

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
Avalon Natural Products, Inc.		01/14/2005	CORPORATION: CALIFORNIA

RECEIVING PARTY DATA

Name:	Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services, Inc.
Street Address:	222 North LaSalle St., 15th Floor
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60601
Entity Type:	CORPORATION: DELAWARE

PROPERTY NUMBERS Total: 22

Property Type	Number	Word Mark
Serial Number:	75983532	ALBA
Serial Number:	75931156	ALBA
Serial Number:	76605371	AVALON CONSCIOUSNESS IN COSMETICS
Serial Number:	76465192	AVALON ORGANICS
Serial Number:	76605370	CONSCIOUSNESS IN COSMETICS
Serial Number:	78528629	COLORFUL BY NATURE
Serial Number:	78528638	HONOR YOUR BODY WITH CONSCIOUSNESS
Registration Number:	2392412	ACTIVE ORGANICS
Registration Number:	1594811	ALBA BOTANICA
Registration Number:	2667514	AVALON
Registration Number:	2667513	AVALON ORGANIC BOTANICALS
Registration Number:	1252630	BEAUTY WITHOUT CRUELTY
Registration Number:	2810020	CERTIFIED ORGANIC INGREDIENTS
Registration Number:	2462411	LIP HONEY

CH \$565.00 75983532

Registration Number:	2241133	PLANT POWERED LIP CARE
Registration Number:	2338972	TERRA TINTS
Registration Number:	1801338	UN-CHAP
Registration Number:	1817317	UN-PETROLEUM
Registration Number:	1970218	UN-PETROLEUM
Registration Number:	1597079	UN-PETROLEUM JELLY
Registration Number:	2386818	SONOMA SOAP CO PURE HONEY
Registration Number:	2359132	SONOMA SOAP CO

CORRESPONDENCE DATA

Fax Number: (202)637-3593
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 202-383-0100
Email: eteas@sablaw.com
Correspondent Name: Elisabeth A. Langworthy, Esq.
Address Line 1: 1275 Pennsylvania Ave, NW
Address Line 2: Sutherland Asbill & Brennan LLP
Address Line 4: Washington, DISTRICT OF COLUMBIA 20004-2415

NAME OF SUBMITTER:	Elisabeth A. Langworthy
Signature:	/EALangworthy/
Date:	01/18/2005

Total Attachments: 4
source=DOC000#page1.tif
source=DOC000#page2.tif
source=DOC000#page3.tif
source=DOC000#page4.tif

/

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (as amended or otherwise modified from time to time, this "**Agreement**") dated as of January 14, 2005 by AVALON NATURAL PRODUCTS, INC., a California corporation ("**Grantor**"), in favor of MERRILL LYNCH CAPITAL, a division of Merrill Lynch Business Financial Services Inc., in its capacity as Administrative Agent for the Lenders party to the Credit Agreement (defined below) ("**Grantee**"):

W I T N E S S E T H

WHEREAS, Grantor and Grantee are parties to a certain Credit Agreement dated as of January 14, 2005 (as amended or otherwise modified from time to time, the "**Credit Agreement**") providing for the extensions of credit to be made to Grantor by Lenders;

WHEREAS, pursuant to the terms of a certain Security Agreement dated as of the date of the Credit Agreement between Grantor and Grantee (as the same may be amended or otherwise modified from time to time, the "**Security Agreement**"), Grantor has granted to Grantee, for the benefit of Lenders, a security interest in substantially all of the assets of Grantor including all right, title and interest of Grantor in, to and under all now owned and hereafter acquired Trademarks (as defined in the Security Agreement), together with the goodwill of the business symbolized by Grantor's Trademarks, and all products and proceeds thereof, to secure the payment of all amounts owing by Grantor under the Credit Agreement;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Grantor agrees as follows:


1. Incorporation of Credit Agreement and Security Agreement. The Credit Agreement and Security Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Security Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the payment and performance of the Obligations, Grantor hereby grants to Grantee, for its benefit and the benefit of Lenders, and hereby reaffirms its prior grant pursuant to the Security Agreement of, a continuing security interest in Grantor's entire right, title and interest in and to the following (all of the following items or types of property being herein collectively referred to as the "**Trademark Collateral**"), whether now owned or existing or hereafter created, acquired or arising:

- (i) each Trademark listed on Schedule 1 annexed hereto, together with any reissues, continuations or extensions thereof, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark;
- and

IN WITNESS WHEREOF, Grantor has duly executed this Agreement as of the date first written above.

AVALON NATURAL PRODUCTS, INC.

By: 
Name: G. C. PLUTCHED
Title: PRES/CEO

Agreed and Accepted
As of the Date First Written Above

MERRILL LYNCH CAPITAL, a division of
Merrill Lynch Business Financial Services Inc.,
as Administrative Agent

By: _____
Name: _____
Title: _____


IN WITNESS WHEREOF, Grantor has duly executed this Agreement as of the date first written above.

AVALON NATURAL PRODUCTS, INC.

By: _____
Name: _____
Title: _____

Agreed and Accepted
As of the Date First Written Above

MERRILL LYNCH CAPITAL, a division of
Merrill Lynch Business Financial Services Inc.,
as Administrative Agent

By:  _____
Name: Mike Kriz
Title: Vice President

SCHEDULE 1

<u>Marks</u>	<u>Serial No.</u>
ALBA	75-983532
ALBA	75-931156
AVALON CONSCIOUSNESS IN COSMETICS	76-605371
AVALON ORGANICS	76-465192
CONSCIOUSNESS IN COSMETICS	76-605370
COLORFUL BY NATURE	78-528629
HONOR YOUR BODY WITH CONSCIOUSNESS	78-528638

<u>Marks</u>	<u>Reg. No.</u>
ACTIVE ORGANICS	2392412
ALBA BOTANICA	1594811
AVALON	2667514
AVALON ORGANIC BOTANICALS	2667513
BEAUTY WITHOUT CRUELTY	1252630
CERTIFIED ORGANIC INGREDIENTS (and Design)	2810020
LIP HONEY	2462411
PLANT POWERED LIP CARE	2241133
TERRA TINTS	2338972
UN-CHAP	1801338
UN-PETROLEUM	1817317
UN-PETROLEUM (and Design)	1970218
UN-PETROLEUM JELLY	1597079
SONOMA SOAP CO PURE HONEY	2386818
SONOMA SOAP CO. (and Design)	2359132