

TRADEMARK ASSIGNMENT

Electronic Version v1.1
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| SUBMISSION TYPE: | NEW ASSIGNMENT |
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| NATURE OF CONVEYANCE: | ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL |
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| CONVEYING PARTY DATA | | | |
| Name | Formerly | Execution Date | Entity Type |
| The Second Cup Ltd. | | 11/26/2004 | CORPORATION: CANADA |

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|----------------------|-------------------------|
| RECEIVING PARTY DATA | |
| Name: | Cara Operations Limited |
| Street Address: | 6303 Airport Road |
| City: | Mississauga, Ontario |
| State/Country: | CANADA |
| Postal Code: | L4V 1R8 |
| Entity Type: | CORPORATION: CANADA |

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|---------------------------|---------|-----------------------|
| PROPERTY NUMBERS Total: 1 | | |
| Property Type | Number | Word Mark |
| Registration Number: | 2552932 | SECOND CUP COFFEE CO. |

| | |
|--|--------------------------|
| CORRESPONDENCE DATA | |
| Fax Number: | (212)953-7201 |
| <i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i> | |
| Phone: | 2124159200 |
| Email: | ny.trademark@dorsey.com |
| Correspondent Name: | Dorsey & Whitney LLP |
| Address Line 1: | 250 Park Avenue |
| Address Line 4: | New York, NEW YORK 10177 |

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|-------------------------|--------------|
| ATTORNEY DOCKET NUMBER: | 447491-00005 |
|-------------------------|--------------|

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|-------------------------|--------------------------|
| DOMESTIC REPRESENTATIVE | |
| Name: | Sarah Robertson |
| Address Line 1: | 250 Park Avenue |
| Address Line 2: | Dorsey & Whitney LLP |
| Address Line 4: | New York, NEW YORK 10177 |

OP \$40.00 2552932

NAME OF SUBMITTER:

Linda Leone

Total Attachments: 11

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THE SECOND CUP LTD.

and

CARA OPERATIONS LIMITED

INTERNATIONAL ASSETS TRANSFER AGREEMENT

November 26, 2004

Osler, Hoskin & Harcourt LLP

Barristers & Solicitors

Box 50, 1 First Canadian Place, Toronto, Ontario, Canada M5X 1B8

T 416-362-2111 F 416-862-6666 osler.com

INTERNATIONAL ASSETS TRANSFER AGREEMENT

THIS AGREEMENT is made as of November 26, 2004.

BETWEEN:

THE SECOND CUP LTD., a corporation governed by the laws of Ontario,
(the "Vendor")

-and-

CARA OPERATIONS LIMITED, a corporation governed by the laws of
Ontario,
(the "Purchaser").

RECITALS:

- A. The Vendor is the owner of certain assets relating to its business of franchising, licensing and/or operating retail outlets dedicated to the sale of specialty coffee and related products outside of Canada (the "International Business").
- B. The Vendor has agreed to sell and the Purchaser has agreed to purchase all of the assets of the Vendor relating to the International Business, including, without limitation, the trade-marks registered or pending registration outside of Canada as listed in Schedule A (the "International Assets"), at the purchase price and on the terms and conditions set forth in this Agreement.
- C. The Vendor has obtained a release (the "Release"), dated as of the date hereof, of the security interests, charges and hypothecs granted by the Vendor in favour of CIBC Mellon Trust Company, as collateral agent and as fondé de pouvoir in the International Assets.

THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Sale and Transfer of International Assets

The Vendor hereby sells, transfers, conveys, assigns and delivers to the Purchaser and the Purchaser hereby purchases from the Vendor, effective as of the date hereof subsequent to the effectiveness of the Release (the "**Effective Date**"), all of the Vendor's right, title and interest in and to the International Assets for an aggregate purchase price equal to the aggregate fair market value of the International Assets thereof, which the parties agree is \$1000.00 (the "**Purchase Price**").

2. Consideration

The Purchase Price shall be paid and satisfied by the payment by the Purchaser to the Vendor of the amount of [**\$1000.00**] in cash or by certified cheque, bank draft or wire transfer of immediately available funds, or as otherwise specified by the Vendor.

3. Allocation of Purchase Price

Each of the Vendor and the Purchaser shall allocate and report the purchase and sale of the International Assets in accordance with the allocation determined by the Purchaser within 90 days of the Effective Date.

4. Assumption by Purchaser

The Purchaser hereby assumes the obligations and the liabilities, if any, relating to the International Assets and agrees to discharge, pay, keep, observe and perform all such obligations and current liabilities.

5. Non-Assignable Rights

This Agreement shall not constitute an assignment or attempted assignment of any part of the International Assets that are not assignable without the consent or approval of any third party (a "**Third Party Consent**") where such Third Party Consent has not been obtained. Pending the effective transfer of such International Assets, the Vendor shall:

- (a) use all reasonable efforts (other than the payment of money), in cooperation with the Purchaser, to secure any Third Party Consent required in connection with the assignment of such International Assets;
- (b) take all such actions and do, or cause to be done, all such things at the request of the Purchaser as shall reasonably be necessary in order that the benefits and value of any such International Assets shall be preserved and shall enure to the benefit of the Purchaser;
- (c) enforce any rights of the Vendor arising from such International Assets on behalf of the Purchaser; and
- (d) hold all rights, benefits and entitlements with respect to such International Assets for and on behalf of and in trust for the exclusive benefit of the Purchaser,

all to the same effect as if such International Assets had been absolutely transferred to the Purchaser as at the Effective Date with such Third Party Consents having been obtained, provided that the Purchaser shall pay, perform and discharge all obligations arising or accruing with respect to such International Assets during such period.

6. Sales Taxes

The Purchaser shall, as applicable, either (i) pay directly to the appropriate taxing authorities or (ii) pay to the Vendor who shall remit such amounts to the appropriate taxing authorities, all federal and provincial sales, transfer and other similar taxes and charges payable in respect of the purchase of the International Assets.

7. Representations and Warranties

The Vendor represents and warrants that:

- (a) it is the sole legal and beneficial owner of the International Assets with good and valid title, free and clear of all pledges, liens, charges and encumbrances whatsoever, and is exclusively entitled to possess and dispose of same; and
- (b) it is not a non-resident of Canada for purposes of the Income Tax Act (Canada).

8. Effective Conveyance

Subject to Section 5, this Agreement shall operate as an actual conveyance, transfer, assignment and setting over of all the right, title and interest of the Vendor in and to the International Assets as of the Effective Date. The Vendor shall, at the request of the Purchaser, sign, execute, and deliver all documents, transfers, assignments, matters and things which are convenient and necessary or which counsel for the Purchaser may advise for more completely and effectually conveying, assigning and transferring to or vesting the International Assets in the Purchaser and all the right, title and interest of the Vendor therein.

9. Further Assurances

The parties shall, with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to complete the transactions contemplated by this Agreement, and each party shall provide such further documents or instruments required by the other party as may be reasonable necessary or desirable to effect the purpose of this Agreement and carry out its provisions.

10. Enurement

This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

11. Governing Law

This Agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of Ontario, and the federal laws of Canada applicable in the Province of Ontario.

12. Time of the Essence

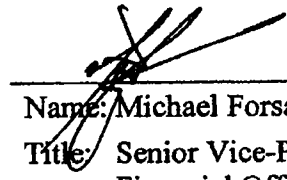
Time is of the essence in the performance of the parties' respective obligations.

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IN WITNESS OF WHICH the Vendor and the Purchaser have executed this Agreement.

THE SECOND CUP LTD.

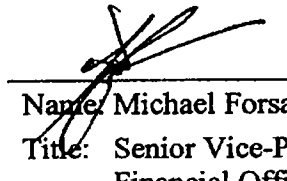
By: _____


Name: Michael Forsayeth

Title: Senior Vice-President and Chief
Financial Officer


CARA OPERATIONS LIMITED


By: _____


Name: Michael Forsayeth

Title: Senior Vice-President and Chief
Financial Officer

SCHEDULE A
TRADE-MARK APPLICATIONS AND REGISTRATIONS
OWNED BY THE SECOND CUP LTD.
AS AT NOVEMBER 25, 2004

| United States | | Trade Mark | App. No. / Date | Reg. No. / Date | Wares/Services | Use Claims | Status/Next Renewal |
|---------------|--|-----------------------|---------------------|--|-----------------------------|------------------------|------------------------|
| 1. | SECOND CUP & Design  | 75/390829 11/17/97 | 2552932 03/26/02 | Wares: accessories related to the preparation and serving of beverages, namely, non-electric coffee and teapots not of precious metals, mugs, cups and saucers Services: retail store services specializing in the sale of coffee, tea and cocoa for consumption on or off the premises and in bulk, bakery goods, and accessories for use in the preparation and brewing of beverages, namely, | Used in the U.S. since 1997 | Registered 03/26/12 | |



| No. | Trade Mark | App. No. / Date | Reg. No. / Date | Wares/Services | Use Claims | Status/Next Renewal |
|-----|---|----------------------|---------------------|---|------------|------------------------|
| 2. | <p>SECOND CUP COFFEE CO. Design</p>  | 74/295266 7/16/92 | 2129647 01/20/98 | <p>coffee and tea pots, coffee brewing equipment, mugs, cups and saucers.</p> <p>Wares: electric coffee makers for domestic use; printed publications; namely, circulars, newsletters and newspapers in the field of coffee and tea, particularly the origins, cultivation, preparation and flavor profiles of coffee and tea; non-electric coffee and tea pots, not of precious metal.</p> <p>Services: business management consulting services specializing in advising and assisting others in the operation of retail stores; retail store services specializing in coffee, tea and</p> | | Registered 01/20/08 |

| No. | Trade Mark | App. No. / Date | Reg. No. / Date | Wares/Services | Use Claims | Status/Next Renewal |
|-----|------------|--------------------|--------------------|---|------------|------------------------|
| | | | | cocoa for consumption on or off the premises and in bulk, bakery goods, and accessories for use in the preparation and brewing of beverages; namely, coffee and tea pots, coffee brewing equipment, mugs, cups and saucers. | | |

China

| No. | Trade Mark | App. No. / Date | Reg. No. / Date | Wares/Services | Use Claims | Status/Next Renewal |
|-----|------------------------------------|---------------------|--------------------|----------------|------------|------------------------|
| 3. | SECOND CUP (in Chinese Characters) | 3797942 11/13/03 | | Class 30 | | Pending |
| 4. | SECOND CUP (in Chinese Characters) | 3797941 11/13/03 | | Class 43 | | Pending |
| 5. | SECOND CUP | 3779580 11/03/03 | | Class 30 | | Pending |
| 6. | SECOND CUP | 3779579 11/03/03 | | Class 43 | | Pending |

Taiwan

| No. | Trade Mark | App. No. / Date | Reg. No. / Date | Wares/Services | Use Claims | Status/Next Renewal |
|-----|--|--------------------|--------------------|---|------------|------------------------|
| 7. | SECOND CUP & COFFEE CO. Design  | 89-033784 | 995557 04/16/02 | Coffee, tea, cocoa, beverages made of coffee, tea cocoa, and pre-packaged spices, bread, muffins, cookies and pastries. | | Registered 04/15/12 |
| 8. | SECOND CUP & COFFEE CO. Design  | 89-033785 | 155064 12/16/01 | Coffee shops, cold and hot drink shops, restaurants. | | Registered 12/15/11 |

Australia

| No. | Trade Mark | App. No. / Date | Reg. No. / Date | Wares/Services | Use Claims | Status/Next Renewal |
|-----|----------------|--------------------|--------------------|----------------|------------|------------------------|
| 9. | THE SECOND CUP | 369369 12/15/81 | 369369 12/15/81 | Class 21 | | Registered 12/15/13 |

New Zealand

| No. | Trade Mark | App. No. / Date | Reg. No. / Date | Wares/Services | Use Claims | Status/Next Renewal |
|-----|----------------|--------------------|--------------------|----------------|------------|------------------------|
| 10. | THE SECOND CUP | 139241 10/08/81 | 139241 03/06/87 | Class 21 | | Registered 10/08/16 |
| 11. | THE SECOND CUP | 139242 10/08/81 | 139242 03/06/87 | Class 30 | | Registered 10/08/16 |