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Form PTO-1594
(Rev. 03/01)
OMB No. 0651-0027 (exp. 5/31/2002)
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T U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

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

1. Name of conveying party(ies):
Avalon Natural Products, Inc.

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

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: PB Capital Corporation
Internal Address: _____
Address: _____
Street Address: 590 Madison Avenue
City: New York State: NY Zip: 10022

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

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

Execution Date: August 15, 2002

4. Application number(s) or registration number(s):
A. Trademark Application No.(s)
See attached Schedule 1

B. Trademark Registration No.(s)
See attached Schedule 1

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Inna Fayenson, Esq.
Internal Address: Kronish Lieb Weiner & Hellman LLP
Street Address: 1114 Avenue of the Americas
City: New York State: NY Zip: 10036

6. Total number of applications and registrations involved: 15

7. Total fee (37 CFR 3.41).....\$ 390.00
 Enclosed
 Authorized to be charged to deposit account

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

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.

Inna Fayenson
Name of Person Signing

Inna Fayenson
Signature

9/9/02
Date

Total number of pages including cover sheet, attachments, and document: 10
Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

09/10/2002 DBYRNE 00000135 2392412
01 FC:481
02 FC:482

40.00 OP
350.00 OP

TRADEMARK
REEL: 002578 FRAME: 0268

Trademarks**I. Registered U.S. Trademarks**

<u>Jurisdiction</u>	<u>Trademark</u>	<u>Int'l Class</u>	<u>Registration No.</u>	<u>Registration Date</u>
US	ACTIVE ORGANICS	3	2,392,412	10/03/00
US	ALBA BOTANICA	3	1,594,811	05/08/90
US	LIP HONEY	3	2,462,411	06/19/01
US	PLANT POWERED LIP CARE	3, 5	2,241,133	04/20/99
US	SMART MOUTH	3	2,062,320	05/13/97
US	SONOMA SOAP CO and DESIGN	3	2,359,132	6/20/00
US	SONOMA SOAP CO PURE HONEY	3	2,386,818	9/19/00
US	TERRA TINTS	3	2,338,972	04/04/00
US	UN-CHAP	3, 5	1,801,338	10/26/93
US	UN-PETROLEUM	3	1,817,317	01/18/94
US	UN-PETROLEUM & DESIGN	3, 5	1,970,218	04/23/96
US	UN-PETROLEUM JELLY	3	1,597,079	05/22/90

II. Pending U.S. Trademark Applications

<u>Country</u>	<u>Trademark</u>	<u>Int'l Class</u>	<u>Serial No.</u>	<u>Filing Date</u>
US	ALBA	3	75-931,156	02/29/00
US	AVALON	3	75-635,579	02/05/99
US	AVALON ORGANIC BOTANICALS	3	75-635,578	02/05/99

TRADEMARK SECURITY AGREEMENT

WHEREAS, Avalon Natural Products, Inc., a California corporation (herein referred to as "Grantor"), owns the Marks (as defined in the Security Agreement referred to below) listed on Schedule 1 annexed hereto;

WHEREAS, the Grantor, Avalon Holding Corporation and NCP-ANP Acquisition Corporation (collectively, the "Borrowers"), the lenders party thereto from time to time and PB Capital Corporation, as Administrative Agent and as Arranger (the "Lenders") have entered into a Credit Agreement dated as of the date hereof (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"); and

WHEREAS, pursuant to the terms of the Security Agreement of even date herewith (as amended, supplemented or otherwise modified from time to time, the "Security Agreement"), between the Borrowers and PB Capital Corporation, as Collateral Agent for the secured parties referred to therein (in such capacity, together with its successors in such capacity, the "Grantee"), Grantor has granted to Grantee for the benefit of such secured parties, a security interest in substantially all the assets of the Grantor including, without limitation, all right, title and interest of Grantor in, to and under all Grantor's Marks (as defined in the Security Agreement), whether now existing or hereafter from time to time acquired, together with the goodwill of the business symbolized by the Marks, and all Proceeds (as defined in the Security Agreement) and products of any or all thereof to secure the payment of all amounts owing under the Credit Agreement and the other Obligations (as defined in the Security Agreement);

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby grant to Grantee, pursuant and subject to the Security Agreement, for the benefit of the Lenders a continuing security interest in all of Grantor's right, title and interest in, to and under the following (all of the following items or types of property being herein collectively referred to as the "Trademark Collateral"), whether presently existing or hereafter acquired:

- (i) each Mark, including, without limitation, each Mark referred to in Schedule 1 annexed hereto, and all of the goodwill of the business symbolized by, each Mark; and
- (ii) all products and Proceeds of the foregoing.

This security interest is granted pursuant to and in accordance with the security interests granted to the Grantee under the Security Agreement. Grantor does hereby further acknowledge and affirm that the rights and remedies of Grantee with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

This Trademark Security Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. A set

of counterparts executed by all the parties hereto shall be lodged with the Borrowers and the Grantee.

[SIGNATURE PAGE FOLLOWS]

By: _____

Name:

Title:

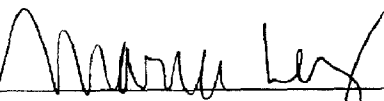
Acknowledged:

PB CAPITAL CORPORATION, as Collateral
Agent

By:  _____

Name: Perry Forman

Title: Vice President

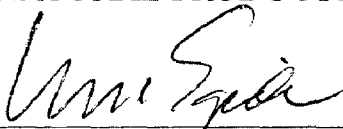
By:  _____

Name: Maria Levy

Title: Vice President

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be duly executed by its officer thereunto duly authorized as of the 15 day of August, 2002.

AVALON NATURAL PRODUCTS, INC.

By: 
Name: MARK A. REGIDE
Title: CEO

Acknowledged:
PB CAPITAL CORPORATION, as Collateral
Agent

By: _____
Name: Perry Forman
Title: Vice President

By: _____
Name: Maria Levy
Title: Vice President

State of California)
) ss.:
County of SONOMA)

On 8/15/02 before me, Michelle D. Thomas, Notary Public, personally appeared MARK A. EGIDE, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

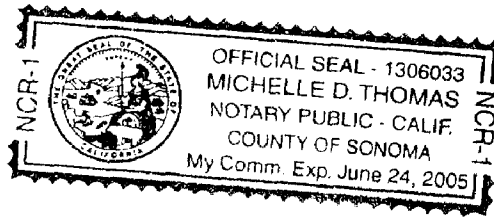
Witness my hand and official seal.

Michelle D. Thomas

[Seal]

My Commission Expires:

June 24, 2005



Trademarks**I. Registered U.S. Trademarks**

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US	LIP HONEY	3	2,462,411	06/19/01
US	PLANT POWERED LIP CARE	3, 5	2,241,133	04/20/99
US	SMART MOUTH	3	2,062,320	05/13/97
California	SONOMA SOAP COMPANY	3	103,332	1/12/98
US	SONOMA SOAP CO and DESIGN	3	2,359,132	6/20/00
US	SONOMA SOAP CO PURE HONEY	3	2,386,818	9/19/00
US	TERRA TINTS	3	2,338,972	04/04/00
US	UN-CHAP	3, 5	1,801,338	10/26/93
US	UN-PETROLEUM	3	1,817,317	01/18/94
US	UN-PETROLEUM & DESIGN	3, 5	1,970,218	04/23/96
US	UN-PETROLEUM JELLY	3	1,597,079	05/22/90

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US	AVALON	3	75-635,579	02/05/99
US	AVALON ORGANIC BOTANICALS	3	75-635,578	02/05/99

III. Canadian Registered Trademarks

<u>Jurisdiction</u>	<u>Trademark</u>	<u>Int'l Class</u>	<u>Registration No.</u>	<u>Registration Date</u>
Canada	ALBA BOTANICA	3	454,191	02/16/96
Canada	LIP SPICE	3, 5	467,406	12/10/96
Canada	PLANT POWERED LIP CARE	3	531,004	08/10/00
Canada	SMART MOUTH	3	506,765	01/18/99
Canada	UN-PETROLEUM	3	480,486	08/14/97
Canada	UN-PETROLEUM JELLY	3	458,205	05/31/96
Canada	UN-PETROLEUM LIP JELLY	3	497,606	07/22/98

IV. Canadian Pending Trademark Applications

Canada	AVALON	3	1,090,204	01/24/01
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V. Foreign Registered Trademarks

UK*	LIP SPICE	3	1,557,010	12/18/93
UK*	UN-PETROLEUM	3	2,019,430	5/3/95
UK*	UN-PETROLEUM LIP JELLY	3	2,035,690	9/20/95
EU*	SMART-MOUTH	3, 5	301,846	9/8/98
Benelux*	LIP SPICE	5	554,291	6/2/94
Benelux*	UN-PETROLEUM	3	556,966	6/2/94
Benelux*	UN-PETROLEUM LIP JELLY	3	552,945	6/2/94
France*	UN-PETROLEUM	3	94-517,095	4/20/94
France*	UN-PETROLEUM LIP JELLY	3	94-525,081	6/14/94

* Owned as of record by Autumn-Harp, Inc.

VI. Foreign Pending Trademark Applications

Int'l

Filing

<u>Country</u>	<u>Trademark</u>	<u>Class</u>	<u>Serial No.</u>	<u>Date</u>
EU	AVALON	3, 5	2,054,039	01/24/01
Finland	AVALON	3	200,100,509	02/09/01
Hungary	AVALON	3	M01 00754	2/6/01
Malaysia	AVALON	3	2001-01135	1/30/01
Philippines	AVALON	3	4-2001-01902	3/15/01
South Korea	AVALON	3	2001-23839	6/1/01