

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 - CityForest LLC		06/03/2009	LIMITED LIABILITY COMPANY: MINNESOTA
RECEIVING PARTY DATA			
Name:	The Bank of New York Mellon Trust Company, N.A., as Collateral Agent		
Street Address:	222 Berkeley Street, 2nd Floor		
City:	Boston		
State/Country:	MASSACHUSETTS		
Postal Code:	02116		
Entity Type:	National Bank: UNITED STATES		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Registration Number:	2321203	CITYFOREST	
Registration Number:	2326010		
CORRESPONDENCE DATA			
Fax Number:	(212)455-2502		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	(212) 455-7976		
Email:	ksolomon@stblaw.com		
Correspondent Name:	Mindy M. Lok, Esq.		
Address Line 1:	Simpson Thacher & Bartlett LLP		
Address Line 2:	425 Lexington Avenue		
Address Line 4:	New York, NEW YORK 10017		
ATTORNEY DOCKET NUMBER:	509355/1302		
NAME OF SUBMITTER:	Mindy M. Lok		
Signature:	/ml/		

OP \$65.00 2321203

Date:

06/03/2009

Total Attachments: 7

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GRANT OF
SECURITY INTEREST IN TRADEMARK RIGHTS

This GRANT OF SECURITY INTEREST IN TRADEMARK RIGHTS (“Agreement”), effective as of June 3, 2009 is made by Cellu Tissue - CityForest LLC, a Minnesota limited liability company, located at 1215 East Worden Avenue, Ladysmith, Wisconsin 54848 (the “Obligor”), in favor of The Bank of New York Mellon Trust Company, N.A., located at 222 Berkeley Street, 2nd Floor, Boston, MA 02116, as Collateral Agent under the Security Agreement, as defined below (the “Collateral Agent”), for the holders of the notes (the “Holders”) issued pursuant to the Indenture, dated as of June 3, 2009 (as amended, supplemented or otherwise modified from time to time, the “Indenture”), among Cellu Tissue Holdings, Inc., (the “Company”), the subsidiary guarantors parties thereto (including the Obligor) (the “Subsidiary Guarantors”), and The Bank of New York Mellon Trust Company, N.A., as trustee.

W I T N E S S E T H:

WHEREAS, pursuant to the Indenture, the Company has issued to the Holders its 11½% Senior Secured Notes due 2014, and may issue from time to time additional notes in connection with the provisions of the Indenture (as the same may be amended, restated, replaced, supplemented, substituted or otherwise modified from time to time, collectively, the “Notes”);

WHEREAS, in connection with the Indenture, the Obligor and certain other subsidiaries of the Company have executed and delivered a Note Security Agreement, dated as of June 3, 2009, in favor of the Collateral Agent (together with all amendments and modifications, if any, from time to time thereafter made thereto, the “Security Agreement”);

WHEREAS, pursuant to the Security Agreement, the Obligor has pledged and granted to the Collateral Agent for the benefit of the Collateral Agent and the Holders a continuing security interest in all Intellectual Property, including the Trademarks; and

WHEREAS, the Obligor 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 Holders to purchase the Notes, the Obligor agrees, for the benefit of the Collateral Agent and the Holders, 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 Security Agreement.

SECTION 2. Grant of Security Interest. The Obligor hereby pledges and grants a continuing security interest in, and a right of setoff against, and effective upon demand made upon the occurrence and during the continuance of an Event of Default, agrees to assign, transfer and convey all right, title and interest in the Trademarks (including, without limitation, those items listed on Schedule A hereto), to the Collateral Agent, for the benefit of the Collateral Agent and the Secured Parties, as collateral security for the prompt and complete payment, performance and observance when due (whether at the stated maturity, at redemption, by acceleration or otherwise) of the Obligations.

SECTION 3. Purpose. This Agreement has been executed and delivered by the Obligor 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 Collateral Agent on behalf of the Holders in connection with the Security Agreement and is expressly subject to the terms and conditions thereof. The Security Agreement (and all rights and remedies of the Collateral Agent on behalf of itself and of the Holders thereunder) shall remain in full force and effect in accordance with its terms.


SECTION 4. Acknowledgment. The Obligor does hereby further acknowledge and affirm that the rights and remedies of the Collateral Agent on behalf of the Holders with respect to the security interest in the Trademarks granted hereby are more fully set forth in the 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 between the terms of this Agreement and the terms of the Security Agreement, the terms of the Security Agreement shall govern.

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.

[Remainder of page intentionally left blank]

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

CELLU TISSUE - CITYFOREST LLC
as Obligor

By: 
Name: David J. Morris
Title: CFO

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.
as Collateral Agent


By: _____
Name:
Title:

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

CELLU TISSUE - CITYFOREST LLC
as Obligor

By: _____
Name:
Title:

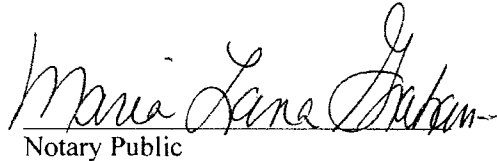
THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.
as Collateral Agent

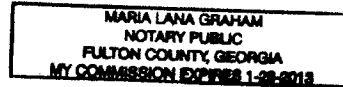
By: 
Name:
Title: **VANETA BERNARD**
VICE PRESIDENT

ACKNOWLEDGMENT OF OBLIGOR

STATE OF Georgia)
COUNTY OF Fulton) ss
)

On the 1st day of June, 2009, before me personally came David J. Morris, who is personally known to me to be the Chief Financial Officer of Cellu Tissue - CityForest LLC; who, being duly sworn, did depose and say that she/he is the CFO in such limited liability company, the limited liability company 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.


Notary Public



(PLACE STAMP AND SEAL ABOVE)

SCHEDULE A

U.S. Trademark Registrations and Applications

<u>Trademark</u>	<u>Registration or Serial Number</u>
CITYFOREST	2,321,203
[Design Only]	2,326,010