

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Intellectual Property Security Agreement
CONVEYING PARTY DATA	
Name	Execution Date
Bear Island Paper Company, L.L.C.	03/01/2010
RECEIVING PARTY DATA	
Name:	Credit Suisse AG, as US Collateral Agent
Street Address:	1 First Canadian Place, Suite 2900
Internal Address:	P.O. Box 301
City:	Toronto, Ontario
State/Country:	CANADA
Postal Code:	ON M5X 1 C9
PROPERTY NUMBERS Total: 2	
Property Type	Number
Patent Number:	4708771
Patent Number:	5089089
CORRESPONDENCE DATA	
Fax Number:	(714)755-8290
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Email:	ipdocket@lw.com
Correspondent Name:	Latham & Watkins LLP
Address Line 1:	650 Town Center Drive
Address Line 2:	Suite 2000
Address Line 4:	Costa Mesa, CALIFORNIA 92626
ATTORNEY DOCKET NUMBER:	024758-0081
NAME OF SUBMITTER:	Rhonda DeLeon
Total Attachments: 7 source=IP Security Agreement#page1.tif source=IP Security Agreement#page2.tif	

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT, dated as of March 1, 2010 (as amended, supplemented or otherwise modified from time to time, the “Intellectual Property Security Agreement”), is made by **BEAR ISLAND PAPER COMPANY, L.L.C.**, a limited liability company organized under the laws of Virginia as debtor and debtor-in-possession (“Grantor”), in favor of **CREDIT SUISSE AG**, as US collateral agent for the Secured Parties (in such capacity and together with its successors, the “US Collateral Agent”) (as defined in the Credit Agreement referred to below).

WHEREAS, Grantor has entered into a Senior Secured Super-Priority Debtor-in-Possession Term Loan Credit Agreement, dated as of March 1, 2010 (as amended, restated, supplemented, or otherwise modified from time to time, the “DIP Credit Agreement”), with the banks and other financial institutions and entities from time to time party thereto.

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Borrowers under the DIP Credit Agreement that Grantor shall have executed and delivered that certain Security Agreement, dated as of March 1, 2010, in favor of the US Collateral Agent (as amended, restated, supplemented, or otherwise modified from time to time, the “Security Agreement”).

WHEREAS, under the terms of the Security Agreement, Grantor has granted a security interest in certain property, including, without limitation, certain Intellectual Property of Grantor to the US Collateral Agent for the ratable benefit of the Secured Parties, and has agreed as a condition thereof to execute this Intellectual Property Security Agreement for recording with the United States Patent and Trademark Office, the United States Copyright Office, and other applicable Governmental Authorities.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor agrees as follows:

SECTION 1. Defined Terms. All capitalized terms used but not otherwise defined herein have the meanings given to them in the Security Agreement, and if not defined therein, then in the DIP Credit Agreement.

SECTION 2. Grant of Security. Grantor hereby grants to the US Collateral Agent for the ratable benefit of the Secured Parties, a continuing Lien on and security interest in all of Grantor’s right, title and interest in, to and under the following (the “Intellectual Property Collateral”) subject only to Permitted Liens securing Aggregate Reserve Amounts pursuant to the Applicable Order and the Prior Senior Liens:

(a) (i) all patents, patent applications and patentable inventions, including, without limitation, each issued patent and patent application identified in Schedule 1, (ii) all inventions and improvements described and claimed therein, (iii) the right to sue or otherwise recover for any and all past, present and future infringements, misappropriations, and other violations thereof, (iv) all Proceeds of the foregoing, including all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and

damages and payments for past, present or future infringements, misappropriations, and other violations thereof), and (v) all reissues, divisions, continuations, continuations-in-part, substitutes, renewals, and extensions thereof, all improvements thereon and all other rights of any kind whatsoever of Grantor accruing thereunder or pertaining thereto throughout the world (collectively, the “Patents”);

(b) (i) all copyrights, whether or not the underlying works of authorship have been published, including, but not limited to copyrights in software and databases, all Mask Works (as defined in 17 U.S.C. 901 of the Copyright Act), all industrial designs, and all works of authorship and other intellectual property rights therein, all copyrights of works based on, incorporated in, derived from or relating to works covered by such copyrights, all right, title and interest to make and exploit all derivative works based on or adopted from works covered by such copyrights, and all applications for and registrations of any of the foregoing, , including, without limitation, each registration and application identified in Schedule 1, (ii) and the right to, and to obtain, any renewals or extensions thereof, (iii) the rights to print, publish and distribute any of the foregoing, (iv) the right to sue or otherwise recover for any and all past, present and future infringements, misappropriations, and other violations thereof, (v) all moral rights, reversionary interests, and termination rights with respect to any and all of the foregoing, (vi) all Proceeds of the foregoing, including all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements, misappropriations, and other violations thereof), and (vii) all other rights of any kind whatsoever of Grantor accruing thereunder or pertaining thereto throughout the world (“Copyrights”);

(c) all trademarks, trade names, corporate names, company names, business names, fictitious business names, Internet domain names, service marks, certification marks, collective marks, logos, other source or business identifiers, designs and general intangibles of a like nature, all registrations and applications for any of the foregoing including, but not limited to the registrations and applications identified in Schedule 1, but excluding any application to register a Trademark in the U.S. Patent and Trademark Office based on Grantor’s “intent to use” such Trademark, provided that at such time a Statement of Use or Amendment to Allege Use is filed therein such Trademark application shall be considered automatically included in the Intellectual Property Collateral (ii) the right to, and to obtain, all extensions or renewals of any of the foregoing, (iii) all of the goodwill of the business connected with the use of and symbolized by the foregoing, (iv) the right to sue for past, present and future infringements, dilutions, and other violations of any of the foregoing or for any injury to goodwill, (v) all Proceeds of the foregoing, including all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements, dilutions, and other violations thereof), and (vi) all other rights of any kind whatsoever of Grantor accruing thereunder or pertaining thereto throughout the world (collectively, the “Trademarks”);

(d) (i) all trade secrets and all confidential and proprietary information, including know-how, manufacturing and production processes and techniques, inventions, research and development information, technical data, financial, marketing and business data,

pricing and cost information, business and marketing plans, and customer and supplier lists and information (ii) the right to sue or otherwise recover for any and all past, present and future infringements, misappropriations, and other violations thereof, (iii) all Proceeds of the foregoing, including all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past, present or future infringements, misappropriations, and other violations thereof), and (iv) all other rights of any kind whatsoever of Grantor accruing thereunder or pertaining thereto throughout the world (collectively, the "Trade Secrets").

SECTION 3. Recordation. Grantor authorizes and requests that the Register of Copyrights, the Commissioner of Patents and Trademarks and any other applicable government officer record this Intellectual Property Security Agreement.

SECTION 4. Execution in Counterparts. This Agreement may be executed in any number of counterparts (including by telecopy), each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 5. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA (INCLUDING THE BANKRUPTCY CODE). GRANTOR HEREBY CONSENTS AND AGREES THAT THE BANKRUPTCY COURT SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THE GRANTOR, AGENTS, THE LEAD ARRANGERS AND LENDERS PERTAINING TO THIS AGREEMENT; PROVIDED, THAT AGENTS, THE LEAD ARRANGERS, LENDERS AND GRANTOR ACKNOWLEDGE THAT ANY APPEALS FROM THE BANKRUPTCY COURT MAY HAVE TO BE HEARD BY A COURT OTHER THAN THE BANKRUPTCY COURT; PROVIDED, FURTHER, THAT NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE AGENTS AND THE LEAD ARRANGERS FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO REALIZE ON THE COLLATERAL OR ANY OTHER SECURITY FOR THE OBLIGATIONS, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF AGENTS AND THE LEAD ARRANGERS. GRANTOR EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND GRANTOR HEREBY WAIVES ANY OBJECTION THAT IT MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. GRANTOR HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINTS AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO GRANTOR AT THE ADDRESS SET FORTH IN SECTION 9.2 OF THE DIP CREDIT AGREEMENT AND THAT SERVICE SO MADE

SHALL BE DEEMED COMPLETED UPON THE EARLIER OF SUCH LOAN PARTY'S ACTUAL RECEIPT THEREOF OR THREE (3) DAYS AFTER DEPOSIT IN THE UNITED STATES OR CANADIAN MAILES, PROPER POSTAGE PREPAID.

SECTION 6. Conflict Provision. This Intellectual Property Security Agreement has been entered into in conjunction with the provisions of the Security Agreement and DIP Credit Agreement. The rights and remedies of each party hereto with respect to the security interest granted herein are without prejudice to, and are in addition to those set forth in the Security Agreement and the DIP Credit Agreement, all terms and provisions of which are incorporated herein by reference. In the event that any provisions of this Intellectual Property Security Agreement are in conflict with the Security Agreement or the DIP Credit Agreement, the provisions of the Security Agreement or the DIP Credit Agreement shall govern.

(remainder of page intentionally left blank)

IN WITNESS WHEREOF, each of the undersigned has caused this Intellectual Property Security Agreement to be duly executed and delivered as of the date first above written.

BEAR ISLAND PAPER COMPANY, L.L.C.

By: Christopher M. Brant
Name:
Title:

STATE OF Connecticut
COUNTY OF Fairfield) ss.

On this 26 day of February, 2010 before me personally appeared Christopher M. Brant, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of Bear Island Paper Company, L.L.C., who being by me duly sworn did depose and say that he/she is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he/she acknowledged said instrument to be the free act and deed of said corporation.

Richard D. Angotta
Notary Public

RICHARD D. ANGOTTA
NOTARY PUBLIC
State of Connecticut
My Commission Expires
February 28, 2014

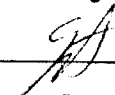
(signatures continue on next page)

IP Security Agreement

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**CREDIT SUISSE AG, CAYMAN ISLANDS
BRANCH,**
as US Collateral Agent

By: 
Name: Didier Siffer
Title: Managing Director

By: 
Name: Bryan J. Matthews
Title: Director

Schedule 1

PATENTS

BEAR ISLAND PAPER COMPANY, L.L.C.

Title	Jurisdiction	Application No. Filing Date	Patent No. Issue Date
Two stage process for sulfonating mechanical pulp fibers	US	06/687,977 12/31/84	4,708,771 11/24/87
System for sulfonating mechanical pulp fibers	US	07/431,650 11/03/89	5,089,089 02/18/92

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BEAR ISLAND PAPER COMPANY, L.P.

Title	Jurisdiction	Registration No. Registration Date
Bear Island Tracker	US	Txu-410-351 04/09/90

TRADEMARKS

Mark	Jurisdiction	App / Serial No. Filing Date	Registration No. Registration Date