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U.S. DEPARTMENT OF COMMERCE Patent and Trademark Office

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To the Honorable Commissioner of Patents and Trademarks

Attached original documents or copy thereof.

1. Name of conveying party(ies):

Pest's Coffee and Tea, Inc.

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

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

3. Nature of conveyance:

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

Execution Date: December 17, 1998

2. Name and address of receiving party(ies)

Name: Comerica Bank-California

Internal Address:

Street Address: 10900 Wilshire Boulevard

City: Los Angeles State: CA ZIP: 90024

- Individual(s) citizenship, Association, General Partnership, Limited Partnership, Corporation-State, Other California Chartered Bank

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 patent number(s):

A. Trademark Application No.(s) 75/486 819, 75/234,184, 75/487,377, 75/518 496, 75/179,806, 75/178,827, 75/447 887, 75/486,820, 75/496,603

B. Trademark Registration No.(s) 1,061,798, 945,867, 955,284, 1,500,867, 1,496,949, 955,285, 1,818,311, 1,774,362

Additional numbers attached? Yes No

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

Name: Jill M. Pietrini, Esq.

Internal Address:

Manatt, Phelps & Phillips, LLP

Street Address: 11355 W. Olympic Blvd.

City Los Angeles State: CA ZIP: 90064

6. Total number of applications and registrations involved: 17

7. Total fee (37 CFR 3.41).....\$ 440.00

- Enclosed, Authorized to be charged to deposit account

8. Deposit account number:

DA 131 241

(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.

Jill M. Pietrini Name of Person Signing

Signature

December 31, 1998 Date

Total number of pages including cover sheet, attachments, and document: 13

01/12/1999 TTON11 00000108 1061798 All documents to be recorded with required cover sheet information to:

01 FC:481 40.00 OP 02 FC:482 400.00 OP

Commissioner of Patents & Trademarks, Box Assignments Washington, D.C. 20231

TRADEMARK REEL: 1838 FRAME: 0881

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is made as of December 16, 1998 by PEET'S COFFEE AND TEA, INC. a Washington corporation ("Borrower") PEET'S COMPANIES, INC., a Washington corporation ("Parent"), PEET'S TRADEMARK COMPANY, INC., a Washington corporation ("Trademark Co."), and each other entity that is identified on the signature pages hereof or that hereafter executes and delivers a Subsidiary Joinder in substantially the form set forth as Annex 1 hereto (Borrower, Parent, Trademark Co. and each such other entity, a "Grantor"), in favor of COMERICA BANK-CALIFORNIA, a California chartered bank, as the Lender (the "Lender").

RECITALS

A. Borrower and Lender are parties to a Credit Agreement, of even date herewith (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement").

B. Each Grantor, other than Borrower and Parent, is a direct or indirect subsidiary of Parent and expects to derive substantial direct and indirect benefit from the transactions contemplated by the Credit Agreement. Each Grantor, other than Borrower and Parent, has entered into a Subsidiary Guaranty (or a Subsidiary Joinder thereto) of even date herewith, in favor of Lender. Parent has entered into a Parent Guaranty of even date herewith, in favor of Lender.

C. Borrower has entered into a Borrower Pledge and Security Agreement, of even date herewith, in favor of the Lender. Each Grantor, other than Borrower and Parent, has entered into a Subsidiary Pledge and Security Agreement (or a Subsidiary Joinder thereto), dated of even date herewith in favor of the Lender. Parent has entered into a Parent Pledge and Security Agreement of even date herewith in favor of Lender.

D. It is a condition precedent to the extension of credit under the Credit Agreement that each Grantor shall have granted the security interests described herein as security for each and all the Secured Obligations (as that term is defined in the Pledge and Security Agreements) and as security for the other debts, liabilities and obligations secured hereunder.

NOW, THEREFORE, in consideration of the foregoing and in order to induce the Lender to extend credit under the Credit Agreement, each Grantor hereby agrees as follows:

AGREEMENT

To secure the Secured Obligations (as defined in the Pledge and Security Agreements), each Grantor grants and pledges to Lender a security interest in all of such Grantor's right, title and interest in, to and under its Intellectual Property Collateral (including without limitation those Copyrights, Patents and Trademarks listed on Schedules A, B and C hereto), and including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof.

This security interest is granted in conjunction with the security interest granted to Lender under the Pledge and Security Agreements. The rights and remedies of Lender with respect to the security interest granted hereby are in addition to those set forth in the Pledge and Security Agreements and the other Loan Documents, and those which are now or hereafter available to Lender as a matter of law

or equity. Each right, power and remedy of Lender provided for herein or in the Pledge and Security Agreements or any of the Loan Documents, or now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by Lender of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Credit Agreement or any of the other Loan Documents, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including Lender, of any or all other rights, powers or remedies.

IN WITNESS WHEREOF, the parties have cause this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above

GRANTOR:

Address of Grantor:

1400 Park Avenue
Emeryville, CA 94608
Attn: Mark Rudolph

PEET'S COFFEE AND TEA, INC.

By: Mark N. Rudolph

Title: CEO

PEET'S COMPANIES, INC

By: Mark N. Rudolph

Title: CEO

PEET'S TRADEMARK COMPANY, INC

By: Mark N. Rudolph

Title: CEO

LENDER:

Address of Bank:

333 West Santa Clara Street
San Jose, California 95113
Attn: Scott Smith

COMERICA BANK-CALIFORNIA

By: Scott S. Smith

Title: Vice President

SCHEDULE A

Copyrights

None

SCHEDULE B

Patents

None

SCHEDULE C

Trademark Applications

Serial Number

Application Date

See attached Schedule C-1

Schedule C-1

CONFIDENTIAL

**Trademark Property Status Report
By Country**

Prepared For

Peet's Coffee & Tea
1400 Park Ave.
Emeryville, CA 94608-3520

Prepared By

Townsend and Townsend and Crew LLP

<p>San Francisco Office Two Embarcadero Center Eighth Floor San Francisco, CA 94111 (415)-576-0200 voice (415)-576-0300 facsimile</p>	<p>Palo Alto Office 379 Lytton Avenue Palo Alto, CA 94301-1431 (650)-326-2400 voice (650)-326-2422 facsimile</p>	<p>Seattle Office Two Union Square 601 Union Street, Suite 5400 Seattle, WA 98101-2327 (206)-467-9600 voice (206)-623-6793 facsimile</p>	<p>Denver Office 1200 Seventeenth Street Suite 2700 Denver, CO 80202 (303)-571-4000 voice (303)-571-4321 facsimile</p>
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October 29, 1998

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 Trademark Property Status Report

Country	Trademark	Class(es)	Serial No. Filing Date	Reg. No. Issue Date	Status and Remarks	TTC Ref. Client Ref. Atty(s) Handled
Canada	PEETS		750846 03/29/94	465933 11/08/96	Registered Next Renewal Due: 11/08/11	18705-6CA JFS (BWS)
Canada	PEETS & MUG DESIGN		767729 11/03/94	466696 11/29/96	Registered Next Renewal Due: 11/29/11	18705-8CA JFS/TJA (BWS)
Canada	PEETS COFFEE & TEA (STYLIZED)		767728 11/03/94		Allowed	18705-9CA JFS/TJA (BWS)
Japan	PEETS			2663026	Registered Next Renewal Due: 05/31/04	18705-6-0-2JP JFS (BWS)
Japan	PEETS		33617/94 04/04/94	4045957 08/22/97	Registered Next Renewal Due: 08/22/07	18705-6JP JFS/TJA (BWS)
Japan	PEETS		33618/94 04/04/94	4024777 07/11/97	Published Next Renewal Due: 07/11/07	18705-6-0-1JP JFS/TJA (BWS)
Japan	PEETS (in Katakana)		33619/94 04/04/94	4111130 02/06/98	Registered Next Renewal Due: 02/06/08	18705-7JP JFS/TMS (BWS)
Japan	PEETS (in Katakana)		33620/94 04/04/94	4024778 07/11/97	Published Next Renewal Due: 07/11/07	18705-7-0-1JP JFS (BWS)
United States	BLEND 101		75/486819 05/19/98		Pending Response due (ext. to 03/14/99)	18705-19US (BWS)
United States	DEEP ROAST		75/234184 01/31/97		Pending Response to final Office action due (ext. to 10/22/98)	18705-5US JFS (BWS)

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 Trademark Property Status Report

United States	GAIA ORGANIC BLEND	030.	75/487377 05/18/98		Pending Date of First Use: 05/11/98 Response due (ext to 03/18/99)	18705-22US (BWS)
United States	GARUDA BLEND	030.	73/090372 06/14/76	1061798 03/22/77	Registered Date of First Use: 12/01/73 Affidavit of Use Due: 03/22/82, completed Next Renewal Due: 03/22/07 End Sec. 8 due 03/22/83, completed	18705-13US JFS/TJA (BWS)
United States	MAJOR DICKASON'S BLEND	030.	72/397592 07/16/71	945867 10/24/72	Registered Date of First Use: 04/01/67 Affidavit of Use Due: 10/24/77, completed Next Renewal Due: 10/24/02 End Sec. 8 due 10/24/78, completed	18705-15US (BWS)
United States	PEETS	030.	72/397590 07/16/71	955284 03/13/73	Registered Date of First Use: 04/01/66 Affidavit of Use Due: 03/13/78, completed Next Renewal Due: 03/13/03 End Sec. 8 due 03/13/79, completed	18705-6US JFS/TMS (BWS)
United States	PEETS	042.	73/685493 09/21/87	1500867 08/16/88	Registered Date of First Use: 04/01/66 Affidavit of Use Due: 08/16/93, completed Next Renewal Due: 08/16/08 End Sec. 8 due 08/16/94, completed 8&15 accepted 3/7/94.	18705-6-0-1US JFS (BWS)
United States	PEETS DEEP-ROAST	030.	75/518496 07/14/98		Pending Date of First Use: 03/01/97 Response due (ext. to 04/14/99)	
United States	PEETS & MUG DESIGN	030; 042.	73/685492 09/21/87	1496949 07/19/88	Registered Date of First Use: 06/01/87 Affidavit of Use Due: 07/19/93, completed Next Renewal Due: 07/19/08 End Sec. 8 due 07/19/94, completed 8&15 accepted 3/2/94.	18705-8US JFS (BWS)
United States	PEETS & NEW MUG DESIGN	030; 035; 042.	75/179806 10/09/96		Abandoned abandonment of the matter/closure of file 5/21/98, notice of abandonment 7/24/98	18705-12US JFS/TJA (BWS)

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Trademark Property Status Report

United States	PEET'S COFFEE TEA & SPICES & DESIGN	030,	72/097593 07/16/71	955285 03/13/73	Registered Date of First Use: 04/01/66 Affidavit of Use Due: 03/13/78; completed Next Renewal Due: 03/13/03 End Sec.8 due 03/13/79; completed	18705-11US JFS (BWS)
United States	PEET'S COFFEE & TEA (NEW STYLIZED)	030; 035; 042;	75/178827 10/09/96		Abandoned abandonment of ltc matter/closure of file 521/98; notice of abandonment 7/24/98;	18705-10US JFS/TJA (BWS)
United States	PEET'S COFFEE & TEA (STYLIZED)	030; 042;	74/302214 08/05/92	1818311 01/25/94	Registered Date of First Use: 05/01/92 Affidavit of Use Due: 01/25/99 End Sec.8 due 01/25/00	18705-9US JFS (BWS)
United States	PUMPHREY'S BLEND	030;	74/320681 10/06/92	1774362 06/01/93	Registered Date of First Use: 04/01/67 Affidavit of Use Due: 06/01/98 End Sec.8 due 06/01/99	18705-14US JFS/TJA (BWS)
United States	SIERRA DORADA BLEND	030;	75/447887 03/10/98		Pending Date of First Use: 03/01/97	18705-4US (BWS)
United States	TOP BLEND	030;	75/486820 05/19/98		Pending Response due (ext. to 03/14/99)	18705-20US (BWS)
United States	VINE STREET BLEND	030;	75/496603 06/05/98		Pending	18705-21US (BWS)

Form of Subsidiary Joinder

**AGREEMENT TO BE BOUND BY
INTELLECTUAL PROPERTY SECURITY AGREEMENT**

This Agreement to be Bound by Intellectual Property Security Agreement (this "Agreement") is executed as of the _____ day of _____, _____, by [NAME OF NEW SUBSIDIARY], a _____ [corporation] [partnership] [etc.] (the "New Subsidiary").

RECITALS

A. On or about December ____, 1998, Peet's Coffee and Tea, Inc., a Washington corporation (the "Borrower") executed that certain Credit Agreement, dated as of December ____, 1998 (as amended to date, the "Credit Agreement"), by and between the Borrower and Comerica Bank-California, as Lender (the "Lender"). Terms not defined herein are used as defined in the Credit Agreement.

B. As a condition to the execution of the Credit Agreement by the Lender, all of the Subsidiaries of the Borrower executed that certain Subsidiary Guaranty, dated as of December ____, 1998 (as amended to date, the "Guaranty"), by and among the entities listed in the signature pages thereof in favor of the Lender.

C. In connection with the Credit Agreement and the Guaranty, all of the Subsidiaries of the Borrower executed that certain Subsidiary Pledge and Security Agreement dated as of December ____, 1998 (as amended to date, the "Pledge and Security Agreement") and an Intellectual Property Security Agreement dated as of December ____, 1998 (as amended to date, the "Intellectual Property Security Agreement") by and among the entities listed on the signature pages thereof in favor of the Lender.

D. Section 5.2(k) of the Credit Agreement provides that when the Parent acquires or forms a new Subsidiary, the Borrower and the Parent will cause such Subsidiary to deliver an executed counterpart to the Intellectual Property Security Agreement and such Subsidiary shall become a party to the Intellectual Property Security Agreement.

E. On [Insert Date], the New Subsidiary [Describe acquisition/formation of New Subsidiary]. The New Subsidiary will benefit from the funds available to the Borrower under the Credit Agreement, and in recognition of this benefit and in order to comply with the Credit Agreement, the New Subsidiary is willing to enter into this Agreement.

AGREEMENT

NOW, THEREFORE, the New Subsidiary agrees as follows:

1. Agreements. On and as of the date of this Agreement (the "Effective Date") and for the benefit of the Lender, the New Subsidiary hereby makes all of the agreements contained in the Intellectual Property Security Agreement, and delivers herewith amended Schedules to the extent necessary to make the statements therein true and correct, listing all Copyrights, Trademarks and Patents, with all registration and other identifying numbers thereto, and all other information required to be filed in order to perfect the security interest in the Intellectual Property Collateral.

2. Agreement to be Bound. The New Subsidiary agrees that, on and as of the Effective Date, it shall become a Grantor under the Intellectual Property Security Agreement and shall be bound by all the provisions of the Intellectual Property Security Agreement the same as if the New Subsidiary had executed the Intellectual Property Security Agreement on the Closing Date.

3. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California.

IN WITNESS WHEREOF, the New Subsidiary has caused this Agreement to be bound by Intellectual Property Security Agreement to be executed by its duly authorized officer.

[NAME OF NEW SUBSIDIARY]

By: _____

Name:

Title:

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

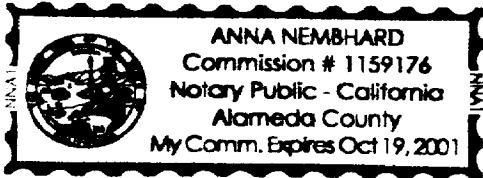
State of CALIFORNIA

County of ALAMEDA

On DECEMBER 17, 1998 before me, ANNA NEMBARD, NOTARY PUBLIC
Date Name and Title of Officer (e.g., "John Doe, Notary Public")

personally appeared MARIS Nelson Rudolph
Name(s) of Signer(s)

personally known to me - OR - proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESSES my hand and official seal

Anna C Nembard
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on this document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: INTELLECTUAL PROPERTY SECURITY AGREEMENT

Document Date: DECEMBER 16, 1998 Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer
- Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer
- Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

Signer Is Representing: _____