



To the Honorable Commissioner of P

101464012

Original documents or copy thereof. **Dkt. 0213.ASG**

1. Name of conveying party(ies):

Environmental Systems Corporation

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

Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and address of receiving party(ies)

Name: U.S. Bank National Association

Internal Address: U.S. Bank Place - MPFP 2311

Street Address: 601 Second Avenue South

City: Minneapolis State: Minnesota ZIP 55402-4302

- Individual(s)
- Association A national banking association
- General Partnership
- Limited Partnership
- Corporation-State
- Other

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

Additional name(s) & address(es) attached  Yes  No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: May 3, 2000

4. Application number(s) or trademark number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s): 1,090,020 and 1,075,254

Additional numbers attached?  Yes  No

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

Name: Devan V. Padmanabhan

Internal Address: Dorsey & Whitney LLP

Street Address: 220 South Sixth Street

City: Minneapolis State: MN ZIP 55402

6. Total Number of applications and registrations involved: .....

2

7. Total fee (37 CFR 3.41). .... \$ 65.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

04-1420

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

**DO NOT USE THIS SPACE**

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.

Devan V. Padmanabhan  
Name of person Signing

Devan V. Padmanabhan  
Signature (Reg. No. 38,262)

Sept 1, 2000  
Date

Total number of pages comprising cover sheet: 8

Do not detach this portion

09/20/2000 NTHA11 00000275 1090020

01 FC:481  
02 FC:482

40.00 NP  
25.00 DP  
Documents to be recorded with required cover sheet information to:

Commissioner of Patents and Trademarks  
Box Assignments  
Washington, D.C. 20231

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

COLLATERAL ASSIGNMENT (TRADEMARKS)

(Environmental Systems Corporation)

This COLLATERAL ASSIGNMENT (TRADEMARKS), dated as of May 3, 2000, made and given by ENVIRONMENTAL SYSTEMS CORPORATION, a Tennessee corporation (the "Assignor"), to U.S. BANK NATIONAL ASSOCIATION, a national banking association, as collateral agent (in such capacity, together with any successor in such capacity, the "Assignee") for the Banks party to the Credit Agreement described below.

RECITALS

A. JF Acquisition, Inc. ("JF"), the Assignee, as Agent and as a Bank, and certain other Banks (the "Banks") are parties to a Credit Agreement dated as of May 2, 2000 (as the same may hereafter be amended, supplemented, extended, restated, or otherwise modified from time to time, the "Credit Agreement") pursuant to which the Banks agreed to extend to the Assignor certain credit accommodations.

B. On the date hereof, JF will merge with and into TSI Incorporated ("TSI"), with TSI being the surviving entity.

C. The Assignor is a wholly owned subsidiary of TSI, and executed a Guaranty of even date herewith (the "Guaranty") to guaranty the obligations of TSI under the Credit Agreement.

D. To secure all the liabilities and obligations of the Assignor to the Assignee and the Banks arising under the Guaranty, whether now existing or hereafter arising (the "Liabilities"), the Assignor has pledged and granted to the Assignee a security interest in the property described in a Security Agreement of even date herewith (the "Security Agreement") by and between Assignor and Assignee which property includes general intangibles, including, without limitation, patents, inventions, trademarks, trade names, copyrights and trade secrets.

E. It is a condition precedent to the obligation of the Banks to extend credit accommodations pursuant to the Credit Agreement that this Assignment be executed and delivered by Assignor.

NOW, THEREFORE, in consideration of the premises and to induce the Banks to extend credit accommodations under the Credit Agreement, the parties hereto agree as follows:

1. The Assignor does hereby assign all of its right, title and interest in and to all of the present trademarks and trade names and the registrations and applications therefor owned by the Assignor (the "Trademarks"), including but not limited to those set forth on Exhibit A hereto, and including, without limitation, all proceeds thereof together with the right to recover for past, present and

future infringements, all rights corresponding thereto throughout the world and all renewals and extensions thereof, together with the goodwill of the business associated with said Trademarks, said Trademarks to be held and enjoyed by the Assignee, for itself and for the benefit of the Banks, and for their legal representatives, successors and assigns, as fully and entirely as the same would have been held by the Assignor had this Assignment not been made. The foregoing assignment shall be effective only upon the occurrence of an Event of Default under the Credit Agreement and upon written notice by the Assignee to the Assignor of the acceptance by the Assignee of this Assignment, which written notice shall constitute conclusive proof of the matters set forth therein.

2. The Assignor hereby covenants and warrants that:

(a) to the best of the Assignor's knowledge, the Trademarks are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;

(b) to the best of the Assignor's knowledge, each of the Trademarks material to the conduct of the Assignor's business is valid and enforceable;

(c) no claim has been made to the Assignor or, to the knowledge of the Assignor, to any other person, that use of any of the Trademarks does or may violate the rights of any third person and no claim has been made by the Assignor that any other person is infringing upon the rights of the Assignor under the Trademarks;

(d) the Assignor has the unqualified right to enter into this Assignment and perform its terms;

(e) the Assignor will be, until the Liabilities shall have been satisfied in full and the Loan Documents shall have been terminated, in compliance with statutory notice requirements relating to its use of the Trademarks;

(f) to the best of the Assignor's knowledge, the Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks, free and clear of any liens, charges and encumbrances, including without limitation, licenses and covenants by the Assignor not to sue third persons;

(g) the Trademarks are all of the Trademarks owned by the Assignor; and

(h) the Assignor will, at any time upon request, communicate to the Assignee, its successors and assigns, any facts relating to the Trademarks or the history thereof as may be known to the Assignor or its officers, employees and agents, and cause such officers, employees and agents to testify as to the same in any infringement or other litigation at the request of the Assignee without the Assignee's prior written consent.

3. The Assignor agrees that, until the rights of the Assignee in the Trademarks are terminated pursuant to Section 6, it will not enter into any agreement that is inconsistent with its obligations under this Assignment.

4. If, before the Liabilities shall have been satisfied in full, the Assignor shall obtain rights to any new trademark or trade name, or become entitled to the benefit of any trademark application, registration, trademark or trade name or any renewal or extension of any trademark registration, such shall be included in the definition of "Trademarks" as used in this Assignment. Section 1 hereof shall automatically apply thereto and the Assignor shall give to the Assignee prompt notice thereof in writing. The Assignor authorizes the Assignee to modify this Assignment, without the consent of the Assignor, by amending Exhibit A hereto to include any future trademark or trade name.

5. Except as permitted by the Credit Agreement, the Assignor agrees not to sell, assign or encumber its interest in, or grant any license with respect to, any of the Trademarks, except for the licenses listed on Exhibit B hereto or otherwise with the Assignee's prior written consent.

6. The Assignor agrees that it will authorize, execute and deliver to Assignee all documents requested by Assignee to facilitate the purposes of this Assignment, including but not limited to documents required to record Assignee's interest in any appropriate office in any domestic or foreign jurisdiction. At such time as the Credit Agreement, the Guaranty and the other Loan Documents shall have been terminated in accordance with their terms, the Assignee shall on demand of the Assignor execute and deliver to the Assignor all termination statements and other instruments as may be necessary or proper to terminate this Assignment and assign to the Assignor all the Assignee's rights in the Trademarks, subject to any disposition thereof which may have been made by the Assignee pursuant to this Assignment or the Loan Documents.

7. The Assignor shall have the duty, through counsel reasonably acceptable to the Assignee, (i) to prosecute diligently any pending Trademark application as of the date of this Assignment or thereafter until the Credit Agreement, the Guaranty and the Loan Documents shall have been terminated in accordance with their terms, and (ii) to preserve and maintain all rights in all Trademarks which a prudent person would reasonably preserve and maintain. Any expenses incurred in connection with applications that constitute Trademarks shall be borne by the Assignor. The Assignor shall not abandon any application presently pending that constitutes a Trademark without the written consent of the Assignee.

8. Upon the occurrence and during the continuance of an Event of Default, the Assignee shall have the right but shall in no way be obligated to bring suit in its own name, the name of the Assignor, or the name of the Banks to enforce or to defend the Trademarks and any license thereunder if the Assignor has failed to bring such suit in circumstances in which a prudent person would have brought such suit. The Assignor shall at the request of the Assignee do any and all lawful acts and execute any and all proper documents required by the Assignee in aid of such enforcement or defense

(including without limitation participation as a plaintiff or defendant in any proceeding) and the Assignor shall promptly, upon demand, reimburse and indemnify the Assignee for all reasonable costs and expenses incurred by the Assignee in the exercise of its rights under this Section.

9. This Assignment shall also serve to evidence the security interest in the Trademarks granted by the Assignor to the Assignee pursuant to the Security Agreement. Nothing in this Assignment shall be construed to limit such security interest in the Trademarks.

10. No course of dealing with the Assignor and the Assignee, failure to exercise, nor any delay in exercising, on the part of the Assignee, any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

11. All of the Assignee's rights and remedies with respect to the Trademarks, whether established hereby, by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

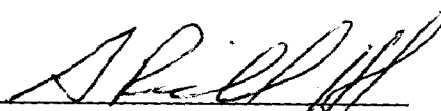
12. This Assignment is subject to modification only by a writing signed by the parties, except as provided in Section 4 hereof.

13. This Assignment shall inure to the benefit of and be enforceable by the Assignee and its successors, transferees and assigns, and be binding upon the Assignor and its successors and assigns.

14. This Assignment and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the laws (without giving effect to the conflicts of law principles thereof) of (i) any state as to rights or interests hereunder which arise under the laws of such state, (ii) the United States of America as to rights and interests hereunder which are registered or for the registration of which application is pending with the United States Patent and Trademark Office and (iii) the State of Minnesota in all other respects. Whenever possible, each provision of this Assignment and any other statement, instrument or transaction contemplated hereby or relating hereto shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Assignment or any other statement, instrument or transaction contemplated hereby or relating hereto shall be held to be prohibited or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Assignment or any other statement, instrument or transaction contemplated hereby or relating hereto. In the event of any conflict within, between or among the provisions of this Assignment, any other Loan Document or any other statement, instrument or transaction contemplated hereby or thereby or relating hereto or thereto, those provisions giving the Assignee the greater right shall govern.

IN WITNESS WHEREOF, the Assignor has executed this instrument as of the date first above written.

ENVIRONMENTAL SYSTEMS  
CORPORATION

By 

Its V.P.

Address:

200-220 Tech Center Drive  
Knoxville, Tennessee 37912-2747

Address for Assignee:

U.S. Bank National Association  
U.S. Bank Place - MPFP0609  
601 Second Avenue South  
Minneapolis, Minnesota 55402-4302  
Attention: Mark R. McDonald  
Telephone (612) 973-0617  
Fax (612) 973-0823

With a copy to:

TSI Incorporated  
333 South 7th Street  
Suite 3100  
Minneapolis, Minnesota 55402  
Fax: (612) 673-6703

Signature Page Subsidiary Collateral Assignment of Trademarks

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TRADEMARK  
REEL: 002142 FRAME: 0557

EXHIBIT A TO  
COLLATERAL ASSIGNMENT  
(TRADEMARKS-ESC)

<u>Mark</u>	<u>Product</u>	<u>Registration Number</u>
ESC	All ESC Products, name and logo	1,090,020
ESC	All ESC Products, name and logo	1,075,254

EXHIBIT B TO  
COLLATERAL ASSIGNMENT  
OF TRADEMARKS

LICENSES

- None -

Doc# 1226544\1

RECORDED: 09/01/2000

TRADEMARK  
REEL: 002142 FRAME: 0559