
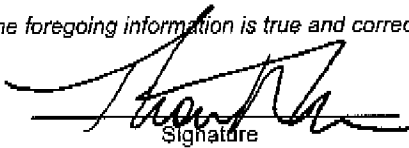


2-3-04

02-03-2004

Form DI NA ECI (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings $\Rightarrow \Rightarrow \Rightarrow$		RE  102659510	U.S. DEPARTMENT OF COMMERCE U.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): Bruegger's Enterprises, Inc. <input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Corporation-State <input type="checkbox"/> Other _____ Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		2. Name and address of receiving party(ies) Name: Banknorth, National Association Internal _____ Address: _____ Street Address: 111 Main Street City: Burlington State: VT Zip: 05401 <input type="checkbox"/> Individual(s) citizenship _____ <input type="checkbox"/> Association _____ <input type="checkbox"/> General Partnership _____ <input type="checkbox"/> Limited Partnership _____ <input type="checkbox"/> Corporation-State _____ <input checked="" type="checkbox"/> Other National Banking Association If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
3. Nature of conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other _____ Execution Date: 01/30/2004			
4. Application number(s) or registration number(s): A. Trademark Application No.(s) _____ B. Trademark Registration No.(s) 1792050, 1513741 1790827, 2054479, 1790828, 2069340, 2069341, 2066966 2123032, 2054478, 2708982, 1776884, 2054916 Additional number(s) attached <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
5. Name and address of party to whom correspondence concerning document should be mailed: Name: Thomas R. Melloni, Esq. Internal Address: Burak Anderson & Melloni, PLC Street Address: 30 Main Street, Suite 210 City: Burlington State: VT Zip: 05401		6. Total number of applications and registrations involved: 13 7. Total fee (37 CFR 3.41).....\$ 340.00 <input type="checkbox"/> Enclosed <input type="checkbox"/> Authorized to be charged to deposit account 8. Deposit account number: _____ (Attach duplicate copy of this page if paying by deposit account)	
DO NOT USE THIS SPACE			
9. Statement and signature. <i>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.</i> Thomas R. Melloni _____ Name of Person Signing  Signature February 2, 2004 Date Total number of pages including cover sheet, attachments, and document: 15			

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

02/03/2004 ECDOPER 00000102 1792050

 01 FC:8521
 02 FC:8522

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 300.00 OP

700104836

 TRADEMARK
 REEL: 002922 FRAME: 0226

**PATENT, TRADEMARK
AND COPYRIGHT SECURITY AGREEMENT**

THIS PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT (the "Security Agreement") is entered into as of this 30th day of January 2004, by and among **BRUEGGER'S ENTERPRISES, INC.**, a Delaware corporation, **BF HOLDING, INC.**, a Delaware corporation, and **BRUEGGER'S FRANCHISE CORPORATION**, a Delaware corporation, each with its principal place of business at 159 Bank Street, Burlington, Vermont (jointly and severally, the "Borrower"), and **BANKNORTH, NATIONAL ASSOCIATION**, a banking association having a place of business at 111 Main Street, P.O. Box 409, Burlington, Vermont 05402-0409 (the "Bank").

WHEREAS, Borrower and Bank are parties to a certain Loan Agreement dated as of January 30, 2004 (as amended, restated, supplemented or extended from time to time, the "Loan Agreement") and a Security Agreement, dated as of January 30, 2004 which provides: (i) for Bank, to extend certain loans to or for the account of the Borrower, and (ii) for the grant by the Borrower to Bank of a security interest in all of the Borrower's assets, including, without limitation, its patents, patent applications, trademarks, trademark applications, goodwill, service marks, trade names, trade styles, copyrights, copyright applications, mask works, trade-secrets information, and other proprietary rights, together with all additions, accessions, accessories, amendments, attachments, modifications, substitutions, and replacements, proceeds and products of any of the foregoing, as set forth in the Loan Agreement and the other Loan Documents (capitalized terms used herein and not otherwise defined have the respective meanings given in the Loan Agreement);

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements contained, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Borrower and the Bank agree as follows:

1. Security Interest in Patents, Trademarks and Copyrights. To secure the complete and timely satisfaction of all of Borrower's "Obligations" (as that term is defined in the Loan Agreement) to Bank, Borrower hereby grants and conveys to Bank a security interest (having priority over all other security interests) with power of sale, to the extent permitted by law, in all of its now owned or existing, and hereafter acquired or arising:

- (a) patents, patent applications, including, without limitation, any invention and improvement to a patent or patent application, including without limitation those patents and patent applications listed in Schedule A (being sometimes referred to individually and/or collectively, the "Patents");
- (b) trademarks, registered trademarks and trademark applications, trade names, trade styles, service marks, registered service marks and service mark applications including, without limitation, the registered trademarks, trademark applications, registered service marks and service mark applications listed on Schedule B and (i) all renewals thereof, (ii) all

accounts receivable, income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past, present or future infringements and dilutions thereof, and (iii) the right to sue for past, present and future infringements and dilutions thereof, and (iv) all of the Borrower's rights corresponding thereto throughout the world (all of the foregoing registered trademarks, trademark applications, trade names, trade styles, registered service marks and service mark applications, together with the items described in clauses (i)-(iv) in this Section 1(b), being sometimes hereinafter individually and/or collectively referred to as the "Trademarks");

- (c) the goodwill of Borrower's business connected with and symbolized by the Trademarks; and
- (d) copyrights, and copyright applications, including without limitation, those copyrights listed in Schedule C (being sometimes referred to individually and/or collectively as the "Copyrights");

together with all additions, accessions, accessories, amendments, attachments, modifications, substitutions, and replacements, proceeds and products of the foregoing.

2. Recording of Patents and Trademarks. Borrower represents and warrants that (1) the patents and patent applications listed in Schedule A, and (2) the trademark and trademark applications described in Schedule B, have each been duly recorded in the U.S. Patent and Trademark Office (the "PTO"); and that no other patents, patent applications, trademarks, or trademark applications have been filed or recorded with the PTO in which the Borrower has an interest.

3. Recording of Copyrights. Borrower represents and warrants that the copyright and copyright applications described in Schedule C have been duly recorded in the U.S. Copyright Office, and that no other copyright, and copyright applications have been recorded in the U.S. Copyright Office, in which the Borrower has an interest.

4. Restrictions on Future Agreements. Borrower will not, without Bank's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and Borrower further agrees that it will not take any action, and will use reasonable efforts not to knowingly permit any action to be taken by others subject to its control, including licensees, or knowingly fail to take any action, which would in any material respect affect the validity or enforcement of the rights transferred to Bank under this Agreement or the rights associated with those Patents, Trademarks and/or Copyrights which are in Borrower's reasonable business judgment, necessary or desirable in the operation of Borrower's business.

5. New Patents, Trademarks and Copyrights. Borrower represents and warrants that the Patents, Trademarks, and Copyrights listed on Schedules A, B, and C, include all of the patents, patent applications, trademark registrations, trademark applications, service marks registrations, service mark applications, registered copyrights, and copyright applications, now owned or held by Borrower. If, prior to the termination of this Agreement, Borrower shall (i) create or obtain rights to any new patents, trademarks, trademark registrations, trademark applications, trade names, trade styles, service marks, service marks registrations, or service mark applications, or (ii) become entitled to the benefit of any patent, trademark, trademark registration, trademark application, trade name, trade style, service mark, service mark registration, service mark application, the provisions of Section 1 above shall automatically apply thereto and Borrower shall give Bank prompt written notice thereof. Borrower hereby authorizes Bank to modify this Agreement by (a) amending Schedules A, B, and/or C, as the case may be, to include any future patents, trademark registrations, trademark applications, service mark registrations, service mark applications, registered copyrights and copyright applications that are Patents, Trademarks or Copyrights under Section 1 above, or under this Section 5 (whether or not any such notice from Borrower has been sent or received), and (b) filing, in addition to and not in substitution for this Agreement, a supplement or addendum to this Agreement containing on Schedule B therein, as the case may be, such registered trademarks, trademark applications, service marks, registered service marks and service mark applications which are Trademarks under Section 1 above or this Section 5 and to take any action Bank otherwise deems appropriate to perfect or maintain the rights and interest of Bank under this Agreement with respect to such Patents, Trademarks and Copyrights.

6. Intentionally omitted.

7. Nature and Continuation of Security Interest; Notice to Third Parties. This Security Agreement has the effect of giving third parties notice of the Bank's Security Interest in Borrower's Patents, Trademarks and Copyrights. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Patents, Trademarks and Copyrights and shall remain in full force and effect until the liabilities and Obligations of the Borrower to the Bank have been paid in full, including all obligations under the Loan Agreement.

8. Right to Inspect; Assignments and Security Interests. Subject to the limitations on such inspections and examinations as set forth in the Loan Agreement, the Bank shall have the right, at any reasonable time upon prior written request and from time to time, to inspect Borrower's premises and to examine Borrower's books, records and operations relating to the Patents and the Trademarks, including, without limitation, Borrower's quality control processes; provided, that in conducting such inspections and examinations, Bank shall use reasonable efforts not to disturb unnecessarily the conduct of Borrower's ordinary business operations. From and after the occurrence of an event of default, under the Loan Agreement, or any other Loan Documents ("Event of Default"), Borrower agrees that Bank, or a conservator appointed by Bank, shall have the right to take any action to renew or to apply for registration of any Trademarks as Bank or said conservator, on its sole judgment, may deem necessary or desirable in connection with the enforcement of Bank's rights hereunder. Borrower agrees (i) except in

accordance with Borrower's reasonable business judgment, not to sell or assign its respective interests in the Patents, Trademarks and/or Copyrights without the prior written consent of Bank and (ii) to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with the quality of said products as of the date hereof.

9. Duties of Borrower. Borrower shall have the duty, to the extent necessary or desirable in the normal conduct of Borrower's business, to (i) prosecute diligently any patent application, or trademark application or service mark application that is part of the Trademarks pending as of the date hereof or thereafter until the termination of this Agreement, and (ii) preserve and maintain all of Borrower's rights in the patents, patent applications, trademark applications, service mark applications and trademark and service mark registrations that are part of the Patents and Trademarks as required by the Loan Agreement. Any expenses incurred in connection with the foregoing shall be borne by Borrower. Borrower shall not, without thirty (30) days prior written notice to Bank, abandon any trademark or service mark which is the subject of a registered trademark, service mark or application therefor and which, is or shall be necessary or economically desirable in the operation of the Borrower's business. Bank shall not have any duty with respect to the Patents, Trademarks and/or Copyrights. Without limiting the generality of the foregoing, the Bank shall not be under any obligation to take any steps necessary to preserve rights in the Patents, Trademarks and/or Copyrights against any other parties, but may do so at its option during the continuance of an Event of Default, and all expenses incurred in connection therewith shall be for the sole account of Borrower and added to the Obligations and liabilities secured hereby, and by the Loan Documents.

10. Bank's Right to Sue. Upon the occurrence and during the continuance of any Event of Default, the Bank shall have the right to exercise all rights and remedies available at law or in equity. From and after the occurrence and during the continuance of an Event of Default, Bank shall have the right, but shall not be obligated, to bring suit or take any other action to enforce the Patents, Trademarks and Copyrights and, if Bank shall commence any such suit or take any such action, Borrower shall, at the request of Bank, do any and all reasonable lawful acts and execute any and all proper documents reasonably required by Bank in aid of such enforcement. Borrower shall, upon demand, promptly reimburse and indemnify Bank for all reasonable out-of-pocket costs and expenses incurred by Bank in the exercise of its rights under this Section 10 (including, without limitation, all attorneys' fees). If, for any reason whatsoever, Bank is not reimbursed with respect to the costs and expenses referred to in the preceding sentence, such costs and expenses shall be added to the Obligations secured hereby.

11. Waivers. The Borrower waives to the extent permitted by applicable law presentment, demand, notice, protest, notice of acceptance of this Agreement, notice of any loans made, credit or other extensions granted, collateral received or delivered or any other action taken in reliance hereon and all other demands and notices of any description, except for such demands and notices as are expressly required to be provided to the Borrower under this Agreement or any other document evidencing the Obligations or the liabilities under the Loan Documents. With respect to both the Obligations and the Collateral, the Borrower assents to any extension or postponement of the time of payment or any other forgiveness or indulgence, to any substitution, exchange or release of Collateral, to the addition or release of any party or person

primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromise or adjustment of any thereof, all in such manner and at such time or times as the Bank may deem advisable. The Bank may exercise its rights with respect to the Collateral without resorting, or regard, to other collateral or sources of reimbursement for Obligations. The Bank shall not be deemed to have waived any of its rights with respect to the Obligations or the Collateral unless such waiver is in writing and signed by the Bank. No delay or omission on the part of the Bank in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not bar or waive the exercise of any right on any future occasion. All rights and remedies of the Bank in the Obligations or the Collateral, whether evidenced hereby or by any other instrument or papers, are cumulative and not exclusive of any remedies provided by law or any other agreement, and may be exercised separately or concurrently.

12. Successors and Assigns. This Agreement shall be binding upon the Borrower, its respective successors and permitted assigns, and shall inure to the benefit of and be enforceable by the Bank and its successors and assigns. Without limiting the generality of the foregoing sentence, the Bank may assign or otherwise transfer any agreement or any note held by it evidencing, securing or otherwise executed in connection with the Obligations, or sell participations in any interest therein, to any other person or entity as permitted by the Loan Agreement.

13. General. This Agreement may not be amended or modified except by a writing signed by the Borrower and the Bank, nor may the Borrower assign any of its rights hereunder. This Agreement and the terms, covenants and conditions hereof shall be construed in accordance with, and governed by, the laws of The State of Vermont (without giving effect to any conflicts of law provisions contained therein). In the event that any Collateral stands in the name of the Borrower and another or others jointly, as between the Bank and the Borrower, the Bank may deal with the same for all purposes as if it belonged to or stood in the name of the Borrower alone.

14. WAIVER OF JURY TRIAL; VENUE.

EACH BORROWER AND THE BANK HEREBY WAIVE TRIAL BY JURY IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH OR, ARISING OUT OF: (A) THIS AGREEMENT OR ANY OTHER INSTRUMENT OR DOCUMENT DELIVERED IN CONNECTION HERewith; (B) THE VALIDITY, INTERPRETATION, COLLECTION OR ENFORCEMENT THEREOF; OR (C) ANY OTHER CLAIM OR DISPUTE HOWEVER ARISING BETWEEN THE BORROWER AND THE BANK IN RESPECT OF THIS AGREEMENT.

EACH BORROWER AGREES THAT ANY SUIT FOR THE ENFORCEMENT OF THE OBLIGATIONS, ARISING OUT OF OR IN ANY MANNER RELATING TO THIS AGREEMENT OR ANY TRANSACTION RELATING TO ANY LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF VERMONT OR ANY FEDERAL COURT SITTING THEREIN AND CONSENTS TO THE NON-EXCLUSIVE JURISDICTION

OF SUCH COURT AND TO SERVICE OF PROCESS IN ANY SUCH SUIT BEING MADE UPON THE BORROWER BY MAIL AT THE ADDRESS SPECIFIED IN THE LOAN AGREEMENT. EACH BORROWER HEREBY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH SUIT OR ANY SUCH COURT OR THAT SUCH SUIT WAS BROUGHT IN AN INCONVENIENT COURT. THE BORROWER SHALL NOT BE ENTITLED IN ANY SUCH ACTION OR PROCEEDING TO ASSERT ANY DEFENSE GIVEN OR ALLOWED UNDER THE LAWS OF ANY STATE OTHER THAN THE STATE OF VERMONT UNLESS SUCH DEFENSE IS ALSO GIVEN OR ALLOWED BY THE LAWS OF THE STATE OF VERMONT. NOTHING IN THIS SECTION SHALL AFFECT OR IMPAIR IN ANY MANNER OR TO ANY EXTENT THE RIGHT OF THE BANK TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE BORROWER IN ANY JURISDICTION IN WHICH ANY COLLATERAL IS LOCATED, THE BORROWER CONDUCTS ACTIVITIES OR WHERE LEGAL PROCEEDINGS MAY BE NECESSARY IN ORDER TO COLLECT OR ENFORCE THE OBLIGATIONS OR TO SERVE PROCESS IN ANY MANNER PERMITTED BY LAW.

15. Joint and Several Obligations. Each of the Borrowers shall be obligated for all of the Obligations on a joint and several basis, notwithstanding which of them may have directly received the proceeds of any particular Loan or Advance. Each Borrower acknowledges and agrees that, for purposes of the Loan Documents, the Borrower constitute a single integrated financial enterprise and that each receives a benefit from the availability of credit under the Loan Agreement, and waive any defenses based upon or arising under the laws of suretyship.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

BORROWER:

In the Presence of:

BRUEGGER'S ENTERPRISES, INC.

Witness

By: _____
James J. Greco
Its Chief Executive Officer and Duly
Authorized Agent

BF HOLDING, INC.

Witness

By: _____
James J. Greco
Its Chief Executive Officer and Duly
Authorized Agent

BRUEGGER'S FRANCHISE CORPORATION

Witness

By: _____
James J. Greco
Its Chief Executive Officer and Duly
Authorized Agent

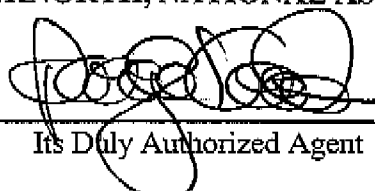
BANK:

In the Presence of:

BANKNORTH, NATIONAL ASSOCIATION



Witness

By: 

Its Duly Authorized Agent

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

BORROWER:

In the Presence of:

Witness

BRUEGGER'S ENTERPRISES, INC.

By: James J. Greco
Its Chief Executive Officer and Duly
Authorized Agent

Witness

BF HOLDING, INC.
By: James J. Greco
Its Chief Executive Officer and Duly
Authorized Agent

Witness

BRUEGGER'S FRANCHISE CORPORATION

By: James J. Greco
Its Chief Executive Officer and Duly
Authorized Agent

BANK:

In the Presence of:

Witness

By: _____
Its Duly Authorized Agent

TRADEMARK
REEL: 002922 FRAME: 0234

ACKNOWLEDGMENT

STATE OF Vermont
County of Chittenden, SS.

At Burlington, in said County, on this 28 day of January, 2004, personally appeared James J. Greco, Chief Executive Officer and duly authorized agent of BRUEGGER'S ENTERPRISES, INC., and he acknowledged this instrument, by him, sealed and subscribed, to be his free act and deed and the free act and deed of said corporation.

Before me,


Notary Public
My Commission Expires: 2/10/07

STATE OF Vermont
County of Chittenden, SS.

At Burlington, in said County, on this 28 day of January, 2004, personally appeared James J. Greco, Chief Executive Officer and duly authorized agent of BF HOLDING, INC., and he acknowledged this instrument, by him, sealed and subscribed, to be his free act and deed and the free act and deed of said corporation.

Before me,


Notary Public
My Commission Expires: 2/10/07

STATE OF Vermont
County of Chittenden, SS.

At Burlington, in said County, on this 28 day of January, 2004, personally appeared James J. Greco, Chief Executive Officer and duly authorized agent of BRUEGGER'S FRANCHISE CORPORATION, and he acknowledged this instrument, by him, sealed and subscribed, to be his free act and deed and the free act and deed of said corporation.

Before me,


Notary Public
My Commission Expires: 2/10/07

My Commission Expires: 2-10-2007

ACKNOWLEDGMENT

STATE OF VERMONT
County of Chittenden, SS.

At Burlington, in said County, on this 30th day of January, 2004, personally appeared Douglas Graham, Vice-President and duly authorized agent of Banknorth, National Association, and he acknowledged this instrument, by him, sealed and subscribed, to be his free act and deed and the free act and deed of Banknorth, National Association.

Before me,



Notary Public

My Commission Expires: 2-10-2007

Schedule A
Patents and Patent Applications

[None.]

Schedule B
Trademarks and Trademark Applications

BRUEGGER'S ENTERPRISES, INC.**U.S. TRADEMARK APPLICATIONS AND REGISTRATIONS**

<u>Name</u>	<u>Number</u>	<u>Issue Date</u>
BRUEGGER'S	1792050	9/7/93
BRUEGGER'S	1513741	11/22/88
BRUEGGER'S BAGEL BAKERY FRESH BAGELS	1790827	8/31/93
BRUEGGER'S BAGELS BAKED FRESH	2054479	4/22/97
BRUEGGER'S FRESH BAGEL BAKERY	1790828	8/31/93
HERBY TURKEY	2069340	6/10/97
HOT SHOT TURKEY	2069341	6/10/97
LEONARDO DA VEGGIE	2066966	6/3/97
MISC. DESIGN (Brueggie character)	2123032	12/23/97
MISC. DESIGN (single baker & design)	2054478	4/22/97
SOFTWICH	2706982	4/15/03
THE BEST THING ROUND	1776884	6/15/93
BAGELNET	2054916	4/22/97

FOREIGN TRADEMARK APPLICATIONS AND REGISTRATIONS

<u>Name</u>	<u>Country</u>	<u>Number</u>	<u>Issue Date</u>
WE BAKE THEM IN SMALL BATCHES ALL DAY LONG BECAUSE PEOPLE COME IN SMALL BATCHES ALL DAY LONG	Canada	TMA493263	4/20/1998
TOTALLY COMPLETELY OBSESSED WITH FRESHNESS	Canada	TMA513637	7/29/1999
JAVAHH!	Canada	TMA532013	8/31/2000
THE BEST THING ROUND	Canada	TMA452098	12/22/1995
BRUEGGER'S BAGEL BAKERY FRESH BAGELS & DESIGN	Canada	TMA431808	8/12/1994
JAVAHCCINO!	Canada	TMA500265	9/9/1998
BRUEGGER'S BAGELS BAKED FRESH & DESIGN	Canada	TMA493248	4/20/1998
SINGLE BAKER/SINGLE BAGEL & DESIGN	Canada	TMA493249	4/20/1998

BRUEGGER'S FRESH BAGEL BAKERY & DESIGN	Canada	TMA432795	9/2/1994
BRUEGGER'S	Canada	TMA469640	1/24/1997
BRUEGGER'S	CTM (Europe)	158402	6/25/1998

Schedule C
Copyrights and Copyright Applications

[None.]