

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM402818

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
The Great American Tool Company Inc.		10/08/2015	Corporation: DELAWARE
RECEIVING PARTY DATA			
Name:	GATCO Ventures LLC		
Street Address:	465 Main Street		
Internal Address:	Suite 600		
City:	Buffalo		
State/Country:	NEW YORK		
Postal Code:	14203		
Entity Type:	Limited Liability Company: NEW YORK		
PROPERTY NUMBERS Total: 17			
Property Type	Number	Word Mark	
Registration Number:	4515372	BATTLE-HOG	
Registration Number:	3836287	M'BOGO	
Registration Number:	3878205	JAVELIN	
Registration Number:	3932686	LONG WAR	
Registration Number:	3502954	C-4	
Registration Number:	3455202	18-DELTA	
Registration Number:	3570288	NSW	
Registration Number:	2920929	GATSTIX	
Registration Number:	3512906	KICKSTART	
Registration Number:	2987733	MONTAUK POINT	
Registration Number:	3038148	SCEPTER	
Registration Number:	2580011	ZAMBEZI	
Registration Number:	2577492	TIMBERLINE KNIVES	
Registration Number:	1632171		
Registration Number:	1613555	WE SHARPEN YOUR WORLD	
Registration Number:	1632170	GATCO	
Registration Number:	2282768	TRI-SEPS	

OP \$440.00 4515372

CORRESPONDENCE DATA**Fax Number:** 8143632691*Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.***Phone:** 8143682483**Email:** bseals@zippo.com**Correspondent Name:** Elizabeth Seals**Address Line 1:** 33 Barbour Street**Address Line 4:** Bradford, PENNSYLVANIA 16701

NAME OF SUBMITTER:	Elizabeth Seals
SIGNATURE:	/Elizabeth Seals/
DATE SIGNED:	10/21/2016

Total Attachments: 11

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SECURITY AGREEMENT

Dated: October 8, 2015

THE GREAT AMERICAN TOOL COMPANY INC., a Delaware corporation, whose address is 7223 Boston State Road, Hamburg, NY 14075 (herein called the "Debtor"), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby agrees with GATCO VENTURES LLC, a New York limited liability company whose address is 465 Main Street, Suite 600, Buffalo, New York 14203 (herein called the "Secured Party"), as follows:

1. **Definitions.** Unless defined elsewhere in this Security Agreement (the "Agreement"), (a) capitalized terms used herein which are defined in the Uniform Commercial Code of the State of New York (the "UCC") shall have the meanings given therein and (b) any capitalized terms that are used in this Agreement and defined in both Article 9 of the UCC and elsewhere in the UCC shall have the meanings given in Article 9 of the UCC.

2. **Security Interest.** The Debtor hereby grants to the Secured Party a security interest (herein called the "Security Interest") in all property of the following types, wherever located and whether now owned or hereafter owned or acquired by the Debtor, whether or not affixed to realty, and all Proceeds thereof in any form: Accounts, Inventory, Equipment, Fixtures, Instruments, Documents, Chattel Paper, General Intangibles, Investment Property, Deposit Accounts and Letter-of-Credit Rights (herein collectively called the "Collateral").

3. **Obligations Secured.** The Security Interest secures the payment of any and all indebtedness and liabilities of the Debtor to Secured Party, of every kind, nature and description, direct or indirect, whether as principal, surety, guarantor or otherwise, joint and several, absolute or contingent, and whether now existing or hereafter incurred, and the Security Interest further secures the full and punctual payment and performance of all obligations and liabilities of the Debtor under this Security Agreement (all said indebtedness, obligations and liabilities described above in this paragraph are herein collectively called the "Obligations").

4. **Representations and Warranties of Debtor.** The Debtor represents and warrants, and, so long as this Agreement is in effect, shall be deemed continuously to represent and warrant that: (a) the Debtor is the owner of the Collateral free of all security interests or other encumbrances, except the Security Interest and except as specified in Schedule A attached hereto and made a part hereof; (b) the Debtor is authorized to enter into this Agreement; (c) the Debtor's state of organization and exact legal name are as specified above; the Debtor's organizational identification number (if any) is set forth in Schedule A hereto; the Debtor's chief executive office is at the Debtor's address specified above; the Debtor's other business addresses are located as specified in Schedule A attached hereto; and the Debtor's records concerning the Collateral are kept at the Debtor's address specified above and on Schedule A hereto; and any and all tradenames, division names, assumed names or other names under which the Debtor transacts any part of its business are specified in Schedule A hereto; (d) each Account, General Intangible and Chattel Paper (if any) constituting the Collateral is, to the best of the Debtor's knowledge, genuine and enforceable in accordance with its terms against the party obligated to

pay it (herein called the "Account Debtor") and no Account Debtor has any defense, setoff, claim or counterclaim against the Debtor which can be asserted against the Secured Party, whether in any proceeding to enforce the Collateral or otherwise; (e) the amounts represented from time to time by the Debtor to the Secured Party as owing by each Account Debtor or by all Account Debtors will be and are the correct amounts actually and unconditionally owing by such Account Debtor or Debtors individually and in the aggregate, except for normal cash discounts or allowances where applicable and defenses, offsets, claims and counterclaims arising in the ordinary course of business; (f) each Instrument and each Document (if any) constituting the Collateral is genuine and in all respects what it purports to be; and (g) if any part of the Collateral is or will be a Fixture, it is or will be affixed to real property located at the Debtor's address specified above.

5. **Covenants of Debtor.** So long as this Agreement is in effect, the Debtor: (a) will defend the Collateral against the claims and demands of all other Persons, including, without limitation, defenses, setoffs, claims and counterclaims asserted by any Account Debtor against the Debtor or the Secured Party, except defenses, offsets, counterclaims and claims arising in the ordinary course of the Debtor's business; will keep the Collateral free from all security interests or other encumbrances, except the Security Interest and except as specified in Schedule A attached hereto; will not sell, transfer, lease, assign, deliver or otherwise dispose of any Collateral or any interest therein without the prior written consent of the Secured Party, except that, until the occurrence of an Event of Default, the Debtor may, in the ordinary course of the Debtor's business, sell or lease Inventory and sell or otherwise dispose of Equipment which is worn out or no longer needed for the conduct of the Debtor's business; and, with respect to Collateral which consists of Equipment, Fixtures or Inventory, will keep such Collateral at the locations, if any, specified in Paragraph 4 hereof; (b) will notify the Secured Party promptly in writing of any change in the Debtor's business addresses or chief executive office, any change in the address at which records concerning the Collateral are kept, any change in the Debtor's name, identity or corporate or other structure, and any change in the Debtor's state of organization or organizational identification number; (c) will keep, in accordance with generally accepted accounting principles consistently applied, accurate and complete books and records, including, without limitation, records concerning the Collateral; at the Secured Party's request, will mark any and all such books and records to indicate the Security Interest; will permit the Secured Party or its agents to inspect the Collateral and to audit and make extracts from or copies of such books and records and any of the Debtor's ledgers, reports, correspondence or other books and records; and will duly account to the Secured Party's satisfaction, at such time or times as the Secured Party may require, for any of the Collateral; (d) will deliver to the Secured Party upon demand, all Documents and all Chattel Paper (duly endorsed to the Secured Party) constituting, representing or relating to the Collateral or any part thereof, and any schedules, invoices, shipping documents, delivery receipts, purchase orders, contracts or other documents representing or relating to the Collateral or any part thereof; (e) will not make or agree to make any alteration, modification or cancellation of, or substitution for, or credits, adjustments or allowances on, Accounts, General Intangibles or Chattel Paper constituting Collateral except in the ordinary course of the Debtor's business (ordinary wear and tear excepted); will furnish to the Secured Party, on request, all credit and other information respecting the financial condition of any Account Debtor; (f) will keep the Collateral in good condition and repair; and will not use the Collateral in violation of any provisions of this Agreement, of any applicable statute, regulation or ordinance or of any policy insuring the Collateral; (g) will pay all taxes,

assessments and other charges of every nature which may be imposed, levied or assessed against the Debtor or any of the Debtor's assets, prior to the date of attachment of any penalties or liens with respect thereto (other than liens attaching prior to payment becoming due, if payment is made when due), provided, however, the Debtor shall not be required to pay any such tax, assessment or other charge so long as its validity is being contested in good faith by appropriate proceedings diligently conducted; (h) will insure the Collateral against risks, in coverage, form and amount, and by insurer, satisfactory to the Secured Party, and will cause each policy to be payable to the Secured Party as a named insured and loss payee, as its interest may appear, and to contain an agreement by the insurer that such policy shall not be canceled or modified without at least thirty (30) days' prior written notice to the Secured Party, and, upon the Secured Party's request, will deliver each policy or certificate of insurance to the Secured Party; (i) will prevent the Collateral or any part thereof from being or becoming an accession to other goods not covered by this Agreement; (j) in connection herewith, will execute and deliver to the Secured Party such assignments and other documents and do such other things relating to the Collateral and the Security Interest as the Secured Party may request; and pay all costs of title searches and filing financing statements, continuation statements, assignments and other documents in all public offices requested by the Secured Party; and will not, without the prior written consent of the Secured Party, file or authorize or permit to be filed in any public office any financing statement naming the Debtor as debtor and not naming the Secured Party as secured party except as specified in Schedule A hereto; and (k) if the Collateral is not a Fixture, will prevent the Collateral or any part thereof from becoming a Fixture.

6. **Verification of Collateral.** The Secured Party shall have the right to verify all or any Collateral in any manner and through any medium the Secured Party may consider appropriate, and the Debtor agrees to furnish all assistance and information and perform any acts which the Secured Party may require in connection therewith and to pay all of the Secured Party's costs therefor. The Secured Party shall also have the right to request any other secured parties of the Debtor to provide accountings, confirmations of collateral and confirmations of statements of account concerning the Debtor. The Debtor hereby designates and appoints the Secured Party and its designees as attorneys-in-fact of the Debtor irrevocably and with power of substitution, with authority to endorse the Debtor's name on requests to other secured parties of the Debtor for accountings, confirmations of collateral and confirmations of statements of account.

7. **Notification and Payments.** After the occurrence of an Event of Default, the Secured Party may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on the Collateral to the Secured Party; all payments on and from the Collateral received by the Secured Party directly or from the Debtor shall be applied to the Obligations in such order and manner and at such time as the Secured Party shall, in its sole discretion, determine. After the occurrence of an Event of Default, the Secured Party may demand of the Debtor in writing, before or after notification to Account Debtors and without waiving in any manner the Security Interest, that any payments on and from the Collateral received by the Debtor: (i) shall be held by the Debtor in trust for the Secured Party in the same medium in which received; (ii) shall not be commingled with any assets of the Debtor; and (iii) shall be delivered to the Secured Party in the form received, properly endorsed to permit collection, not later than the next business day following the day of their receipt; and the Debtor shall comply with such demand. The Debtor shall also promptly notify the Secured Party of the

return or repossession by the Debtor of Goods underlying any Collateral, and the Debtor shall hold the same in trust for the Secured Party and shall dispose of the same as the Secured Party directs.

8. **Collateral Consisting of Investment Property.** If any of the Collateral consists of Investment Property, (a) the Debtor authorizes the Secured Party to transfer such Collateral or any part thereof into its own name or that of its nominee so that the Secured Party or its nominee may appear of record as the sole owner thereof; provided, that so long as no Event of Default has occurred, the Secured Party shall deliver promptly to the Debtor all notices, statements or other communications received by it or its nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to the Debtor or its designee a proxy or proxies to vote and take all action with respect to such property; provided further that after the occurrence of an Event of Default, the Debtor waives all rights to be advised of or to receive any notices, statements or communications received by the Secured Party or its nominee as such record owner, and agrees that no proxy or proxies given by the Secured Party to the Debtor or its designee as aforesaid shall thereafter be effective; and (b) the Debtor further agrees to execute such other documents and to perform such other acts, and to cause any issuer, securities intermediary or commodity intermediary to execute such other documents and to perform such other acts as may be necessary or appropriate in order to give the Secured Party "control" of such Investment Property, as defined in the UCC, which "control" shall be in such manner as the Secured Party shall designate in its sole judgment and discretion, including, without limitation, an agreement by any issuer, securities intermediary or commodity intermediary that it will comply with instructions in the case of an issuer, entitlement orders in the case of a securities intermediary or directions in the case of a commodity intermediary, originated by the Secured Party, whether before or after the occurrence of an Event of Default, without further consent by the Debtor.

9. **Collateral Consisting of Deposit Accounts, Letter-of-Credit Rights or Electronic Chattel Paper.**

a. With respect to Collateral consisting of a Deposit Account, promptly after the request of the Secured Party, the Debtor agrees to execute such other documents and to perform such other acts, and to cause any bank with which any such Deposit Account is maintained to execute such other documents and to perform such other acts, as may be necessary or appropriate in order to give the Secured Party "control" of such Deposit Account, as defined in Section 9-104 of the UCC, which "control" shall be in such manner as the Secured Party shall designate in its sole judgment and discretion acting reasonably, including, without limitation, a written agreement (hereinafter called the "Deposit Account Control Agreement") executed by the Debtor, the Secured Party and any such bank, which Deposit Account Control Agreement shall contain provisions, in addition to such other provisions as the Secured Party may require in its sole judgment and discretion acting reasonably, to the effect that (i) such bank will comply with instructions originated by the Secured Party directing disposition of all or any part of the funds in such Deposit Account, after the occurrence and during the continuation of any Event of Default, and (ii) such bank will not comply with any such instructions originated by the Debtor or any other entity or person, except to the extent expressly permitted by the Secured Party in such Deposit Account Control Agreement.

b. With respect to Collateral consisting of a Letter-of-Credit Right, promptly after the request of the Secured Party, the Debtor agrees to execute such other documents and to perform such other acts, and to cause the issuer or any nominated person under the related letter of credit to execute such other documents and to perform such other acts, as may be necessary or appropriate in order to give the Secured Party "control" of such Letter-of-Credit Right, as defined in Section 9-107 of the UCC.

c. With respect to Collateral consisting of Electronic Chattel Paper, promptly after the request of the Secured Party, the Debtor further agrees to take all steps as may be necessary or appropriate in order to give the Secured Party "control" of such Electronic Chattel Paper, as defined in Section 9-105 of the UCC.

10. Income from and Interest on Collateral Consisting of Instruments, Investment Property or Deposit Accounts.

a. Until the occurrence of an Event of Default, the Debtor reserves the right to receive all income from or interest on the Collateral consisting of Instruments, Investment Property or Deposit Accounts, and if the Secured Party receives any such income or interest prior to such an Event of Default, the Secured Party shall pay such income or interest promptly to the Debtor.

b. Upon the occurrence of an Event of Default, the Debtor will not demand or receive any income from or interest on such Collateral, and if the Debtor receives any such income or interest without any demand by it, such income or interest shall be held by the Debtor in trust for the Secured Party in the same medium in which received, shall not be commingled with any assets of the Debtor and shall be delivered to the Secured Party in the form received, properly endorsed to permit collection, not later than the next business day following the day of its receipt. The Secured Party may apply the net cash receipts from such income or interest to payment of any of the Obligations, provided that the Secured Party shall account for and pay over to the Debtor any such income or interest remaining after payment in full of the Obligations.

11. Increases, Profits, Payments or Distributions.

a. After an Event of Default has occurred, the Debtor authorizes the Secured Party: (i) to receive any increase in or profits on the Collateral (including, without limitation, any stock issued as a result of any stock split or dividend, any capital distributions and the like), and to hold the same as part of the Collateral; and (ii) to receive any payment or distribution on the Collateral upon redemption by, or dissolution and liquidation of, the issuer; to surrender such Collateral or any part thereof in exchange therefor; and to hold the net cash receipts from any such payment or distribution as part of the Collateral.

b. If the Debtor receives any such increase, profits, payments or distributions, the Debtor will receive and deliver such increase, profits, payments or distributions promptly to the Secured Party on the same terms and conditions set forth in paragraph 9(b) hereof respecting income or interest, to be held by the Secured Party as part of the Collateral.

12. Default.

a. An "Event of Default" under the Loan Agreement of even date herewith by and between the Debtor and JNA Boston LLC, as Borrower, and the Secured Party, as Lender, as amended or modified from time to time, shall constitute an "Event of Default" hereunder.

b. If any one or more of the Events of Default shall occur, all or any part of any Obligations not payable on demand shall, at the election of the Secured Party, become and be due and payable at once, without presentment, demand, protest or further notice of any kind. The provisions of this subparagraph are not intended in any way to and do not affect any rights of the Secured Party with respect to any Obligations which may now or hereafter be payable on demand.

c. The Secured Party's rights and remedies with respect to the Collateral shall be those of a Secured Party under the UCC and under any other applicable law, as the same may from time to time be in effect, in addition to those rights and remedies granted herein, and in any other agreement now or hereafter in effect between the Debtor and the Secured Party. If any one or more of the Events of Default shall occur, the Secured Party may require the Debtor to assemble the Collateral and make it available to the Secured Party at a place or places designated by the Secured Party, and the Secured Party may use and operate the Collateral, and, in this regard, the Secured Party shall be entitled as a matter of right, if it shall so elect, forthwith, without prior demand or notice, and without regard to the value of the Collateral or any part thereof, to the appointment of a receiver or receivers of the Collateral or any part thereof, and of all revenues and profits thereof, in order to manage, protect and preserve the Collateral or any part thereof and to continue the operations and business of the Debtor, with such powers as the court making such appointment shall confer, which may comprise any or all of the powers that the Secured Party is authorized to exercise hereunder or under applicable law. The Debtor further agrees that it is commercially reasonable for the Secured Party to disclaim all warranties with respect to any sale or other disposition of the Collateral.

d. Without in any way requiring notice to be given in the following time and manner, the Debtor agrees that any notice by the Secured Party of sale, disposition or other intended action hereunder or in connection herewith, whether required by the Uniform Commercial Code or otherwise, shall constitute reasonable notice to the Debtor if such notice is mailed by regular or certified mail, postage prepaid, at least ten (10) days prior to such action, to the Debtor's address specified above or to any other address which the Debtor has specified in writing to the Secured Party as the address to which notices hereunder shall be given to the Debtor.

e. The Debtor agrees to pay on demand all reasonable costs and expenses incurred by the Secured Party in enforcing this Agreement, in realizing upon or protecting any Collateral and in enforcing and collecting any Obligations or any guaranty thereof, including, without limitation, if the Secured Party retains counsel for advice, suit, appeal, insolvency or other proceedings under the federal Bankruptcy Code or otherwise, or for any of the above purposes, the reasonable attorneys' fees incurred by the Secured Party. Payment of all moneys hereunder is secured by the Collateral.

13. Miscellaneous.

a. The Debtor hereby authorizes the Secured Party, at the Debtor's expense, at any time and from time to time to file any initial financing statement(s) and amendments and continuations with respect thereto that indicate the Collateral (including as being "all assets" of the Debtor) and containing such other information as the Secured Party may determine to be necessary or appropriate to perfect and continue the Security Interest. The Debtor also ratifies any initial financing statements or amendments thereto filed by the Secured Party prior to the date of this Agreement to perfect the Security Interest and any prior authorization for Secured Party to file such financing statement(s) prior to the date of this Agreement.

b. After the occurrence of an Event of Default, the Secured Party may demand, collect and sue on any of the Accounts, Chattel Paper, Instruments and General Intangibles (in either the Debtor's or the Secured Party's name at the latter's option); may enforce, compromise, settle or discharge such Collateral without discharging the Obligations or any part thereof; and may endorse the Debtor's name on any and all checks, commercial paper and any other Instruments pertaining to or constituting the Collateral.

c. As further security for the payment of the Obligations, the Debtor hereby grants to the Secured Party a security interest in and lien on any and all property of the Debtor which is or may hereafter be in the possession or control of the Secured Party in any capacity or of any Person acting on its behalf, including, without limitation, all deposit and other accounts and all moneys owed or to be owed by the Secured Party to the Debtor; and with respect to all of such property, the Secured Party shall have the same rights hereunder as it has with respect to the Collateral. Without limiting any other right of the Secured Party, whenever the Secured Party has the right to declare any Obligations to be immediately due and payable (whether or not it has so declared), the Secured Party at its sole election may set off against the Obligations any and all moneys then or thereafter owed to the Debtor by the Secured Party in any capacity, whether or not the Obligations or the obligation to pay such moneys owed by the Secured Party is then due, and the Secured Party shall be deemed to have exercised such right of set off immediately at the time of such election even though any charge therefor is made or entered on the Secured Party's records subsequent thereto.

d. Upon the Debtor's failure to perform any of its duties hereunder, the Secured Party may, but shall not be obligated to, perform any or all such duties, including, without limitation, payment of taxes, assessments, insurance and other charges and expenses as herein provided, and the Debtor shall pay an amount equal to the cost thereof to the Secured Party on demand by the Secured Party. Payment of all moneys hereunder is secured by the Collateral.

e. No course of dealing between the Debtor and the Secured Party and no delay or omission by the Secured Party in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. The Secured Party may remedy any default by the Debtor hereunder or with respect to any Obligations in any reasonable manner without waiving the

default remedied and without waiving any other prior or subsequent default by the Debtor. All rights and remedies of the Secured Party hereunder are cumulative.

f. The Secured Party shall have no obligation to take, and the Debtor shall have the sole responsibility for taking, any and all steps to preserve rights against any and all other Persons who are parties to any Instrument, Chattel Paper or Investment Property constituting the Collateral, whether or not in the Secured Party's possession. The Secured Party shall not be responsible to the Debtor for loss or damage resulting from the Secured Party's failure to enforce or collect any such Collateral or to collect any moneys due or to become due thereunder. Debtor waives protest of any Instrument constituting the Collateral at any time held by the Secured Party on which the Debtor is in any way liable and waives notice of any other action taken by the Secured Party.

g. The Debtor authorizes the Secured Party, without notice or demand and without affecting the Debtor's obligations hereunder, from time to time: (i) to exchange, enforce or release any collateral or any part thereof (other than the Collateral) taken from any person for payment of the Obligations or any part thereof; (ii) to release, substitute or modify any obligation of any endorser, guarantor or other person in any way obligated to pay the Obligations or any part thereof, or any person who has given any security, mortgage or other interest in any other collateral as security for the payment of the Obligations or any part thereof; (iii) if any one or more of the Events of Default shall occur, to direct the order or manner of disposition of the Collateral and any and all other collateral and the enforcement of any and all endorsements, guaranties and other obligations relating to the Obligations or any part thereof, as the Secured Party, in its sole and absolute discretion, may determine; and (iv) to determine how, when and what application of payments and credits, if any, shall be made on the Obligations or any part thereof.

h. The rights and benefits of the Secured Party hereunder shall, if the Secured Party so directs, inure to any person acquiring any interest in the Obligations or any part thereof.

i. This Agreement shall be binding upon the Debtor, its legal representatives, successors and assigns, and shall inure to the benefit of the Secured Party, its legal representatives, successors and assigns.

j. In the event more than one person joins as Debtor in the execution of this Agreement, the term "Debtor" shall include each as well as all of them, and all obligations, agreements, covenants, representations and warranties hereunder shall be their joint and several obligations, agreements, covenants, representations and warranties. Wherever used herein, words of singular neuter import shall be read as if written in the plural, masculine or feminine whenever the circumstances so require.

k. No rescission, waiver, release, modification or amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by a duly authorized officer of the Secured Party.

l. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, notwithstanding the fact that any one or more of the other loan documents may be governed and construed under the laws of any other jurisdiction.

m. All notices, requests, demands, directions and other communications which may or are required to be given, served or sent by either the Secured Party or the Debtor to the other under this Agreement shall be in writing and shall be deemed to have been properly given or sent if (i) mailed by registered or certified mail with postage prepaid, return receipt requested, or (ii) sent by Federal Express or similar courier service, and addressed to the applicable party at the address stated above, or, as to each party, at such other address as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of this subparagraph (m). All such notices, requests, demands, directions and other communications shall, when mailed in the manner specified in "(i)" be effective five (5) business days after being so mailed, and when sent in the manner specified in "(ii)" be effective one (1) business day after being so sent.

n. The Debtor hereby irrevocably appoints the Secured Party the Debtor's agent with full power, in the same manner, to the same extent and with the same effect as if the Debtor were to do the same: to receive and collect all mail addressed to the Debtor; to direct the place of delivery thereof to any location designated by the Secured Party; to open such mail; to remove all contents therefrom; to retain all contents thereof constituting or relating to the Collateral; and to perform all other acts which the Secured Party deems appropriate to protect, preserve and realize upon the Collateral. The agency hereby created is unconditional and shall not terminate until all of the Obligations are paid in full and until all commitments by the Secured Party to lend funds to the Debtor have expired or been terminated. This power of attorney shall not be affected by the subsequent disability or incompetence of the Debtor. The Secured Party shall not exercise any of its rights under this subparagraph, however, unless and until an Event of Default shall have occurred and be continuing.

o. This Agreement is and is intended to be a continuing Agreement and shall remain in full force and effect until the Secured Party shall actually receive from the Debtor written notice of its discontinuance; provided, however, that this Agreement shall remain in full force and effect thereafter until all of the Obligations outstanding, or contracted or committed for (whether or not outstanding), before the receipt of such notice by the Secured Party, and any extensions or renewals thereof (whether made before or after receipt of such notice), together with interest accruing thereon after such notice, shall be finally and irrevocably paid in full. If after receipt of any payment of all or any part of the Obligations, the Secured Party is for any reason compelled to surrender such payment to any Person, because such payment is determined to be void or violable as a preference, impermissible set off, or a diversion of trust funds, or for any other reason, this Agreement shall continue in full force and effect notwithstanding any contrary action which may have been taken by the Secured Party in reliance upon such payment, and any such contrary action so taken shall be without prejudice to the Secured Party's rights under this Agreement and shall be deemed to have been conditioned upon such payment having become final and irrevocable.

SCHEDULE A

1. Other encumbrances, if any [paragraphs 4(a) and 5(a)]:
[None]
 2. Other names under which the Debtor transacts business [paragraphs 4(c) and 5(b)]:
[None]
-

3. Additional Addresses [paragraphs 4(c) and 5(b)]
[None]
 4. Organizational identification number, if any [paragraphs 4(c) and 5(b)]:
Delaware File Number: 2183073
-

p. THE DEBTOR AND SECURED PARTY HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING, WHETHER IN CONTRACT OR IN TORT, AT LAW OR IN EQUITY, ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT.

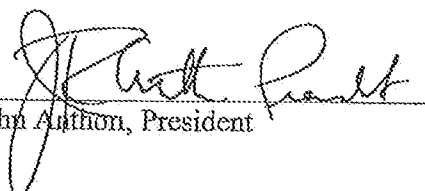
q. DEBTOR KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY CONSENTS IN EACH ACTION AND OTHER LEGAL PROCEEDING COMMENCED BY SECURED PARTY AND ARISING OUT OF OR OTHERWISE RELATING TO THIS AGREEMENT TO THE VENUE AND JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN ERIE COUNTY, NEW YORK.

IN WITNESS WHEREOF, the Debtor has duly executed this Agreement as of the first date hereinabove set forth.

DEBTOR:

THE GREAT AMERICAN TOOL COMPANY, INC.

By: _____


John Aulthon, President

Doc #445064.5