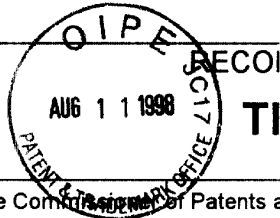


08-13-1998

FORM PTO-1594
1-31-92



100791552

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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

1. Name of conveying party(ies):
SIMPSON PAPER COMPANY

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

Additional names of conveying parties attached? Yes No

2. Name and address of receiving party:
 Name: WEST LINN PAPER PROPERTIES COMPANY
 Street Address: C/O ROBERT PALMER, ESQ.
LINDSAY, HART, NEIL & WEIGLER
1300 SOUTHWEST FIFTH AVENUE, SUITE 3400
 City: PORTLAND State: OR ZIP: 97201

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Dates:
 1) January 22, 1997 3) _____
 2) _____ 4) _____

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

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

A. Trademark Application No(s).

Additional numbers attached? Yes No

B. Trademark Registration No(s).
940,508 (CAPISTRANO)
958,596 (SONOMA)
1,706,712 (NATURE WEB)

5. Name and address of party to whom correspondence concerning document should be mailed:
 Name: R. J. BAYNHAM
 Internal Address: SEED AND BERRY LLP
6300 COLUMBIA CENTER
 Street Address: 701 FIFTH AVENUE
 City: SEATTLE State: WA ZIP: 98104-7092

6. Total number of applications and registrations involved..... 3

7. Total Fee (37 CFR 3.41): \$90.00
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number:
19-1090
 (Attach duplicate copy of this page if paying by deposit account)

08/13/1998 JWATKINS 00000043 940508

01 FC:482 40.00 OP
02 FC:482 50.00 OP

DO NOT USE THIS SPACE

9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

R. J. BAYNHAM *RJ Baynham* 8/7/98
 Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: 6

EVERGREEN MILL
ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement ("Agreement") is made as of January 22, 1997, between SIMPSON PAPER (OREGON) COMPANY, a Washington corporation, with its principal place of business at 1201 Third Avenue, Suite 4900, Seattle, Washington 98101 ("Seller") and WEST LINN PAPER PROPERTIES COMPANY, an Oregon corporation, with its principal place of business at 1300 S.W. Fifth, Suite 3400, Portland, Oregon 97201 ("Buyer").

R E C I T A L S

- A. Seller owns a non-operating paper mill in West Linn, Oregon.
- B. Seller desires to sell the paper mill assets to Buyer, and Buyer desires to purchase those assets from Seller, on the terms set forth in this Agreement.

T E R M S

Therefore, in consideration of the mutual covenants contained in this Agreement, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

ARTICLE I
GLOSSARY OF TERMS

As used in this Agreement:

- 1.1 "Acquired Assets" shall mean the Fixed Assets and Other Assets.
- 1.2 "Affiliate" of any Person means an individual or entity which directly or indirectly controls, is controlled by or is under common control with such Person, whether by ownership of an equity interest or otherwise.
- 1.3 "Assignment and Assumption Agreement" shall mean the agreement in the form of attached Exhibit A to be executed and exchanged by Buyer and Seller at the Closing for the assignment and assumption of the Seller's rights and obligations with respect to the Assumed Liabilities.
- 1.3A "Assignment of Portland General Electric Lease" shall mean the agreement to be executed and exchanged by Buyer, Seller, and Portland General Electric Company at the Closing for the amendment, assignment and assumption of Seller's rights and obligations to Buyer under the Portland General Electric Lease.
- 1.4 "Assumed Liabilities" shall mean (i) all liabilities and obligations arising on or after the Closing Date under

1.25 "Lien" shall mean any mortgage, pledge, lien, charge, encumbrance, sublease, right of possession, security agreement, or other exception to title of any kind.

1.25A "Material Contracts and Leases" shall mean any Contracts and Leases that (i) involve payment or other obligations of more than \$10,000.00 per year in the aggregate, (ii) are not cancelable by Seller at will or on no more than one month's notice, or (iii) have a term of more than one year.

1.26 "Minimum Reasonable Costs" shall mean the reasonable costs and expenses incurred or required to be incurred to meet the minimum standards of compliance or remediation that are required under the Environmental Laws.

1.27 "Other Assets" shall mean (i) the trade names Capistrano, Sonoma, Nature Web, and Recollections, together with intellectual property rights described in Schedule 1.27 hereto; (ii) all of Seller's books and records for the Paper Mill Business as of the Closing Date, including without limitation all business records located at the Paper Mill, except books and records relating to the Excluded Assets; (iii) all of Seller's right, title, and interest from and after the Closing Date under the Contracts and Leases assigned and assumed under the Assignment and Assumption Agreement and the benefits of or the right to require the assignment of the Unassignable Contracts provided to Buyer under Section 5.4 hereof; and (iv) any other intangible assets of the Paper Mill Business, as previously conducted by Seller.

1.27A "Owned Real Property" shall mean the real property described on Schedule 1.27A.

1.27B "Other Agreements" shall mean the Conveyance Documentation and the ancillary agreements that are described on attached Schedule 1.27B.

1.28 "Paper Mill" shall mean the Evergreen Mill in West Linn, Oregon on the Owned Real Property and Leased Real Property.

1.29 "Paper Mill Business" shall mean the business of manufacturing and selling paper and all related business activities in the ordinary course of business that were previously conducted and all existing business currently conducted at or from the Paper Mill.

1.30 "Permitted Exceptions" shall mean: (i) Liens for current taxes or assessments not yet due and payable as of the Closing Date; (ii) Liens disclosed in Schedule 1.30 hereto; (iii) easements, reservations, restrictions, covenants, conditions and other exceptions to title that do not have a material adverse effect on the Acquired Assets, the Paper Mill, the Buyer or the Paper Mill Business, as previously approved in writing or deemed approved by Buyer pursuant to Section 5.5 hereof; and (iv) general

1.44 "Variable LIBOR Rate" shall mean the average of London Interbank Offered Rates for thirty day deposits of U.S. dollars that are quoted in the Wall Street Journal on the first business day of each of the twelve calendar months preceding the Closing Date (i.e. February through January), adjusted annually on each anniversary of the Closing Date to the average of such London Interbank Offered Rates on the first business day of each of the twelve calendar months preceding the date of adjustment.

ARTICLE II
PURCHASE AND SALE

2.1 Earnest Money Deposit. Upon execution of this Agreement, Buyer shall pay Transamerica Title Insurance Company, as escrow agent ("Escrow Agent"), an earnest money deposit of U.S. \$250,000.00 ("Earnest Money Deposit"), which shall be: (i) applied to the Purchase Price payable at Closing in the event the asset purchase described in this Agreement closes; (ii) refunded to Buyer in the event (A) Buyer does not approve all of the Schedules and Exhibits to this Agreement within the time required by Section 5.7 hereof; (B) any of the conditions specified in Article VIII (except the Portland General Electric Lease amendment condition in Section 8.11(i), which must be satisfied or waived prior to the due date for approval of the Schedules and Exhibits) is not satisfied or waived by Buyer on or before the Closing Date; or (C) Seller breaches any material representation, warranty or covenant in this Agreement prior to the Closing Date; and (iii) retained by Seller in the event the asset purchase described in this Agreement does not close for any reason other than (A) a breach of this Agreement by Seller, (B) Buyer's failure or refusal to approve the Schedules and Exhibits to this Agreement within the time required by Section 5.7 hereof, or (C) the Buyer's failure to satisfy or waive any of the conditions specified in Article VIII as aforesaid. Escrow Agent shall not be required to put the Earnest Money Deposit in a trust or interest bearing account, or to pay any interest or earnings on it in the event of a refund to Buyer hereunder.

2.2 Asset Purchase. At the Closing and subject to fulfillment or waiver of the Closing conditions specified in Articles VII and VIII hereof, Seller will sell to Buyer, and Buyer will purchase from Seller, the Acquired Assets for the Purchase Price, payable at the Closing as follows:

2.2.1 Wire Transfer. Buyer shall pay Seller the sum of \$5,000,000 (less credit for the Earnest Money Deposit) in immediately available and lawful funds of the United States by wire transfer to Account No. 67034710 in the name of the Seller, Seattle First National Bank, CASC, Seattle, Washington, ABA No. 12500002, or such other account as Seller shall designate in writing at least five days prior to the Closing Date; and

2.2.2 Note and Deed of Trust. Buyer shall execute and deliver to Seller a note and deed of trust (with lien (but not payment) subordinated to primary financing) on the Owned Real

Agreement, express or implied, is intended to confer any rights upon any individual (including, without limitation, any employees or former employees of the Seller or the Buyer) other than the parties hereto and their successors and permitted assigns.

12.8 Governing Law. This Agreement shall be governed by, construed under, and enforced in accordance with the laws of the State of Oregon without reference to the conflict-of-laws provisions thereof.

12.9 Severability. In the event that any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby so long as the remaining provisions do not fundamentally alter the relations among the parties hereto.

12.10 Headings. The section headings of this Agreement are for reference purposes only and are to be given no effect in the construction or interpretation of this Agreement.

12.11 Further Cooperation. After the Closing of this Agreement, the parties shall cooperate with each other to give full effect to the consummation of the purchase and sale of the Acquired Assets hereunder and the assignment and assumption of Contracts and Leases under the Assignment and Assumption Agreement, including without limitation by executing any individual assignments and assumptions of any of the Contracts and Leases (including the Unapproved Contracts) as any party to this Agreement, or any third party to such Contract or Lease, may reasonably request, and executing such lien (but not payment) subordination agreement with respect to the Deed of Trust contemplated in Section 2.2.2 hereof as the Buyer's primary lender to the Paper Mill Business may reasonably require.

12.12 Gender and Number. When the context requires, masculine, feminine and neuter words shall be used interchangeably, and the singular shall be deemed to include the plural and vice-versa.

EXECUTED as of January 22, 1997.

SIMPSON PAPER (OREGON) COMPANY

WEST LINN PAPER PROPERTIES COMPANY

By Joseph R. Brazel
Its Vice President & General Counsel

By _____
Its _____

PARENT GUARANTY

For valuable consideration, the receipt and adequacy of which are hereby acknowledged, Simpson Paper Company, a Washington

SCHEDULE 1.27**Certain Intellectual Property Rights****TRADEMARKS**

CAPISTRANO, Registration No. 940,508, issued August 8, 1972 ✓

NATURE WEB, Registration No. 1,706,712, issued August 11, 1992 ✓

SONOMA, Registration No. 958,596, issued May 8, 1973 ✓

RECOLLECTIONS, Registration No. 1,768,037, issued April 27, 1993

PC BASED SOFTWARE LICENSES

MICROSOFT	Access	18
	Excel	23
	Project	3
	Powerpoint	3
	Publisher	2
	Word	24
	Mail	150
	Technet	1
	ProdPak	3
	Office	6
CC PLUS		2
WRO	TCP/DOS	56
	Telnet/DOS	15
	Ref./Windows	20
SPSS OLANALYST		18
MATH CAD		1
AUDO CAD 13		6
VISIO		1
FLOWCALCS		1
MASTERTREND		3
OROSHA		1 Qtrly. Update
PRESENTATION TF		5
ON TIME		10

There are 145 workstations throughout the mill each of which have Microsoft DOS and Windows. 25 PC's have QEMM installed.

[WESTLINNSCHD127.DOC]
02/27/97 11:08 AM

TRADEMARK