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TRADEMARKS ONLY

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof:

<p>1. Name of conveying party: Dynojet Acquisition Company 200 Arden Drive Belgrade, Montana 59714 <input checked="" type="checkbox"/> Corporation of Delaware</p>	<p>2. Name and address of receiving party: IBJ Whitehall Bank & Trust Company as Administrative Agent One State Street New York, New York 10004 <input checked="" type="checkbox"/> Corporation of New York</p>
<p>3. Nature of conveyance: Security Agreement Execution Date: August 18, 2000</p>	<p>4. Trademark Registration/Application Nos.: 1,614,772; 2,008,258; 2,171,725; 2,225,763; 2,225,771; 2,225,787; 2,308,928; 76/006,680</p>
<p>5. Name and address of party to whom correspondence concerning document should be mailed: Kristen E. Mollnow, Esq. Nixon Peabody LLP Clinton Square, P.O. Box 1051 Rochester, New York 14603</p>	<p>6. Total number of Registrations/Applications involved: 8</p>
<p>7. Total fee (37 CFR 3.41) \$215 <input checked="" type="checkbox"/> \$215 Check is enclosed.</p>	<p>8. Deposit Account Number: 14-1138 <input checked="" type="checkbox"/> Charge any additional fees to account.</p>
<p>DO NOT USE THIS SPACE</p>	

To the best of my knowledge and belief, the foregoing information is true and correct and the attached copy is a true and correct copy of an excerpt from the original document.

Kristen E. Mollnow
Kristen E. Mollnow, Esq.

August 24, 2000
Date

[Total number of pages including Cover Sheet and Security Agreement: 9]

09/19/2000 DNGUYEN 00000250 1614772

01 FC:481
02 FC:482

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SECURITY AGREEMENT

THIS SECURITY AGREEMENT, dated as of August 18, 2000 (the "Agreement" or the "Security Agreement"), is by and among DYNOJET ACQUISITION COMPANY, a Delaware corporation (the "Company"), DYNOJET HOLDING COMPANY, a Delaware corporation ("Holdings"), each of the Subsidiaries of the Company identified under the caption "SUBSIDIARY GUARANTORS" on the signature pages hereof (collectively, the "Subsidiary Guarantors" and together with the Company and Holdings, the "Obligors") and IBJ WHITEHALL BANK & TRUST COMPANY, a New York banking corporation, as agent (hereinafter, in such capacity, together with its successors in such capacity, the "Administrative Agent") for the lenders or other financial institutions or entities party, as lenders (collectively, the "Lenders"), to the Credit Agreement referred to below.

Concurrently herewith, the Company, Holdings, the Subsidiary Guarantors, the Lenders and the Administrative Agent are entering into a Credit Agreement (such Credit Agreement, as the same may be amended or supplemented from time to time is referred to herein as the "Credit Agreement") providing, subject to the terms and conditions thereof, for extensions of credit to be made by the Lenders to the Company in an aggregate principal amount not exceeding \$14,000,000 (the "Loans"). The Loans made or to be made by the Lenders to the Company shall be evidenced by certain promissory notes (as exchanged, replaced, amended, supplemented or modified from time to time, the "Notes") in substantially the respective forms attached to the Credit Agreement.

For other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Obligors have agreed to execute and deliver this Agreement.

As used herein, "UCC" shall mean the Uniform Commercial Code of the State of New York (except as otherwise defined in Section 7 hereof) as amended and in effect as of the date hereof. All other capitalized terms, unless defined herein or in the Schedules attached hereto and made a part hereof, shall have the meanings set forth in the Credit Agreement.

SECTION 1. Security Interest.

1(a) As security for the prompt and complete payment, performance and observance of all Obligations, together with interest and costs of enforcement and collection thereof and of this Security Agreement, including all reasonable attorneys' fees and disbursements incurred by the Lenders and the Administrative Agent (collectively, the "Secured Obligations"), the Obligors hereby grant to the Administrative Agent, for its benefit and the ratable benefit of the Lenders and affiliates of the Lenders with whom the Company may from time to time enter into Interest Rate Hedge Agreements (collectively, the "Credit Parties"), a continuing security interest of first priority in, and the Obligors hereby assign and pledge to the Administrative Agent, for the benefit of the Credit Parties, all of the Obligors' rights, titles and interests in and to the following property, in each case whether now owned by any Obligor or hereafter coming into existence,

and wherever located (all such property, together with any proceeds and products thereof, being collectively referred to herein as the "Collateral");

- (i) the property described on Schedule A-1 attached hereto;
- (ii) all shares of capital stock, membership interests or other equity interests of the Company and each Subsidiary Guarantor (each as "Issuer" and collectively the "Issuers") owned by the respective Obligor, all of which are listed in Schedule C hereto, and any shares of capital stock, membership interests or other equity interests obtained in the future by such Obligor and the certificates representing such shares, membership interest or other equity interests (collectively, the "Pledged Stock"); and
- (iii) all shares, membership interest and other equity interests, securities, moneys or property representing a dividend on any of the Pledged Stock, or representing a distribution or return of capital upon or in respect of the Pledged Stock, or resulting from a split-up, revision, reclassification or other like change of the Pledged Stock or otherwise received in exchange therefor, and any subscription warrants, rights or options issued to the holders of, or otherwise in respect of, the Pledged Stock; and
- (iv) without affecting the obligations of such Obligor under any provision prohibiting such action hereunder or under the Credit Agreement, in the event of any consolidation or merger in which an Issuer is not the surviving corporation, all shares of each class of the capital stock, membership interests and other equity interests of the successor corporation (unless such successor corporation is such Obligor itself) formed by or resulting from such consolidation or merger (the Pledged Stock, together with all other certificates, shares, securities, properties or moneys as may from time to time be pledged hereunder pursuant to clause (ii) or (iii) above and this clause (iv) being herein collectively called the "Stock Collateral").

1(b) The Obligor irrevocably appoint the Administrative Agent as their lawful attorney and agent to execute financing statements and amendments thereto (to the extent permitted by applicable law), notices of any assignments of any of the Collateral on the Obligor's behalf, and on their behalf to file financing statements and amendments thereto in any appropriate public office.

1(c) This Security Agreement is in addition to and without limitation of any right of the Administrative Agent and/or any of the other Credit Parties under any other security agreement, pledge or leasehold assignment, mortgage or guarantee granted by any Obligor or any third party to the Administrative Agent for the benefit of the Credit Parties or directly to any of the Credit Parties.

1(d) Except as otherwise herein provided, this Security Agreement is absolute and without any conditions. The Administrative Agent can enforce its rights in the Collateral immediately upon an Event of Default without having first to attempt any collection from the Company.

such Obligor. Without limiting the application of Section 14(a) hereof, each Obligor hereby agrees to indemnify and hold the Administrative Agent harmless for and against any and all liability, expense, cost, loss or damage which the Administrative Agent may incur by reason of any act or omission of any Obligor under any of the Contracts ("Losses"), except to such extent such Losses arise by reason of the gross negligence or willful misconduct of the Administrative Agent. Should the Administrative Agent incur any liability, expense, cost, loss, or damage, (i) under the Contracts for which it is to be indemnified by each Obligor as aforesaid, or (ii) by reason of the exercise of the Administrative Agent's rights hereunder, the amount thereof, including costs, expenses and reasonable actual attorney's fees and expenses, shall be secured hereby and shall be immediately due and payable by the Company to the Administrative Agent.

6(c) To the extent provided in the Credit Agreement, the Administrative Agent has the right to make test verifications of the Accounts in any manner and through any medium that it reasonably considers advisable, and the Obligors shall furnish all such assistance and information as the Administrative Agent may require in connection therewith. To the extent provided in the Credit Agreement, upon the Administrative Agent's request and at the expense of the Company, the Company shall cause independent public accountants or others satisfactory to the Administrative Agent to furnish to the Administrative Agent reports showing reconciliations, aging and test verifications of, and trial balances, for, the Accounts. In the event an Event of Default shall have occurred and be continuing, the Administrative Agent may in its own name or in the name of others communicate with account debtors on the Accounts and parties to the Contracts to verify with them to its satisfaction the existence, amount and terms of any Accounts or Contracts.

6(d) Each Obligor shall promptly notify the Administrative Agent of, and provide to the Administrative Agent copies of, any default notices under any of the Contracts that are material to the Company Business.

SECTION 7. Special Provisions Concerning Patents, Trademarks and Copyrights.

7(a) Each Obligor represents and warrants that it is the true and lawful exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks and Trademark application listed on Schedule A-3, the Patents and Patent applications listed on Schedule A-4 and the registered Copyrights listed on Schedule A-5 attached hereto, free and clear of all liens and encumbrances (including, without limitation, any covenant not to sue a third party); that the Trademarks, Patents and Copyrights listed on Schedules A-3, A-4 and A-5 hereto are subsisting, valid, enforceable, and have not been adjudged invalid or unenforceable, in whole or in part; and that such Trademarks, Patents and Copyrights constitute all the registered trademarks, patents and copyrights in the United States Patent and Trademark Office and the United States Copyright Office, respectively, that the Company now owns or uses in connection with its business.

7(b) Each Obligor represents and warrants that it has made all necessary filings and recordations to protect its interest in the Trademarks, Patents, Copyrights and its other intellectual property; that it has and will continue to pay all required taxes, fees, and costs to maintain all of its rights in the Trademarks, Patents, Copyrights and other intellectual property except to the extent deemed not useful; and that it has received no notice or claim that its use of

any of the Trademarks, Patents, Copyrights or other intellectual property infringes the rights of any third party.

7(c) Each Obligor shall, promptly upon learning thereof, notify the Administrative Agent in writing of the name and address of, and furnish such pertinent information that may be available with respect to, any party who may, in any way that would reasonably be expected to result in a Material Adverse Effect, be infringing or otherwise violating any of such Obligor's rights in and to any Trademarks, Patents, Copyrights or other intellectual property or of any party who makes a claim that the use of any of the Trademarks, Patents, Copyrights or other intellectual property otherwise violates in any material way any property of any nature of that party or any third party. Unless such Obligor shall reasonably determine that such Trademark, Patents, Copyrights or other intellectual property is not of material economic value to such Obligor, the Obligor further shall diligently prosecute any and all persons who infringe any of its Trademarks, Patents, Copyrights or other intellectual property to recover any and all damages and take such other actions as such Obligor shall deem appropriate under the circumstances to protect such Trademarks, Patents, Copyrights or other intellectual property. The Administrative Agent shall have the option, but not the obligation, (i) to participate upon written notice to the Obligor in any such action at such Obligor's expense and (ii) to maintain suits against parties for infringement or misappropriation if in the case of (i) and (ii), the Administrative Agent believes such Obligor is not diligently and vigorously proceeding in such action(s).

7(d) If any trademark or service mark registration, patent registration or copyright registration is issued hereafter to any Obligor as a result of any application or registration now or hereafter pending before the United States Patent and Trademark Office, the United States Copyright Office or foreign equivalent thereof, such Obligor shall forthwith execute and deliver a copy of the certificate of registration within thirty (30) days of receipt of such certificate and a grant of security in such trademark, service mark, patent or copyright to the Administrative Agent confirming the grant thereof hereunder, the form of such confirmatory grant to be substantially the same as the form hereof.

7(e) Each Obligor will perform all acts and execute all documents including, without limitation, documents in form suitable for filing with the United States Patent and Trademark Office, the United States Copyright Office, other governmental office and any foreign equivalent thereof, as reasonably requested by the Administrative Agent at any time to evidence, perfect, maintain, record and enforce the Administrative Agent's interest, for the benefit of the Credit Parties, in the Trademarks, Patents, Copyrights and the Company's other intellectual property or otherwise in furtherance of the provisions of this Agreement. In the event of foreclosure hereunder upon all or any part of the Collateral, the Obligors shall, and hereby do, constitute the Administrative Agent as the Obligors' attorney-in-fact to transfer, in any Obligor's name, the Trademarks (including all goodwill associated with the Trademarks), the Patents, the Copyrights and any Obligor's other intellectual property to a third party capable, in the Administrative Agent's judgment, of using and maintaining the nature and quality of the Trademarks, the Patents, the Copyrights and such Obligor's other intellectual property. Such power-of-attorney shall include, without limitation, the right to execute all documents and to do all acts as the Administrative Agent considers in good faith necessary to effect any of the foregoing, and all acts of such attorney are hereby ratified and confirmed; such power being coupled with an interest which is irrevocable until the Secured Obligations are paid in full.

7(f) Except to the extent that the Administrative Agent shall consent in writing, each Obligor will, unless such Obligor shall reasonably determine that a Trademark is not of material economic value to such Obligor, (i) continue to use each Trademark in order to maintain each Trademark in full force free from any claim of abandonment for non-use, (ii) employ each Trademark with the appropriate notice of application or registration, (iii) not adopt or use any mark which is confusingly similar or a colorable imitation of any Trademark, (iv) not use any Trademark except for the uses for which registration or application for registration of such Trademark has been made, (v) not (and not permit any licensee or sublicensee thereof, if any, to) do any act or knowingly omit to do any act whereby any Trademark may be subject to dilution, misappropriation, or invalidation, and (vi) ensure and warrant that the quality of the goods and services bearing each applicable Trademark will be maintained at not less than the quality level thereof as exists as of the date of this Agreement, and in that regard, during normal business hours and to the extent permitted by the Credit Agreement, the Administrative Agent and its representatives may inspect the such Obligor's books, records, and facilities which manufacture, inspect, or store products to ensure that quality of the applicable goods and services are being maintained.

7(g) Each Obligor shall notify the Administrative Agent immediately if it knows, or has reason to know, of any reason that any application or registration relating to any Trademark, Patent, Copyright or other intellectual property of such Obligor of material economic value to the Obligor may become abandoned or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office or any court) regarding such Obligor's ownership of any Trademark, Patent, Copyright or other intellectual property, its right to register or use the same, or to keep and maintain the same.

7(h) In no event shall any Obligor, either itself or through any agent, employee, licensee or designee, file an application for the registration of any Trademark, Patent, Copyright or other intellectual property with the United States Patent and Trademark Office, the United States Copyright Office, other governmental office, or any similar office or agency in any other country or any political subdivision thereof, unless it promptly informs the Administrative Agent, and, upon request of the Administrative Agent, executes and delivers any and all agreements, instruments, documents and papers as the Administrative Agent may request to evidence the Administrative Agent's security interest in such Trademark, Patent, Copyright or other intellectual property and the goodwill and general intangibles of such Obligor relating thereto or represented thereby, and the Obligors hereby constitutes the Administrative Agent thereto or represented thereby, and the Obligors hereby constitutes the Administrative Agent their attorney-in-fact to execute and file all such writings for the foregoing purposes, including without limitation to modify this Agreement by amending Schedule A-3, Schedule A-4 and/or Schedule A-5 (as the case may be) to include any future Trademarks, Patents, Copyrights and other intellectual property, all acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest which is irrevocable until the Secured Obligations are paid in full.

7(i) Each Obligor will take all commercially reasonable steps, including, without limitation, in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office, any other governmental office, or any other office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and

to obtain the relevant registration) and to maintain each registration of the Trademarks, Patents and Copyrights except to the extent permitted under Section 7(f), including but not limited to the appropriate and timely payment of any required fees and the appropriate and timely filing of any documents or declarations necessary to maintain and renew such Trademarks, Patents and Copyrights which may be necessary or appropriate under applicable federal, state, and foreign law.

7(j) Upon the occurrence and during the existence of an Event of Default, the Administrative Agent may, by written notice to such Obligor, take any or all of the following actions: (i) declare the entire right, title and interest of such Obligor in and to each of the Trademarks, Patents, Copyrights and other intellectual property, together with all related rights and rights of protection to the same, vested, in which event such rights, title and interest shall immediately vest, in the Administrative Agent for the benefit of the Lenders, in which case such Obligor agrees to execute assignments in form and substance satisfactory to the Administrative Agent, of all its rights, title and interest in and to the Trademarks, Patents, Copyrights and other intellectual property to the Administrative Agent for the benefit of the Lenders; (ii) take and use or sell the Trademarks, Patents, Copyrights and other intellectual property and the goodwill of such Obligor's business symbolized by the Trademarks and the right to carry on the business of such Obligor in connection with which the Trademarks have been used; and (iii) direct such Obligor to refrain, in which event such Obligor shall refrain, from using the Trademarks, Patents, Copyrights and its other intellectual property in any manner whatsoever, directly or indirectly, and, if requested by the Administrative Agent, change such Obligor's corporate name to eliminate therefrom any use of any Trademarks and execute such other and further documents that the Administrative Agent may request to further confirm this and to transfer ownership of the Trademarks, Patents, Copyrights and other intellectual property, and any pending trademark and patent application(s) for trademarks, patents, copyrights and other intellectual property in the United States Patent and Trademark Office, the United States Copyright Office, any other governmental office, and in any similar foreign office to the Administrative Agent. After any Event of Default, such Obligor shall cooperate and use its best efforts to obtain any consents, waivers, or agreements necessary to enable the Administrative Agent to exercise its rights and remedies with respect to any Trademark, Patent, Copyright and other intellectual property of such Obligor.

SECTION 8. Special Provisions Relating to Stock Collateral.

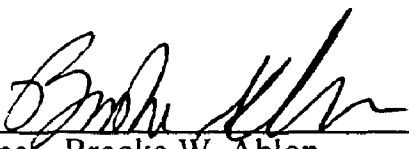
8(a) The Obligors will cause the Stock Collateral to constitute at all times 100% of the total number of shares of each class of capital stock of each issuer then outstanding.

8(b) So long as no Event of Default shall have occurred and be continuing, the Obligors shall have the right (as provided by the Issuer's organizational documents) to exercise all voting, consensual and other powers of ownership pertaining to the Stock Collateral for all purposes not inconsistent with the terms of this Agreement, the Credit Agreement or any other Loan Document referred to herein or therein; and the Administrative Agent shall execute and deliver to the Obligors or cause to be executed and delivered to the Obligors all such proxies, powers of attorney, dividend and other orders, and all such instruments, without recourse, as the Obligors may reasonably request for the purpose of enabling the Obligors to exercise the rights and powers that they are entitled to exercise pursuant to this Section 8(b).

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the date and year first above written.

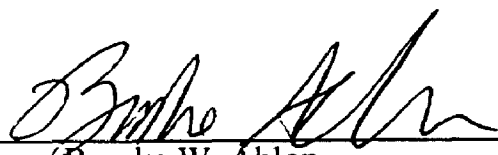
"COMPANY"

DYNOJET ACQUISITION COMPANY

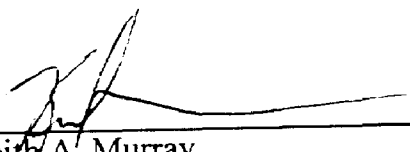
By: 
Name: Brooke W. Ablon
Title: President

"HOLDINGS"

DYNOJET HOLDING COMPANY

By: 
Name: Brooke W. Ablon
Title: President

IBJ WHITEHALL BANK & TRUST COMPANY,
as Administrative Agent


Keith A. Murray
Managing Director

SCHEDULE A-3

to

Security Agreement and UCC-1 Financing Statement in favor of
IBJ Whitehall Bank & Trust Company
 as the Administrative Agent for the Lenders
 and the other Credit Parties*
 granted by **DYNOJET HOLDING COMPANY**
 and **DYNOJET ACQUISITION COMPANY**
 and the **SUBSIDIARY GUARANTORS** as Obligors

Description of Trademarks

Trademark	Registration Number	Registration Date	Status	Filing Date	Serial Number	Owner
Dynojet (Words Only)	2008258	10/15/96	Active	10/16/95	75-005979	Dynojet Research, Inc.
Dynojet (Words Only)	1614772	9/25/90	Active	8/25/89	73-821435	Dynojet Research, Inc.
Dynojet Research (Words and Design)	2225771	2/23/99	Active	1/12/98	75-416975	Dynojet Research, Inc.
Dynojet Research (Words and Design)	2225763	2/23/99	Active	1/12/98	75-416023	Dynojet Research, Inc.
Dynojet Research (Words and Design)	2225787	2/23/99	Active	1/12/98	75-418653	Dynojet Research, Inc.
Power Commander (Words Only)	Pending	N/A	Active	3/24/00	76-006680	Dynojet Research, Inc.
Thunderslide (Words Only)	2171725	7/7/98	Active	7/3/96	75-129684	Dynojet Research, Inc.
Sledyno (Words Only)	2308928	1/18/00	Active	10/05/98	75-564656	Dynojet Research, Inc.

*As used in this Schedule A-3, "Lenders" means IBJ Whitehall Bank & Trust Company, its successors and assigns (including each "Lender" which shall become party to the Credit Agreement between the Company, Holdings, the Subsidiary Guarantors and Lenders named therein and IBJ Whitehall Bank & Trust Company, as Administrative Agent for the Lenders or other financial institutions or entities party, as Lenders, thereunder). All other capitalized terms shall have the meanings ascribed thereto in the Security Agreement.

CERTIFICATE OF EXPRESS MAILING

Express Mailing Label No.:

EL573598257US

Date of Deposit:

August 29, 2000

I hereby certify that this paper is being deposited in the United States Postal Service "Express Mail Post Office to Addressee" Service under 37 C.F.R. 1.10 on the date indicated above and is addressed to: BOX ASSIGNMENT, Commissioner of Patents and Trademarks, Washington, D.C. 20231.



Sandra Caruso

**Re: Dynojet Acquisition Company to IBJ Whitehall Bank & Trust
Company as Administrative Agent**

Attachments:

**Recordation Form Cover Sheet
Security Agreement
Check for \$215
Post Card**