

10-02-2002



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10/2/02

Form PTO-1594

(Rev. 03/01)

OMB No. 0651-0027 (exp. 5/31/2002)

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

Tab settings ⇌ ⇌ ⇌ ▼ ▼ ▼ ▼ ▼ ▼ ▼

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)
- General Partnership
- Corporation-State
- Other
- Association
- Limited Partnership

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: August 15, 2002

2. Name and address of receiving party(ies)

Name: PB Capital Corporation

Internal

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

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

A. Trademark Application No.(s)

N/A

B. Trademark Registration No.(s)

1,252,630

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Caroline Demirs

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:

1

7. Total fee (37 CFR 3.41) \$40.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

N/A

(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.

Caroline Demirs

Name of Person Signing

Caroline Demirs
Signature

9/30/02

Date

Total number of pages including cover sheet, attachments, and document: 8

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

10/02/2002 6TON11 00000104 1252630

01 FC:481

40.00 DP

TRADEMARK
REEL: 002591 FRAME: 0626

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

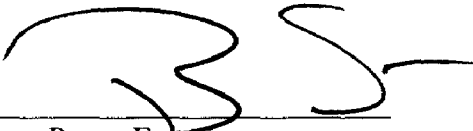
of counterparts executed by all the parties hereto shall be lodged with the Borrowers and the Grantee.

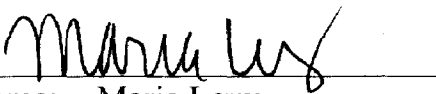
IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be duly executed by its officer thereunto duly authorized as of the 15 day of August, 2002.

[SIGNATURE PAGE FOLLOWS]

By: _____
Name:
Title:

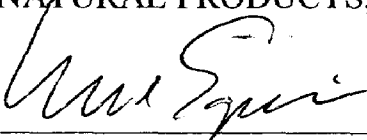
Acknowledged:
PB CAPITAL CORPORATION, as Collateral
Agent

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. EGEDE
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.

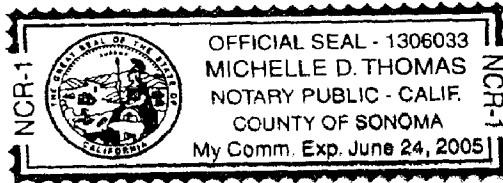
Witness my hand and official seal.

Michelle D. Thomas

[Seal]

My Commission Expires:

June 24, 2005



Schedule 1

Trademarks

I. Registered U.S. Trademarks

<u>Jurisdiction</u>	<u>Trademark</u>	Registration <u>No.</u>	Registration <u>Date</u>
US	Beauty Without Cruelty	1,252,630	10/04/1983

II. Canadian Trademark Application

<u>Jurisdiction</u>	<u>Trademark</u>	Application <u>No.</u>	Application <u>Date</u>
Canada	Beauty Without Cruelty	1,031,352	10/06/1999

Direct Dial: 212-479-6609
E-mail: cdemirs@kronishlieb.com

September 30, 2002

Commissioner of Patents and Trademarks
Assignment Division
1213 Jefferson Davis Highway
Suite 300
Arlington, Virginia 22202

Re: Security Interest Recordation;
Trademark Security Agreement

To the Honorable Commissioner of Patents and Trademarks:

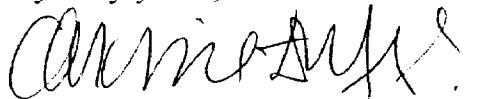
Enclosed please find the following:

1. A Trademark Security Agreement,
2. Recordation Form Cover Sheet; and
3. A check in the amount of \$40.00 to cover the fee for recordation of the Trademark Security Agreement.

Please record the Trademark Security Agreement. Please acknowledge your receipt of this letter and the accompanying materials by stamping the enclosed copy of this letter and returning it in the enclosed self-addressed and prepaid envelope.

If you should have any questions, please do not hesitate to contact me at 212-479-6609.

Very truly yours,



Caroline E. Demirs

cc: Inna Fayenson, Esq.
Stephanie Ann Masucci

Enc.

1114 Avenue of the Americas, New York, NY 10036-7798

Phone: (212) 479-6000 • Fax: (212) 479-6275

TRADEMARK
REEL: 002591 FRAME: 0633

Direct Dial: 212-479-6609
E-mail: cdemirs@kronishlieb.com

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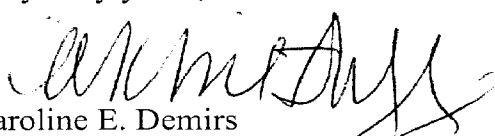
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cc: Inna Fayenson, Esq.
Stephanie Ann Masucci

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1114 Avenue of the Americas, New York, NY 10036-7798

Phone: (212) 479-6000 • Fax: (212) 479-6275

RECORDED: 10/02/2002

TRADEMARK
REEL: 002591 FRAME: 0634