

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

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|-----------------------|-------------------|
| 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


[Signature Page to Atlantic TM Security Agreement]

TRADEMARK
REEL: 003813 FRAME: 0744

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:

| Trademark | Country | Serial/Reg. # | Date Registered |
|------------------------|----------------|----------------------|------------------------|
| 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:

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

099999-0921-11912-NY03.2672152.1