

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
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<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
CITYFOREST CORPORATION		04/13/2007	CORPORATION: MINNESOTA
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	ASSOCIATED BANK, NATIONAL ASSOCIATION		
<b>Street Address:</b>	200 NORTH ADAMS STREET		
<b>City:</b>	GREEN BAY		
<b>State/Country:</b>	WISCONSIN		
<b>Postal Code:</b>	54301		
<b>Entity Type:</b>	NATIONAL BANKING ASSOCIATION: WISCONSIN		
<b>PROPERTY NUMBERS Total: 2</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Registration Number:</b>	2321203	CITYFOREST	
<b>Registration Number:</b>	2326010		
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	(612)338-3857		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
<b>Phone:</b>	612338-0115		
<b>Email:</b>	glipp@fwhtlaw.com		
<b>Correspondent Name:</b>	GLENDA M. LIPP C/O FABYANSKE LAW FIRM		
<b>Address Line 1:</b>	800 LASALLE AVENUE		
<b>Address Line 2:</b>	SUITE 1900		
<b>Address Line 4:</b>	MINNEAPOLIS, MINNESOTA 55402		
<b>NAME OF SUBMITTER:</b>	GLENDA LIPP		
<b>Signature:</b>	/GLENDA LIPP/		
<b>Date:</b>	04/13/2007		

OP \$65.00 2321203

**Total Attachments: 8**

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**ASSIGNMENT OF SECURITY INTEREST AND NOTICE OF  
SECURITY INTEREST IN U.S. TRADEMARKS**

BE IT KNOWN THAT:

WHEREAS, CityForest Corporation, a Minnesota corporation, having a place of business at 1215 East Worden Avenue, Ladysmith, WI 54848 ("Grantor") has granted to Associated Bank, National Association, having a place of business at 200 North Adams Street, Green Bay, WI 54301, in its capacity as collateral agent (in such capacity, the "Collateral Agent"), a security interest in Grantor's trademarks and trademark applications pursuant to a Security Agreement dated as of June 29, 2005 (the "Security Agreement"); and

WHEREAS, the Collateral Agent recorded a Notice of Security Interest in U. S. Trademarks (the "Notice") against the trademarks and trademark applications identified on Schedule A attached hereto in the U.S. Patent and Trademark Office on July 6, 2005 at Reel 3190, Frame 0657; and

WHEREAS, the Collateral Agent has assigned its rights in the Security Agreement to Associated Bank, National Association in its individual capacity (in such capacity, the "Bank") pursuant to an Assignment and Amendment of Security Agreement dated as of March 21, 2007, a copy of which is attached hereto as Exhibit 1.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Collateral Agent does hereby assign to the Bank all of the Collateral Agent' right, title and interest in and to the Collateral Agent's security interest in the trademarks and trademark applications set forth on Schedule A attached hereto and in and to the Notice.

Date: ~~March xx, 2007~~  
April 13, 2007

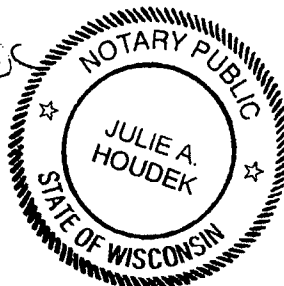
ASSOCIATED BANK, NATIONAL  
ASSOCIATION, as Collateral Agent

By: *Stephen E. Pasowicz*  
Name: Stephen E. Pasowicz  
Title: Vice President Corporate Banking

Subscribed and sworn to before me  
this 13 day of ~~March~~, 2007.  
April

*Julie A. Houdek*

Notary Public Julie A. Houdek  
Commission Expires: 7/25/2010



**SCHEDULE A**

**TRADEMARKS AND TRADEMARKS APPLICATIONS**

**PART I. TRADEMARKS**

<b>Mark</b>	<b>Registration No.</b>	<b>Registration Date</b>
CityForest	2,321,203	February 22, 2000
CityForest Design	2,326,010	March 7, 2000

**PART II. TRADEMARK APPLICATIONS**

NONE

## ASSIGNMENT OF SECURITY AGREEMENT AND AMENDMENT

This Assignment of Security Agreement and Amendment is dated as of March 21, 2007 (the "Assignment and Amendment"), by and among CELLU TISSUE-CITYFOREST LLC, a Minnesota limited liability company (the "Borrower") resulting from the conversion of CITYFOREST CORPORATION, a Minnesota corporation ("CF Corporation"), into a limited liability company, having its principal place of business at 1215 East Worden Avenue, Ladysmith, Wisconsin 54848, ASSOCIATED BANK, NATIONAL ASSOCIATION, a national banking association, in its capacity as Collateral Agent for the Secured Parties (in such capacity, the "Assignor"), and ASSOCIATED BANK, NATIONAL ASSOCIATION, a national banking association (in such capacity, the "Bank"), with an office located at 200 North Adams Street, Green Bay, Wisconsin, 54301.

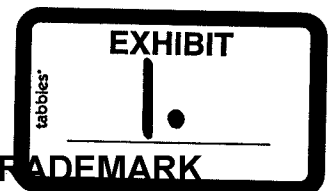
### RECITALS:

A. On June 29, 2005, CF Corporation executed and delivered to Bank that certain Reimbursement Agreement, between CF Corporation and Bank (the "Original Reimbursement Agreement"), providing for Bank to issue on behalf of CF Corporation as account party an irrevocable, direct-pay letter of credit (the "Letter of Credit") in the maximum amount of Twenty Million Nine Hundred Forty-eight Thousand Nine Hundred Seventy-three and No/100 Dollars (\$20,948,973.00) (the "Maximum Letter of Credit Amount") and for Bank to make available to CF Corporation other financial accommodations, which, combined with the Maximum Letter of Credit Amount, will not exceed Twenty-six Million and No/100 Dollars (\$26,000,000.00)(capitalized terms used but not otherwise referred to in this Assignment and Amendment shall have the respective meanings assigned to such terms in the Reimbursement Agreement (as hereinafter defined).

B. As conditions to the effectiveness of the Original Reimbursement Agreement, the Bank required that CF Corporation, the Assignor, the Bank and the State of Wisconsin Investment Board, an instrumentality of the State of Wisconsin created under Chapter 15 of Wisconsin Statutes ("SWIB"), as agent for certain "Senior Subordinated Lenders" described in the Collateral Agency Agreement hereinafter described (in such capacity, the "Senior Subordinated Agent"), enter into that certain Collateral Agency and Intercreditor Agreement dated as of June 29, 2005 (the "Collateral Agency Agreement").

C. The Original Reimbursement Agreement was secured, in part, by that certain Security Agreement dated June 29, 2005 (the "Original Agreement") executed by CF Corporation in favor of Assignor covering the "Collateral" (as such term is defined in the Original Agreement).

D. Subsequent to the date of the Collateral Agency Agreement and prior to the date hereof, CF Corporation has paid in full all of the "Senior Subordinated Obligations" described in the Collateral Agency Agreement, such that neither the Senior Subordinated Agent nor any such Senior Subordinated Lender has an interest in the "Collateral" subject to the Collateral Agency Agreement and, in light of such payment in full, Assignor has agreed to assign all of its right, title and interest in the Original Agreement to Bank pursuant to this Assignment and Amendment.



E. On the date hereof, all of CF Corporation's issued and outstanding capital stock has been acquired by Cellu City Acquisition Corporation (the "Cellu Tissue Merger Sub"), a wholly-owned subsidiary of Cellu Tissue Holdings, Inc., a Delaware corporation ("Cellu Tissue"), pursuant to that certain Merger Agreement dated as of February 26, 2007 (the "Cellu Tissue Merger Agreement") among Cellu Tissue, Cellu Tissue Merger Sub, CF Corporation and Wayne Gullstad as representative of the shareholders of CF Corporation and Cellu Tissue Merger Sub has been merged (the "Cellu Tissue Merger") into CF Corporation with CF Corporation being the surviving corporation and CF Corporation has been converted (the "CF Corporation Conversion") into the Borrower.

F. Borrower has requested Bank's consent to the Cellu Tissue Merger and the CF Corporation Conversion, and Bank has agreed to consent, provided that Borrower, as the surviving entity of the Cellu Tissue Merger and the CF Corporation Conversion, amend and restate the Original Reimbursement Agreement pursuant to that certain Amended and Restated Reimbursement Agreement of even date herewith (the Original Reimbursement Agreement, as so amended and restated, together with any and all renewals, amendments extensions for any period, increases or rearrangements thereof is referred to as the "Reimbursement Agreement").

G. Pursuant to the Reimbursement Agreement, Borrower and Bank have agreed to amend the Original Agreement as set forth below.

#### AGREEMENTS

1. Defined Terms. All capitalized terms used in this Assignment and Amendment shall, except where the context otherwise requires, have the meanings set forth in the Original Agreement as amended hereby or the Reimbursement Agreement.

2. Assignment. For valuable consideration, the sufficiency of which is hereby acknowledged, Assignor hereby sells, assigns and transfers to Bank all of its right title and interest in the Original Agreement so that, after giving effect to such assignment, the Bank is the sole "Secured Party" under the Original Agreement, as amended by this Assignment and Amendment.

3. Amendments. The Original Agreement is hereby amended as follows:

(a) The Original Agreement is generally amended so that:

(i) any reference to the "Borrower" shall be deemed to be a reference to Cellu Tissue-CityForest LLC, a Minnesota limited liability company;

(ii) any reference to the "Collateral Agent", any "Secured Party", the "Secured Parties" or the "Required Secured Parties" shall be deemed to be a reference to the Bank;

(iii) any reference to the "Reimbursement Agreement" shall be deemed to be a reference to the Amended and Restated Reimbursement Agreement dated

as of March 21, 2007 between the Borrower and the Bank, as amended, modified supplemented or restated from time to time;

(iv) any reference to the "Secured Obligations" shall be deemed to be a reference to the "Senior Obligations";

(v) any reference to the "Collateral Agency Agreement" shall be deemed to be a reference to the "Reimbursement Agreement"; and

(vi) any reference to "State of Wisconsin Investment Board", the "Senior Subordinated Lender", the "Amended and Restated Senior Subordinated Loan Agreement", any "Senior Subordinated Loan Document", the loan from the State of Wisconsin Investment Board to CityForest Corporation and any other reference to the subordinated loan referenced in the Amended and Restated Senior Subordinated Loan Agreement shall be deleted, it being understood and agreed that CityForest Corporation has repaid in full the loan evidenced by the Amended and Restated Senior Subordinated Loan Agreement.

(b) The Original Agreement is hereby further generally amended by the parenthetical clause of Section 1(g) of the Original Agreement is hereby deleted in its entirety.

(c) The two parenthetical clauses of Section 5(d) of the Original Agreement are hereby deleted in their respective entireties.

4. Validity; No Default. Borrower hereby represents and warrants to Bank as follows:

(a) The Original Agreement, as amended by this Assignment and Amendment, is the legal, valid and binding obligation of Borrower and is enforceable in accordance with its terms; and

(b) No Event of Default has occurred and is continuing or will result from the effectiveness of this Assignment and Amendment.

5. Reference to and Effect on the Original Agreement.

(a) From and after the date of this Assignment and Amendment, each reference in the Original Agreement to "this Agreement", "this Security Agreement", "hereunder", "hereof", "herein" or words of like import referring to the Original Agreement and each reference in any other Loan Document to the "Security Agreement" or words of like import referring to the Original Agreement shall mean and be a reference to the Original Agreement as amended hereby;

(b) Except as specifically set forth above, the Original Agreement remains in full force and effect and is hereby ratified and confirmed; and

(c) The execution, delivery and effectiveness of this Assignment and Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of Bank under the Original Agreement, as amended by this Assignment and Amendment, nor constitute a waiver of any provision of the Original Agreement.

6. Headings. Section headings in this Assignment and Amendment are included herein for convenience of reference only and shall not constitute a part of this Assignment and Amendment for any other purpose.

7. Recitals. The recitals to this Assignment and Amendment constitute a part of this Agreement.

8. Counterparts. This Assignment and Amendment may be executed in counterparts and by separate parties in separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same document.

9. Governing Law. The parties agree that this Assignment and Amendment is to be construed and governed by the laws of the State of Minnesota.

10. Time of Essence. Time shall be of the essence as to each and every provision of this Assignment and Amendment.

[SIGNATURE PAGE TO FOLLOW]



IN WITNESS WHEREOF, the parties have executed this Assignment and Amendment as of the date first written above.

**BORROWER:**

**CELLU TISSUE-CITYFOREST LLC**, a  
Minnesota limited liability company

By: Dianne M. Scheu  
Name: Dianne M. Scheu  
Title: Senior Vice President and  
Chief Financial Officer

**ASSIGNOR:**

**ASSOCIATED BANK, NATIONAL  
ASSOCIATION**, a national banking association, as  
Collateral Agent for the Secured Parties

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**BANK:**

**ASSOCIATED BANK, NATIONAL  
ASSOCIATION**, a national banking association

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Assignment and Amendment as of the date first written above.

**BORROWER:**

**CELLU TISSUE-CITYFOREST LLC**, a  
Minnesota limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ASSIGNOR:**

**ASSOCIATED BANK, NATIONAL  
ASSOCIATION**, a national banking association, as  
Collateral Agent for the Secured Parties

By: Thomas M. Toerpe  
Name: **Thomas M. Toerpe**  
Title: **Vice President**

**BANK:**

**ASSOCIATED BANK, NATIONAL  
ASSOCIATION**, a national banking association

By: Thomas M. Toerpe  
Name: **Thomas M. Toerpe**  
Title: **Vice President**