

Post-it® Fax Note	7671	Date	12/19/12	# of pages	32
To	Assignment		From		
Co./Dept.	Recordation Branch		Co.		
Phone #	571-272-3350		Phone # 787-753-7910		
Fax #	571-273-0140		Fax # 787-753-7923		

Form PTO-1594 (Rev. 12-11)  
 OMB Collection 0651-0027 (exp. 04/30/20)

11/30/20

11-30-12

R



10365208

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

**1. Name of conveying party(ies):**  
 Vassallo International Group, Inc.

Individual(s)       Association  
 Partnership       Limited Partnership  
 Corporation- State: Puerto Rico  
 Other \_\_\_\_\_

Citizenship (see guidelines) Puerto Rico, USA

Additional names of conveying parties attached?  Yes  No

**2. Name and address of receiving party(ies)**  Yes  
 No

Additional names, addresses, or citizenship attached?  Yes  No

Name: Vinyl Investments, LLC

Street Address: One Forge Village Road, Suite A

City: Groton

State: MA

Country: USA      Zip: 01450

Individual(s) Citizenship \_\_\_\_\_  
 Association Citizenship \_\_\_\_\_  
 Partnership Citizenship \_\_\_\_\_  
 Limited Partnership Citizenship \_\_\_\_\_  
 Corporation Citizenship \_\_\_\_\_  
 Other LLC      Citizenship Delaware, USA

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
 (Designations must be a separate document from assignment)



**3. Nature of conveyance/Execution Date(s) :**

Execution Date(s) November 5, 2012

Assignment       Merger  
 Security Agreement       Change of Name  
 Other \_\_\_\_\_

**4. Application number(s) or registration number(s) and identification or description of the Trademark.**

A. Trademark Application No.(s)      Text  
 B. Trademark Registration No.(s)  
 See Attached Schedule A

Additional sheet(s) attached?  Yes  No

**C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):**

See Attached Schedule A

**5. Name & address of party to whom correspondence concerning document should be mailed:**

Name: Hernando A. Rivera

Internal Address: \_\_\_\_\_

Street Address: 416 Ponce de León Ave.  
 Suite 1200, Union Plaza Bldg.

City: San Juan

State: PR      Zip: 00918

Phone Number: (787) 753-7910

Docket Number: \_\_\_\_\_

Email Address: har@trdlaw.com

**6. Total number of applications and registrations involved:** 8

**7. Total fee (37 CFR 2.6(b)(6) & 3.41)** \$ 215.00

Authorized to be charged to deposit account  
 Enclosed

**8. Payment Information:**

12/04/2012 KNGUYEN1 00000032 1663425

Deposit Account Number \_\_\_\_\_ 40.00 OP  
 175.00 OP

Authorized User Name \_\_\_\_\_

**9. Signature:** Hernando A. Rivera      November 26, 2012

Signature      Date

Hernando A. Rivera

Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 31

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to: Mail Stop Assignment Recordation Branch, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

Additional Names, Addresses and Citizenships  
Of Receiving Parties

Name: Resin Technology, LLC

Street Address: One Forge Village Road, Suite A

City: Groton

State: MA

Country: USA Zip: 01450

Other: Limited Liability Company

Citizenship: Massachusetts, USA

## SCHEDULE A

Trademark	Int. Class	Serial Number	Registration Number
VASSFLEX	17	74117013	1663425
VASSPIRAL	17	74096478	1672597
VASS-LOC	17	74096433	1737629
VASSTANK	20	74096431	1721106
VASSALLO	11/17	73261301	1219006
EPSMI SYSTEM	17	73634196	1449684
VASSALLO	11/17	73370207	1256768
VASSALLO	11/17	73368969	1254455

**Security Agreement**

**Table of Contents**

1. CREATION OF SECURITY INTEREST.....1

2. REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEBTOR .....2

3. COLLATERAL.....5

4. INSURANCE.....8

5. REPORTS.....8

6. FURTHER ASSURANCES .....9

7. EVENTS OF DEFAULT .....10

8. REMEDIES ON DEFAULT.....12

9. MISCELLANEOUS .....14

## SECURITY AGREEMENT

THIS SECURITY AGREEMENT, made as of this 15<sup>th</sup> day of November 2012 ("Agreement"), by and between Vinyl Investments, LLC, a Delaware limited liability company ("Vinyl"), and Resin Technology, LLC, a Massachusetts limited liability company ("Resin") each with its mailing address c/o One Forge Village Road, Suite A, Groton, Massachusetts 01450 (collectively and individually, the "Secured Party"); and Vassallo International Group, Inc., a Puerto Rico corporation, with its principal place of business and mailing address at Luis A. Ferré Highway, PR #52, Coto Laurel Exit, Ponce, PR ("Debtor").

In consideration of the promises herein contained and of certain other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor and each Secured Party hereby agree as follows:

1. CREATION OF SECURITY INTEREST.

Debtor hereby gives, grants and assigns to each Secured Party, its successors and assigns forever, a security interest in and against any and all of its assets and properties, including without limitation all property listed on any collateral schedule now or hereafter signed by the parties hereto and annexed hereto or made a part hereof (collectively, "Collateral Schedule"), and in and against any and all additions, attachments, accessories and accessions thereto, any and all substitutions, replacements or exchanges therefor, any and all proceeds thereof, including without limitation, any and all insurance and/or other proceeds thereof (all of the foregoing being hereinafter individually and collectively referred to as the "Collateral"). The foregoing security interest is given, to secure the payment and performance of any and all debts,

obligations and liabilities of any kind, nature or description whatsoever (whether primary, secondary, direct, contingent, sole, joint or several, or otherwise, and whether due or to become due) now or hereafter owed by Debtor to such Secured Party, whether now existing or hereafter arising, and whether incurred directly or indirectly or acquired by such Secured Party by assignment or otherwise, including without limitation (i) obligations now or hereafter arising under that certain Loan Agreement dated the date hereof between Vinyl as Lender and Debtor as Borrower, (the "Loan Agreement") and the Note (as defined in the Loan Agreement), (ii) that certain promissory note in the original principal amount of \$1,000,000 made by Debtor payable to Resin, evidencing an account receivable owed to Resin (the "Resin Note"), and (iii) any renewals, extensions and modifications of debts, obligations and liabilities under the Loan Agreement, the Note, the Resin Note or otherwise (all of the foregoing being hereinafter referred to as the "Obligations").

2. REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEBTOR.

Debtor hereby represents, warrants and covenants as of the date hereof and as of the date of execution of each Collateral Schedule hereto that:

a. Debtor is, and will remain, duly organized, existing and in good standing under the laws of the jurisdiction set forth in the first paragraph of this Agreement, has its registered and principal place of business and business office at the location set forth in such paragraph, and is, and will remain, duly qualified and licensed in every jurisdiction wherever necessary to carry on its business and operations;

b. Debtor has all the necessary power and capacity to enter into, and to perform its obligations, under this Agreement, the Loan Agreement, the Note, the Loan

Documents (as defined in the Loan Agreement), the Resin Note and any other documents now or hereafter evidencing, or given in connection with, any of the Obligations (all of the foregoing, whether now existing or hereafter arising, being hereinafter referred to as the "Credit Documents");

c. This Agreement and the other Credit Documents have been duly authorized, executed and delivered by Debtor and constitute the legal, valid and binding agreements of the Debtor enforceable under all applicable laws in accordance with their terms, except to the extent that the enforcement of remedies may be limited under applicable bankruptcy and insolvency laws;

d. No approval, consent or withholding of objections is required from any governmental authority or instrumentality with respect to the entry into, or performance by, Debtor of any of the Credit Documents, except such as may have already been obtained;

e. The execution and performance by Debtor of the Credit Documents will not (i) violate any of the organizational documents of Debtor or any judgment, order, decree, law or regulation applicable to Debtor, or (ii) result in any breach of, constitute a default under, or result in the creation of any lien, claim or encumbrance on any of Debtor's property (except for liens in favor of Secured Party) pursuant to any indenture, mortgage, deed of trust, bank loan, credit agreement, or other any agreement, contract or instrument to which Debtor is a party;

f. There are no suits or proceedings pending or threatened in court or before any commission, board or other administrative agency against or affecting Debtor which

LAW OFFICES  
TOTTI & RODRIGUEZ DIAZ, P.S.C.

418 PONCE DE LEON AVENUE  
UNION PLAZA BUILDING, SUITE 1200  
SAN JUAN, PUERTO RICO 00918-3422

P O BOX 191732  
SAN JUAN P R 00919-1732  
TELEPHONE (787) 753-7910  
TELEFAX (787) 764-9480

could, in the aggregate, have a Material Adverse Effect on Debtor, its business or operations, or its ability to perform its obligations under any of the Credit Documents;

g. All financial statements delivered to Secured Party in connection with the Obligations present fairly the assets and liabilities and the financial conditions of Debtor as of the dates of, and the periods covered by, said financial statements have been prepared in accordance with generally accepted accounting principles, and since the date of the most recent financial statement, there has been no Material Adverse Change;

h. The Collateral is necessary or convenient for the business activity in which Debtor is endeavored and Debtor will use the Collateral during the entire term of this Agreement solely in its business activity.

i. The Collateral is not, and will not be, used by Debtor for personal, family or household use.

j. Debtor is, and will remain, the sole and lawful owner, and in possession of, the Collateral (except that which by its nature may require the possession by either Secured Party for the perfection of both Secured Party's security interest), and has the sole right and lawful authority to grant the security interest described in this Agreement; and

k. The Collateral is, and will remain, free and clear of all Liens (as defined in the Loan Agreement), claims and encumbrances of every kind, nature and description, except for (i) Liens in favor of Secured Party, (ii) Liens for taxes not yet due or for taxes being contested in good faith and which do not involve, in the reasonable judgment of either Secured Party, any risk of the sale, forfeiture or loss of any of the Collateral, (iii)



Inchoate materialmen's, mechanic's, repairmen's and similar Liens arising by operation of law in the normal course of business for amounts which are not delinquent, and (iv) with respect to accounts receivable only and identifiable proceeds thereof, a Lien in favor of Economic Development Bank for Puerto Rico ("EDB") securing a debt of no greater than \$700,000 and subject to that certain Intercreditor Agreement among Secured Party and EDB dated on or about the date hereof (the "EDB Intercreditor Agreement") (all of such permitted liens being hereinafter referred to as "Permitted Liens"), and (v) with respect to specific machinery and equipment listed in the collateral schedule to the security agreement of Debtor in favor of Heritage PR, LLC ("Heritage") and proceeds thereof, a Lien in favor of Heritage securing a debt of no more than \$436,922 in principal.

3. COLLATERAL.

a. Until the declaration of any default hereunder, Debtor shall remain in possession of the Collateral; provided, however, that each Secured Party shall have the right to possess (i) any chattel paper or instrument that constitutes a part of the Collateral, and (ii) any other Collateral which because of its nature may require that each Secured Party's security interest therein be perfected by possession. Each Secured Party, its successors and assigns, and their respective agents, shall have the right to examine and inspect any of the Collateral (including without limitation books and records) at any time during normal business hours. The Collateral shall at all times be located at the address of the Debtor set forth in the preamble of this Agreement, except for \_\_\_\_\_ which shall be located at \_\_\_\_\_.

Upon any request from either Secured Party, Debtor shall, within 5 days of Secured Party's request therefor, provide such Secured Party with copies of any and all books of accounts, purchase and sale agreements, invoices, ledger cards, bills of lading, and other shipping evidence, statements, correspondence, memoranda, credit files and any other data relating to the Accounts included as Collateral, now or attached in the future to the Collateral Schedule and made part thereof.

b. Debtor shall (i) use the Collateral only in its trade or business, (ii) use and maintain the Collateral only in compliance with all applicable laws, and (iii) keep all of the Collateral free and clear of all Liens, claims and encumbrances (except for Permitted Liens).

c. Debtor shall not, without the prior written consent of each Secured Party (i) part with possession of any of the Collateral (except to Secured Party), except the sale of inventory in the ordinary course of business, (ii) remove any of the Collateral from Puerto Rico, or (iii) sell, rent, lease, mortgage, grant a security interest in or otherwise transfer or encumber (except for Permitted Liens) any of the Collateral.

d. Debtor shall pay promptly when due all taxes, license fees, assessments and public and private charges levied or assessed on any of the Collateral, on the use thereof, or on this Agreement or any of the other Credit Documents. At its option, either Secured Party may discharge taxes, Liens, security interests or other encumbrances at any time levied or placed on the Collateral and may pay for the maintenance, insurance and preservation of the Collateral or to effect compliance with the terms of this Agreement or any of the other Loan Documents. Debtor shall reimburse such Secured Party, on demand, for any and all costs and expenses incurred by such Secured Party

in connection therewith and agrees that such reimbursement obligation shall be secured hereby.

e. Debtor shall, at all times, keep accurate and complete records of the Collateral, and each Secured Party, its successors and assigns, and their respective agents, shall have the right to examine, inspect, and make extracts from all of Debtor's books and records relating to the Collateral at any time during normal business hours.

f. If agreed by the parties hereto, the Secured Party may, but shall in no event be obligated to, accept substitutions and exchanges of property for property, and additions to the property, constituting all or any part of the Collateral. Such substitutions, exchanges and additions shall be accomplished at any time and from time to time, by the substitution of a revised Collateral Schedule for the Collateral Schedule now or hereafter annexed. Any property which may be substituted, exchanged or added as aforesaid shall constitute a portion of the Collateral and shall be subject to the security interest granted herein. Additions to, reductions or exchanges of, or substitutions for, the Collateral, payments on account of any obligation or liability secured hereby, increases in the obligations and liabilities secured hereby, or the creation of additional obligations and liabilities secured hereby, may from time to time be made or occur without affecting the provisions of this Agreement or the provisions of any obligation or liability which this Agreement secures.

g. Any third person or either Secured Party at any time and from time to time holding all or any portion of the Collateral shall be deemed to, and shall, hold the Collateral as the agent of, and as pledge holder for, each Secured Party. At any time and from time to time, either Secured Party may give notice to any third person holding

all or any portion of the Collateral that such third person is holding the Collateral as the agent of, and as pledge holder for, the Secured Party.

4. INSURANCE.

The Collateral shall at all times be held at Debtor's risk, and Debtor shall keep it insured against loss or damage by fire and extended coverage perils, theft, burglary, and for any or all Collateral which are vehicles, for risk of loss by collision, and where requested by Secured Party, against other risks as required thereby, for the full replacement value thereof, with companies, in amounts and under policies acceptable to Secured Party. Debtor shall deliver to Secured Party policies or certificates of insurance evidencing such coverage. Each policy shall name each Secured Party as loss payee thereunder, shall provide for coverage to Secured Party regardless of the breach by Debtor of any warranty or representation made therein, shall not be subject to co-insurance, and shall provide for thirty (30) days written notice to Secured Party of the cancellation or material modification thereof. Debtor hereby appoints each Secured Party as its attorney in fact to make proof of loss, claims for insurance and adjustments with Insurers, and to execute or endorse all documents, checks or drafts in connection with payments made as a result of any such insurance policies. Proceeds of insurance shall be applied, at the option of Secured Party, to repair or replace the Collateral or to reduce any of the Obligations secured hereby.

5. REPORTS.

a. Debtor shall promptly notify each Secured Party in the event of (i) any change in the name of Debtor, (ii) any relocation of its chief executive offices, (iii) any relocation of any of the Collateral, (iv) any of the Collateral being lost, stolen, missing,

destroyed, materially damaged or worn out, or (v) any lien, claim or encumbrance attaching or being made against any of the Collateral other than Permitted Liens.

b. Debtor agrees to furnish its annual financial statements and such interim statements as either Secured Party may require in form satisfactory to each Secured Party. Any and all financial statements submitted and to be submitted to Secured Party have and will have been prepared on a basis of generally accepted accounting principles, and are and will be complete and correct and fairly present Debtor's financial condition as at the date thereof. Each Secured Party may at any reasonable time examine the books and records of Debtor and make copies thereof.

6. FURTHER ASSURANCES

a. Debtor shall, upon request of either Secured Party, furnish to such Secured Party such further information, execute and deliver to such Secured Party such documents and instruments (including, without limitation, any financing statements required or allowed under the Puerto Rico Commercial Transactions Act ("PRCTA") and any other applicable law) and do such other acts and things, as either Secured Party may at any time reasonably request relating to the perfection or protection of the security interest created by this Agreement or for the purpose of carrying out the intent of this Agreement. Without limiting the foregoing, Debtor shall cooperate and do all acts deemed necessary or advisable by either Secured Party to continue as Secured Party with a perfected first security interest in the Collateral, and shall obtain and furnish to each Secured Party any subordinations, releases, landlord, lessor, or mortgagee waivers, and similar documents as may be from time to time requested by, and which are in form and substance satisfactory to, each Secured Party.

b. Debtor hereby grants to each Secured Party full power to sign Debtor's name and generally to act on behalf of Debtor to execute and file applications for title, transfers of title, financing statements, notices of lien and other documents pertaining to any or all of the Collateral. Debtor shall, if any certificate of title be required or permitted by law for any of the Collateral, obtain such certificate showing the lien hereof with respect to the Collateral and promptly deliver same to Secured Party.

c. Debtor shall indemnify and defend each Secured Party, its successors and assigns, and their respective directors, officers and employees, from and against any and all claims, actions and suits (including, without limitation, related attorney' fees) of any kind, nature or description whatsoever arising, directly or indirectly, in connection with any of the Collateral.

7. EVENTS OF DEFAULT.

Debtor shall be in default under this Agreement and each of the other Loan Documents upon the occurrence of any of the following "Event(s) of Default":

a. Debtor fails to pay any principal installment when due or other amount within five Business Days after such other amount is due with respect to any of the Obligations;

b. Any attempt by Debtor, without the prior written consent of each Secured Party, to sell, rent, lease, mortgage, grant a security interest in, or otherwise transfer or encumber (except for Permitted Liens) any of the Collateral;

c. Any assignment or attempted assignment by Debtor of this Agreement or any of the Loan Documents without the prior written consent of each Secured Party;

d. Debtor fails to procure, or maintain in effect at all times, any of the insurance on the Collateral in accordance with Section 5 of this Agreement;

e. Debtor changes its name without giving each Secured Party prior written notice thereof or Debtor fails to execute before the first 60 days after any change of Debtor's name becomes effective a new identical Security Agreement and properly completed Financing Statement covering the Collateral under Debtor's new name.

f. A default or Event of Default not covered by (a) above or (g) below occurs under any of the Credit Documents;

g. Any warranty, representation or statement made by the Debtor in any of the Credit Documents or otherwise in connection with any of the Obligations shall be false or misleading in any material respect;

h. Any of the Collateral becomes subjected to, or threatened with, attachment, execution, levy, seizure or confiscation in any legal proceeding or otherwise;

i. Any dissolution, termination of existence by merger, consolidation, change in controlling ownership, insolvency or business failure of Debtor;

j. The appointment of a receiver for all or of any part of the property of Debtor or any assignment for the benefit of creditors by Debtor; or

k. The filing of a petition by Debtor under any bankruptcy, insolvency or similar law, or the filing of any such petition against Debtor if the same is not dismissed within thirty (30) days of such filing.

l. In the event that any Account which is part of the Collateral remains unpaid for a period of 90 days, or if a corporation which is an account debtor shall be

dissolved, or if such debtor shall become Insolvent, Debtor shall immediately pay to Secured Party the amount of any such account. In the event Debtor fails to pay Secured Party the amount of any such account, this shall constitute an event of default.

8. REMEDIES ON DEFAULT.

a. Upon the occurrence of an Event of Default under this Agreement, each Secured Party, at its option, may declare any or all of the Obligations owed to it, including without limitation the Note and the Resin Note, to be immediately due and payable, without demand or notice to Debtor. The obligations and liabilities accelerated thereby shall bear interest (both before and after any judgment) until paid in full at the rate of interest stated in the Note or Resin Note, as applicable.

b. Upon such declaration of default, Vinyl as agent for each Secured Party shall have all of the rights and remedies of a secured party under the PRCTA, and under any other applicable law. Without limiting the foregoing, Vinyl as agent for each Secured Party shall have the right to (i) notify any account debtor of Debtor or any obligor on any instrument which constitutes part of the Collateral to make payment to Vinyl as agent for each Secured Party, (ii) with or without legal process, enter any premises where the Collateral may be and take possession and/or remove said Collateral from said premises, (iii) sell the Collateral at public or private sale, in whole or in part, and have the right to bid and purchase at said sale, and/or (iv) lease or otherwise dispose of all or part of the Collateral, applying proceeds therefrom to the Obligations then in default. If requested by Vinyl as agent for each Secured Party, Debtor shall promptly assemble the Collateral and make it available to Vinyl as agent for each Secured Party at a place to be designated by Vinyl as agent for each Secured



Party which is reasonably convenient to both parties. Vinyl as agent for each Secured Party may also render any or all of the Collateral unusable at the Debtor's premises and may dispose of such Collateral on such premises without liability for rent or costs. Any notice which Secured Party is required to give to Debtor under the PRCTA of the time and place of any public sale or the time after which any private sale or other intended disposition of the Collateral is to be made shall be deemed to constitute reasonable notice if such notice is given to the last known address of Debtor at least five (5) days prior to such action.

c. Proceeds from any sale or lease or other disposition shall be applied: first, to all costs of repossession, storage, and disposition including without limitation attorneys', appraisers', and auctioneers' fees; second, with respect to accounts receivable only, 50% to EDB up to the maximum amount permitted by and subject to the EDB Intercreditor Agreement with the same amount to Vinyl as agent for the Secured Parties to be applied to Obligations on a pari passu basis, third, to discharge remaining Obligations on a pari passu basis as to each Secured Party; fourth, to discharge any other indebtedness or obligations of Debtor to either Secured Party, whether as obligor, endorser, guarantor, surety or indemnitor; fifth, to expenses incurred in paying or settling liens and claims against the Collateral; and lastly, to Debtor or as otherwise required by law, if there exists any surplus. Debtor shall remain fully liable for any deficiency.

d. In the event this Agreement, any Note, the Resin Note or any other Credit Documents are placed in the hands of an attorney for collection of money due or to become due or to obtain performance of any provision hereof, Debtor agrees to pay all

reasonable attorney's fees incurred by each Secured Party, and further agrees that payment of such fees is secured hereunder. Debtor and each Secured Party agree that such fees to the extent not in excess of ten percent (10%) of subject amount owing after default (if permitted by law, or such lesser sum as may otherwise be permitted by law) shall be deemed reasonable.

e. Each Secured Party's rights and remedies hereunder or otherwise arising are cumulative and may be exercised singularly or concurrently. Neither the failure nor any delay on the part of either Secured Party to exercise any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. No Secured Party shall be deemed to have waived any of its rights hereunder or under any other agreement, instrument or paper signed by Debtor unless such waiver be in writing and signed by such Secured Party. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion.

9. MISCELLANEOUS.

a. This Agreement, the Note, the Resin Note and/or any of the other Credit Documents may be assigned, in whole or in part, by either Secured Party without notice to Debtor, and Debtor hereby waives any defense, counterclaim or cross-complaint by Debtor against any assignee, agreeing that such Secured Party shall be solely responsible therefor.

b. All notices to be given in connection with this Agreement shall be in writing, shall be addressed to the parties at their respective addresses as set forth in

the preamble hereto (unless and until a different address may be specified in a written notice to the other party as provided in the Loan Agreement or other Credit Documents).

c. Either Secured Party may correct patent errors herein and fill in all blanks herein or in any Collateral Schedule consistent with the agreement of the parties.

d. Time is of the essence hereof. This Agreement and the Credit Documents shall be binding, jointly and severally, upon all parties described as the Debtor and their respective heirs, executors, representatives, successors and assigns, except that Debtor may not assign its right and obligations hereunder thereunder or any interest herein or therein without the prior written consent of each Secured Party and shall inure to the benefit of each Secured Party, its successors and assigns.

e. This Agreement and its Collateral Schedules constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior understandings (whether written, verbal or implied) with respect thereto. This Agreement and its Collateral Schedules shall not be changed or terminated orally or by course of conduct, but only by a writing signed by both parties hereto. Section headings contained in this Agreement have been included for convenience only, and shall not affect the construction or interpretation hereof.

f. This Agreement shall continue in full force and effect until all of the Obligations have been indefeasibly paid in full to each Secured Party, as applicable. The surrender, upon payment or otherwise, of any Note or the Resin Note [or] any of the other documents evidencing any of the Obligations shall not affect the right of Secured Party to retain the Collateral for such other indebtedness as may then exist or as it may be reasonably contemplated will exist in the future. This Agreement shall

automatically be reinstated in the event that either Secured Party is ever required to return or restore the payment of all or any portion of the Obligations (all as though such payment had never been made).

g. Each Secured Party hereby appoints Vinyl as its agent hereunder to act on its behalf and to hold the Collateral as agent on behalf of and for each Secured Party's benefit. Each Secured Party agrees that proceeds of Collateral applied to the Obligations will be applied on a pari passu basis, unless each Secured Party otherwise agrees.

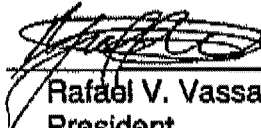
h. This Agreement and any and all Collateral Schedule(s) and Note and Resin Note shall be governed by, and construed in accordance with, the substantive laws of the Commonwealth of Puerto Rico without regard for its choice of law provisions.

IN WITNESS WHEREOF, Debtor and each Secured Party, intending to be legally bound hereby, have duly executed this Agreement in one or more counterparts, each of which shall be deemed to be an original, as of the day and year first aforesaid.

EXECUTED in the Municipality of San Juan, Puerto Rico, on this 5<sup>th</sup> day of November 2012.

DEBTOR:  
Vassallo International Group, Inc.

SECURED PARTY:  
Vinyl Investments, LLC

By:   
\_\_\_\_\_  
Rafael V. Vassallo  
President

By: \_\_\_\_\_  
James Seidewand  
President

Resin Technology, LLC

By: \_\_\_\_\_  
James Seidewand  
President


IN WITNESS WHEREOF, Debtor and each Secured Party, intending to be legally bound hereby, have duly executed this Agreement in one or more counterparts, each of which shall be deemed to be an original, as of the day and year first aforesaid.

EXECUTED in the Municipality of San Juan, Puerto Rico, on this 5<sup>th</sup> day of November 2012.

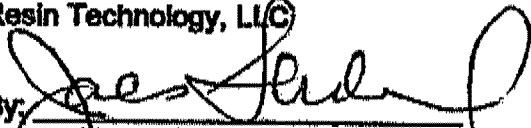
DEBTOR:  
Vassallo International Group, Inc.

By: \_\_\_\_\_  
Rafael V. Vassallo  
President

SECURED PARTY:  
Vinyl Investments, LLC

By:   
James Seidewand  
President

Resin Technology, LLC

By:   
James Seidewand  
President

*[Signature Page to Security Agreement]*

Affidavit No. 3827

Acknowledged and subscribed before me by Rafael V. Vassallo, of legal age, married, attorney at law and resident of Puerto Rico, Puerto Rico, in his capacity as President of Vassallo International Group, Inc., and by James Seidewand, of legal age, married, business executive and resident of Groton, Massachusetts, visiting Puerto Rico, in his capacity as President of Vinyl Investments, LLC and in his capacity as President of Resin Technology, LLC, both personally known to me, in San Juan, Puerto Rico, this 5<sup>th</sup> day of November 2012.



*[Handwritten Signature]*  
Notary Public



### COLLATERAL SCHEDULE NO. 1

THIS COLLATERAL SCHEDULE NO. 1, is annexed to and made a part of that certain Security Agreement dated as of November 5, 2012 between Vinyl Investments, LLC ("Vinyl") and Resin Technology, LLC ("Resin"), each as Secured Party, and Vassallo International Group, Inc., as Debtor; and describes Collateral in which Debtor has granted Secured Party a security interest in connection with the Obligations (as defined in the Agreement) including without limitation that certain Promissory Note dated November 5, 2012, in the original principal amount of \$1,200,000 payable to Vinyl and that certain promissory note dated November 5, 2012 in the original principal amount of \$1,000,000 payable to Resin.

1. All Personal Property, machinery; all distribution, selling, data processing and office equipment, computer equipment (including, without limitation, computer hardware, software and other computer-related equipment), and all other equipment (including, without limitation, forklifts, trucks, and other motor vehicles) in all of its forms; all artwork; all furniture, furnishings and appliances and all parts thereof; all fixtures and trade fixtures, tools, tooling, vessels, and all goods of every type (other than Inventory) which are used or bought for use primarily in business; in each instance, wherever located, now or hereafter existing, now or hereafter acquired, and all accessions thereto (collectively, the "Equipment");

2. All inventory in all of its forms, now or hereafter existing, wherever located, whether in the possession of Debtor, a bailee or other person for sale, storage, transit, processing, use or otherwise, including, but not limited to, (A) furnished goods, work in process and all raw materials, supplies and materials used or consumed in the



**Collateral Schedule No. 1  
November 5, 2012**

operation of Debtor's business, whether used, unused or held in reserve storage for future use in connection with the maintenance and operation of Debtor's property or business, and all parts, packaging materials and other accessories related thereto, (B) goods in which Debtor has an interest in mass or a joint or other interest or right of any kind (including, without limitation, goods in which Debtor has an interest or right as consignee), and (C) goods which are returned to or repossessed by Debtor, and all accessions thereto, products thereof and documents therefor (collectively, the "Inventory");

3. All rights of Debtor to payment for goods sold or leased or for services rendered wherever arising, whether now existing or hereafter arising, whether or not earned by performance, and all rights evidenced by an account, contract, security agreement, chattel paper, guarantee or other evidence of indebtedness or security, including, without limitation, all accounts receivable owed to Debtor including, without limitation, charges for goods or services provided by or on behalf of Debtor, all of Debtor's rights to receive, and all rights to payment from, any consumer credit or charge or debit card organization or entity, and unpaid interest accrued with respect to all of the foregoing (collectively, the "Accounts" or "Accounts Receivable");

4. (A) All United States, Puerto Rico and foreign patents, copyrights, trademarks, service marks, fictitious business names, trade styles, trade or commercial names, logos or business identifiers now owned or hereafter adopted or acquired by Debtor, all registrations and recordings thereof and all applications for registration and recording thereof in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof, the Commonwealth of Puerto

**Collateral Schedule No. 1  
November 5, 2012**

Rico, or any other country, political subdivision or territory thereof (except for "intent to use" applications for trademark or service mark registrations filed pursuant to 1(b) of the Lanham Act, unless and until an Amendment to Allege Use or a Statement of Use under 1(c) of said Act has been filed) (collectively, the "Intangible Assets"), together with the goodwill of the business(es) connected with the use of, and symbolized by, the Intangible Assets; all renewals, extensions, and continuations-in-part of the foregoing; all patentable inventions, discoveries, improvements, ideas, know-how, formula methodology, processes, technology, computer programs and software and applications and patents in any jurisdiction pertaining to the foregoing; all trade secrets, including confidential and other non-public information, and the right in any jurisdiction to limit the use or disclosure thereof; all databases and database rights; all internet web sites, domain names and applications and registrations pertaining thereto; all income, royalties, damages, and payments now and hereafter due and/or thereunder and with respect thereto, including damages, claims, and payments for past or future infringement thereof and the right to sue for past, present, and future infringements of any and all of the foregoing; (B) all licenses, whether Debtor's interest be that of licensor or licensee thereunder, of any of the items described in clause (A) above; and (C) to the extent not included in clauses (A) and (B) above, any and all rights of Debtor to payment under licenses of Intangible Assets and all contract rights and rights as a judgment creditor arising out of enforcement of rights under the Trademarks (collectively, the "Intellectual Property Collateral");

5. All rights, interests, choses in action, causes of action, claims and other intangible property of Debtor of every kind (other than Accounts, Intellectual Property

**Collateral Schedule No. 1  
November 5, 2012**

Collateral) whether now owned or hereafter acquired, including, without limitation, all general intangibles; all present and future licenses, authorizations, Permits and franchises, hereto or hereafter granted to Debtor by any Governmental Authority, but excluding any such license, authorization and Permit to the extent that it is unlawful to assign or grant a security interest in the same; all loans, royalties and other obligations receivable of any kind now or hereafter existing; all organizational and business books and records, ledgers, printouts, file materials and other papers containing information relating to any Collateral; all customer lists and databases; all interests in partnerships and joint ventures; all tax refunds and tax refund claims; all credits with and other claims against carriers and shippers; all rights to indemnification; all reversionary interests in pension and profit sharing plans and all reversionary, beneficial and residual interests in trusts or in which Debtor otherwise has an interest; all insurance policies held by Debtor or naming Debtor as insured, additional insured or loss payee and all proceeds thereof, including, without limitation, all rights, claims and recoveries relating thereto; and all letters of credit, guaranties, liens, security interests and other security held by or granted to Debtor; and all other intangible property, whether or not similar to the foregoing; and all rights now or hereafter existing in and to all security agreements, leases, subleases and other contracts securing or otherwise relating to any such Accounts, cash, deposit accounts, general intangibles or obligations (collectively, the "General Intangibles");

6. Any and all other property of Debtor upon which a security interest may be granted pursuant to the terms of the UCC;

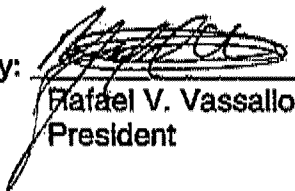
**Collateral Schedule No. 1  
November 5, 2012**

7. All cash and non-cash "proceeds" of any and all of the foregoing, as such term is defined in the UCC or under other relevant law, and in any event including, without limitation, any and all (A) proceeds of any Insurance, indemnity, warranty or guaranty payable to Debtor from time to time with respect to any of the Collateral, (B) payments (in any form whatsoever) made or due and payable to Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all of any part of the Collateral by any Governmental Authority (or any Person acting on behalf of a Governmental Authority), and (C) instruments representing obligations to pay amounts in respect of the Collateral (collectively, the "Proceeds").

IN WITNESS WHEREOF, Debtor and Secured Party, intending to be legally bound hereby, have duly executed this Collateral Schedule No. 1 in one or more counterparts, each of which shall be deemed to be an original, as of the day and year first above written.

SECURED PARTY:  
Vassallo International Group, Inc.

DEBTOR:  
Vinyl Investments, LLC

By:   
Rafael V. Vassallo  
President

By: \_\_\_\_\_  
James Seidewand  
President

Resin Technology, LLC

By: \_\_\_\_\_  
James Seidewand  
President

IN WITNESS WHEREOF, Debtor and Secured Party, intending to be legally bound hereby, have duly executed this Collateral Schedule No. 1 in one or more counterparts, each of which shall be deemed to be an original, as of the day and year first above written.

**SECURED PARTY:**  
Vassallo International Group, Inc.

By: \_\_\_\_\_  
Rafael V. Vassallo  
President

**DEBTOR:**  
Vinyl Investments, LLC

By: \_\_\_\_\_  
James Seidewand  
President

Resin Technology, LLC

By: \_\_\_\_\_  
James Seidewand  
President


*[Signature Page to Collateral Schedule No. 1]*

**SWORN STATEMENT**

Rafael V. Vassallo, being duly sworn according to law, deposes and says:

That I am of legal age, married, attorney at law and resident of Ponce, Puerto Rico and President of Vassallo International Group, Inc.

That the entity Vassallo International Group, Inc. that I represent is the absolute owner of the Collateral described in the preceding Security Agreement and Collateral Schedule No. 1 (collectively, the Agreement), of which Agreement this sworn declaration is a part; that said Collateral is free from all claims, liens or charges, except the lien constituted by this Agreement; that there does not exist any judgment, or orders of execution against the entity I represent that affect the title of the Collateral described in said Agreement; and that the security interest granted in said Agreement is granted for the purpose of securing the Obligation described therein and with no other purpose and constitutes a just and valid obligation and has not been granted to secure a commercial or installment sale.

  
\_\_\_\_\_  
Rafael V. Vassallo

*[Signature Page to Sworn Statement attached to Collateral Schedule No. 1]*

**TRADEMARK**