

05-19-2006

Form PTO-1594 (Rev. 07/05)
OMB Collection 0651-0027 (exp. 6/30/)



U.S. DEPARTMENT OF COMMERCE
United States Patent and Trademark Office

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TRADEMARKS ONLY

FINANCE SECTION

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

5/18/06

1. Name of conveying party(ies):

Fremont Investment & Loan

- Individual(s)
- General Partnership
- Corporation- State: _____
- Other California Industrial Bank
- Association
- Limited Partnership

Citizenship (see guidelines) _____

Additional names of conveying parties attached? Yes No

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

Execution Date(s) 3/31/06

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

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: Atlantic Envelope Company LLC

Internal

Address: _____

Street Address: 1325 Highland Ridge Road

City: Smyrna

State: Georgia

Country: United States Zip: 30080

- Association
- General Partnership
- Limited Partnership
- Corporation
- Other Ltd. Liab. Co.

Citizenship _____
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)

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

A. Trademark Application No.(s)
See Schedule A attached hereto.

B. Trademark Registration No.(s)
See Schedule A attached hereto.

Additional sheet(s) attached? Yes No

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

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

Name: Tracey D. Bennett

Internal Address: Paul, Hastings, Janofsky & Walker LLP

Street Address: 1055 Washington Blvd.

City: Stamford

State: Connecticut Zip: 06901

Phone Number: 203-961-7535

Fax Number: 203-674-7735

Email Address: traceybennett@paulhastings.com

6. Total number of applications and registrations involved:

11

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 290.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number _____

Authorized User Name _____

0000004 1015270
40.00
250.00
05/18/06 MIA/ML
01 FC=US/1
02 FC=US/2

9. Signature:

Tracey D. Bennett
Signature

5/11/06
Date

Tracey D. Bennett
Name of Person Signing

Total number of pages including cover sheet, attachments, and document _____

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

TRADEMARK
REEL: 003344 FRAME: 0246

**Schedule A
to Trademark Cover Sheet**

Trademark Registrations:

1015270	1827460	1173158
1853637	2669457	2666752
1156345	2394234	2562160
2482966		

Trademark Applications:

76-469690		
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As of March 31, 2006

National Service Industries, Inc.
4111 Pleasantdale Road
Doraville, GA 30341-3520
Attention: Carol Morgan, Esq.

Re: Consent and Agreement for Release; Loan No. 950114449

Ladies and Gentlemen:

Reference is made to that certain Loan Agreement dated as of June 6, 2003 between Fremont Investment & Loan, a California industrial bank ("**Lender**") and National Service Industries, Inc., a California corporation ("**Borrower**"), as the same may have been amended prior to the date hereof (as so amended, the "**Loan Agreement**") and that certain Agreement of Subsidiaries ("**Agreement of Subsidiaries**") by and among Atlantic Envelope Company LLC, a Georgia limited liability company ("**Envelope**") and National Linen and Uniform Service LLC, a Georgia limited liability company ("**Linen**" and together with Envelope, "**Subsidiaries**") and the Lender, pursuant to which the Subsidiaries agreed that certain assets obtained by the Subsidiaries from the Borrower were obtained subject to the security interest and liens of the Lender. All initially-capitalized terms used herein without definition shall have the meanings given such terms in the Loan Agreement or in the Agreement of Subsidiaries. As used herein, "**Agreement**" shall mean this letter agreement.

The Borrower has advised the Lender that the Borrower and Envelope have agreed to sell all, or substantially all, of the assets of Envelope and certain related assets of the Borrower (collectively, the "**Envelope Sale Assets**") as set forth in that certain letter of intent, dated as of January 11, 2006, as amended, by and between the Borrower and Envelope, as sellers, and National Envelope Corporation and certain of its affiliates ("**NEC**"), as buyer (the "**Proposed Disposition**"). The Borrower has further advised the Lender that in connection with the Proposed Disposition, Borrowers intend to repay certain of the obligations of the Borrower to the Lender. The Borrower has requested that the Lender (i) consent to the Proposed Disposition, (ii) agree to release the security interests in favor of the Lender in that portion of the Collateral constituting the Envelope Assets, and (iii) establish the portion of the purchase price to be used to repay the Loan Obligations.

The Lender hereby consents to the Proposed Disposition and agrees to release its security interests and liens in the Envelope Sale Assets immediately and without further condition upon its receipt of the following (a) an executed counterpart of this Agreement duly executed by each Borrower, Guarantor, and each Subsidiary, and (b) \$15,372,166. The Lender agrees that immediately upon receipt of the foregoing amount and the counterpart of this Agreement, (i) all security interests and liens granted to secure the Loan Obligations in all real and personal property constituting the Envelope Sale Assets shall immediately terminate, (ii) it will execute and deliver to the Borrower the releases of mortgages, deeds of trust and intellectual property filings described on Exhibit A, (iii) it will file, or the Borrower or its designees are hereby authorized to file, UCC-3 partial releases and termination statements with respect to the UCC-1 financing statements described on Exhibit B, and (iv) it will execute and deliver to the Borrower, at the Borrower's request and expense, such additional documents, instruments or releases (all of which shall be prepared by the Borrower) as the Borrower may reasonably request to further evidence the termination of all instruments of record in favor of the Lender with respect to the security interests and liens granted to the Agent in all real and personal property constituting Envelope Assets.

In order to induce the Lender to enter into this Agreement, Borrower, Guarantors and Subsidiaries represent and warrant to Lender, and covenant and agree, as follows:

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A. Borrower and Guarantors acknowledge, ratify and reaffirm their respective obligations under the Loan Documents, and the Subsidiaries ratify and reaffirm their respective obligations under the Agreement of Subsidiaries, all as modified by this Agreement.

B. Each Signature Party executing this Agreement has the full power and authority to enter into this Agreement and such Additional Loan Documents and to carry out the transactions contemplated in this Agreement.

C. This Agreement is the legally valid and binding obligation of Borrower and Guarantors, enforceable against Borrower and Guarantors in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by the application of equitable principles.

D. As of the date of this Agreement, neither Borrower nor any Guarantor has any (i) offsets or defenses against the payment of the Note or any other amounts under the Loan Documents, or (ii) claims or counterclaims against Lender or any of its employees, officers, directors, consultants or agents in connection with the Loan or any of the Loan Documents.

The agreements by Lender set forth in this Agreement shall not (a) excuse Borrower or Guarantors from any of their obligations under the Loan Documents, (b) constitute a waiver of any of the terms and conditions of the Loan Documents, or (c) except as expressly provided in this Agreement, constitute an amendment of, or an agreement by Lender to amend, any of the terms of the Loan Documents.

For the purposes of the Loan Agreement and the other Loan Documents, this Agreement shall constitute a "Loan Document."

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

This Agreement and the Loan Documents constitute the entire understanding between Borrower, Lender and Guarantors with respect to the subject matter hereof, and all prior agreements, understandings, representations and statements with respect thereto, whether oral or written are merged in this Agreement and the Loan Documents.

Sincerely,



Name: Matt Gouvion
Title: Senior Vice President

ACCEPTED AND AGREED:

BORROWER:

DATED: As of March 31, 2006

NATIONAL SERVICE INDUSTRIES, INC.,
a California corporation

By: David M. Sany
Its: Executive Vice President

By: David S. Hall
Its: TREASURER

GUARANTORS:

DATED: As of March 31, 2006

MICHAEL R. KELLY

NATIONAL SERVICE INDUSTRIES, INC.,
a Delaware corporation

By: David M. Sany
Its: Executive Vice President

By: David S. Hall
Its: ASST. SECRETARY

ACCEPTED AND AGREED:

BORROWER:

DATED: As of March 31, 2006

NATIONAL SERVICE INDUSTRIES, INC.,
a California corporation

By: Paul M. Sapp
Its: Executive Vice President

By: _____
Its: _____

GUARANTORS:

DATED: As of March 31, 2006

Michael R. Kelly
MICHAEL R. KELLY

NATIONAL SERVICE INDUSTRIES, INC.,
a Delaware corporation

By: Paul M. Sapp
Its: Executive Vice President

By: _____
Its: _____

READ AND CONSENTED:

SUBSIDIARIES:

DATED: As of March 31, 2005

ATLANTIC ENVELOPE COMPANY LLC
a Georgia limited liability company

By: David M. Jones
Its: Executive Vice President

By: David J. Salschi
Its: TREASURER

NATIONAL LINEN AND UNIFORM SERVICE LLC
a Georgia limited liability company

By: David M. Jones
Its: Executive Vice President

By: David J. Salschi
Its: TREASURER

Exhibit A

Releases

1. Release of Fremont Mortgage and Assignment of Leases and Rents (Kentucky)
2. Release of Fremont Mortgage and Assignment of Leases and Rents (Pennsylvania)
3. Release of Fremont Mortgage and Assignment of Leases and Rents (Tennessee)
4. Release of Fremont Mortgage and Assignment of Leases and Rents (Texas)
5. Release of Security Interest in Intellectual Property (Trademarks)

Exhibit B

UCC-3 Termination Statements and Partial Releases

UCC-3 Partial Release for each of the following:

Debtor: National Service Industries, Inc.
Secured Party: Fremont Investment & Loan
Financing Statement No. 0314760343
Filing Date: 5/23/2003
Jurisdiction: California S/S

Debtor: National Service Industries, Inc.
Secured Party: Fremont Investment & Loan
Financing Statement No. 0315660751
Filing Date: 6/4/2003
Jurisdiction: California S/S

Collateral to be released:

All assets which were sold pursuant to the terms of that certain Asset Purchase Agreement dated as of March 31, 2006 by and among Atlantic Envelope Company LLC, a Georgia limited liability company and National Service Industries, Inc., a California corporation (as sellers) and National Envelope Corporation, a New York corporation (as guarantor) and certain of its affiliates (as buyers).

UCC-3 Termination Statements for the following:

Debtor: National Service Industries, Inc.
Secured Party: Fremont Investment & Loan
Financing Statement No. 20030617-0083661
Filing Date: 6/17/2003
Jurisdiction: Davidson County, TX
Real Estate Records