



101729538

HEET

OMB No. 0651-0011 (exp. 4/94)

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

1. Name of conveying party(ies): Caribou Coffee Company, Inc
5-17-01

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

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

2. Name and address of receiving party(ies)
Name: Arabica Funding, Inc.
Internal Address: _____
Street Address: 400 West Main Street, Suite 338
City: Babylon, State: NY ZIP: 11702

Individual(s) _____
 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: Security Interest in Licensed Trademarks

Execution Date: April 25, 2001

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

A. Trademark Application No.(s)
76/241,270
Continued on Attachment 1

B. Trademark Registration No.(s)
2,008,379
Continued on Attachment 1

Additional numbers attached? Yes No

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

Name: Travis L. Bachman
Internal Address: Dorsey & Whitney LLP
Street Address: 220 South Sixth Street
City: Minneapolis State: MN ZIP 55402

6. Total Number of applications and registrations involved: 18

7. Total fee (37 CFR 3.41): \$ 465.00
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number: 04-1420

(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.

Travis L. Bachman
Name of person Signing

Signature

5/16/01
Date

Total number of pages comprising cover sheet: 2

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

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

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

Attachment 1 to Recordal Cover Sheet**U.S. Federal Trademark Applications**

Trademark	Application Number	Filing Date
CARIBOU COFFEE	76/241,267	4/16/2001
CARIBOU COFFEE	76/241,266	4/16/2001
CARIBOU COFFEE	76/241,264	4/16/01
CARIBOU COFFEE (and Leaping Caribou Design)	76/243,004	4/17/2001
CARIBOU COFFEE (and Leaping Caribou Design)	76/243,003	4/17/2001
CARIBOU COFFEE (and Leaping Caribou Design)	76/242,587	4/18/2001
CARIBOU COFFEE (and Leaping Caribou Design)	76/243,006	4/17/2001
Hoof Design	76/241,265	4/16/2001
Leaping Caribou Design	76/241,269	4/16/2001
Leaping Caribou Design	76/241,268	4/16/2001
Leaping Caribou Design	76/241,271	4/16/2001
Leaping Caribou Design	76/241,272	4/16/2001
REINDEER NIBBLERS	76/243,005	4/17/2001

U.S. Federal Trademark Registrations

Trademark	Registration Number	Registration Date
LIFE IS SHORT. STAY AWAKE FOR IT.	2,000,062	9/10/96
CARIBOU COFFEE	1,839,091	6/7/94
CARIBOU COFFEE & Design	1,841,047	6/21/94

SECURITY AGREEMENT (TRADEMARKS)

This Security Agreement (Trademarks) is made as of April 25, 2001 by CARIBOU COFFEE COMPANY, INC. (the "Parent") and its existing Subsidiaries identified on the signature page hereof or who hereafter become parties hereto (collectively and individually with the Parent, the "Debtor"), in favor of ARABICA FUNDING, INC. (together with its successors and assigns, the "Secured Party").

1. Recitals.

A. The Debtor and the Secured Party are entering into various Caribou Lease/Purchase Documents as listed on Schedule A hereto of even date herewith (as the same may be amended, restated, renewed, replaced, supplemented or otherwise modified from time to time, together with any and all other documents, instruments and agreements hereafter entered into relating to any of the transactions covered thereby including without limitation landlord consents and the agency account agreements, real estate lease assignments and/or real estate leasehold mortgages contemplated by Section 24(b) of the Master Lease, as defined in Schedule A, the "Caribou Lease/Purchase Documents"), pursuant to which the Secured Party has agreed to buy assets from and lease assets back to the Parent, upon and subject to the terms and conditions thereof. Unless otherwise defined herein, terms defined in the Caribou Lease/Purchase Documents and used herein shall have the meanings given to them in the Master Lease.

B. The Parent has assigned to the Secured Party all right, title and interest, in and to all U.S. trademarks, trade names, corporate names, company names, business names, fictitious names, trade styles, service marks, logos, other source or business identifiers used by any Debtor in its business as presently operated, all registrations and recordings thereof, or in any applications in connection therewith, including those that now exist in the U.S. Patent and Trademark Office ("USPTO"), or in any similar office of the United States, all reissues, extensions, or renewals thereof, and all goodwill of the business symbolized by any trademark including, but not limited to those identified in Schedule B hereto (collectively, "Trademarks"). Pursuant to the Caribou/Lease Purchase Documents, the Secured Party has licensed the Trademarks back to the Parent. The Secured Party, for the benefit of itself, its successors and assigns, subject to the terms and agreements contained herein, wishes to acquire a security interest in all of the Debtor's existing and future right, title and interest in the Trademarks, together with all of the goodwill of the business in connection with such right, title and interest as security for the Obligations (as defined in the Master Lease). The Secured Party acknowledges and agrees the Debtor retains ownership of all right, title and interest, in and to all foreign trademarks, trade names, corporate names, company names, business names, fictitious names, trade styles, service marks, logos, other source or business identifiers, all registrations and recordings thereof, or in any applications in connection therewith, including those that now exist or may exist in the foreign trademark offices, all reissues, extensions, or renewals thereof, and all goodwill of the business symbolized by any trademark (collectively, "Foreign Trademarks").

2. Security Interest. The Debtor does hereby grant to Secured Party a security interest in all of its existing and hereafter acquired trademarks, service marks, trade names and assumed names, including without limitation, all of its right, title and interest in the Trademarks listed on Schedule B hereto, together with all of the goodwill of the business in connection therewith, all claims for damage by reason of infringement relating thereto, and any and all proceeds thereof and general intangibles relating thereto (all of the foregoing, collectively the "Collateral"). The security interest hereby granted in the Collateral shall secure the Obligations. For any Trademark that is the subject of an intent-to-use application before the USPTO, a security interest will attach as soon as a verified amendment to allege use or statement of use is filed for such application or the Secured Party arranges for an assignment of such Trademarks that would satisfy the requirements of Section 10 of the Lanham Act, 15 U.S.C. Section 1060.

3. Further Assurances. The Debtor hereby agrees to execute and sign, without further consideration, any other legal document and to do all other acts that may be reasonably necessary to secure to the Secured Party its interests as aforesaid in and to said applications or any part thereof and in and to the Collateral. The Debtor further covenants and agrees that it will inform the Secured Party on a fiscal quarterly basis of any material facts known to it relating to the Collateral, including without limitation any new applications for registration in any jurisdiction, the filing of any verified amendments or statements of use for any U.S. applications, and the acquisition from a third party of any application or registration. Any other new Trademarks or other intellectual property hereafter acquired shall be identified to the Secured Party and automatically included in this Agreement. Should Debtor open a retail store in a country in which Debtor has any right, title or interest in any Foreign Trademarks, Debtor will promptly assign to Secured Party its right, title and interest, in and to the Foreign Trademarks for such country. Should there occur and be continuing an Event of Default under the Master Lease, Debtor, upon Secured Party's request, will promptly assign to Secured Party its right, title and interest, in and to all Foreign Trademarks.

4. Encumbrances. The Debtor does hereby covenant for itself and its legal representatives that there is no existing Encumbrance on any of the Collateral, except for Permitted Encumbrances. The Debtor has not granted any license to use any of the Collateral outside of the ordinary course of business. The Debtor will not further encumber any of the Collateral or license any of the Collateral outside of the ordinary course of business.

5. Use of Collateral. Until the Debtor shall be in default under Section 6 hereof, the Debtor may exercise any and all rights with respect to the Collateral, including any right to pursue and enforce any and all claims for damage by reason of infringement of the Collateral.

6. Default. The Debtor shall be in default hereunder upon the occurrence and during the continuation of any Event of Default under any of the Caribou Lease/Purchase Documents. Notice of the time and place of any public sale, or of the date after which a private sale of the Collateral granted to the Secured Party hereby, shall be deemed reasonable if given at least 20 days before the date of any public sale or the date after which a private sale shall take place. The Secured Party may deduct from the proceeds of any such sale its costs and expenses of taking, holding and selling such Collateral, including its reasonable attorneys fees. If, as provided in the first sentence of this Section 6, the Debtor is in default hereunder, the Debtor expressly agrees to

execute an assignment of its right, title and interests in the Trademarks to the Secured Party, together with the good will associated with the Trademarks and the right to sue for past infringement and collect all royalties that may be due. Notwithstanding the foregoing provisions of this Section 6, the Secured Party shall have no right to sell or otherwise realize upon any of the Collateral with respect to a Trademark that is the subject of an intent-to-use application before the USPTO until a verified amendment to allege use or statement of use is filed for such application or the Secured Party arranges for an assignment of such Trademarks that would satisfy the requirements of Section 10 of the Lanham Act, 15 U.S.C. Section 1060.


7. Miscellaneous. The benefits and obligations of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws (other than the conflict of laws rules) of the State of New York. **THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER SEAL AND SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK (WITHOUT GIVING REFERENCE TO ANY CONFLICTS OF LAW PROVISIONS THEREIN) EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF A SECURITY INTEREST GRANTED HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE REQUIRED TO BE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK. EACH OF THE DEBTOR AND THE SECURED PARTY AGREE THAT NEITHER IT NOR ANY ASSIGNEE OR SUCCESSOR SHALL (A) SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY OTHER ACTION BASED UPON, OR ARISING OUT OF, THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, ANY COLLATERAL OR THE DEALINGS OR THE RELATIONSHIP BETWEEN THE DEBTOR AND THE SECURED PARTY OR (B) SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY DISCUSSED BY THE PARTIES HERETO, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. NEITHER THE SECURED PARTY NOR THE DEBTOR HAS AGREED WITH OR REPRESENTED TO ANY OTHER THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES. THE DEBTOR HEREBY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE COMMONWEALTH OF MASSACHUSETTS AND THE STATE OF NEW YORK AND THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS AND THE SOUTHERN DISTRICT OF NEW YORK, AS WELL AS TO THE JURISDICTION OF ALL COURTS FROM WHICH AN APPEAL MAY BE TAKEN OR OTHER REVIEW SOUGHT FROM THE AFORESAID COURTS, FOR THE PURPOSE OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF ANY OF THE DEBTOR'S OBLIGATIONS UNDER OR WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREBY, AND EXPRESSLY WAIVES ANY AND ALL OBJECTIONS IT MAY HAVE AS TO VENUE IN ANY OF SUCH COURTS.**

The Next Page is the Signature Page.

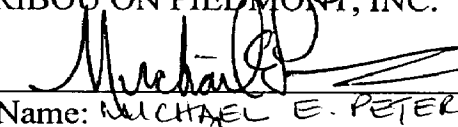
Each of the undersigned has caused this Security Agreement (Trademarks) to be signed by its duly authorized officer under seal as of the day and year first written above.

DEBTOR:

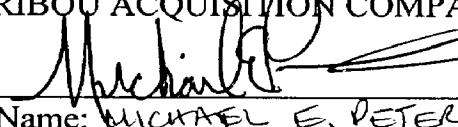
CARIBOU COFFEE COMPANY, INC.

By: 
Name: MICHAEL E. PETERBON
Title: Secretary

CARIBOU ON PIEDMONT, INC.

By: 
Name: MICHAEL E. PETERBON
Title: Secretary

CARIBOU ACQUISITION COMPANY

By: 
Name: MICHAEL E. PETERBON
Title: Secretary

Address for Notices:
Caribou Coffee Company, Inc.
75 Fourteenth Street
Atlanta, Georgia 30309

SECURED PARTY:

ARABICA FUNDING, INC.

By: _____
Title:

Address for Notices:
c/o Global Securitization Services, LLC
400 West Main Street, Suite 338
Babylon, NY 11702
Attention: Mr. Andy Stidd
Telecopier Number: (212) 302-8767

with a copy to:

Arabica Funding, Inc.
c/o Crescent Capital Investments, Inc.
75 Fourteenth Street
Atlanta, Georgia 30309

Each of the undersigned has caused this Security Agreement (Trademarks) to be signed by its duly authorized officer under seal as of the day and year first written above.

DEBTOR:

CARIBOU COFFEE COMPANY, INC.

By: _____
Name:
Title:

CARIBOU ON PIEDMONT, INC.

By: _____
Name:
Title:

CARIBOU ACQUISITION COMPANY

By: _____
Name:
Title:

Address for Notices:
Caribou Coffee Company, Inc.
75 Fourteenth Street
Atlanta, Georgia 30309

SECURED PARTY:

ARABICA FUNDING, INC.

By:  _____
Title: **FRANK B. BILOTTA**
VICE PRESIDENT

Address for Notices:
c/o Global Securitization Services, LLC
400 West Main Street, Suite 338
Babylon, NY 11702
Attention: Mr. Andy Stidd
Telecopier Number: (212) 302-8767

with a copy to:

Arabica Funding, Inc.
c/o Crescent Capital Investments, Inc.
75 Fourteenth Street
Atlanta, Georgia 30309

State of Minnesota
County of Hennepin

April 25 2001

Then personally appeared the above named Michael Peterson, and acknowledged that he/she executed the foregoing Security Agreement (Trademarks) as his/her free act and deed before me on behalf of each foregoing Debtor, as duly authorized agent thereof.



Judith K. Simmons
Notary Public
My commission expires:

Schedule A

1. The Amended and Restated Asset Purchase Agreement between the Secured Party and the Parent dated the date hereof, as amended from time to time;
2. The Amended and Restated Lease and Licensing Financing and Purchase Option Agreement between the Secured Party and the Parent dated the date hereof, as amended from time to time (the "Master Lease");
3. The Amended and Restated Supplemental Agreement between the Secured Party and the Parent dated the date hereof, as amended from time to time;
4. The Amended and Restated Put Option Letter issued by the Parent to the Secured Party dated the date hereof, as amended from time to time;
5. The Amended and Restated Call Option Letter issued by the Secured Party to the Parent dated the date hereof, as amended from time to time;
6. The Amended and Restated Tax Matters Agreement between the Secured Party and the Parent dated the date hereof, as amended from time to time;
7. The Security Agreement among the Debtor and the Secured Party dated the date hereof, as amended from time to time;
8. The Security Agreement (Trademarks) among the Debtor and the Secured Party, dated the date hereof, as amended from time to time;
9. The Guarantee and Securities Pledge Agreement dated the date hereof among the Secured Party and Caribou Holding, as amended from time to time; and
10. The Guarantee of the Subsidiaries of the Parent dated the date hereof in favor of the Secured Party, as amended from time to time.

Schedule B

U.S. Federal Trademark Registrations

Trademark	Application Number	Filing Date	Registration Number	Registration Date
LIFE IS SHORT. STAY AWAKE FOR IT.	75/013633	23-Oct-95	2008379	15-Oct-96
LIFE IS SHORT. STAY AWAKE FOR IT.	75/013632	23-Oct-95	2000062	10-Sep-96
CARIBOU COFFEE	74/336835	4-Dec-92	1839091	7-Jun-94
CARIBOU COFFEE & Design	74/417248	26-Jul-93	1841047	21-Jun-94

U.S. Federal Trademark Applications

Trademark	Application Number	Filing Date	Int'l Class/Description
CARIBOU COFFEE	76/241,270	4/16/2001	21 - Mugs and Tumblers
CARIBOU COFFEE	76/241,267	4/16/2001	25- T-Shirts, Sweatshirts and Hats
CARIBOU COFFEE	76/241,266	4/16/2001	30 - Ground and Whole Bean Coffee; Hot and Frozen Coffee, Espresso, Herbal Tea, and Tea Beverages; Baked Goods, Namely, Biscotti, Bread, Brownies, Cakes, Cookies, Muffins, Pastries, and Scones; Chocolate; Candy; Smoothies
CARIBOU COFFEE	76/241,264	4/16/01	35 - Providing Information in the Field of Coffee, by Means of a Global Computer Network; Retail Store Services, Mail Order Catalog Services, and Online Sales Featuring Coffee, Coffee Brewing Accessories, Clothing, Food, and Beverageware
CARIBOU COFFEE (and Leaping Caribou Design)	76/243,004	4/17/2001	21- Mugs and Tumblers
CARIBOU COFFEE (and Leaping Caribou Design)	76/243,003	4/17/2001	25 - T-Shirts, Sweatshirts and Hats

Trademark	Application Number	Filing Date	Int'l Class/Description
CARIBOU COFFEE (and Leaping Caribou Design)	76/242,587	4/18/2001	30 – Ground and Whole Bean Coffee; Hot and Frozen Coffee, Espresso, Herbal Tea, and Beverages; Baked Goods, Namely, Biscotti, Bread, Brownies, Cakes, Cookies, Muffins, Pastries, and Scones; Chocolate; Candy; Smoothies
CARIBOU COFFEE (and Leaping Caribou Design)	76/243,006	4/17/2001	35 - Providing Information in the Field of Coffee, by means of a Global Computer Network; Retail Store Services, Mail Order Catalog Services, and Online Sales Featuring Coffee, Coffee Brewing Accessories, Clothing, Food, and Beverageware
Hoof Design	76/241,265	4/16/2001	30 - Candy
Leaping Caribou Design	76/241,269	4/16/2001	21- Mugs and Tumblers
Leaping Caribou Design	76/241,268	4/16/2001	25- T-Shirts, Sweatshirts and Hats
Leaping Caribou Design	76/241,271	4/16/2001	30 - Ground and Whole Bean Coffee; Hot and Frozen Coffee, Espresso, Herbal Tea, and Tea Beverages; Baked Goods, Namely, Biscotti, Bread, Brownies, Cakes, Cookies, Muffins, Pastries, and Scones; Chocolate; Candy; Smoothies
Leaping Caribou Design	76/241,272	4/16/2001	35 - Providing Information in the Field of Coffee, by Means of a Global Computer Network; Retail Store Services, Mail Order Catalog Services, and Online Sales Featuring Coffee, Coffee Brewing Accessories, Clothing, Food, and Beverageware
REINDEER NIBBLERS	76/243,005	4/17/2001	30 - Candy

U.S. State Trademark Registrations

Trademark	Registration Number	Registration Date	State
CARIBOU COFFEE & Design	T-15312	7-Dec-95	Georgia*

Trademark	Registration Number	Registration Date	State
CARIBOU COFFEE & Design	S-15321	11-Dec-95	Georgia*
CARIBOU COFFEE & Design	M00-784	7-May-96	Michigan*
CARIBOU COFFEE & Design	M00-785	7-May-96	Michigan*
CARIBOU COFFEE & Design	23936	30-Jun-95	Minnesota
CARIBOU COFFEE & Design	25174	11-Jul-96	Minnesota
CARIBOU COFFEE & Design	T-11868	15-Jan-96	North Carolina
CARIBOU COFFEE & Design	T-12015	8-Apr-96	North Carolina

*These marks are owned by Caribou notwithstanding the fact that the registrations were issued to Caribou at its local store addresses in Georgia and Michigan respectively

Common Law Trademarks

Trademark
CARIBOU BLEND and Design
DAYBREAK MORNING BLEND and Design
Design for Kenya AA, La Minta Peaberry, Sumatra, Columbia and Costa Rica Blends
Espresso Blend Design
FIRESIDE EVENING BLEND and Design
French Roast Design
HOOF MINTS
Hoof Print Design
JAMAICAN BLUE MOUNTAIN BLEND and Design
Kona Design
Mocha Java Blend Design
Rainforest Blend Design
REINDEER NIBBLERS
WILDERNESS BLEND and Design