

05-19-2006



TRADE 103240584

MAY 18 AM 11:15

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

5/18/06

1. Name of conveying party(ies):

Wells Fargo Foothill, Inc.

- Individual(s)
- General Partnership
- Corporation- State: California
- Other _____
- 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: _____
 Address: _____
 Street Address: 1325 Highland Ridge Road
 City: Smyrna
 State: Georgia
 Country: United States Zip: 30080

- Association Citizenship _____
- General Partnership Citizenship _____
- Limited Partnership Citizenship _____
- Corporation Citizenship _____
- Other Ltd. Liab. Co. Citizenship Georgia

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:

12

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 315.00

- 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 _____

9. Signature:

Tracey D. Bennett
Signature

Tracey D. Bennett
Name of Person Signing

5/11/06
Date

Total number of pages including cover sheet, attachments, and documents: 9

**Schedule A
to Trademark Cover Sheet**

Trademark Registrations:

1015270	1827460	1173158
1853637	2669457	2666752
1156345	2394234	2562160
2482966	1338303	

Trademark Applications:

76-469690		
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**Wells Fargo Foothill, Inc.
2450 Colorado Ave., Suite 3000W
Santa Monica, CA 90404**

March 31, 2006

National Service Industries, Inc.
4111 Pleasantdale Road
Doraville, GA 30340-3520
Attention: Carol Morgan, Esq.
Telecopy No.: (770) 510-5971

Re: Wells Fargo Foothill, Inc., as Agent;
National Service Industries, Inc.

Ladies and Gentlemen:

Reference is made to that certain **AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT** dated as of July 31, 2004 (as amended, restated, supplemented, or otherwise modified from time to time, the "Loan Agreement"), by and among **ATLANTIC ENVELOPE COMPANY LLC**, a Georgia limited liability company ("Envelope"), **NATIONAL LINEN AND UNIFORM SERVICE LLC**, a Georgia limited liability company ("Linen," and together with Envelope, each individually a "Borrower" and collectively, the "Borrowers"), **NATIONAL SERVICE INDUSTRIES, INC.**, a California corporation ("NSI-CA"), **NATIONAL SERVICE INDUSTRIES, INC.**, a Delaware corporation ("Parent" and together with NSI-CA each individually a "Guarantor" and collectively, the "Guarantors"), the lenders from time to time party thereto (each individually, a "Lender" and collectively, the "Lenders"), and **WELLS FARGO FOOTHILL, INC.**, a California corporation ("WFF"), in its capacity as agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the "Agent").

Capitalized terms used in this letter agreement without definition have the meanings ascribed to them in the Loan Agreement.

The Borrowers have advised the Agent that NSI-CA and Envelope have agreed to sell all, or substantially all, of the assets of Envelope and certain related assets of NSI-CA (collectively, the "Envelope Sale Assets") pursuant to the terms of that certain Asset Purchase Agreement to be entered into by and between NSI-CA and Envelope, as sellers, and National Envelope Corporation and certain of its affiliates ("NEC"), as buyer(s) as described in that certain letter of intent dated as of January 11, 2006, as amended (the "Proposed Disposition"). The Borrowers have further advised the Agent that in connection with the Proposed Disposition, the Borrowers intend to repay certain of the obligations of Borrowers to the Lenders and to Fremont. Borrowers have requested that the Lenders (i) consent to the Proposed Disposition, (ii) agree to release the security interests and liens in favor of the Agent for the benefit of the Lenders in that portion of the Collateral constituting the Envelope Sale Assets, (iii) establish the portion of the purchase price to be used to repay the Obligations, and (iv) consent to the

application of the proceeds of the Envelope Sale Assets which constitute Fremont Priority Collateral to repay the Indebtedness constituting Fremont Debt.

WFF, as the Agent and the sole Lender, hereby consents to the Proposed Disposition and agrees to release its security interest 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 and Guarantor, and (b) \$46,500,000 (the "WFF Disposition Payment"). The Borrowers hereby request and WFF, as the Agent and the sole Lender, hereby agrees that the proceeds of the WFF Disposition Payment shall be applied to repay the outstanding principal balance of the Revolving Loans. WFF, as the Agent and the sole Lender, agrees that immediately upon receipt of (a) the executed counterpart hereto, (b) the WFF Disposition Payment, and (c) an executed consent by Fremont to the Proposed Disposition in form and substance reasonably acceptable to Agent, (i) all security interests and liens granted to secure the Obligations in all real and personal property constituting the Envelope Sale Assets shall terminate, (ii) it will execute and deliver to the Borrowers intellectual property filings described on Exhibit A, (iii) it will file, or the Borrowers or their designees are hereby authorized to file in form and substance reasonably acceptable to Agent, 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 Borrowers, at the Borrower's request and expense, such additional documents, instruments or releases (all of which shall be prepared by the Borrowers) as Borrower may reasonably request to further evidence the termination of all instruments of record in favor of WFF, as Agent, with respect to the security interests and liens granted to the Agent in all personal property constituting Envelope Sale Assets. WFF, as the Agent and the sole Lender, hereby consents to the application of proceeds of the Envelope Sale Assets which constitute Fremont Priority Collateral to repay the Indebtedness constituting Fremont Debt in the amount of \$15,372,166 which may be applied as agreed between Fremont and the Borrowers.

Each Borrower represents and warrants that (a) the execution, delivery, and performance of this letter agreement are within its corporate powers, have been duly authorized by all necessary corporate action, and are not in contravention of any law, rule, or regulation, or any order, judgment, decree, writ, injunction, or award of any arbitrator, court, or governmental authority, or of the terms of its charter, bylaws or other organizational documents, or of any material contract or undertaking to which it is a party or by which any of its properties may be bound or affected, (b) no Default or Event of Default has occurred and is continuing, or, after giving effect to this letter agreement, would result from the consummation of the Proposed Disposition, and (c) the representations and warranties in the Loan Agreement and the other Financing Agreements are true and correct in all material respects on and as of the date hereof, as though made on such date (except to the extent that such representations and warranties relate solely to an earlier date).

This letter agreement is limited to the specifics hereof, shall not apply with respect to any facts or occurrences other than those on which this letter agreement are based, shall not excuse future non-compliance with the Loan Agreement or any other Financing Agreement, (as they may from time to time be amended), shall not operate as a waiver or an amendment of any right, power or remedy of the Lenders, nor as a consent to any further or other matter, under any of the other Financing Agreements.

This letter agreement may be executed in one or more counterparts and by different parties on separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of this letter agreement by telefacsimile or electronic mail shall be equally as effective as delivery of an original executed counterpart hereof. Any party delivering an executed counterpart hereof by telefacsimile or electronic mail also shall deliver an original executed counterpart hereof, but the failure to so deliver an original executed counterpart hereof shall not affect the validity, enforceability, and binding effect hereof. This letter agreement is a Financing Agreement.

Please indicate your agreement with the foregoing by signing in the space provided below and returning to the undersigned.

[Remainder of page intentionally left blank; signature pages follow]

Cordially,

WELLS FARGO FOOTHILL, INC.,
a California corporation, as Agent and as a
Lender

By:
Name:
Title:

Kathy S. Loucks
Kathy S. Loucks
Vice President

ACKNOWLEDGED AND AGREED as of the
date first above written:

ATLANTIC ENVELOPE COMPANY
LLC,
a Georgia limited liability company

By: _____
Title:

NATIONAL LINEN AND UNIFORM
SERVICE LLC,
a Georgia limited liability company

By: _____
Title:

NATIONAL SERVICE INDUSTRIES,
INC.,
a California corporation

By: _____
Title:

NATIONAL SERVICE INDUSTRIES,
INC.,
a Delaware corporation

By: _____
Title:

Cordially,

WELLS FARGO FOOTHILL, INC.,
a California corporation, as Agent and as a
Lender

By:
Name:
Title:

Kathy S. Loucks
Kathy S. Loucks
Vice President

ACKNOWLEDGED AND AGREED as of the
date first above written:

ATLANTIC ENVELOPE COMPANY
LLC,
a Georgia limited liability company

By: David M. Spagnoli
Title: Executive Vice President

NATIONAL LINEN AND UNIFORM
SERVICE LLC,
a Georgia limited liability company

By: David M. Spagnoli
Title: Executive Vice President

NATIONAL SERVICE INDUSTRIES,
INC.,
a California corporation

By: David M. Spagnoli
Title: Executive Vice President

NATIONAL SERVICE INDUSTRIES,
INC.,
a Delaware corporation

By: David M. Spagnoli
Title: Executive Vice President

Exhibit A

Releases

1. **Release of Security Interest in Intellectual Property (Trademarks) (2003)**
2. **Release of Security Interest in Intellectual Property (Trademarks) (2004)**

Exhibit B

UCC-3 Termination Statements and Partial Releases

UCC-3 Partial Release for each of the following:

Debtor: Atlantic Envelope Company LLC
Secured Party: Wells Fargo Foothill, Inc., as Agent
Financing Statement No. 060200409581
Filing Date: 7/27/2004
Jurisdiction: Georgia

Debtor: National Service Industries, Inc.
Secured Party: Wells Fargo Foothill, Inc., as Agent
Financing Statement No. 31353443
Filing Date: 5/28/2003
Jurisdiction: Delaware S/S

Debtor: National Service Industries, Inc.
Secured Party: Wells Fargo Foothill, Inc., as Agent
Financing Statement No. 53924835
Filing Date: 12/19/2005
Jurisdiction: Delaware S/S

Debtor: National Service Industries, Inc.
Secured Party: Wells Fargo Foothill, Inc., as Agent
Financing Statement No. 0314960710
Filing Date: 5/28/2003
Jurisdiction: California S/S

Debtor: National Service Industries, Inc.
Secured Party: Wells Fargo Foothill, Inc., as Agent
Financing Statement No. 057052466085
Filing Date: 12/19/05
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).