

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

**CONVEYING PARTY DATA**

Name	Formerly	Execution Date	Entity Type
Cellu Tissue - Hauppauge, LLC		07/02/2008	LIMITED LIABILITY COMPANY: DELAWARE

**RECEIVING PARTY DATA**

Name:	JPMorgan Chase Bank, N.A.
Street Address:	120 S. LaSalle St.
Internal Address:	8th Floor
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60603
Entity Type:	National Association: UNITED STATES

**PROPERTY NUMBERS Total: 13**

Property Type	Number	Word Mark
Registration Number:	2366823	BIG T
Registration Number:	2955522	COMPARE
Registration Number:	2672038	KENSINGTON
Registration Number:	3197197	PERFORMANCE
Registration Number:	2362847	PLAZA
Registration Number:	2228482	SILKY TOUCH
Registration Number:	1701102	SILKY TOUCH
Registration Number:	2513429	SNEEZERS
Registration Number:	3364219	SUPER FOIL
Registration Number:	3364245	SUPER WRAP
Serial Number:	77312427	KACHOOS
Serial Number:	77330670	TREE-FREE MADE FROM 100% RECYCLED PAPER
Registration Number:	3267261	BIG T

OP \$340.00 2366823

**TRADEMARK**

CORRESPONDENCE DATA

Fax Number: (650)251-5002  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
Phone: 650-251-6108  
Email: jnull@stblaw.com  
Correspondent Name: Marcela Robledo  
Address Line 1: 2550 Hanover Street  
Address Line 4: Palo Alto, CALIFORNIA 94304

ATTORNEY DOCKET NUMBER:	509265/1142
NAME OF SUBMITTER:	J. Jason Mull
Signature:	/JJM/
Date:	07/09/2008

**Total Attachments: 7**

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GRANT OF  
SECURITY INTEREST IN U.S. TRADEMARK RIGHTS

THIS GRANT OF SECURITY INTEREST IN U.S. TRADEMARK RIGHTS ("Agreement"), dated as of July 2, 2008 is made by Cellu Tissue - Hauppauge, LLC, a Delaware limited liability company (the "Grantor"), in favor of JPMorgan Chase Bank, N.A., a national banking association, as US Administrative Agent (the "Agent") for the banks and other financial institutions or entities (the "Lenders") from time to time parties to the Credit Agreement, dated as of June 12, 2006 (as amended by the First Amendment, dated as of March 21, 2007, and the Second Amendment, dated as of July 2, 2008, and as further amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Cellu Paper Holdings, Inc., Cellu Tissue Holdings, Inc. (the "US Borrower"), Interlake Acquisition Corporation Limited (the "Canadian Borrower"; together with the US Borrower, the "Borrowers"), the Loan Guarantors party thereto, the Lenders party thereto, the Agent, and JPMorgan Chase Bank, N.A., Toronto Branch, as Canadian Administrative Agent.

WITNESSETH:

WHEREAS, pursuant to the Credit Agreement, the Lenders have severally agreed to make Loans and other extensions of credit to the Borrowers, upon the terms and subject to the conditions set forth therein; and

WHEREAS, in connection with the Credit Agreement, an affiliated group of companies that includes the Borrowers executed and delivered a Pledge and Security Agreement, dated as of June 12, 2006, in favor of the Agent (together with all amendments and modifications, if any, from time to time thereafter made thereto, the "Pledge and Security Agreement");

WHEREAS, the Grantor became a party to the Pledge and Security Agreement upon the execution and delivery of the Assumption Agreement, dated as of the date hereof (the "Assumption Agreement"), by the Grantor in favor of the Agent;

WHEREAS, pursuant to the Pledge and Security Agreement and the Assumption Agreement, the Grantor pledged and granted to the Agent for the benefit of the Agent and the Lenders a continuing third priority security interest in all Intellectual Property owned or thereafter acquired by itself or its subsidiaries; and

WHEREAS, Grantor has duly authorized the execution, delivery and performance of this Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and in order to induce the Lenders to make Loans and other financial accommodations to the Borrowers pursuant to the Credit Agreement, Grantor agrees, for the benefit of the Agent and the Lenders, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided or provided by reference in the Credit Agreement and the Pledge and Security Agreement.

SECTION 2. Grant of Security Interest. The Grantor hereby pledges and grants a continuing third priority security interest in the Trademarks listed on Schedule A hereto, to the Agent for the benefit of the Agent and the Lenders to secure the prompt and complete payment and performance when due of the Grantor's Obligations.

SECTION 3. Purpose. This Agreement has been executed and delivered by the Grantor for the purpose of recording the grant of security interest herein with the United States Patent and Trademark Office. The security interest granted hereby has been granted to the Lenders in connection with the Pledge and Security Agreement and is expressly subject to the terms and conditions thereof. The Pledge and Security Agreement (and all rights and remedies of the Lenders thereunder) shall remain in full force and effect until expiration or termination thereof in accordance with its terms.

SECTION 4. Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Lenders with respect to the security interest in the Trademarks granted hereby are more fully set forth in the Credit Agreement and the Pledge and Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein. In the event of any conflict or inconsistency between the terms and conditions of this Agreement and the terms and conditions of the Pledge and Security Agreement, the Pledge and Security Agreement shall prevail.

SECTION 5. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together constitute one and the same original.

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

CELLU TISSUE - HAUPPAUGE, LLC

By: 

Name: David J. Morris

Title: Senior Vice President and Chief Financial Officer

JPMORGAN CHASE BANK, N.A.  
as Administrative Agent for the Lenders

By: \_\_\_\_\_

Name:

Title:

[Signature Page to Atlantic TM Security Agreement]

STATE OF Georgia )  
COUNTY OF Fulton ) ss

On the \_\_\_\_\_ day of \_\_\_\_\_, 2008, before me personally came David Morris, who is personally known to me to be the Chief Financial Officer of Cellu Tissue Hauppauge, LLC, a Delaware limited liability company; who, being duly sworn, did depose and say that she/he is the Chief Financial Officer in such corporation, the corporation described in and which executed the foregoing instrument; that she/he executed and delivered said instrument pursuant to authority given by the board of directors of such limited liability company; and that she/he acknowledged said instrument to be the free act and deed of said limited liability company.

MARIA LANA GRAHAM  
NOTARY PUBLIC, FULTON CO., GA  
MY COMMISSION EXPIRES DEC. 21, 2008

Notary Public

*Maria Lana Graham*  
(PLACE STAMP AND SEAL ABOVE)

[Signature Page to Atlantic TM Security Agreement]


TRADEMARK  
REEL: 003813 FRAME: 0743

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

CELLU TISSUE - HAUPPAUGE, LLC

By: \_\_\_\_\_  
Name: David J. Morris  
Title: Senior Vice President and Chief Financial Officer


JPMORGAN CHASE BANK, N.A.  
as Administrative Agent for the Lenders

By:   
Name: JOHN M. HARACZ  
Title: VICE PRESIDENT

STATE OF )  
 ) ss  
COUNTY OF )

On the 26 day of June, 2008, before me personally came JOHN M. HARINAKYI  
\_\_\_\_\_, who is personally known to me to be the VICE PRESIDENT of  
JPMorgan Chase Bank, N.A., a national banking association; who, being duly sworn, did depose  
and say that she/he is a VICE PRESIDENT in such association, the association described  
in and which executed the foregoing instrument; that she/he executed and delivered said  
instrument pursuant to authority given by the management entity of such association; and that  
she/he acknowledged said instrument to be the free act and deed of said association.

LISA KORNELIUSEN  
Notary Public, State of New York  
Qualified in Wayne County  
Commission Expires Nov. 24, 20 10

  
\_\_\_\_\_  
Notary Public

(PLACE STAMP AND SEAL ABOVE)



**SCHEDULE A**

**U.S. Trademark Registrations**

Registered Trademarks:

<b>Trademark</b>	<b>Country</b>	<b>Serial/Reg. #</b>	<b>Date Registered</b>
BIG T	United States	2,366,823	7/11/2000
BIG T	United States	77/003,650	7/24/2007
COMPARE	United States	2,955,522	5/24/2005
KENSINGTON	United States	2,672,038	1/7/2003
PERFORMANCE	United States	3,197,197	1/9/2007
PLAZA	United States	2,362,847	6/27/2000
SILKY TOUCH	United States	2,228,482	3/2/1999
SILKY TOUCH (Stylized)	United States	1,701,102	7/14/1992
SNEEZERS	United States	2,513,429	11/27/2001
SUPER FOIL	United States	3,364,219	1/8/2008
SUPER WRAP	United States	3,364,245	1/8/2008

Trademark Applications:

<b>Trademark</b>	<b>Country</b>	<b>Serial/Reg. #</b>
KACHOOS	United States	77/312,427
TREE-FREE MADE FROM 100% RECYCLED PAPER	United States	77/330,670