

4/13/04

08-26-2004

Form PTO-1594
(Rev. 10/02)
OMB No. 0651-0027 (exp. 6/30/2005)
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MENT OF COMMERCE
nt and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):
Port Townsend Paper Corporation

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

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

2. Name and address of receiving party(ies)
Name: JPMorgan Chase Bank
Internal Address: _____
Address: _____
Street Address: 2200 Ross Ave., 4th Floor
City: Dallas State: TX Zip: 75201

Individual(s) citizenship _____
 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 Merger
 Security Agreement Change of Name
 Other _____

Execution Date: 4/13/04

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

A. Trademark Application No.(s) _____

Additional number(s) attached Yes No

B. Trademark Registration No.(s) 2,168,612

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

Name: Julie H. Cooper
 Internal Address: Vinson & Elkins LLP

 Street Address: 2001 Ross Ave., Suite 3700

 City: Dallas State: TX Zip: 75201

6. Total number of applications and registrations involved:

7. Total fee (37 CFR 3.41).....\$ 40.00
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Julie H. Cooper Julie H. Cooper August 17, 2004
 Name of Person Signing Signature Date

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

08/25/2004 MGETACHE 00000022 2168612
01 FC:8521 40.00 OP

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

TRADEMARK
REEL: 003034 FRAME: 0771

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of April 13, 2004 is entered into by PORT TOWNSEND PAPER CORPORATION, a Washington corporation (the "Grantor") and certain of its affiliates (collectively, the "Grantors") and JPMORGAN CHASE BANK, as the Administrative Agent (the "Administrative Agent") for the Lenders. Capitalized terms not otherwise defined herein have the meanings set forth in the Guaranty and Security Agreement dated as of April 13, 2004 among the Grantor and the Administrative Agent (the "Security Agreement").

WHEREAS, pursuant to the Security Agreement, Grantors are granting a security interest to the Lenders in certain Trademarks whether now owned or existing or hereafter acquired or arising and wherever located, including the Trademarks listed on Schedule A ("Secured Trademarks").

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantors and the Administrative Agent hereby agree as follows:

1. Grant of Security Interest.

1.1 Each Grantor hereby grants to the Administrative Agent, a security interest in and continuing lien on all of such Grantor's right, title and interest in, to and under all the Secured Trademarks, subject to the terms and conditions of the Security Agreement.

1.2 The security interest granted hereby is granted in conjunction with the security interest granted to the Administrative Agent under the Security Agreement. The rights and remedies of the Lenders with respect to the security interest granted hereby are in addition to those set forth in the Security Agreement. In the event of any conflict between the terms of this Agreement and the terms of the Security Agreement, the terms of the Security Agreement shall control.

2. Modification of Agreement.

This Agreement or any provision hereof may not be changed, waived, or terminated except in accordance with the amendment provisions of the Security Agreement pursuant to which the Administrative Agent may modify this Agreement, after obtaining Grantor's approval of or signature to such modification, by amending Schedule A to include reference to any right, title or interest in any existing Trademarks or any Trademarks acquired or developed by Grantor after the execution hereof or to delete any reference to any right, title or interest in any Trademarks in which Grantor no longer has or claims any right, title or interest.

3. Governing Law.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK AND, TO THE

EXTENT CONTROLLING, LAWS OF THE UNITED STATES OF AMERICA, EXCEPT TO THE EXTENT THAT THE LAWS OF ANY STATE IN WHICH ANY OF THE COLLATERAL IS LOCATED NECESSARILY GOVERNS THE VALIDITY, PERFECTION, PRIORITY AND ENFORCEABILITY, AND THE EXERCISE OF ANY REMEDIES WITH RESPECT TO ANY LIEN OR SECURITY INTEREST INTENDED TO BE CREATED OR GRANTED HEREBY ON COLLATERAL LOCATED IN SUCH STATE.

4. Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of the Administrative Agent and Grantor and their respective successors and assigns. Grantor shall not, without the prior written consent of the Administrative Agent given in accordance with the Credit Agreement, assign any right, duty or obligation hereunder.

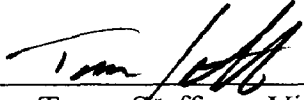
5. Counterparts.

This Agreement may be executed in any number of counterparts and by the parties hereto on separate counterparts, 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 instrument. Facsimiles shall be effective as originals.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Grantor and the Administrative Agent have caused this Agreement to be duly executed and delivered as of the date first above written.

PORT TOWNSEND PAPER CORPORATION

By: 
Tom Steffen, Vice President and Chief Financial Officer

STATE OF Washington §
COUNTY OF Jefferson §
§
§

On 3/20, 2004, before me, the undersigned, a notary public in and for said state and county, personally appeared Tom Steffen, personally known to me (or proved to me on the basis of satisfactory evidence), to be the person who executed the within instrument as the Vice President and Chief Financial Officer, on behalf of Port Townsend Paper Corporation, a Washington corporation, the corporation therein named, and acknowledged to me that the corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

WITNESS MY HAND AND/OR OFFICIAL SEAL.

(NOTARIAL STAMP OR SEAL)


Notary Public

My Commission Expires: 4/06

JPMORGAN CHASE BANK, as the
Administrative Agent

By: Jim L. Holloway
Jim L. Holloway, Senior Vice President

STATE OF TEXAS)
) ss:
COUNTY OF DALLAS)

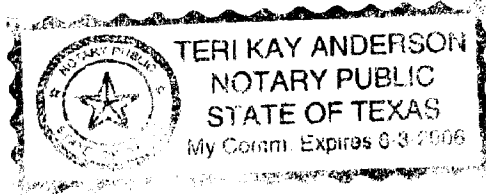
On April 9, 2004, before me, the undersigned, a notary public in and for said state and county, personally appeared Jim L. Holloway, personally known to me (or proved to me on the basis of satisfactory evidence), to be the person who executed the within instrument as the Senior Vice President, on behalf of JPMorgan Chase Bank, and acknowledged to me that the bank executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

WITNESS MY HAND AND/OR OFFICIAL SEAL.

(NOTARIAL STAMP OR SEAL)

Teri Kay Anderson
Notary Public

My Commission Expires:
6/3/2006



Signature Page to Trademark Security Agreement (US)

TRADEMARK
REEL: 003034 FRAME: 0775

TRADEMARK SECURITY AGREEMENTREGISTERED TRADEMARKS

<u>Trademark</u>	<u>Country</u>	<u>Reg. No. (App. No.)</u>	<u>Reg. Date (App. Date)</u>	<u>Record Owner/Liens</u>
Ready Handle	USA	2,168,612	6/23/98	Port Townsend Paper Corporation

Schedule A