

Form PTO-1594 4-7-03 RE
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S. DEPARTMENT OF COMMERCE
J.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):
Natural Factors Nutritional Products Ltd.

Individual(s) Association
 General Partnership Limited Partnership
 Corporation: Canada
 Other _____

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

2. Name and address of receiving party(ies)

Name: The Bank of Nova Scotia
Internal _____
Address: _____
Street Address: 20555 - 56th Avenue
Langley, British Columbia, Canada V3A 4R3

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation: Canada
 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: November 1, 2002

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

A. Trademark Application No.(s)
75/453,909 76/215,249

Additional number(s) attached Yes No

B. Trademark Registration No.(s)
2,476,404 2,018,626 1,246,192

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

Name: Brent D. Sanders
Internal Address: Perkins Coie LLP

Street Address: 1201 Third Avenue, Suite 4800

City: Seattle State: WA Zip: 98101-3099

6. Total number of applications and registrations involved: 5

7. Total fee (37 CFR 3.41) \$140.00
 Enclosed
 Authorized to be charged to deposit amount _____

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

Brent D. Sanders [Signature] March 31, 2003
Name of Person Signing Signature Date

04/08/2003 DBYRNE 00000175 75453909
01 FC:8521 40.00 DP
02 FC:8522 100.00 DP

Total number of pages including cover sheet, attachments, and documents: 6
Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademark, Box Assignments
Washington, D.C. 20231

**AGREEMENT
(TRADEMARK)**

THIS AGREEMENT (TRADEMARK) (the "**Agreement**"), dated as of November 1, 2002, is between Natural Factors Nutritional Products Ltd. (the "**Grantor**"), and THE BANK OF NOVA SCOTIA (the "**Secured Party**").

WITNESSETH

WHEREAS, pursuant to a Credit Agreement dated June 18, 2002 (together with all amendments and other modifications, if any, from time to time thereafter made thereto and any replacements thereof, the "**Credit Agreement**"), between the Grantor and the Secured Party, the Secured Party has committed to extend a credit facility to the Grantor;

WHEREAS, in connection with the Credit Agreement, the Grantor has executed and delivered to the Secured Party, *inter alia*, a general security agreement dated November 1, 2001 (collectively, together with all amendments and other modifications, if any, from time to time thereafter made thereto, the "**Security Agreement**");

WHEREAS, as a condition precedent to extending the credit under the Credit Agreement, the Grantor is required to execute and deliver this Agreement and to grant to the Secured Party a continuing security interest in all of the Trademark Collateral (as defined below) to secure all Secured Obligations; and

WHEREAS, the Grantor 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 Secured Party to continue the extension of credit to the Grantor pursuant to the Credit Agreement, the Grantor agrees with the Secured Party as follows:

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 in the Security Agreement.

2. Grant of Security Interest

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to secure all of the Obligations, the Grantor does hereby mortgage, pledge and hypothecate to the Secured Party, and grant to the Secured Party a security interest in all of the following property (the "**Trademark Collateral**"), whether now owned or hereafter acquired or existing:

(a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, certification marks, collective marks, logos, other source of business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of a like nature (all of the foregoing items in this clause (a) being collectively called a "Trademark"), now existing anywhere in the world or hereafter adopted or acquired, whether currently in use or not; and all common law rights thereto, all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the Canadian Trademark Office, the United States Trademark Office, or in any office or agency of Canada or any foreign country, including those Trademarks referred to in Addendum I hereto;

(b) all Trademark licenses, including each Trademark license referred to in Addendum I hereto;

(c) all reissues, extensions or renewals of any of the items described in clauses (a) and (b);

(d) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clauses (a), (b) and (c); and

(e) all proceeds of, and rights associated with, the foregoing, including any claim by the Grantor against third parties for past, present, or future infringement or dilution of any Trademark, Trademark registration or Trademark license, including any Trademark, Trademark registration or Trademark license referred to in Addendum I hereto, or for any injury to the goodwill associated with the use of any Trademark or for breach or enforcement of any Trademark license.

3. Representations and Warranties

The Grantor hereby represents and warrants to the Secured Party that:

(a) The Grantor has all right, title and interest in all Trademarks reasonably necessary for the conduct of its business;

(b) The Grantor is not infringing on the intellectual property rights of any person;

(c) The Grantor is the owner or licensee, as the case may be, of the Trademark Collateral, and that all applications and registrations are valid and in good standing, and that all such trade-marks have been in continuous use in association with the wares and services in respect of which such trade-marks are registered;

(d) there has been no infringement, passing off or any other claims made against the Grantor or any of Trademark Collateral; and

(e) that the Grantor has in place and will maintain such confidentiality and other agreements as may be necessary from time to time to preserve Trademark Collateral, and

obtain from all employees (and appropriate third parties providing services to the Grantor), releases of any claims against Trademark Collateral.

4. Covenants

The Grantor hereby agrees with the Secured Party that:

(a) the grants, assignments, transfers, mortgages and charges created hereby with respect to the Trademark Collateral shall be security interests therein (including in any royalties or other like payments to which the Grantor may be entitled for any Trademark Collateral it licenses to others) and, to the extent that such security interests constitute assignments, shall not constitute an absolute (but only a conditional) assignment of the Grantor's interest in such Trademark Collateral; and

(b) it will maintain and preserve, and cause each of its subsidiaries (if any) to maintain and preserve, all of the Trademark Collateral (including without limitation, trademarks, trade-mark applications, design marks and design mark applications described in this Agreement) so as to permit the Grantor's business to be properly and advantageously conducted at all times.

5. Security Agreement

This Agreement has been executed and delivered by the Grantor for the purpose of registering the security interest of the Secured Party in the Trademark Collateral with the Canadian Trademark Office, the United States Trademark Office, and corresponding offices in other countries of the world. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Secured Party under the Security Agreement. The Security Agreement (and all rights and remedies of the Secured Party) shall remain in full force and effect in accordance with its terms.

6. Release of Security Interest

Upon payment in full of all Obligations and the termination of all of the Secured Party's commitments under the Credit Agreement, the Secured Party shall, at the Grantor's expense, execute and deliver to the Grantor all instruments and other documents as may be necessary or proper to release the lien on and security interest in the Trademark Collateral which has been granted hereunder.

7. Acknowledgment

The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Secured Party with respect to the security interest in the Trademark Collateral 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.

8. Counterparts

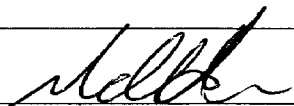
This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

9. References to Corporations, Secured Party

Each reference in this Agreement to any body corporate (including the Grantor and the Secured Party) shall be construed so as to include such body corporate and its successors, both immediate and derivative, to the extent the context so admits. Each reference to the Secured Party shall include any assignee of or successor to the rights of the Secured Party. Each reference to the Secured Party shall also include any permitted assignees of all or any part of any Lender's Commitment under the Credit Agreement from time to time.

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.

**GRANTOR:
NATURAL FACTORS NUTRITIONAL
PRODUCTS LTD.**


By: 
Name: MICHAEL HOBSON
Title: VICE PRESIDENT

Notice Address:

Attention: _____
Facsimile: _____

SECURED PARTY:

THE BANK OF NOVA SCOTIA

By: 
Name: Larry Kean
Title: Senior Relationship Manager

Notice Address:

20555 56th Ave. Langley BC. V3A 4R3.
Attention: Kathy Henderson
Facsimile: 604 - 532 6776

ADDENDUM I

**TRADEMARK NUMBERS
AND PENDING TRADEMARK APPLICATION NUMBERS**

(Attach Copies of Relevant Application/Registration)

Trademark Number	Country	Trademark	Product/Service	Date Issued
TMA257697	Canada	Natural Factors		
2476404	United States	Echinamide Active Defence Syrup		
2018626	United States	Natural Factors		
1246192	United States	Natural Factors		

Pending Trademark Country Application No.	Country	Trademark	Product/ Service	Filing Date
1007078	Canada	Echinamed		
75453909	United States	Echinamide		
76215249	United States	Natural Factors Logo (color)		

Trademarks that have been licenced to others by the Customer	Date of Agreement	Name of Licensee	Address of Licensee

Trademarks that have been licenced from others by the Customer	Date of Agreement	Name of Licensor	Address of Licensor