

MND 3/20/00

FORM PTO-1595 (Modified)
(Rev. 5-93)
OMB No. 0651-0011
P08/REV01
Tab setting

RECORD,
TRAD

04-18-2000

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office



101324345

To the Patent and Trademark Office

03-20-2000

original documents or copy thereof.

1. Name of the conveying party(ies) U.S. Patent & TMO/TM Mail Rcpt Dt. #34

Stride Tool, Inc.
46 E. Washington St.
Ellicottville, NY 14731

Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State - Delaware
 Other _____

Additional names(s) of conveying party(ies) Yes No

2. Name and address of receiving party(ies):

Name: ToolSource, Inc.

Internal Address: _____

Street Address: 46 E. Washington St.

City: Ellicottville, State: NY ZIP: 14731

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State Delaware
 Other _____

3. Nature of conveyance:

Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: June 30, 1999

If assignee is not domiciled in the United States, a domestic designation is _____ Yes No
 (Designations must be a separate document from
 Additional name(s) & address(es) Yes No

4. Application number(s) or registration numbers(s):

A. Trademark Application No.(s)

Additional numbers _____

B. Trademark Registration No.(s)

2,100,188

_____ Yes No

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

Name: Susan E. Clady
Benesch, Friedlander, Coplan & Aronoff

Internal Address: _____

Street Address: 2300 BP Tower
200 Public Square

City: Cleveland State: OH ZIP: 44114

6. Total number of applications and registrations involved:..... 1

7. Total fee (37 CFR 3.41):.....\$ 40.00

Enclosed
 Authorized to be charged to deposit account

8. Deposit account number:

02-2051
 (Attach duplicate copy of this page if paying by deposit account)

04/17/2000 DMSUYEN 00000169 2100188

DO NOT USE THIS SPACE

01 FC-401 40.00 OP

9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Susan E. Clady *Susan E. Clady* 3-17-00
 Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and

27

ASSIGNMENT AGREEMENT

This Assignment Agreement (the "Agreement") is entered into as of June 30, 1999 (the "Effective Date") by and between Stride Tool, Inc., a Delaware corporation ("Stride Tool"), and ToolSource, Inc., a Delaware corporation ("ToolSource").

RECITALS

A. The parties wish to enable ToolSource to independently manage and operate the ToolSource Business (as defined below) previously operated and managed by Stride Tool; and

B. The parties further wish to set forth the terms and conditions governing the transfer from Stride Tool to ToolSource of all copyrights, trademarks, service marks, Internet domain names and other intellectual property and know-how and certain contractual rights related to the ToolSource Business.

AGREEMENT

In consideration of the mutual promises contained in this Agreement, the parties hereby agree as follows:

1. Certain Definitions.

For purposes of this Agreement, the following terms shall have the following meanings:

"Ancillary Agreements" means the Copyright Assignment attached hereto as Exhibit E, the Trademark Assignment attached hereto as Exhibit F and the Assignment of Domain Name Interests attached hereto as Exhibit G.

"Assigned Contracts" means certain contracts to which Stride Tool is a party and which are related to, used in connection with or otherwise a part of the ToolSource Business, as set forth on Exhibit A attached hereto.

"Assigned Copyrights" means certain United States and foreign copyrights, including any and all registrations, applications for registration, common law rights, restoration rights, and all other rights related thereto, that are owned by Stride Tool as of the Effective Date or which Stride Tool has the right to assign to ToolSource hereunder, as described in Exhibit B attached hereto.

"Assigned Intellectual Property" means the Assigned Copyrights, Domain Names, Assigned Know-How and Marks.

"Assigned Know-How" means all trade secrets, know-how, or other information owned by or proprietary to Stride Tool as of the Effective Date, which relate to the Assigned Copyrights, the Marks and/or the Domain Names, or which otherwise relate to the ToolSource Business.

"Confidential Information" means any information of a party ("Disclosing Party") disclosed to the other party ("Recipient") following the Effective Date, which is identified as, or

should be reasonably understood to be, confidential to the Disclosing Party, including, but not limited to, know-how, trade secrets, log data, technical processes and formulas, source codes, product designs, sales, cost and other unpublished financial information, product and business plans, projections, and marketing data. "Confidential Information" shall not include information which: (i) is known or becomes known to the Recipient directly or indirectly from a third-party source other than one having an obligation of confidentiality to the Disclosing Party; (ii) is or becomes publicly available or otherwise ceases to be secret or confidential, except through a breach of this Agreement by the Recipient; or (iii) is or was independently developed by the Recipient without use of or reference to the Disclosing Party's Confidential Information, as evidenced by files in existence at the time of such development.

"Deliverables" means all Assigned Copyrights and all tangible materials related to the ToolSource Assets.

"Domain Names" means the Internet domain names and associated assets and rights, as detailed in Exhibit C attached hereto.

"Intellectual Property Rights" means all patent, trademark, copyright, trade secret, moral and other intellectual property rights of any type, under the laws of any government, domestic or foreign.

"Lien" means any mortgage, pledge, lien, security interest, option, covenant, condition, restriction, encumbrance, charge or other third party claim of any kind.

"Marks" means all United States and foreign trademarks, trade names, logos, service marks, and trade secret rights, including any and all registrations, applications for registration, common law rights, and renewal rights as set forth on Exhibit D, and any and all goodwill of Stride Tool's business connected with use of and symbolized by such marks, that are owned by Stride Tool as of the Effective Date or which Stride Tool has the right to assign to ToolSource hereunder.

"ToolSource Assets" means the Assigned Intellectual Property, the ToolSource.Com Domain Name and the Assigned Contracts.

"ToolSource Business" means the sale and distribution of hand and power tools to consumers through an online store, currently located at <http://www.toolsource.com>, and the provision of online content, chat rooms and online product information in connection therewith.

"ToolSource.Com Domain Name" shall mean the "toolsource.com" domain name and all associated assets and rights.

"ToolSource.Com Domain Name Assignment" shall mean that certain Assignment of Domain Name Interests dated June 23, 1999 entered into by the parties, pursuant to which Stride Tool assigned the ToolSource.Com Domain Name to ToolSource.

“ToolSource.Com Domain Name Assignment Effective Date” shall mean the effective date of the ToolSource.Com Domain Name Assignment.

2. Assigned Intellectual Property.

2.1 Assigned Copyrights Assignment.

(a) Assignment. Stride Tool hereby irrevocably sells, transfers and assigns to ToolSource, and ToolSource hereby purchases and accepts, free and clear of all Liens, all right, title and interest in and to the Assigned Copyrights, including all associated goodwill and all associated Intellectual Property Rights, and including all rights and standing to sue for past, present, and future infringement of the Assigned Copyrights.

(b) Limitation. The foregoing assignment shall not affect any right or title to any copyrightable subject matter that has heretofore been assigned to ToolSource or is otherwise owned by ToolSource. The parties acknowledge and agree that prior to the Effective Date hereof, Stride Tool and certain of Stride Tool’s employees performed work on behalf of ToolSource which resulted in copyrightable product (the “Works”) owned by ToolSource. The parties acknowledge and agree that it was and remains the intention of the parties that all Works would be the exclusive property of ToolSource, and Stride Tool’s entire right, title and interest in and to such Works, to the extent it had any, either was or hereby is assigned to ToolSource. The assignment in Section 2.1(a) above is intended to cover other copyrightable subject matter; this Section 2.1(b) is intended to clarify the ownership of the Works. Stride Tool, therefore, hereby forever releases and discharges any rights or interest in or to, or claims or argument it may have that it owns or otherwise has any right, title, or interest in or to any of the Assigned Copyrights or the Works.

2.2 Marks, Domain Name, and Assigned Know-How Assignment.

(a) Assignment. Stride Tool hereby irrevocably sells, transfers and assigns to ToolSource, and ToolSource hereby purchases and accepts, free and clear of all Liens, all right, title and interest in and to the Marks, the Domain Names, and the Assigned Know-How, including all associated goodwill, and including all rights and standing to sue for past, present, and future infringement of the Marks, Domain Names or Know-How.

(b) Limitation. The foregoing assignment shall not affect any right or title to the ToolSource.Com Domain Name that has heretofore been assigned to ToolSource by Stride Tool pursuant to the ToolSource.Com Domain Name Assignment. The parties acknowledge and agree that it was and remains the intention of the parties that the ToolSource.Com Domain Name would be the exclusive property of ToolSource, and Stride Tool’s entire right, title and interest in and to the ToolSource.Com Domain Name, including all rights and standing to sue for past, present and future infringement of the ToolSource.Com Domain Name, was assigned to ToolSource.

2.3 All Necessary Actions. In furtherance of the sale, transfer and assignment of the Assigned Copyrights (including all associated Intellectual Property Rights) pursuant to Section

2.1, Stride Tool shall execute and deliver to ToolSource on the Effective Date an executed assignment in the form attached hereto as Exhibit E. In furtherance of the sale, transfer and assignment of the Marks pursuant to Section 2.2, Stride Tool shall execute and deliver to ToolSource on the Effective Date an executed assignment in the form attached hereto as Exhibit F. In furtherance of the sale, transfer and assignment of the Domain Names pursuant to Section 2.2 hereto, Stride Tool shall execute and deliver to ToolSource, or any agency designated by ToolSource, any and all documents as ToolSource or such agency may deem reasonably necessary or desirable to effectuate the sale, transfer and assignment of the Domain Names, including, without limitation, an executed assignment in the form attached hereto as Exhibit G. Stride Tool further agrees promptly to review, execute and deliver any and all additional documents as ToolSource may deem reasonably necessary or desirable to effectuate the sale, transfer, assignment, setting over, prosecution, and maintenance of the Assigned Intellectual Property and the ToolSource.Com Domain Name, including any power of attorney by Stride Tool to ToolSource or any designated agent of ToolSource relating to the prosecution or maintenance of such Assigned Intellectual Property or ToolSource.Com Domain Name.

3. Assigned Contracts.

3.1 Assignment and Assumption. Subject to Section 3.2 below, Stride Tool hereby assigns to ToolSource, and ToolSource hereby assumes, the Assigned Contracts, including all rights, benefits, liabilities and obligations of Stride Tool thereunder.

3.2 No Known Liabilities. To the best of Stride Tool's knowledge after due investigation, there are no liabilities or overdue obligations of any kind related to the Assigned Contracts existing on or prior to the Effective Date, including, without limitation, (i) any liability for any breach of the Assigned Contracts by Stride Tool on or prior to the Effective Date, or (ii) any liability for payments or amounts due under any Assigned Contracts on or prior to the Effective Date.

4. Deliverables.

On or prior to the Effective Date, Stride Tool shall deliver the Deliverables to ToolSource.

5. Payment.

5.1 Promissory Note. In consideration for the rights granted to ToolSource herein and the rights granted to ToolSource under the ToolSource.Com Domain Name Assignment, ToolSource shall remit payment of One Thousand Dollars (\$1,000) to Stride Tool or, alternatively, shall issue a promissory note to Stride Tool in the amount of one thousand dollars (\$1,000), in the form attached hereto as Exhibit H.

5.2 Taxes. Stride Tool shall be responsible for, and shall indemnify and hold ToolSource harmless from, any sales, use, transfer or other taxes arising out of or attributable to the transactions contemplated by this Agreement (excluding only taxes based on ToolSource's net income, if any).

6. Representations and Warranties

6.1 Stride Tool's Representations and Warranties. Stride Tool represents and warrants that, as of the Effective Date:

(a) Organization and Standing. Stride Tool is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) Due Authorization. Stride Tool has full corporate power and authority to execute and deliver this Agreement and the Ancillary Agreements, and had full corporate power and authority to execute and deliver the ToolSource.Com Domain Name Assignment. All corporate acts and other proceedings required to be taken by or on the part of Stride Tool to authorize Stride Tool to execute, deliver and carry out the terms of this Agreement, the Ancillary Agreements, the ToolSource.Com Domain Name Assignment and the transactions contemplated hereby and thereby have been duly and properly taken. This Agreement and the Ancillary Agreements delivered upon the Effective Date and the ToolSource.Com Domain Name Assignment delivered upon the ToolSource.Com Domain Name Assignment Effective Date have been duly executed by Stride Tool and constitute legal, valid and binding obligations of Stride Tool, enforceable in accordance with their respective terms.

(c) No Conflict. The execution and delivery by Stride Tool of this Agreement, the ToolSource.Com Domain Name Assignment and the Ancillary Agreements and the consummation of the transactions contemplated hereby and thereby will not violate any law or conflict with, or result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) or create any Lien under any contract or agreement, including, without limitation, the Assigned Contracts, to which Stride Tool or any of its officers, directors, employees or consultants is a party or by which Stride Tool or the ToolSource Assets may be bound or affected.

(d) Consents. No approval, authorization, consent or order or action of, or any filing with or notice to, any individual, entity, court, administrative agency or governmental authority is required for the execution and delivery by Stride Tool of this Agreement, the Ancillary Agreements, the ToolSource.Com Domain Name Assignment and other documents, including without limitation the assignment of the Assigned Contracts, or the consummation of the transactions contemplated hereby and thereby.

(e) Title to Properties. To the best of Stride Tool's knowledge after due investigation, except as otherwise set forth in this Section 6.1(e), Stride Tool is the sole owner of and has good, valid and marketable title to the Assigned Intellectual Property free and clear of all Liens, and has the right to transfer to ToolSource the exclusive right, title and interest in the Assigned Intellectual Property. ToolSource acknowledges that it is aware the mark "America's Tool Source & Design" is owned and has been registered in the United States by Kmart Properties, Inc. As of the ToolSource.Com Domain Name Assignment Effective Date, Stride Tool was the sole owner of and had good, valid and marketable title to the ToolSource.Com

Domain Name free and clear of all Liens, and had the right to transfer to ToolSource the exclusive right, title and interest in the ToolSource.Com Domain Name.

(f) Litigation. There are no claims, actions, suits, proceedings, arbitrations or investigations pending or, to Stride Tool's knowledge, threatened against Stride Tool or any officer, employee or consultant of Stride Tool relating to the ToolSource Assets or contesting the validity, ownership of, or right to use, sell, license, distribute or dispose of the Assigned Intellectual Property or the ToolSource.Com Domain Name.

(g) Assigned Intellectual Property. Stride Tool has taken all reasonably necessary and desirable action to establish and preserve its ownership with respect to the Assigned Intellectual Property and the ToolSource.Com Domain Name, except that Stride Tool has not registered any copyright with any governmental agency of any kind related to the Assigned Intellectual Property. To Stride Tool's knowledge, (i) there is no infringement by others of any of the Assigned Intellectual Property, the ToolSource.Com Domain Name or the Intellectual Property Rights pertaining thereto, and (ii) the Assigned Intellectual Property, the ToolSource.Com Domain Name and the use and distribution thereof by ToolSource will not violate or infringe any Intellectual Property Rights of any third party. All employees and consultants of Stride Tool who conceived, developed or reduced to practice any material portion of the Assigned Intellectual Property are listed on Exhibit I attached hereto. Each such employee or consultant is a party to a written confidentiality and invention assignment agreement, a copy of which has been provided to ToolSource.

(h) Assigned Contracts. The copy of each Assigned Contract furnished to ToolSource is a true and complete copy of such document and reflects all amendments thereto made through the Effective Date. Stride Tool has the right to assign to ToolSource each of the Assigned Contracts assigned hereunder. Each Assigned Contract is a valid and binding agreement, and is in full force and effect as of the Effective Date. Stride Tool is not in default nor has received a claim of default under any such Assigned Contract (or has caused an event which with notice or lapse of time, or both, would constitute a default), nor, to Stride Tool's knowledge, is the other party thereto in default (or has caused an event which with notice or lapse of time, or both, would constitute a default) under any such Assigned Contract.

(i) Fair Consideration; No Fraudulent Conveyance. The transfer of the ToolSource Assets pursuant to this Agreement and the ToolSource.Com Domain Name Assignment is made in exchange for fair and equivalent consideration. Stride Tool is not now insolvent and will not be rendered insolvent by the sale, transfer and assignment of the ToolSource Assets pursuant to the terms of this Agreement or the ToolSource.Com Domain Name Assignment.

(j) Disclaimer of Other Warranties. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS SECTION 6.1, THE TOOLSOURCE ASSETS ARE PROVIDED "AS-IS", WITHOUT ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY.

6.2 ToolSource's Representations and Warranties. ToolSource represents and warrants that, as of the Effective Date:

(a) Organization and Standing. ToolSource is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) Due Authorization. ToolSource has full corporate power and authority to execute and deliver this Agreement and the Ancillary Agreements, and had full corporate power and authority to execute and deliver the ToolSource.Com Domain Name Assignment. All corporate acts and other proceedings required to be taken by or on the part of ToolSource to authorize ToolSource to execute, deliver and carry out the terms of this Agreement, the Ancillary Agreements, the ToolSource.Com Domain Name Assignment and the transactions contemplated hereby and thereby have been duly and properly taken. This Agreement and the Ancillary Agreements delivered upon the Effective Date and the ToolSource.Com Domain Name Assignment delivered upon the ToolSource.Com Domain Name Assignment Effective Date have been duly executed by ToolSource and constitute legal, valid and binding obligations of ToolSource, enforceable in accordance with their respective terms.

(c) No Conflict. The execution and delivery by ToolSource of this Agreement, the ToolSource.Com Domain Name Assignment and the Ancillary Agreements and the consummation of the transactions contemplated hereby and thereby will not violate any law or conflict with, or result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) or create any Lien under any contract or agreement to which ToolSource or any of its officers, directors, employees or consultants is a party.

(d) Consents. No approval, authorization, consent or order or action of, or any filing with or notice to, any individual, entity, court, administrative agency or governmental authority is required for the execution and delivery by ToolSource of this Agreement, the Ancillary Agreements, the ToolSource.Com Domain Name Assignment and other documents or the consummation of the transactions contemplated hereby and thereby.

6.3 Survival of Warranties. The warranties set forth in Sections 6.1 and 6.2 shall survive for a period of one (1) year following the Effective Date.

7. Indemnification.

Subject to the provisions of this paragraph, Stride Tool will defend, indemnify, and hold harmless ToolSource and its officers, directors, stockholders, employees and agents (the "ToolSource Indemnified Parties") from and against any and all losses, liabilities, claims, obligations, costs, expenses (including, without limitation, reasonable attorneys' fees) which result from, arise in connection with or are related in any way to any breach or alleged breach of any of representations and warranties set forth under Section 6.1. The obligations of this

paragraph are contingent on ToolSource (a) giving Stride Tool prompt written notice of any such claim; and (b) providing reasonable cooperation in the defense and all related settlement negotiations.

8. Confidentiality.

8.1 Obligation of Confidentiality. Recipient shall hold all Confidential Information in strict confidence, provided that the Confidential Information may be disclosed to Recipient's employees and contractors who need to know the Confidential Information to fulfill Recipient's obligations under this Agreement. Recipient shall advise any such individuals that the Confidential Information is confidential and that by receiving such information such individuals agree to be bound by the terms of this Section 8.1 and agree not to use such information for any purpose other than described herein. Without the Disclosing Party's prior written consent, Recipient shall not, and shall direct such individuals not to, disclose the Confidential Information in whole or in part, except to the extent compelled by law. Recipient shall employ all reasonable steps to protect the Confidential Information from unauthorized or inadvertent disclosure or use, including, without limitation, all steps that it takes to protect its own information that it considers a trade secret.

8.2 Injunctive Relief. It is further understood and agreed that money damages may not be a sufficient remedy for any breach of Recipient's obligations under this Section 8 by Recipient, or any employees, contractors or advisors under Recipient's supervision, and that Disclosing Party shall be entitled to seek specific injunctive relief as a remedy for any such breach, in addition to any other rights or remedies, including money damages, provided by law.

9. Limitation of Liability.

EXCEPT FOR LIABILITY ARISING UNDER SECTION 8 ("CONFIDENTIALITY") ABOVE, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INCIDENTAL, SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOST PROFITS OR LOST REVENUE, ARISING OUT OF THIS AGREEMENT, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

10. Miscellaneous.

10.1 Independent Contractors. It is the intention of ToolSource and Stride Tool that ToolSource and Stride Tool are, and shall be deemed to be, independent contractors with respect to the subject matter of this Agreement, and nothing contained in this Agreement shall be deemed or construed in any manner whatsoever as creating any partnership, joint venture, employment, agency, fiduciary or other similar relationship between ToolSource and Stride Tool. Neither party has any right or authority to assume or create any obligations of any kind or to make any representation or warranty on behalf of the other party, whether express or implied, or to bind the other party in any respect whatsoever.

10.2 Entire Agreement. This Agreement, together with all Exhibits hereto and the ToolSource.Com Domain Name Assignment, constitutes the entire agreement and understanding between ToolSource and Stride Tool with respect to the subject matter hereof and supersedes all prior agreements and communications of the parties, oral or written.

10.3 Amendment and Waiver. No amendment to, or waiver of, any provision of this Agreement shall be effective unless in writing and signed by both parties. The waiver by any party of any breach or default shall not constitute a waiver of any different or subsequent breach or default.

10.4 Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware, without regard to the conflicts of law principles thereof. The parties to this Agreement hereby consent to the exclusive jurisdiction of and venue in the federal and state courts located in the State of New York.

10.5 Assignment. Neither party will transfer or assign any rights or delegate any obligations hereunder, in whole or in part, without the prior written consent of the other party. Any purported transfer, assignment, or delegation by either party without the appropriate prior written approval will be null and void and of no force or effect. Notwithstanding the foregoing, each party will have the right to assign this Agreement to any successor of such party by way of merger or consolidation or the acquisition of all or substantially all of the business and assets of the assigning party to which this Agreement relates. All terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted transferees, successors and assigns.

10.6 Force Majeure. Neither party shall be liable for failure to perform or delay in performing any obligation under this Agreement if such failure or delay is due to fire, flood, earthquake, strike, war (declared or undeclared), embargo, blockade, legal prohibition, governmental action, riot, insurrection, damage, destruction or any other similar cause beyond the control of such party.

10.7 Notices. All notices, requests and other communications called for by this agreement shall be deemed to have been given immediately if made by prepaid certified mail, facsimile or electronic mail (confirmed by concurrent written notice sent via prepaid certified mail or overnight courier, such as Federal Express, for delivery by the next business day), if to ToolSource at the physical and electronic mail addresses set forth on the signature page of this Agreement, and if to Stride Tool at the physical and electronic mail addresses set forth on the signature page of this Agreement, or to such other addresses as either party shall specify to the other in writing. Notice by any other means shall be deemed made when actually received by the party to which notice is provided.

10.8 Severability. In the event any provision of this Agreement (or portion thereof) is determined by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, such provision shall be deemed to have been deleted from this Agreement, and the remainder of this Agreement shall remain in full force and effect according to its terms.

10.9 Counterparts. This Agreement may be executed in two counterparts, both of which taken together shall constitute a single instrument. Execution and delivery of this Agreement may be evidenced by facsimile transmission.

This Agreement has been executed by the duly authorized representatives of the parties, effective as of the Effective Date.

STRIDE TOOL, INC.

By: Lori Northrup

Name: LORI NORTHRUP

Title: CEO

Address: 46 E. Washington St.

Ellicottville, NY 14731

Attn: ~~President~~ CEO

Telephone: 716-699-8610

TOOLSOURCE, INC.

By: Lori Northrup

Name: LORI NORTHRUP

Title: CEO

Address: 46 E. Washington St.
Ellicottville, NY 14731

Attn: CEO

Telephone: 716-699-8610

EXHIBIT A

Assigned Contracts

Linking Agreements

- Letter Agreement among ToolSource.com, Bosch Power Tools and Skil Power Tools, dated October 2, 1998
- Letter Agreement between ToolSource.com and The Eastwood Company, dated November 30, 1998
- Letter Agreement between ToolSource.com and Fiskars, Inc., dated October 26, 1998
- Letter Agreement between ToolSource.com and The Fletcher-Terry Company, dated October 1, 1998
- Letter Agreement between ToolSource.com and Hand Tools Institute, dated October 5, 1998
- Letter Agreement between ToolSource.com and Imperial, dated October 21, 1998
- Letter Agreement between ToolSource.com and Industrial Hand Tool and Ergonomics Research Consortium (University of Wisconsin-Madison), dated October 6, 1998
- Letter Agreement between ToolSource.com and Kastar Hand Tools, dated October 2, 1998
- Letter Agreement between ToolSource.com and Ken-Tool Company, dated October 6, 1998
- Letter Agreement between ToolSource.com and The Mining Co., dated October 12, 1998
- Letter Agreement between ToolSource.com and Ontario Knife Company, dated October 14, 1998
- Letter Agreement between ToolSource.com and Ontario Knife Company, dated October 14, 1998
- Letter Agreement between ToolSource.com and SK Hand Tool Corporation, dated October 1, 1998
- Letter Agreement between ToolSource.com and The Stanley Works, dated October 23, 1998
- Letter Agreement between ToolSource.com and Wright Tool Company, dated October 5, 1998
- Letter Agreement between ToolSource.com and Zephyr Manufacturing Company, dated October 5, 1998

Supplier Agreements

- Credit Approval Request made by Stride Tool d/b/a ToolSource to Baltimore Tool Works, Inc., dated June 16, 1998
- Credit Application made by Stride Tool d/b/a ToolSource to Hyde Tools, dated December 13, 1998

The ToolSource Agreement between ToolSource.com, LLC and Harris Corporation, dated December 23, 1998

Credit Application made by ToolSource, LLC to Harris Corporation, dated March 9, 1999

Confidentiality Agreement between ToolSource and Harris Corporation, dated December 23, 1998

Electronic Data Interchange Agreement between ToolSource and Klein Tools, Inc., dated October 20, 1998

The ToolSource Agreement between Stride Tool d/b/a ToolSource and Klein Tools, Inc., dated October 16, 1998

Credit Application made by ToolSource.com to Klein Tools, Inc., dated September 30, 1998

Customer Application made by Stride Tool d/b/a ToolSource to Leatherman Tool Group, Inc., dated September 30, 1998

Credit Application and Operating Agreement between Stride Tool d/b/a ToolSource and Orgill, Inc., dated December 12, 1998

Credit Application made by Stride Tool d/b/a ToolSource to Pavement Tools Manufacturers, Inc., dated July 31, 1998

Credit Application made by Stride Tool d/b/a/ ToolSource to Envision Industries, Inc./Nack Products USA, Ltd. -- Tim Allen Signature Tools, dated December 16, 1998

Web Site Server and ECommerce Agreements

Secure Internet Credit Card Service Agreement between [Stride Tool, Inc.?] and CyberCash, Inc. Effective date of this Agreement is not clear, since it is a click-through agreement posted on CyberCash's web site.

Merchant Services Agreement between Stride Tool, Inc. and Discover Card Services, Inc. Effective date of this Agreement is not specified.

Edge Internet Technologies Letter of Engagement between ToolSource and Edge Internet Technologies, dated June 2, 1998

Authorization by MasterCard International for ToolSource.com to be a participant in its MasterCard Shop Smart! Program and to display the "Shop Smart!" decal on its web site. Effective date of this authorization is not specified.

PSIWeb Service Order Form and PSIWeb Service Agreement between ToolSource (a division of Stride Tool, Inc.) and PSIWeb, dated January 23, 1998

PSIWeb eCommerce Options Order Form and Addendum to PSIWeb Agreement between ToolSource (a division of Stride Tool, Inc.) and PSIWeb, dated January 23, 1998

VeriSign Secure Server Agreement (Exhibit B to the PSIWeb Addendum) between ToolSource (a division of Stride Tool, Inc.) and VeriSign, Inc., dated January 23, 1998

Access Service Agreement Terms and Conditions between [Stride Tool, Inc.?] and VERIO, dated December 29, 1998

EXHIBIT B

Assigned Copyrights

Shop@ToolSource.com promo content

Shop@ToolSource.com web store templates

Shop@ToolSource.com web/rainman store copy

Shop@ToolSource.com web/rainman store graphics

Database of tool products information for products available at Shop@ToolSource.com

ToolTalk feature page

ToolSwap feature page

FAQ's

Ad reports

EXHIBIT C

Domain Names

TOOLSOURCE.NET
TOOLSOURCE-STORE.COM
TOOLSWAP.COM
TOOLSWAP.NET
EXTREME-TOOLS.COM
TOOLTALK.NET

EXHIBIT D

Marks

Service Mark:

TOOLSOURCE

U.S. Application/Serial No.:

75/051239

Date Application Filed:

January 31, 1996

Date of Registration:

September 23, 1997

Registration No.

2,100,188

EXHIBIT E

Copyright Assignment

This Copyright Assignment (the "Assignment") is made from Stride Tool, Inc., a Delaware corporation (the "Seller"), to ToolSource, Inc., a Delaware corporation (the "Buyer").

Seller desires to assign to Buyer all of Seller's right, title and interest in and to the Copyrighted material (the "Copyrights") set forth in Schedule E-1 hereto pursuant to the Intellectual Property and Assets Transfer Agreement entered into between the Seller and Buyer as of _____.

In consideration for good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, Seller hereby assigns, transfers, grants, sells and otherwise conveys to Buyer all of Seller's right, title and interest in and to the Copyrights, including all common law rights therein and all registrations and applications to register therefor, together with the good will of the business symbolized by the Copyrights and the right to sue for all past, present and future infringements of the Copyrights, including the right to collect damages for such infringements, for Buyer's own use and benefit, and for the use and benefit of Buyer's successors, assigns and other legal representatives.

Dated: 6/30/99

Stride Tool, Inc.

By: Lori Northrup

Name: LORI NORTHRUP

Title: CEO

SCHEDULE E-1

Copyrights

EXHIBIT F

Trademark Assignment

This Trademark Assignment (the "Assignment") is made from Stride Tool, Inc., a Delaware corporation (the "Seller"), to ToolSource, Inc., a Delaware corporation (the "Buyer").

Seller desires to assign to Buyer all of Seller's right, title and interest in and to the trademarks and/or service marks (the "Marks") set forth in Schedule F-1 hereto pursuant to the Intellectual Property and Assets Transfer Agreement entered into between the Seller and Buyer as of _____.

In consideration for good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, Seller hereby assigns, transfers, grants, sells and otherwise conveys to Buyer all of Seller's right, title and interest in and to the Marks, including all common law rights therein and all registrations and applications to register therefor, together with the good will of the business symbolized by the Marks and the right to sue for all past, present and future infringements of the Marks, including the right to collect damages for such infringements, for Buyer's own use and benefit, and for the use and benefit of Buyer's successors, assigns and other legal representatives.

Dated: 6/30/99

Stride Tool, Inc.

By: Lori Northrup

Name: LORI NORTHRUP

Title: CEO

SCHEDULE F-1

Trademarks

EXHIBIT G

Assignment of Domain Name Interests

This Assignment of Domain Name Interests (the "Assignment") is made from Stride Tool, Inc., a Delaware corporation (the "Seller"), to ToolSource, Inc., a Delaware corporation (the "Buyer").

Seller hereby sells and assigns as of the Effective Date to the Buyer all right, title and interest in and to the domain names listed on Schedule G-1 attached hereto. Seller will without further charge to the Buyer, execute and deliver such further papers, including instructions of assignment and transfer thereof, and perform such other acts, as may be reasonably necessary to vest title in the Buyer or its successors and assigns. This Assignment will be construed under and governed by the laws of the State of Delaware without reference to conflict of laws provisions thereof.

The parties execute this Assignment effective as of the date first written above.

SELLER:

STRIDE TOOL, INC.

By: Lori Northrup
Name: LORI NORTHRUP
Title: CEO

BUYER:

TOOLSOURCE, INC.

By: Lori Northrup
Name: LORI NORTHRUP
Title: CEO

SCHEDULE G-1

Domain Names

TOOLSOURCE.NET
TOOLSOURCE-STORE.COM
TOOLSWAP.COM
TOOLSWAP.NET
EXTREME-TOOLS.COM
TOOLTALK.NET

EXHIBIT H

Promissory Note

PROMISSORY NOTE

\$1,000

San Francisco, California

_____, 1999

For value received, ToolSource.com, Inc., a Delaware corporation ("ToolSource"), promises to pay to Stride Tool, Inc., a Delaware corporation ("Stride Tool"), the principal sum of One Thousand Dollars (\$1,000), plus accrued interest thereon on the terms and conditions set forth below. ToolSource hereby acknowledges that it has received from Stride Tool, in accordance with the terms of that certain Assignment Agreement dated _____, 1999 by and between ToolSource and Stride Tool (the "Assignment Agreement"), the Assigned Intellectual Property (as defined in the Assignment Agreement. This Note is subject to the following terms and conditions. *All capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Assignment Agreement.*

1. **Maturity.** Unless previously paid in full pursuant to Paragraph 3 below, principal and any accrued but unpaid interest under this Note shall be due and payable upon demand by Stride Tool at any time after _____, 2003 [4th anniversary of note]. Notwithstanding the foregoing, the entire unpaid principal sum of this Note, together with accrued and unpaid interest thereon, shall become immediately due and payable upon the insolvency of ToolSource, the commission of any act of bankruptcy by ToolSource, the execution by ToolSource of a general assignment for the benefit of creditors, the filing by or against ToolSource of a petition in bankruptcy or any petition for relief under the federal bankruptcy act or the continuation of such petition without dismissal for a period of sixty (60) days or more, or the appointment of a receiver or trustee to take possession of the property or assets of ToolSource.

2. **Interest.** Interest shall accrue on the unpaid principal amount of this Note at a rate equal to _____ percent (___%) per annum, compounded annually.

3. **Payment.** All payments shall be made in lawful money of the United States of America at such place as the Holder hereof may from time to time designate in writing to the Company. Payment shall be credited first to the accrued interest then due and payable and the remainder applied to principal. Prepayment of this Note may be made at any time without penalty.

4. **Transfer; Successors and Assigns.** Neither party shall have the right to assign any of its rights or obligations under this Note, other than to its successor by merger, consolidation or sale of assets, without the prior written consent of the other party, which consent shall not be unreasonably withheld. Subject to the preceding sentence, this Note may be transferred only upon surrender of the original Note for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer in form satisfactory to Stride Tool. Thereupon, a new note for the same principal amount and interest will be issued to, and registered in the name of, the transferee. Interest and principal are payable only to the registered holder of this Note.

5. **Governing Law.** This Note and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law of such state.

6. **Notices.** Any notice required or permitted by this Note shall be in writing and shall be deemed sufficient upon delivery, when delivered personally or by a nationally-recognized delivery service (such as Federal Express or UPS), or forty-eight (48) hours after being deposited in the U.S. mail,

as certified or registered mail, with postage prepaid, addressed to the party to be notified at such party's address as set forth below or as subsequently modified by written notice.

7. **Amendments and Waivers.** Any term of this Note may be amended only with the written consent of ToolSource and Stride Tool. Any amendment or waiver effected in accordance with this Section 7 shall be binding upon ToolSource, Stride Tool and each transferee of the Note.

8. **Action to Collect on Note.** If action is instituted to collect on this Note, ToolSource promises to pay all costs and expenses, including reasonable attorney's fees, incurred in connection with such action.

TOOLSOURCE.COM, INC.

By: Lori Northrup

Name: LORI NORTHRUP

Title: CEO^(print)

Date: 6/30/99

Address:

AGREED TO AND ACCEPTED:

STRIDE TOOL, INC.

By: Lori Northrup

Name: LORI NORTHRUP

Title: CEO^(print)

Date: 6/30/99

Address:

EXHIBIT I

**Stride Tool Employees and Consultants
Who Contributed to the Assigned Intellectual Property**

<u>Name of Employee/Consultant</u>	<u>Title or General Description of Duties</u>
Sandra Wyllie	Director; administrative; customer service; working with manufacturers & distributors
Scott Zimpfer	Web master
Shari Lake	Customer service; working with cottage labor to enter data into Excel spread sheets
Matthew Roszyk	Assistant on web design, graphics, technical help
Jennifer Walden	Temp., assistant on customer service needs
Kathleen Annunziato	Assistant on customer service needs
Matthew Swanz	Assistant on technical work