

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
Interlake Acquisition Corporation Limited		03/12/2004	CORPORATION: CANADA

RECEIVING PARTY DATA

Name:	The Bank of New York, as Collateral Agent
Street Address:	101 Barclay Street, Floor 8W
City:	New York
State/Country:	NEW YORK
Postal Code:	10286
Entity Type:	New York Banking Corporation:

PROPERTY NUMBERS Total: 2

Property Type	Number	Word Mark
Registration Number:	2584184	INTERLAKE
Registration Number:	2568785	INTERLAKE PAPER

CORRESPONDENCE DATA

Fax Number: (212)455-2502
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: (212) 455-2276
Email: KSolomon@stblaw.com
Correspondent Name: Alison J. Winick, 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:

509335/0636

NAME OF SUBMITTER:

Kimberly Solomon

Total Attachments: 7
source=IAC_SI_T#page1.tif

900006655

TRADEMARK
REEL: 002820 FRAME: 0068

OP \$65.00 2584184

source=IAC_SI_T#page2.tif
source=IAC_SI_T#page3.tif
source=IAC_SI_T#page4.tif
source=IAC_SI_T#page5.tif
source=IAC_SI_T#page6.tif
source=IAC_SI_T#page7.tif

GRANT OF
SECURITY INTEREST IN TRADEMARK RIGHTS

THIS GRANT OF SECURITY INTEREST IN TRADEMARK RIGHTS ("Agreement"), dated as of March 12, 2004 is made by Interlake Acquisition Corporation Limited, a Nova Scotia limited company (the "Obligor"), in favor of The Bank of New York 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 March 12, 2004 (as amended, supplemented or otherwise modified from time to time, the "Indenture"), among Cellu Tissue Holdings, Inc., the subsidiary guarantors parties thereto (including the Obligor) (the "Subsidiary Guarantors") and The Bank of New York, 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 9¾% Senior Secured Notes due 2010, 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 Security Agreement, dated as of March 12, 2004, 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, 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 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 assigns, transfers and conveys, 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 Holders to secure payment, performance and observance of the Obligations.

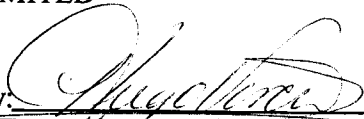
SECTION 3. Purpose. This Agreement has been executed and delivered by the Obligor for the purpose of recording the grant of security interest herein with the United States Patent and Trademark Office. The security interest granted hereby has been granted to the Collateral Agent on behalf of the Holders 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.

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 officers thereunto duly authorized as of the day and year first above written.

INTERLAKE ACQUISITION CORPORATION
LIMITED

By: 
Name: Aldo Greeno
Title: Sec. V.P. & Secretary

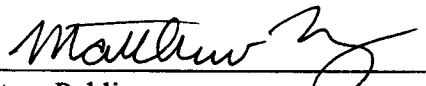
THE BANK OF NEW YORK,
as Collateral Agent

By: _____
Name: _____
Title: _____

[Signature Page to Grant of Security Interest in Trademarks – Interlake Acquisition Corporation Limited]

STATE OF New York)
) ss
COUNTY OF New York)

On the 12th day of March, 2004, before me personally came Hugo Vivero, who is personally known to me to be the Sr. V.P. and Secretary of the Obligor, a Nova Scotia unlimited company; who, being duly sworn, did depose and say that she/he is the Sr. V.P. and Secretary in such unlimited company, the unlimited 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 unlimited company; and that she/he acknowledged said instrument to be the free act and deed of said unlimited company.


Notary Public MATTHEW HEINZ
Notary Public, State of New York
No. 01HE6025979
Qualified in Kings County
Commission Expires June 7, 2007
(PLACE STAMP AND SEAL ABOVE)

[Signature Page to Grant of Security Interest in Trademarks -- Interlake Acquisition Corporation Limited]

TRADEMARK
REEL: 002820 FRAME: 0073

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.

INTERLAKE ACQUISITION CORPORATION
LIMITED

By: _____
Name:
Title:

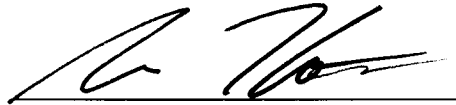
THE BANK OF NEW YORK,
as Collateral Agent

By:  _____
Name:
Title: **GEOVANNI BARRIS**
VICE PRESIDENT

[Signature Page to Grant of Security Interest in Trademarks – Interlake Acquisition Corporation Limited]

STATE OF)
) ss
COUNTY OF)

On the 12th day of March, 2004, before me personally came Geovanni Barris, who is personally known to me to be the Vice President of The Bank of New York, a New York banking corporation; who, being duly sworn, did depose and say that she/he is the Vice President 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 corporation; and that she/he acknowledged said instrument to be the free act and deed of said corporation.


Notary Public

(PLACE STAMP AND SEAL ABOVE)

ROBERT HIRSCH
Notary Public, State of New York
No. 01HI6076679
Qualified in Rockland County
Commission Expires July 1, 2006

[Signature Page to Grant of Security Interest in Trademarks – Interlake Acquisition
Corporation Limited]

TRADEMARK
REEL: 002820 FRAME: 0075

SCHEDULE A

U.S. Trademarks Registrations and Applications

<u>Trademark</u>	<u>Registration or Serial Number</u>
"Interlake"	2,584,184
"Interlake Paper"	2,568,785