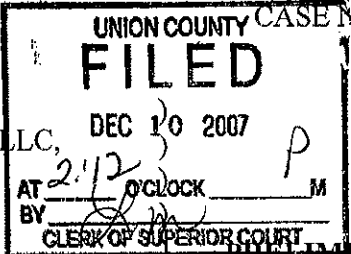
This the 9th day of March, 2009.

/s/ Rex C. Morgan

EXHIBIT 1
PRELIMINARY INJUNCTION

STATE OF NORTH CAROLINA
COUNTY OF UNION

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION



A-1 PAVEMENT MARKING, LLC,
Plaintiff,

v.

APMI CORPORATION,
LINDA BLOUNT and GARY BLOUNT
Defendants.

PRELIMINARY INJUNCTION
BY CONSENT
(N.C. R. Civ. P. 65)

THIS MATTER coming before the undersigned Judge Presiding over the December 10, 2007 Civil Session of the Superior Court for Union County, North Carolina, upon the Plaintiff's Motion for a Preliminary Injunction pursuant to Rule 65 of the North Carolina Rules of Civil Procedure, and it appearing to the Court that the parties have reached an agreement and consented to the entry of the Order for Preliminary Injunction set forth herein in order to preserve the status quo as between the parties pending the determination of the issues involved in this litigation by way of dispositive motion or trial; and it further appearing to the Court that the parties have agreed that based upon the assets purchased pursuant to the Asset Purchase Agreement and in the possession of the Plaintiff, maintaining the \$10,000 Security Bond posted for the Temporary Restraining Order is sufficient to comply with Rule 65(c) of the North Carolina Rules of Civil Procedure. Based upon the foregoing, it appears to the Court that entry of a Preliminary Injunction under Rule 65 is appropriate.

IT IS, THEREFORE, **ORDERED** as follows:

A. Defendants shall refrain from interfering with Plaintiff A-1's business and existing or prospective contractual relations by, *inter alia*, initiating communications with A-1's customers regarding A-1's business, whether directly or indirectly.

B. Defendants shall refrain from any violation of their covenants not to compete as set forth in Gary Blount's Non-Competition, Confidentiality and Intellectual Property Agreement (included in Exhibit A to the Verified Complaint at Tab 6), and Linda Blount's Confidentiality and Non-Competition Agreement (included in Exhibit A to the Verified Complaint at Tab 7).

C. Defendants shall not interfere with Plaintiff A-1's use of the vehicles and equipment identified on Exhibit A attached hereto and shall not seek any remedy for any alleged default or breach of the Asset Purchase Agreement or related documents except by notice and motion in this action.

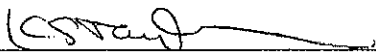
D. Defendants APMI Corporation or Linda Blount shall make all payments to creditors/lien holders as may become due on any indebtedness associated with the vehicles identified on Exhibit A attached hereto and which existed as of April 21, 2006; and neither APMI nor Linda Blount shall incur any additional indebtedness on said vehicles.

E. Plaintiff shall make the payments on the Promissory Note (included in Exhibit A to the Verified Complaint at Tab 4) that is referenced in Section 3.2 of the Asset Purchase Agreement (included in Exhibit A to the Verified Complaint at Tab 1) they become due pursuant to the terms of the Promissory Note.

F. Neither party shall withhold any payment of any obligation as set forth in the Asset Purchase Agreement or as set forth in this Order and shall not violate any provision of the Asset Purchase Agreement or any of the related contracts contained in Exhibit A to the Verified Complaint without notice, motion and order by this court.

G. Plaintiff shall maintain security for the issuance of this Preliminary Injunction with the Clerk of Court in the amount of \$10,000 (continued posting of the security provided for issuance of the Temporary Restraining Order is sufficient compliance), and Plaintiff shall not dispose of any vehicles identified on Exhibit A attached hereto without providing Defendants 10 days prior notice.

This 10th day of December, 2007.

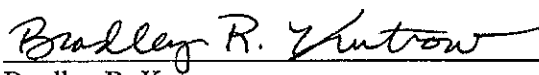


Kimberly S. Taylor
SUPERIOR COURT JUDGE PRESIDING

CONSENTED TO:



Rex C. Morgan
Counsel for Defendants



Bradley R. Kutrow
Counsel for Plaintiff



Exhibit "A"

TRUCK #	YEAR	MAKE/MODEL	VIN#	DESCRIPTION	REMARKS	DATE OF PURCHASE	PAYMENTS	LEASER / AC #
104	2004	CHEVY AVALANCHE	1G8K13314E100804	4 DOOR CAB	CAB	2/20/04	714.55	CHASE B00-335-2515
107	1990	FORD G7 800	98P1791A01000970	THERMO LASTE / APPLICATION	REAR	5/20/90		CHASE B00-335-2515
108	1985	CHEVY TONNIE	1G08M1481817180	GRABER CUSHION	REAR	1/10/85		CHASE B00-335-2515
109	1985	CHEVY TONNIE	1G08M14818180716	GRABER CUSHION	REAR	1/10/85		CHASE B00-335-2515
111	2001	FORD F350	1F0W98731E140700	PLAT BED	REAR	10/20/01		
112	2003	CHEVY 6500	1G8E98140Y991980	PART TRUCK	REAR	12/20/03		
114	2004	CHEVY 6500	1G0LW21G18150400	THERMO LASTE WELTER	REAR	12/20/04		
118	1984	VOLVO	AV04F1923423970	THERMO LASTE / APPLICATION	REAR	1/10/84		
116	2004	EXPERIMENT	1F0E114L1E00070	4 DOOR	CAB	10/20/04		
117	2004	FORD F150	2FTR1T9K1C45006	2 DOOR EXTENDED CAB	CAB	4/20/04		
118	2004	FORD F150	2FTR1T9K1C45006	2 DOOR EXTENDED CAB	CAB	4/20/04		
119	2004	FORD F150	2FTR1T9K1C45006	2 DOOR EXTENDED CAB	CAB	4/20/04		
120	2004	FORD F150	2FTR1T9K1C45006	2 DOOR EXTENDED CAB	CAB	4/20/04		
121	2003	CHEVY SILVERADO	200E11T031151000	4 DOOR CHEVY CAB	CAB	10/20/03		
122	2005	GAUC	J00E18181700017	PAINT TRUCK	CHEVY	12/20/05		
123	1997	GAUC	1G01TH1JY3003007	THERMO LASTE WELTER	REAR	1/10/97		
124	1979	INTERNATIONAL	C2E710021114	HAUL TRUCK	REAR	10/20/79		
125	1980	INTERNATIONAL	D10000100000	SNOW PLOW TRUCK	REAR	10/20/80		
126	1988	GAUC	1G01TH1JY3003007	HAUL / PLOW TRUCK	REAR	4/20/88		
1	2002	ESTE	1E0101010000000	THERMO LASTE WELTER	REAR	1/10/02		
1	2003	DOWNING WFG	DC-145-10-2003	THERMO LASTE WELTER APPLICATION	REAR	10/20/03		

ADRI CORPORATION TRUCK LIST

\$ 116,412.89

TOTAL DOLLARS \$ 116,412.89

TOTAL PAYMENTS \$ 4,024.10

EXHIBIT 2

AFFIDAVIT OF LINDA BLOUNT

STATE OF NORTH CAROLINA
COUNTY OF UNION

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
FILE NO. 07-CVS-3186

A-1 PAVEMENT MARKING,)
LLC,)

Plaintiff,)
Vs.)

AFFIDAVIT OF LINDA BLOUNT

APMI CORPORATION,)
LINDA BLOUNT and)
GARY BLOUNT,)

Defendants.)

LINDA BLOUNT, being first duly sworn, deposes and says as follows:

1. Prior to April 21, 2006, I was the sole shareholder and President of A-1 Pavement Marking, Inc. ("Old A-1"). I started the Company from scratch in 1993 and owned and operated the Company until its assets were sold on April 21, 2006 to Lenny and Carolyn Langevin, who placed the assets into the Plaintiff, A-1 Pavement Marking, LLC ("New A-1").

2. In connection with the purchase of the assets of Old A-1, the purchaser was to pay the sum of \$1,500,000 and assume all current and long-term liabilities of the Company. . On the date of closing, the long-term liabilities totaled \$347,766.83, all arising from asset based loans owed on the motor vehicle/equipment assets of old A-1, except for a line of credit with BB&T which totaled \$53,734.11.

3. Following the closing, the Plaintiff did not or could not refinance or assume the vehicle loans. Consequently, the lender kept the vehicle titles in the name of Old A-1. Although I wanted New A-1 to pay off the vehicle loans and get them out of my name, I understood that the company may not have had sufficient credit built up to do so, especially since it bounced its first payment check to me on the Promissory Note. Additionally, the Plaintiff never requested that I re-title the trucks. Nevertheless, New A-1 was aware of its obligation to pay the monthly vehicle loans and it did make the payments for 17 months through September 2007. New A-1 was also aware that it was responsible for paying the BB&T long term liability and within 90 days following the closing, Lenny Langevin had New A-1 pay off the the \$53,734.11 BB&T line of credit liability.

4. In addition to assuming the liabilities of Old A-1, the Plaintiff agreed to pay \$1,500,000 for the assets of Old A-1; \$500,000 was paid in cash at closing, and \$1,000,000 was financed pursuant to a Promissory Note at the rate of four percent (4%) over five years. As security for the Promissory Note, New A-1 executed a Security Agreement which pledged the motor vehicles and other identified assets of the Company, including Truck 107, as collateral for the Promissory Note. A copy of the Promissory Note and Security Agreement, with the listing of collateral, is attached hereto as Exhibits "B" and "C" respectively.

5. Old A-1 always intended to purchase Truck 107 and only used leasing as a finance alternative. In February 2002, Old A-1 entered into an agreement with All Mark Paving Marking Systems, Inc. to purchase Truck 107, a 1990 Ford Thermoplastic Applicator Truck, for the sum of \$75,000. Old A-1 wanted to finance the purchase, but no bank or lending institution could be found that would loan \$75,000 on this 1990 truck. Ultimately, we entered into an agreement with Priority Leasing, Inc. to "lease" the truck for sixty (60) months, with an option to purchase the truck at the end of the Lease for a nominal amount. Although the Plaintiff has indicated that it paid \$14,884.72 to purchase Truck 107 from the leasing company, it is my belief that the purchase option actually allowed the vehicle to be purchased for the sum of \$1.00 at the end of the lease if proper notice was given and if the lessee was not in default. I base this belief on Exhibit "A" attached hereto which consists of copies of the lease documents faxed to me from Priority Leasing on March 4, 2009. The document titled End of Lease Purchase Option sets forth that the purchase price at the end of the lease is \$1.00 if proper notice is given and the lessee is not in default. I do not have signed original documents as they were left on the business premises of the Plaintiff.

6. After obtaining this truck by way of the Lease Agreement with Priority Leasing, Old A-1 spent approximately \$25,000 to restore the truck to workable condition, including installation of a new hydraulic system, installation of new high temperature oil jacketed material lines, body and paint work, and engine and transmission maintenance. Additionally, Old A-1 made all monthly payments of \$1979.15 from March 2002 through sale of Old A-1 assets in April 2006.

7. Old A-1 always viewed Truck No. 107 as an asset of the Company and always intended to purchase the truck at the end of the Lease. It is my belief that the buyout option was for only \$1.00, but regardless of whether the end of lease purchase price was \$1.00 or \$15,000, it would have been economically foolish to not purchase the truck, since its actual fair market value was approximately \$100,000 in January 2007.

8. The 1990 Ford Thermoplastic Applicator (Truck No. 107), was listed on the 3-page list of collateral for the Security Agreement as Item No. 39. Due to the Lease

purchase arrangement, this vehicle was not depreciated and was listed at a depreciation basis of zero.

9. I received the title to Truck No. 107 directly from Priority Leasing (Lyon Financial) sometime in February or March 2007. I did not contact the Leasing company to request the title and I did not get the title to Truck 107 from New A-1. The title was probably sent to me because my address at 2424 Ashcraft Avenue, Monroe, North Carolina, was listed as the address with the Leasing Company in 2002 and that is the address I was at in 2007. I placed the title in a file with the three other titles I was holding at the time as collateral for the Security Agreement and Promissory Note. Lyon Financial had signed the title, but had left the space for the purchaser blank.

10. Prior to the current attempt by the Plaintiff to sell Truck No. 107, I believe that New A-1 was aware of its obligation to honor the Note and Security Agreement in connection with the sale of secured property as demonstrated by two prior sales of collateral. Plaintiff sold Truck No. 115 and a piece of equipment called the Scorpion, both of which were identified as collateral in the Security Agreement for the Promissory Note and paid the net proceeds toward the Promissory Note. Truck No. 115 sold for the sum of \$105,000 on October 16, 2006. Of that sum, \$58,395.35 was by the Plaintiff to pay off the Bank Loan which had been used to purchase the truck. The remaining sum, \$46,604.65, was paid to me by New A-1 and applied to the balance of the Plaintiff's debt as specified in the Promissory Note. On January 9, 2007, the Scorpion was sold for \$11,250 by the Plaintiff. That sum was also paid by the Plaintiff to me pursuant to the Promissory Note and Security Agreement and the sum was applied to the balance owed as specified by the Note. Plaintiff clearly knew that the net proceeds from the sale of any vehicles or equipment secured by the Promissory Note were to be paid towards the Note.

11. It is my belief that New A-1 was aware that any titles not held by the lending bank were being held by me based upon communications received from Lenny Langevin. On June 11, 2007 Mr. Langevin called to request that I supply him with the title to truck 125 (a parts truck) which he said he'd sold for approximately \$12,000. He indicated that he want New A-1 to be paid all of the proceeds and he didn't want to apply them to the balance of the Promissory Note. In light of the prior payments that had been made and the relatively modest amount of proceeds, I agreed to his request and supplied the title to the truck to complete the transaction. Mr. Langevin had to know that I was holding the title or he wouldn't have called asking for it.


12. In the Spring of 2008, I received a Registration Card for Truck No. 107 from the North Carolina Department of Motor Vehicles. I paid the title and registration fee and took the Registration Card to New A-1's place of business. New A-1 issued me a check in the amount of \$696 in reimbursement for the registration fee, and I left the Registration Card and tag with the business. A copy of that check, signed by Carolyn Langevin is attached as Exhibit D. Ms Langevin clearly knew that I had the title to

Truck No. 107 at that time and it could not have been a surprise to her to learn that she did not have the title when she attempted to sell the truck in February 2009.

13. The Plaintiff never gave any notice that it was selling Truck 107 despite the requirement in the Preliminary Injunction that 10 days notice be given. Had we been given notice, there would have been no "emergency" requiring an expedited hearing

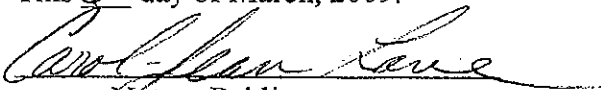
14. I have always been prepared to turn over the title to Truck 107 to New A-1 or its purchaser upon receipt of proceeds from the sale of the vehicle which will be applied to the Plaintiff's Promissory Note, pursuant to the terms sets forth therein.

This 6 day of March, 2009.

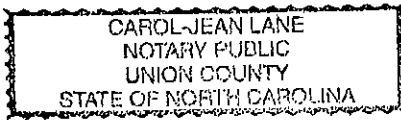
 (SEAL)
LINDA BLOUNT

Sworn to and subscribed before me

This 6 day of March, 2009.


Notary Public

My Commission Expires: _____ **Commission Expires November 5, 2012**



**EXHIBIT "A" TO
AFFIDAVIT OF LINDA BLOUNT
TRUCK 107 LEASE PURCHASE DOCUMENTS
(First Reference Paragraph 5)**

Exhibit A

Alison Lucier
National Account Manager



174 Green Street
Melrose, MA 02176
P. 800.761.2118 ext. 58
F. 866.809.1252
www.priorityleasing.com

FROM : 704.282.9487

PHONE NO. : 882688

Feb. 24 2002 05:05PM P2/11

This document was written in "Plain English". The words YOU and YOUR refer to the customer. The words WE, US and OUR refer to the Lessor. Every attempt has been made to eliminate confusing language and create a simple, easy-to-read document.

CUSTOMER INFORMATION

A-I PAVEMENT MARKING, INC.

FULL LEGAL NAME OF CUSTOMER

2424 ASHCRAFT AVENUE MONROE NC 28110 (704) 282-0341
STREET ADDRESS CITY STATE ZIP PHONE

A-I PAVEMENT MARKING, INC. 2424 ASHCRAFT AVENUE
BILLING NAME (IF DIFFERENT FROM ABOVE) BILLING STREET ADDRESS

MONROE NC 28110 (704) 282-0341
CITY STATE ZIP PHONE

EQUIPMENT LOCATION (IF DIFFERENT FROM ABOVE)

SUPPLIER INFORMATION

ALL MARK PAVEMENT MARKING SYSTEMS, INC. 3748 COPELAND ROAD

NAME OF SUPPLIER STREET ADDRESS

ZEPHYR HILLS FL 33540 800-266-0708
CITY STATE ZIP PHONE

Table with 4 columns: QUANTITY, ITEM DESCRIPTION, MODEL NO., SERIAL/VIN NO.

Table with 3 columns: RENTAL TERMS, RENTAL PAYMENT AMOUNT, SECURITY DEPOSIT

END OF LEASE OPTIONS: You will have the following options at the end of the original term, provided the lease has not terminated early and no event of default under the lease has occurred and is continuing.

THIS IS A NONCANCELABLE/IRREVOCABLE LEASE, THIS LEASE CANNOT BE CANCELLED OR TERMINATED.

TERMS AND CONDITIONS (THIS LEASE AGREEMENT CONTAINS PROVISIONS SET FORTH ON THE REVERSE SIDE, ALL OF WHICH ARE MADE PART OF THIS LEASE AGREEMENT.)

LEASE AGREEMENT: You agree to lease from us the personal property described under "ITEM DESCRIPTION" and as modified by supplements to this Master Agreement from time to time signed by you and us (such property and any upgrades, replacements, and additions referred to as "Equipment") for business purposes only.

LESSOR ACCEPTANCE

DATED: 2/22/02

LESSOR: PRIORITY LEASING INC

SIGNATURE: [Signature]

TITLE: [Signature]

CUSTOMER ACCEPTANCE

DATED: 2/26/02

CUSTOMER: A-I PAVEMENT MARKING, INC

SIGNATURE: [Signature]

TITLE: PRESIDENT

ACCEPTANCE OF DELIVERY

You certify that all the Equipment described in this Equipment Agreement has been furnished, that delivery and installation has been fully completed and is satisfactory. Further, conditions and terms of this Agreement have been reviewed and acknowledged.

DATE OF DELIVERY: 2/26/02 CUSTOMER: A-I PAVEMENT MARKING, INC SIGNATURE: [Signature] TITLE: PRESIDENT

PERSONAL GUARANTY

As additional inducement for us to enter into this Agreement, the undersigned ("you"), jointly and severally, unconditionally personally guarantees that the customer will make all payments and meet all obligations required under this Agreement and any supplements fully and promptly.

Signature: [Signature]

LINDA BLOUNT Print Name of Guarantor

2/26/02 Date

PHONE NO. : 20000000000000

Feb. 24 2002 05:06PM P3/11

of consecutive months shown. You also agree to pay to Lessor herein rent. (Rent term shall be in an amount equal to 1/10th of the monthly rental, multiplied by the number of days between the rent commencement date and the first payment due date. The term will be extended automatically for successive 12 month terms unless you send us written notice you do not want it renewed at least 30 days before the end of any term. If any provision of this Agreement is declared unenforceable in any jurisdiction, the other provisions herein shall remain in full force and effect in that jurisdiction and all others. THE BASIC RENTAL PAYMENT IS DECLARED UNENFORCEABLE IN ANY JURISDICTION, THE OTHER PROVISIONS HEREIN SHALL REMAIN IN FULL FORCE AND EFFECT IN THAT JURISDICTION AND ALL OTHERS. THE BASIC RENTAL PAYMENT SHALL BE ADJUSTED PROPORTIONATELY UPWARD OR DOWNWARD TO COMPLY WITH THE TAX LAWS OF THE STATE IN WHICH THE EQUIPMENT IS LOCATED. Equipment located in various state is subject to sales tax laws which require that tax be paid us front. You authorize us to advance tax and increase your monthly payment by an amount equal to the current tax percentage applied to the monthly rental shown above.

2. RENT: Rent will be payable in installments, each in the amount of the basic lease payment shown plus any applicable sales tax, use tax plus 1/12th of the amount estimated by us to be personal property tax on the Equipment for each year of this Agreement. We will have the right to apply all sums received from you to any amounts due and owed to us under the terms of this Agreement. In the event this Agreement is not commenced, the security deposit will be retained by us to compensate us for our documentation processing and other expenses. If for any reason your check is returned for nonpayment a \$20.00 bad check charge will be assessed.

3. TITLING AND REGISTRATION: We are the owner of the Equipment and you guarantee that physical titling of the Equipment will be accomplished in a timely manner. You agree to provide to us the original title documentation to the Equipment. This will be provided within 15 days of when you receive it from the appropriate titling authority. If you fail to do so, you will be in default of this Agreement and you agree to indemnify us from any damage or loss we incur from your failure. You further agree to pay a month to month undivided thing fee if we have not received the correct transferred title in our office.

THE APPLICATION FOR TITLE MUST INCLUDE LYON FINANCIAL SERVICES, INC., 1450 CHANNEL PARKWAY, MARSHALL MINNESOTA 56258, AS FIRST LIEN HOLDER

You, at your sole cost, will obtain and maintain all registrations, titles, plates, permits and licenses necessary for use of the Equipment in your business. You further grant us limited power of attorney to sign off on any title documentation in the case of any repossession or termination. You also grant us security interest in the equipment if this agreement is deemed a secured transaction and you authorize us to record a UCC-1 financing statement or similar instrument and appoint us your attorney-in-fact to execute and deliver such instrument in order to show our interest in the Equipment.

4. WARRANTY DISCLAIMER: WE MAKE NO WARRANTY, EXPRESS OR IMPLIED, THAT THE EQUIPMENT IS FIT FOR A PARTICULAR PURPOSE OR THAT THE EQUIPMENT IS MERCHANTABLE. YOU AGREE THAT YOU HAVE SELECTED THE SUPPLIER AND EACH ITEM OF EQUIPMENT BASED UPON YOUR OWN JUDGMENT AND DISCLAIM ANY RELIANCE UPON ANY STATEMENTS OR REPRESENTATIONS MADE BY US OR ANY SUPPLIER. WE DO NOT TAKE RESPONSIBILITY FOR THE INSTALLATION OR PERFORMANCE OF THE EQUIPMENT. THE SUPPLIER IS NOT AN AGENT OF OURS AND NOTHING THE SUPPLIER STATES CAN AFFECT YOUR OBLIGATION UNDER THE LEASE. YOU WILL CONTINUE TO MAKE ALL PAYMENTS UNDER THIS AGREEMENT REGARDLESS OF ANY CLAIM OR COMPLAINT FOR NON PERFORMANCE AGAINST SUPPLIER. WE HAVE NO RESPONSIBILITY FOR ANY MAINTENANCE OR SUPPORT TO BE SUPPLIED BY SUPPLIER.

5. LOCATION OF EQUIPMENT RETURN: You will keep records showing the location of the Equipment. You will report this location to us upon request. At the end of the Agreement's term you will either renew per paragraph 1 or return the Equipment to a location we specify at your expense. In retail reachable condition full working order and in complete repair. All license plates, registration certificates, documents of title and odometer certificates shall also be returned.

6. LOSS OR DAMAGE: You are responsible for the risk of loss or for any destruction of or damage to the Equipment. No such loss or damage releases you from the payment obligations under this Agreement. You agree to promptly notify us in writing of any loss or damage and you will then pay to us the total of all unpaid lease payments for the full lease term plus the estimated fair market value of the Equipment at the end of the originally scheduled term, all discounted at six percent (6%) per year. Any proceeds of insurance will be paid to us as credited, at our option, against any loss or damage.

7. COLLATERAL PROTECTION AND INSURANCE: You agree to keep the equipment fully insured against loss with us at least payee in an amount not less than the replacement cost until this Agreement is terminated. You also agree to obtain a general public liability insurance policy from anyone who is acceptable to us and to include us as an insured on the policy. You agree to provide us with certificates or other evidence of insurance acceptable to us, before this Agreement begins, or we will as you are current at the time of the loss (excluding losses resulting from acts of God), the replacement value of the Equipment will be applied against any loss or damage as per paragraph 6. You must be current to benefit from this program. NOTHING IN THIS PARAGRAPH WILL RELIEVE YOU OF YOUR RESPONSIBILITY FOR LIABILITY COVERAGE ON THE EQUIPMENT.

8. INDEMNITY: We are not responsible for any loss or injuries caused by the installation or use of the Equipment. You agree to hold us harmless and reimburse us for loss and to defend us against any claim for loss or injury caused by the Equipment.

9. TAXES AND FEES: You agree to pay when due all taxes (including personal property tax, sales and penalties) relating to this Agreement or the Equipment. If we pay any of these fees or taxes for you, you agree to reimburse us and to pay us a processing fee for each payment we make on your behalf. In addition, you also agree to pay us any filing fees prescribed by the Uniform Commercial Code and reimburse us for all costs and expenses involved in documenting and servicing this transaction. You further agree to pay us \$77.50 plus 1% of the equipment cost on the date the first lease payment is due to cover the expense of originating the Agreement.

10. ASSIGNMENT: YOU HAVE NO RIGHT TO SELL, TRANSFER, ASSIGN OR SUBLEASE THE EQUIPMENT OR THIS AGREEMENT. You understand that we, without prior notice, have the right to assign this Agreement to a financing source for financing purposes without your consent in each assignment. You understand and warrant that our assignee will have the same rights and benefits but they do not have to perform any of our obligations. You agree that the right of assignment will not be subject to any claims, demands, or claims that you may have against us.

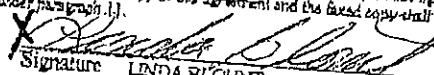
11. DEFAULT AND REMEDIES: If you do not pay any lease payment or other sum due us or other party when due or if you break any of your promises in this Agreement or any other Agreement with us, you will be in default. If any part of a payment is late, you agree to pay a late charge of 1 1/2% of the payment which is late or if less than the maximum charge allowed by law. If you are ever in default, we may retain your security deposit and at our option, we can terminate or cancel this Agreement and require that you pay (1) the unpaid balance of this Agreement (discounted at 6%); (2) the amount of any purchase option and if none is specified, 20% of the original equipment cost which represents our undepreciated residual value in the equipment (3) and/or return the Equipment to us to a location designated by us. We may recover interest on any unpaid balance at the rate of 8 1/2% per annum. We may also use any of the remedies available to us under Article 2A of the Uniform Commercial Code as enacted in the State of Minnesota or any other law if we refer this Agreement to an attorney for collection, you agree to pay our reasonable attorney's fees and actual court costs. If we have to take possession of the equipment you agree to pay the cost of repossession. YOU AGREE THAT WE WILL NOT BE RESPONSIBLE TO PAY YOU ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES FOR ANY DEFAULT BY US UNDER THIS AGREEMENT. You agree that any delay or failure to enforce our rights under this Agreement does not prevent us from enforcing any rights at a later time. It is further agreed that your rights and remedies are governed exclusively by this Agreement and you waive lessee's rights under Article 2A (508-522) of the UCC.

12. SECURITY DEPOSIT: The security deposit is payable upon execution and is non-interest bearing and is to secure your performance under this Agreement. Any security deposit made may be applied by us to satisfy any amount owed by you in which event you will promptly receive the security deposit to its full amount as set forth above. If all conditions here in are fully complied with and provided you have not ever been in default of this Agreement per paragraph 11, the security deposit will be refunded to you after the return of the equipment in accordance with paragraph 5.

13. LAW: This lease shall be deemed fully executed and performed in the State of Minnesota or in the home state of whoever holds the Lessor's interest as it may be assigned from time to time per paragraph 10. This lease shall be governed by and construed in accordance with the laws of the State of Minnesota or the laws of the home state of Lessor's assignee. You expressly and unconditionally consent to the jurisdiction and venue of any court in the State of Minnesota and waive the right to trial by jury for any claim or action arising out of or relating to this Agreement or the Equipment. Furthermore, you waive the defense of Forum Non Conveniens.

14. LESSOR'S WARRANTY: You agree to submit the original master lease documents with the security deposit to Lessor or its assignee via overnight courier the same day of the date of the execution of the lease documents. Should we fail to receive these originals, you agree to be bound by the faxed copy of this agreement with appropriate signature of the document. Lessor waives the right to challenge in court the authenticity of a faxed copy of this agreement and the faxed copy shall be considered the original and shall be the binding agreement for the purposes of any enforcement action under paragraph 11).

0275


 Signature LINDA BLOUNT PRESIDENT
 Title

EQUIPMENT SCHEDULE "A"

LEASE # 882888

This Equipment Schedule "A" is to be attached to and become part of that Schedule of Leased Equipment dated

February 26, 20 02

by and between the undersigned and

PRIORITY LEASING INC (Lessor).

QTY	DESCRIPTION	MODEL NO.	SERIAL NO.
1	Vendor: ALL MARK PAVEMENT MARKING SYSTEMS, INC. 3748 COPELAND ROAD ZEPHYR HILLS FL 33540 YORD CP6000		9BFYH81A6LDM00570

This Equipment Schedule "A" is hereby verified as correct by the undersigned Lessee, who acknowledges receipt of a copy.

Lessee:	<u>A-I PAVEMENT MARKING, INC.</u>
Signature:	<u><i>Linda Blount</i></u>
	<u>LINDA BLOUNT</u>
Title:	<u>PRESIDENT</u>

FROM :

PHONE NO. : 000000000000

Feb. 24 2002 05:07PM P4/11

DELIVERY GUARANTEE

Addendum to Lease # 882688 dated 2/26/02, between

PRIORITY LEASING INC as "Lessor"

and A-1 PAVEMENT MARKING, INC. as "Lessee".

Lessee understands and agrees that in the event the Lessee is not satisfied with the working condition of the equipment that Lessee shall only look to persons other than Lessor or its assigns such as the manufacturer, vendor, installer, or carrier, and shall not assert against Lessor or its assigns any claim or defense that Lessee may have with reference to the Equipment, its installation, or delivery. Lessee understands that despite the fact that certain items of Equipment to be leased have not been installed, this Addendum authorizes Lessor to start the Lease and Lessee's duty to make monthly payments will commence immediately. Further, Lessee authorizes Lessor to pay:

ALL MARK PAVEMENT MARKING SYSTEMS, INC. (Vendor)
for the equipment and understands that payments shall begin on the same date that the Lessee executes this agreement and shall be continuous thereafter per the terms of the Lease.

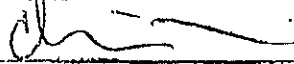
100% Percent of the payment to Vendor will be made now,

_____ Percent of the payment to Vendor upon delivery/shipment.

_____ Percent of the payment to Vendor will be made upon final verification by Lessee after completion of final delivery and installation.

In consideration of our offering this option and to compensate us for our additional costs, you further agree to pay an additional fee of \$100 to commence the delivery guarantee and your lease. This fee is due on the date the first lease payment is due.

PRIORITY LEASING INC
Lessor


Signature

AVP
Title

2/28/02
Date

A-1 PAVEMENT MARKING, INC.
Lessee


Signature LINDA BLOUNT

PRESIDENT
Title

2/26/02
Date

FROM : 1 60 22 2002 12:00


PHONE NO. : 000000000000
PRIORITY LEASING

Feb. 24 2002 05:11PM P11/11
781 321 4100 P.11/11

FCRA Form

Applicant: A-1 Pavement Marking, Inc.

The undersigned individual(s) who is either a principal, a personal guarantor or a sole proprietor of the credit applicant, recognizing that his or her individual credit history may be a factor in the evaluation of the applicant, hereby consents and authorizes Priority Leasing, Inc. or its designee the use of a consumer credit report on the undersigned from time to time as may be needed

 2/26/02
Linda Blount Date

Date

FROM : PHONE NO. : 000000000000 Feb. 24 2002 05:09PM P7/11

END OF LEASE PURCHASE OPTION

LEASE NUMBER:
LESSEE: A-1 Pavement Marking, Inc.
EQUIPMENT: See Attached Schedule "A"

Provided that the lessee named above ("Lessee") is not then in default under that certain lease agreement dated 20 between the undersigned and Lessee, and has paid all rentals and other payments due to the undersigned Lessor ("Lessor") or its Assignees in accordance with the lease agreement, Lessee shall have the right at the end of the Lease term to purchase the equipment described above (the "Equipment") at a price equal to \$1.00. The Lessee shall give to the Lessor written notice at least 120 days, and not more than 150 days, prior to the end of said term of its election to exercise the purchase option provided for herein. Payment of the option price shall be made to the Lessor at its address or at such other place as Lessor may designate in writing.



This End of Lease Purchase Privilege shall not be considered or construed to amend or alter the terms or conditions of the Lease and may be exercised only after all conditions and payment requirements of the Lease have been fulfilled.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first shown above. Please be further advised that this document will be null and void unless executed by an officer of Priority Leasing.

LESSOR: Priority Leasing, Inc.

By: Chris Morrissey, Assistant Vice President

LESSEE: A-1 Pavement Marking, Inc.

By: Linda Blount, President

**EXHIBIT "B" TO
AFFIDAVIT OF LINDA BLOUNT
PROMISSORY NOTE
(First Reference Paragraph 4)**

COPY

PROMISSORY NOTE

\$1,000,000.00

April 21, 2006

FOR VALUE RECEIVED, LANGEVIN VENTURES, LLC, soon to be A-1 Pavement Markings, LLC and Traffic Markings, Inc. (herein collectively "Maker") hereby promises to pay to the order of APMI Corporation (formerly A-1 Pavement Marking, Inc.) (herein "Payee") with a principal address of 217 Seven Oaks Drive, Monroe, North Carolina, 28110 or such other address as Payee from time to time designate to the Maker in writing, the principal sum of One Million Dollars (\$1,000,000.00) together with interest at the rate of four percent (4.0%) per annum. Principal and interest hereunder shall be paid monthly, in the amount of \$18,416.52, commencing on May 1st, 2006 and continuing on the 1st day of each and every month thereafter through and including April 1st, 2011.

All payments of principal and interest shall be made in lawful funds of the United States of America at the principal place of business of the Payee as set forth in the Asset Purchase Agreement, dated as of the date hereof, by and among the Maker, the Payee and certain other parties named therein (the "Asset Purchase Agreement").

Maker shall have the right from time to time to prepay all or any portion of the unpaid principal balance due hereunder, without premium or penalty; provided, however, that any such prepayment shall be applied first to accrued and unpaid interest and then to principal installments in the inverse order of their maturity.

In the event Maker fails to make any payment becoming due hereunder on time, which default is not cured within ten (10) days after notice thereof, or in the event of the insolvency or bankruptcy of Maker, or Maker shall have a receiver of its assets appointed, or make an assignment for the benefit of creditors, or shall apply for or consent to the appointment of a trustee or receiver for its property, or upon the liquidation or dissolution or suspension of active operation of the business of Maker, or breach of the Asset Purchase Agreement by Maker (each such event, a "Default") then in any such event, Payee, at its option and its sole discretion, may declare the entire unpaid principal balance and all accrued and unpaid interest on this Note to be immediately due and payable.

Except as otherwise expressly provided herein, Maker hereby waives presentment and demand for payment, notice of dishonor, protest and notice of protest of this Note and all other notices in connection with the delivery, acceptance, performance, default or enforcement of this Note.

Maker shall pay all costs and expenses of collection and enforcement of this Note incurred by Payee, including reasonable attorney's fees and disbursements.

All remedies of the holder hereof shall be cumulative and concurrent and may be pursued singly, successively or together at the sole discretion of the holder hereof

and may be exercised as often as occasion therefor shall occur and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof or any other right or remedy.

This Note and the rights and obligations of the Maker and Payee shall be governed by and construed in accordance with the laws of the State of North Carolina (without giving effect to the conflict of laws principles thereof).


This Note has been delivered to Payee pursuant to the terms of the Asset Purchase Agreement, subject to offset as is described in Section 3.2(b) of the Asset Purchase Agreement, and evidences amounts due as the Purchase Price (as defined in the Asset Purchase Agreement) thereunder.

This Note may not be modified, amended, waived or otherwise altered in whole or in part except by a further writing signed by the party to be charged. This Note shall be binding upon Maker and shall inure to the benefit of Payee and any subsequent holder hereof, their respective successors, assigns and transferees.

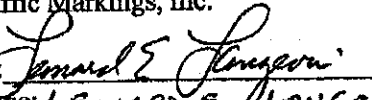
This Promissory Note is secured by a Security Agreement and Financing Statement on the assets purchased hereunder, including the name "A-1 Pavement Marking".

IN WITNESS WHEREOF, Maker has executed this Note the date and year set forth above.

Langevin Ventures, LLC/A-1 Pavement
Markings, LLC

By: 
Name: Carolyn B. Langevin
Title: Manager

Traffic Markings, Inc.

By: 
Name: LEONARD E. LANGEVIN
Title: PRESIDENT

AMORTIZATION SCHEDULE

Date of First Payment:	05/01/2006	Loan Amount:	1,000,000.00
Date Interest Starts:	04/21/2006	Regular Payment:	18,416.52
Original Number of Payments:	60	Annual Rate:	4.0000
Actual Number of Payments:	60		

Payment Date	Beginning Principal	Total Payment	Interest Payment	Principal Payment	Ending Principal
04/21/2006	1,000,000.00	0.00	0.00	0.00	1,000,000.00
05/01/2006	1,000,000.00	18,416.52	1,095.89	17,320.63	982,679.37
06/01/2006	982,679.37	18,416.52	3,275.60	15,140.92	967,538.45
07/01/2006	967,538.45	18,416.52	3,225.13	15,191.39	952,347.06
08/01/2006	952,347.06	18,416.52	3,174.49	15,242.03	937,105.03
09/01/2006	937,105.03	18,416.52	3,123.68	15,292.84	921,812.19
10/01/2006	921,812.19	18,416.52	3,072.71	15,343.81	906,468.38
11/01/2006	906,468.38	18,416.52	3,021.56	15,394.96	891,073.42
12/01/2006	891,073.42	18,416.52	2,970.24	15,446.28	875,627.14
2006	0.00	147,332.16	22,959.30	124,372.86	875,627.14
01/01/2007	875,627.14	18,416.52	2,918.76	15,497.76	860,129.38
02/01/2007	860,129.38	18,416.52	2,867.10	15,549.42	844,579.96
03/01/2007	844,579.96	18,416.52	2,815.27	15,601.25	828,978.71
04/01/2007	828,978.71	18,416.52	2,763.26	15,653.26	813,325.45
05/01/2007	813,325.45	18,416.52	2,711.08	15,705.44	797,620.01
06/01/2007	797,620.01	18,416.52	2,658.73	15,757.79	781,862.22
07/01/2007	781,862.22	18,416.52	2,606.21	15,810.31	766,051.91
08/01/2007	766,051.91	18,416.52	2,553.51	15,863.01	750,188.90
09/01/2007	750,188.90	18,416.52	2,500.63	15,915.89	734,273.01
10/01/2007	734,273.01	18,416.52	2,447.58	15,968.94	718,304.07
11/01/2007	718,304.07	18,416.52	2,394.35	16,022.17	702,281.90
12/01/2007	702,281.90	18,416.52	2,340.94	16,075.58	686,206.32
2007	875,627.14	220,998.24	31,577.42	189,420.82	686,206.32
01/01/2008	686,206.32	18,416.52	2,287.35	16,129.17	670,077.15
02/01/2008	670,077.15	18,416.52	2,233.59	16,182.93	653,894.22
03/01/2008	653,894.22	18,416.52	2,179.65	16,236.87	637,657.35
04/01/2008	637,657.35	18,416.52	2,125.52	16,291.00	621,366.35
05/01/2008	621,366.35	18,416.52	2,071.22	16,345.30	605,021.05
06/01/2008	605,021.05	18,416.52	2,016.74	16,399.78	588,621.27
07/01/2008	588,621.27	18,416.52	1,962.07	16,454.45	572,166.82
08/01/2008	572,166.82	18,416.52	1,907.22	16,509.30	555,657.52
09/01/2008	555,657.52	18,416.52	1,852.19	16,564.33	539,093.19
10/01/2008	539,093.19	18,416.52	1,796.98	16,619.54	522,473.65
11/01/2008	522,473.65	18,416.52	1,741.58	16,674.94	505,798.71
12/01/2008	505,798.71	18,416.52	1,686.00	16,730.52	489,068.19

AMORTIZATION SCHEDULE

Date of First Payment: 05/01/2006
Date Interest Starts: 04/21/2006
Original Number of Payments: 60
Actual Number of Payments: 60

Loan Amount: 1,000,000.00
Regular Payment: 18,416.52
Annual Rate: 4.0000

Payment Date	Beginning Principal	Total Payment	Interest Payment	Principal Payment	Ending Principal
2008	686,206.32	220,998.24	23,860.11	197,138.13	489,068.19
01/01/2009	489,068.19	18,416.52	1,630.23	16,786.29	472,281.90
02/01/2009	472,281.90	18,416.52	1,574.27	16,842.25	455,439.65
03/01/2009	455,439.65	18,416.52	1,518.13	16,898.39	438,541.26
04/01/2009	438,541.26	18,416.52	1,461.80	16,954.72	421,586.54
05/01/2009	421,586.54	18,416.52	1,405.29	17,011.23	404,575.31
06/01/2009	404,575.31	18,416.52	1,348.58	17,067.94	387,507.37
07/01/2009	387,507.37	18,416.52	1,291.69	17,124.83	370,382.54
08/01/2009	370,382.54	18,416.52	1,234.61	17,181.91	353,200.63
09/01/2009	353,200.63	18,416.52	1,177.34	17,239.18	335,961.45
10/01/2009	335,961.45	18,416.52	1,119.87	17,296.65	318,664.80
11/01/2009	318,664.80	18,416.52	1,062.22	17,354.30	301,310.50
12/01/2009	301,310.50	18,416.52	1,004.37	17,412.15	283,898.35
2009	489,068.19	220,998.24	15,828.40	205,169.84	283,898.35
01/01/2010	283,898.35	18,416.52	946.33	17,470.19	266,428.16
02/01/2010	266,428.16	18,416.52	888.09	17,528.43	248,899.73
03/01/2010	248,899.73	18,416.52	829.67	17,586.85	231,312.88
04/01/2010	231,312.88	18,416.52	771.04	17,645.48	213,667.40
05/01/2010	213,667.40	18,416.52	712.22	17,704.30	195,963.10
06/01/2010	195,963.10	18,416.52	653.21	17,763.31	178,199.79
07/01/2010	178,199.79	18,416.52	594.00	17,822.52	160,377.27
08/01/2010	160,377.27	18,416.52	534.59	17,881.93	142,495.34
09/01/2010	142,495.34	18,416.52	474.98	17,941.54	124,553.80
10/01/2010	124,553.80	18,416.52	415.18	18,001.34	106,552.46
11/01/2010	106,552.46	18,416.52	355.17	18,061.35	88,491.11
12/01/2010	88,491.11	18,416.52	294.97	18,121.55	70,369.56
2010	283,898.35	220,998.24	7,469.45	213,528.79	70,369.56
01/01/2011	70,369.56	18,416.52	234.57	18,181.95	52,187.61
02/01/2011	52,187.61	18,416.52	173.96	18,242.56	33,945.05
03/01/2011	33,945.05	18,416.52	113.15	18,303.37	15,641.68
04/01/2011	15,641.68	15,693.82	52.14	15,641.68	0.00
2011	70,369.56	70,943.38	573.82	70,369.56	0.00

AMORTIZATION SCHEDULE

Date of First Payment: 05/01/2006	Loan Amount: 1,000,000.00
Date Interest Starts: 04/21/2006	Regular Payment: 18,416.52
Original Number of Payments: 60	Annual Rate: 4.0000
Actual Number of Payments: 60	

Payment Date	Beginning Principal	Total Payment	Interest Payment	Principal Payment	Ending Principal
TOTALS:	1,000,000.00	1,102,268.50	102,268.50	1,000,000.00	0.00

**EXHIBIT "C" TO
AFFIDAVIT OF LINDA BLOUNT
SECURITY AGREEMENT
(First Reference Paragraph 4)**

STATE OF NORTH CAROLINA,

COUNTY OF UNION.

COPY

SECURITY AGREEMENT

THIS SECURITY AGREEMENT, made and entered into this 21st day of April, 2006, by and between A-1 Pavement Markings, LLC, (SOSID # 0838372) (hereinafter referred to as "Debtor"), and APMI Corporation (formerly A-1 Pavement Marking, Inc.) (SOSID # 0324260) (hereinafter referred to as "Secured Party"), with addresses as they appear below.

WHEREAS, Debtor is indebted to Secured Party in the amount of \$1,000,000.00, representing the balance due from Secured Party to Debtor, said indebtedness represented by a Promissory Note in said amount. (Subject to adjustment as set out in the Contract Documents.

NOW, THEREFORE, Debtor, in consideration of Secured Party's extension of credit for balance of Purchase Price of certain assets of Secured Party, hereby agrees to provide Secured Party with collateral for said indebtedness upon the following terms and conditions:

1. **CREATION OF SECURITY INTEREST.** Debtor hereby grants to Secured Party a security interest in the collateral described in Paragraph 2 as collateral to secure the performance or payment of the obligations of Debtor to Secured Party under Paragraph 3.
2. **COLLATERAL.** The collateral of this Security Agreement is the following:
 1. The name "A-1 Pavement Markings".
 2. The assets of (formerly) A-1 Pavement Marking, Inc. as set out on the three pages attached and marked "Exhibit A".
3. **DEBTOR'S OBLIGATIONS.**
 - a. Debtor shall pay to Secured Party the full sum of Debtor's Promissory Note in the amount of \$1,000,000.00 in accordance with the terms of said Note and with the provisions of this Security Agreement.
 - b. Debtor shall pay on demand all expenses and expenditures of Secured Party, including reasonable attorney's fees and legal expenses, incurred or paid by Secured Party in protecting, enforcing or exercising its interest, rights of remedies, created by, connected with, or provided in this Security Agreement, or performance pursuant to this Security Agreement.
 - c. Debtor warrants that the collateral described in Paragraph 2 is free and clear of all encumbrances and that Debtor will warrant and defend the collateral against the claims and demands of all persons. Debtor further warrants that its obligation to Secured Party constitutes a first lien on said collateral.

d. Debtor agrees that it will insure the collateral against all hazards requested by Secured Party in reasonable form and amount.

4. DEBTOR'S DEFAULT. Upon Debtor's default in the performance of any obligation or agreement herein or in the discharge of any liability to Secured Party, or if warranty should prove untrue, Secured Party shall have all of the rights and remedies of the Secured Party under the Uniform Commercial Code of North Carolina or other applicable laws which are or may be in effect at the time of default.

5. MUTUAL AGREEMENTS:

a. Debtor and Secured Party as used in this Security Agreement include the successors, assigns, and successors in interest of those parties.

b. The law governing this secured transaction shall be that of the State of North Carolina in force at the time of this Security Agreement.

IN WITNESS WHEREOF, the parties have executed this Security Agreement on the day and year first above written.

DEBTOR

A-1 Pavement Markings, LLC
(SOSID # 0838372)

By: Carolyn B. Largein
Name: Carolyn B. Largein
Title: President

Address: 238 Bivens Road
Monroe, NC 28110

SECURED PARTY

APMI Corporation (formerly A-1 Pavement
Marking, Inc.)
(SOSID # 0324260)

By: Linda Blount
Name: LINDA Blount
Title: President

Address: 217 Seven Oaks Drive
Monroe, NC 28110

* Item was sold during calendar year.

Depreciation Schedule Listing

FORM 11205 - 1

For your records only

2005
PAGE 1

PROPERTY AS REPORTED TO THE IRS

A-1 PAYEMENT MARKING INC

Social security number/ID#

56-1821430

No.	Description	Date	Cost	Salvage	Exhaustion percentage	Section 179	Depreciation Basis	Life	Method	Rate	Current depr.	Accumulated Depreciation	Prior expense	Bonus depreciation	AMT Current
1	COMPUTER	19981008	1,415		100.00		1,415	5	200 DB HY	0	285	1,415			381
2	GRINDERS	19980129	6,384		100.00		6,384	7	200 DB HY	4.46	1,784	6,384			2,452
3	HEROLD/LOANLINER TRUCK	19980515	40,800		100.00		40,800	7	200 DB HY	4.46	1,228	40,600			175
4	MISC	19980813	2,860		100.00		2,860	7	200 DB HY	4.46	11	2,849			15
5	MISC	19981021	760		100.00		760	3	SL	2.984	18	742			18
6	CARPET	19980114	1,060		100.00		1,060	3	SL	2.564	27	1,033			27
7	SHELVES	19980125	9,162		100.00		9,162	3	SL	2.564	243	8,919			237
8	WHL	19980130	35,160		100.00		35,160	7	200 DB HY	0		35,235			558
9	WHL	19980531	6,327		100.00		6,327	7	200 DB HY	0		6,223			10
10	WHL	19980630	202		100.00		202	7	200 DB HY	0		197			
11	OFFICE FURNITURE	19980630	44,740		100.00		44,740	5	200 DB HY	0		41,516			
12	TRUCKS	19981031	2,500		100.00		2,500	5	200 DB HY	0		2,500			
13	ST CHERY C-20	19980623	150		100.00		150	5	200 DB HY	7.06	10	150			15
14	COMPUTER EQUIPMENT	20000705	1,795		100.00		1,795	5	200 DB HY	7.06	127	1,795			186
15	COMPUTER	20000720	307		100.00		307	5	200 DB HY	7.06	21	307			31
16	EQUIPMENT	20000812	33,410		100.00		33,410	5	200 DB HY	9.58	3,201	33,410			4,794
17	OL YORD F350	20001127	2,500		100.00		2,500	5	200 DB HY	11.52	288	2,356			417
18	TRAILER	20010103	7,439		100.00		7,439	5	200 DB HY	11.52	856	7,005			1,239
19	TRAILER	20010216	5,740		100.00		5,740	5	200 DB HY	11.52	776	6,361			1,128
20	PRINT TRUCK	20010216	18,896		100.00		18,896	5	200 DB HY	11.52	2,177	17,508			3,148
21	98 DODGE VAN	20010524	14,845		100.00		14,845	5	200 DB HY	11.52	1,710	13,989			2,473
22	97 DODGE MAX	20010801	9,980		100.00		9,980	5	EXP	0		8,980			45
23	FORKLIFT	20010915	15,990		100.00		15,990	5	EXP	0		15,020			12,495
24	TRUCK HANDLERS	20010813	271		100.00		271	5	200 DB HY	11.52	31	255			1,333
25	MONITOR	20010124	75,600		100.00		75,600	5	200 DB HY	11.52	8,640	62,840			2,332
26	LONGHORN TRUCKS	20020227	8,000		100.00		8,000	5	200 DB HY	11.52	922	6,618			
27	CRASH TRUCK	20020402	14,000		100.00		14,000	5	200 DB HY	11.52	1,513	11,581			
28	TRUCK	20020402	15,200		100.00		15,200	5	EXP	0		15,200			
29	BITUMENUS MARKET/APPL	20030524	967		100.00		967	5	EXP	0		967			
30	COMPUTER	20031201						5	EXP	0					

Depreciation Schedule Listing

FORM 1120S - 1
For your records only

2005
PAGE 2

No.	Description	Date	Cost	Salvage	Business percentage	Section 179	Depreciation Basis	Life	Method	Rate	Current Reg.	Accumulated Depreciation	Prior expense	Retard depreciation	AMT Current
31	COMPUTER	20031204	1,217		100.00	1,217		0.5	EXP	0		1,217	1,217		
32	LAPTOP	20031212	1,335		100.00	1,335		0.5	EXP	0		1,335	1,335		
33	TRAILER	20030310	8,911		100.00	8,911		0.5	EXP	0		8,911	8,911		
34	MISSTAKE	20040103	9,101		100.00		5,738.5	200 DB HY		32	2,156	3,622	2,156		2,156
36	2004 CHEVY	20031224	39,523		100.00		47,266.5	200 DB X2		22.0	10,777	51,353	30,257		10,777
37	LONGSHAW	20030301	39,585		100.00	27,817		0.5	EXP	0		27,817	27,817		
38	BARON BOATS CRASH/CUR	20040306	7,802		100.00		4,300.5	200 DB HY		32	1,566	4,688			1,566
39	LONG LINER THERMO	20040322	100,000		100.00	100,000		0.5	EXP	0		100,000	100,000		
40	TRUCK	20040607	49,755		100.00		34,850.5	200 DB HY		32	11,152	33,038			11,152
41	2004 F150 6558	20040802	17,863		100.00		12,504.5	200 DB HY		32	4,001	11,561			4,001
42	2004 F150 3036	20040802	17,863		100.00		12,504.5	200 DB HY		32	4,001	11,561			4,001
43	2004 EXPEDITION	20040811	41,226		100.00		28,852.5	200 DB HY		32	9,235	27,373			9,235
44	2004 F150 1047	20041019	26,922		100.00		18,845.5	200 DB HY		32	6,020	17,876			6,020
45	2004 F150 2706	20041019	17,631		100.00		12,377.5	200 DB HY		32	3,961	11,740			3,961
46	2005 CHEVY SILVERADO	20041124	26,735		100.00		18,714.5	200 DB HY		32	5,388	17,752			5,388
47	FLATBED TRAILER	20041126	4,170		100.00		2,919.5	200 DB HY		32	934	2,769			934
48	COMPUTER	20040318	1,487		100.00		1,041.5	200 DB HY		32	333	987			333
49	COMPUTER EQUIP	20040707	520		100.00		366.5	200 DB HY		32	116	345			116
50	COMPUTER EQUIP	20040305	1,402		100.00		981.5	200 DB HY		32	314	931			314
51	TOP DRIVING TABLE	20040301	266		100.00		186.7	200 DB HY		24.49	46	153			46
52	OFFICE EQUIP	20041025	653		100.00		457.5	200 DB HY		32	146	433			146
53	COMPUTER EQUIP	20041129	11		100.00		9.5	200 DB HY		32	3	8			3
54	OFFICE EQUIP	20041202	639		100.00		457.5	200 DB HY		32	146	433			146
55	LAPTOP	20041202	1,280		100.00		856.5	200 DB HY		32	188	557			188
56	COMPUTER	20041206	709		100.00		496.5	200 DB HY		32	287	850			287
57	COMPUTER	20041206	1,488		100.00		1,028.5	200 DB HY		32	329	471			329
58	OFFICE EQUIP	20041223	144		100.00		101.5	200 DB HY		32	31	95			31
59	LAPTOP COMPUTER	20040803	1,756		100.00		1,257.5	200 DB HY		32	402	1,192			402
60	LANX LINE REMOVER	20041005	4,546		100.00		3,162.5	200 DB HY		32	1,018	3,018			1,018
61	SPS 10 HIGH BINE RECO	20041121	3,529		100.00		2,470.5	200 DB HY		32	790	2,349			790

Social Security number: 55-1821130

* Item was sold during current year.

2-E PAYING MARKING INC

NETS (As shown on return)

* Item was sold during current year.

Depreciation Detail Listing

FURN 11209 - 1

For your records only

2005
PAGE 3

Social security number: 56-1821430

A-1 BAYVIEW MARKING INC

No.	Description	Dates	Cost	Salvage	Book's percentage	Section 179	Depreciation basis	Life	Method	Rate	Current deprec.	Accumulated Depreciation	Prior expense	Bonus depreciation	AMT Current	
42	FORKLIFT	20041216	4,600		100.00		3,220.5	5	200 DS HY	32	1,030	2,054		1,180	1,030	
43	HANGLINER	20041216	3,114		100.00		2,180.5	5	200 DS HY	32	698	2,069		934	698	
44	FOOLBOX	20041231	400		100.00		280.5	5	200 DS HY	32	50	246		320	90	
45	FOOLBOX	20041231	400		100.00		420.5	5	200 DS HY	32	134	388		180	134	
46	2006 CHEVY AVALANCHE	20051223	34,453		100.00	34,453	0.5	EXP	EXP	0	34,453	34,453		34,453	34,453	
47	2 SULAER AIR COMPRESSOR	20050119	6,500		100.00	6,500	0.5	EXP	EXP	0	6,000	6,000		6,000	6,000	
48	PRINTER, MEMORY CARDS	20050262	705		100.00	705	0.5	EXP	EXP	0	705	705		705	705	
49	SCORPION	20050313	14,050		100.00	14,050	0.5	EXP	EXP	0	14,050	14,050		14,050	14,050	
50	FRAND LINER	20050316	17,034		100.00	17,034	0.5	EXP	EXP	0	17,034	17,034		17,034	17,034	
51	TRUCK LOAN FORK LIFT	20050305	10,500		100.00	16,500	0.5	EXP	EXP	0	10,500	10,500		10,500	10,500	
52	FORNICE MFE	20050701	600		100.00	600	0.5	EXP	EXP	0	600	600		600	600	
53	PUMP	20050708	911		100.00	911	0.5	EXP	EXP	0	911	911		911	911	
54	30HP PUMP	20050719	8,000		100.00	8,000	0.5	EXP	EXP	0	8,000	8,000		8,000	8,000	
55	LITTLE EQUIPT	20050805	6,950		100.00	6,950	0.5	EXP	EXP	0	6,950	6,950		6,950	6,950	
56	KUBOTA FRONT LOADER	20050919	11,000		100.00	5,797	0.5	EXP	EXP	0	5,797	5,797		5,797	5,797	
57	97 GMC 196 KICK VAN	20050915	6,700		100.00		0.5	EXP	EXP	0						
58	98 GMC 4500 TRUCK	20050901	5,000		100.00		0.5	EXP	EXP	0						
59	2000 TRAILER	20051130	5,500		100.00		0.5	EXP	EXP	0						
60	COMPUTER	20050128	1,283		100.00		0.5	EXP	EXP	0						
61	OFFICE FURN	20050128	493		100.00		0.5	EXP	EXP	0						
62	COMPUTER	20050113	899		100.00		0.5	EXP	EXP	0						
63	TRUCK	20050101	40,319		100.00		0.5	EXP	EXP	0						
35	asset(s) sold	20091210	43,178		100.00	43,178	0.5	EXP	EXP	0		43,178	43,178			
Totals			1,855,208			327,775	567,325				193,756	844,315	222,775		201,440	
															ST ADJ:	(28,084)

**EXHIBIT "D" TO
AFFIDAVIT OF LINDA BLOUNT
CHECK FROM CAROLYN LANGEVIN
FOR TRUCK 107 REGISTRATION
(First Reference Paragraph 12)**

FIRST CITIZENS BANK
firstcitizens.com

1566

A-1 PAVEMENT MARKING, LLC
238 BIVENS RD
MONROE, NC 28110

66-30/531
840

5/19/2008

PAY TO THE
ORDER OF APMI

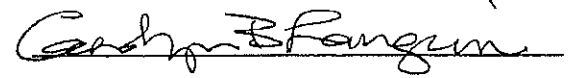
\$ **696.00

Six Hundred Ninety-Six and 00/100***** DOLLARS

APMI
217 SEVEN OAKS DR
MONROE, NC 28110

FOR

PAID FOR VEHICLE REG RENEWAL IN ERROR.



⑈001566⑈ ⑈053100300⑈008390052039⑈

1566

APMI				5/19/2008		
Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
5/23/2008	Bill	YA 12008 EXP 061509	696.00	696.00		696.00
				Check Amount		696.00

FIRST CITIZENS BA PAID FOR VEHICLE REG RENEWAL IN ERRO 696.00

STATE OF NORTH CAROLINA REGISTRATION CARD

NC DIVISION OF MOTOR VEHICLES RECEIPT OF FEES PAID

CLIC NUMBER A012008	EQUIP #	VALID THRU 06/15/2009
VEHICLE ID # 9BFYH81A6LDM00570	GROSS WT 45,000	
MAKE/SERIES ORD	TITLE # 773910081284034	
WEIGHT	STYLE TK	YEAR 1990
	FUEL D	TOTAL FEE 696.00
CLASSIFICATION PERMANENT/COMMERCIAL VEHICLE		VEHICLE BRAND
CUSTOMER ID # OWNER 1 100039330115	CUSTOMER ID # OWNER 2	COUNTY UNION

APMI CORPORATION	1990 FORD	TK
License	696.00	
Title	40.00	98FYH81A6LDM00570
Late Pen	15.00	773910081284034
HUT	15.00	034 05/07/2008 TIC0343

5.00 Notary

424 ASHCRAFT AVE
IONROE NC 28110-3783

TOTAL 766.00 CHCK

F38 - FIREMANS INS CO OF WASHINGTON DC
INSURANCE COMPANY AUTHORIZED IN NC

CPA0122161-10

POLICY NUMBER

SIGNATURE

+



9BFYH81A6LDM00570

+
+
01432417

EXHIBIT 3
**BALANCE SHEET/
LIST OF LONG TERM LIABILITIES**

A-1 PAVEMENT MARKING, INC.
Balance Sheet
 As of February 28, 2006

SCHEDULE III

8:55 AM

03/25/06

Accrual Basis

	<u>Feb 28, 06</u>
Long Term Liabilities	
2207 · CHASE #10535714161802 #104 (2006 CHEVY AVALANCHE)	34,664.06
2202 · WACHOVIA #112 #121	34,326.95
2203 · WACHOVIA BANK, PAINT TRUCK #122 (2005 GMC W5500 ...	27,977.94
2200 · SOUTHTRUST 2004 TRUCK # 114 (THERMO LONG LINER ...	40,115.49
2320 · N/C SOUTHTRUST BANK , 119, 120 (F150 & F150XLT)	29,865.99
2319 · N/C WACHOVIA LONG LINER#115 (LONG LINER THERMO...	66,968.08
2314 · N/C SOUTHTRUST 2004 EXPEDT#116 (2004 EXPEDT)	25,398.72
2313 · N/C-SOUTHTRUST2004 F150#117,118 (TWO 2004 F250)	22,951.30
2201 · PARKS CHVEROLET-GEO #104 (2004SILVERADO 2500 PL...	(11,780.28)
2312 · N/P-Equity One	163.92
2204 · CLOESD PAINT LONG LINER #112 (PAINT TRUCK)	1,533.70
2300 · N/P BB&T Line of Credit (LINE OF CREDIT)	53,734.11
2317 · N/C-USBANCORP #107 (LONG LINE THERMO)	21,837.71
2882 · N/P Shareholder	9.14
Total Long Term Liabilities	<u>347,766.83</u>
Total Liabilities	434,927.76
Equity	
3000 · Opening Bal Equity	(30,871.13)
3100 · Common Stock	24,320.00
2900 · Retained Earnings	529,139.36
Net Income	(94,622.87)
Total Equity	<u>427,965.36</u>
TOTAL LIABILITIES & EQUITY	<u><u>862,893.12</u></u>