

**LG STORE SITE VALUE
ALLOCATION BY STORE**

	Address	City	State	Store #	Land Value:	Building Value	Total Land & Building Value	Appraised Value	Site Goodwill
1	627 Long Hill Rd	Groton	Connecticut	902	1,057,018	450,000	1,507,018	910,000	597,018
2	1023 N Main Street	Fall River	Massachusetts	910	929,247	450,000	1,379,247	800,000	579,247
3	227 Post Road	Westerly	Rhode Island	917	824,707	450,000	1,274,707	850,000	564,707
4	60 Main Street	Bradford	Rhode Island	918	987,325	475,000	1,462,325	850,000	612,325
5	224 Nwch Wsty Rd	North Stonington	Connecticut	919	998,941	400,000	1,398,941	860,000	538,941
6	563 Providence New London Tnpk	North Stonington	Connecticut	925	813,091	400,000	1,213,091	700,000	513,091
7	1242 Newport Ave	Pawtucket	Rhode Island	928	580,779	350,000	930,779	500,000	430,779
8	572 GAR Highway	Swansea	Massachusetts	929	406,546	-	406,546	350,000	56,546
9	74 Nooseneck Hill Road	West Greenwich	Rhode Island	933	1,335,793	400,000	1,735,793	1,150,000	585,793
10	231 Main Street	Ashaway	Rhode Island	934	882,785	400,000	1,282,785	760,000	522,785
11	1250 Gold Star Blvd	Groton	Connecticut	936	894,400	400,000	1,294,400	770,000	524,400
12	127 High Street	Westerly	Rhode Island	946	1,103,481	400,000	1,503,481	950,000	553,481
13	25 W. Broad	Pawcatuck	Connecticut	948	1,103,481	700,000	1,803,481	950,000	853,481
14	148 S. Broad	Pawcatuck	Connecticut	950	929,247	450,000	1,379,247	800,000	579,247
15	435 Washington Street	Coventry	Rhode Island	956	1,277,715	475,000	1,752,715	1,100,000	652,715
16	162 Granite Street	Westerly	Rhode Island	957	1,103,481	450,000	1,553,481	950,000	603,481
17	723 Boswell Ave	Norwich	Connecticut	958	1,080,250	475,000	1,555,250	930,000	625,250
18	4860 Post Road	Charleston	Rhode Island	959	923,439	425,000	1,348,439	795,000	553,439
19	18 Kingston Road	Richmond	Rhode Island	962	1,103,481	425,000	1,528,481	950,000	578,481
					18,335,205	7,875,000	26,310,205	15,785,000	10,525,205
1	85 Salem Tnpk	Norwich	Connecticut	903	-	376,921	376,921	600,000	-
2	550 Newton Street	Fall River	Massachusetts	911	-	376,921	376,921	600,000	-
3	621 Kingston Road	Wakefield	Rhode Island	927	-	395,767	395,767	630,000	-
4	1000 Bald Hill Road	Warwick	Rhode Island	935	-	408,331	408,331	650,000	-
5	1302 Hartford Tnpk	Vernon	Connecticut	960	-	383,203	383,203	610,000	-
					-	1,841,143	1,841,143	3,090,000	-

**STORE EQUIPMENT VALUE
ALLOCATION BY STORE**

Value of Equipment: 2,400,000

Address	City	State	Store #	Type	Sq Ft	Allocation \$
627 Long Hill Rd	Groton	Connecticut	902		2076	64,351
1023 N Main Street	Fall River	Massachusetts	910	DT	2182	64,351
227 Post Road	Westerly	Rhode Island	917	DT	2114	64,351
	Bradford	Rhode Island	918	DT	2801	64,351
224 Nwch Wsty Rd	North Stonington	Connecticut	919	DT	1614	59,963
			925		1800	59,963
1242 Newport Ave	Pawtucket	Rhode Island	928		1000	55,283
74 Nooseneck Hill Road	West Greenwich	Rhode Island	933	DT	1545	59,963
231 Main Street	Ashaway	Rhode Island	934	DT	1696	59,963
1250 Gold Star Blvd	Groton	Connecticut	936	DT	1532	59,963
127 High Street	Westerly	Rhode Island	946	DT	1520	59,963
25 W. Broad	Pawcatuck	Connecticut	948	DT	2905	64,351
148 S. Broad	Pawcatuck	Connecticut	950		2137	64,351
435 Washington Street	Coventry	Rhode Island	956	DT	3360	64,351
162 Granite Street	Westerly	Rhode Island	957	DT	2188	64,351
723 Boswell Ave	Norwich	Connecticut	958	DT	2520	64,351
4860 Post Road	Charleston	Rhode Island	959	DT	1800	59,963
18 Kingston Road	Richmond	Rhode Island	962	DT	1824	59,963
85 Salem Tnpk	Norwich	Connecticut	903	DT	1800	59,963
550 Newton Street	Fall River	Massachusetts	911	DT	1587	59,963
621 Kingston Road	Wakefield	Rhode Island	927	DT	2250	64,351
1000 Bald Hill Road	Warwick	Rhode Island	935	DT	1560	59,963
2174 Plainfield Pl	Coventry	Rhode Island	915		1800	59,963
1302 Hartford Tnpk	Vernon	Connecticut	960	DT	1447	59,963
92 Boston Post Road	Waterford	Connecticut	989	DT	500	55,283
752 E. Main Street	Meriden	Connecticut	907	DT	1500	59,963
Coventry 732 Tiogue	Coventry	Rhode Island	922		1800	59,963
1334 Park Ave.	Cranston	Rhode Island	932	DT	2000	64,351
70 Old Point Judith Road	Narragansett	Rhode Island	920	DT		59,963
957 Main Street	West Warwick	Rhode Island	943	DT	1800	59,963
1187H Main Street	Wyoming	Rhode Island	909	DT	1200	59,963
99 Fortin Road	Kingston	Rhode Island	913		750	55,283
400 Warwick Ave.	Warwick	Rhode Island	923	DT	900	55,283
6669 Post Road	North Kingston	Rhode Island	944	DT	1200	55,283
24 E. Main St.	Mystic	Connecticut	949		1200	55,283
255 Colman St.	New London	Connecticut	953	DT	1500	59,963
370 Putnam Pike	Smithfield	Rhode Island	963	kiosk	500	55,283
Killingly Street	Johnston	Rhode Island	965	kiosk	500	55,283
2563 South County Trail	E Greenwich	Rhode Island	968	kiosk	500	55,283
Westerly Hospital		Rhode Island	970	Hospital		55,283
						<u>2,400,000</u>

SCHEDULE 3.2(b)
PROMISSORY NOTE

\$3,198,175.00

_____, 2004
_____, Rhode Island

This Note has not been registered under the *Securities Act of 1933*, as amended, or under any other federal or state securities law. It has been acquired for investment and not with a view to distribution and resale and may not, without the written consent of Obligor, which may be withheld for any or no reason, nor may any interest in the Note, be sold, assigned, pledged or otherwise transferred.

FOR VALUE RECEIVED, the undersigned ("**Obligor**") promises to pay to **Louis A. Gencarelli, Sr.** (the "**Payee**"), the aggregate amount of Three Million, One Hundred and Ninety Eight Thousand, One Hundred and Seventy-Five Dollars (\$3,198,175.00) together with interest on the unpaid principal balance at a rate per annum of 3.44%.

This Note is delivered pursuant to and in accordance with the terms and conditions of an Asset Purchase Agreement, dated February 2, 2004, to which Obligor and Payee are parties (the "**Purchase Agreement**"). The obligation evidenced by this Note is subject to the terms, provisions and conditions of the Purchase Agreement, all of which are incorporated by reference in this Note.

1. **Payments.** The principal of this Note shall be paid in installments of \$858,535.78 due on the first anniversary hereof, nil on the second anniversary hereof, \$691,187.82 due on the third anniversary hereof, \$826,894.27 due on the fourth anniversary hereof and the balance of the principal amount on the fifth anniversary hereof. The interest on this Note shall be paid on the outstanding principal balance in annual installments beginning on the first anniversary hereof and continuing on the succeeding anniversaries until the entire remaining unpaid and accrued interest has been paid in full. ("Maturity Date")

2. **Place and Application of Payments.** Each payment upon this Note shall be made at Westerly, Rhode Island, or any other place that the holder of this Note directs in writing. Any payment on this Note shall be applied first to any expenses (including expenses of collection) then due and payable to Payee under this Note, then to any unpaid late charges, then to any accrued and unpaid interest under this Note and then to the unpaid principal balance.

3. **Prepayment.** Obligor may voluntarily prepay this Note, in whole or in part, without penalty or prior notice. In the event that the principal owed under this note is prepaid, Obligor shall simultaneously pay to the Payee the amount of interest that would have accrued thereon through the Maturity Date but for such payment. At no time will the interest rate on this Note exceed the highest rate permitted by law. To the extent that amounts received by the holder of this Note are attributable to an interest rate in excess of that permitted by law, those amounts will be deemed and applied as prepayments of principal under this Note.

4. **Set off.** The principal and interest of this Note and any other amount otherwise payable hereunder may be canceled, reduced or set off pursuant to certain provisions in the Purchase Agreement.

5. **Transfer.** This Note is subject to the transfer restrictions noted on the face of this Note, but if transfer of this Note is permitted within those restrictions, this Note is transferable by Payee only by endorsement and delivery to Obligor together with a written request for registration of the transfer, with the transferor's signature guaranteed by a reputable bank or securities brokerage firm, upon receipt of which Obligor will issue a new note in the form of this Note payable to the transferee for the then-outstanding principal balance. Obligor will pay the principal and interest due under this Note only to Payee or any transferee as may be registered on the books of Obligor at the close of business on the business day immediately before the date on which the principal and interest is to be paid.

6. **Remedies.** The holder of this Note may, at its option, exercise any and all rights and remedies available to it under applicable law, including, without limitation, the right to collect from Obligor all sums due under this Note.

7. **Expenses.** Obligor shall reimburse Payee for reasonable attorneys' fees incurred to enforce this Note after default.

8. **Notices.** Any notice, demand or request for transfer with respect to this Note will be sufficient only if signed by Payee or a registered transferee and mailed by registered or certified mail to Obligor at Tim Hortons (New England), Inc., • Rhode Island, Attention: •; with a copy to The TDL Group Corp., 874 Sinclair Road, Oakville, Ontario, L6K 2Y1, Attention: General Counsel.

9. **Notice of Acceptance.** Notice of acceptance of this Note by Payee is hereby waived.

10. **Governing Law.** This Note will be governed by and interpreted, construed and enforced in accordance with the internal laws of the Commonwealth of Massachusetts, excluding principles of conflicts or choices of law. Each of Obligor and Payee, with respect to any suit, action or proceeding arising out of or relating to this Note or the transactions contemplated hereby, irrevocably (i) submits to the exclusive jurisdiction of the courts of the Commonwealth of Massachusetts and the federal courts located in the Commonwealth of Massachusetts; (ii) waives any objection which it may have at any time to the laying of venue of any such suit, action or proceeding in any such court and any claim that any such court is an inconvenient forum; and (iii) waives the right to a determination by a jury of any matter at issue in any such suit, action or proceeding.

TIM HORTONS (NEW ENGLAND), INC.

By _____

Its _____

SCHEDULE 5.1

Jurisdiction in which Purchased Business Located

Connecticut
Massachusetts
Rhode Island

SCHEDULE 5.5

Location of Assets

All of the personal property included in the Purchased Assets is located at the following locations:

Store No.	Address	Town/City	State
902	627 Long Hill Road	Groton	CT
919	224 Norwich-West Road	North Stonington	CT
925	563 Providence New London Turnpike	North Stonington	CT
936	1250 Gold Star Blvd. (Route 184)	Groton	CT
950	148 South Broad Street	Pawcatuck	CT
958	723 Boswell Avenue	Norwich	CT
910	1023 North Main Street	Fall River	MA
929	572 Gar Highway	Swansea	MA
917	227 Post Road (Dunns Corners)	Westerly	RI
918	60 Main Street	Bradford	RI
928	1242 Newport Avenue	Pawtucket	RI
933	74 Nooseneck Hill Road	West Greenwich	RI
934	231 Main Street	Ashaway	RI
946	127 High Street	Westerly	RI
956	435 Washington Street	Coventry	RI
957	162 Granite Street	Westerly	RI
959	4860 Post Road	Charlestown	RI
962	18 Kingstown Road	Richmond	RI
903	85 Salem Turnpike Road	Norwich	CT
907	752 East Main Street	Meriden	CT
921	Eastern Point Road	Groton	CT
937	R+1, Halls Road, Old Lynne Shopping Centre	Old Lynne	CT
948	25 West Broad Street	Pawcatuck	CT
949	24 East Main Street	Mystic	CT
953	255 Colman Street	New London	CT
954	Routes 82 & 85 (Salem Town Center)	Salem	CT
960	1302 Hartford Turnpike	Vernon	CT
989	92 Boston Post Road	Waterford	CT
911	550 Newton Street	Fall River	MA
906	240 Post Road (Dunns Corners)	Westerly	RI
909	1187H Main Street	Wyoming	RI

Store No.	Address	Town/City	State
913	99 Fortin Road	Kingston	RI
915	Plainfield Pike	Cranston	RI
920	70 Old Point Judith Road	Narragansett	RI
922	732 Tiogue Avenue	Coventry	RI
923	400 Warwick Avenue	Warwick	RI
927	621 Kingstown Road	Wakefield	RI
931	2 Pier Market Place	Narragansett	RI
932	1334 Park Avenue (Park and Budlong)	Cranston	RI
935	1000 Bald Hill Road	Warwick	RI
938	1237 Kingstown Road	Peacedale	RI
943	957 Main Street	West Warwick	RI
944	6689 Post Road	North Kingstown	RI
961	499 Main Road	Tiverton	RI
963	370 Putnam Pike	Smithfield	RI
965	525 Killingly Street	Johnston	RI
968	2563 South Country Trail	East Greenwich	RI
970	Westerly Hospital	Westerly	RI
*	79B Tom Harvey Road (Bakery)	Westerly	RI
*	79 Tom Harvey Road (Corporate Office)	Westerly	RI
	Westerly Hospital Cafeteria	Westerly	RI
	Westerly Hospital Kitchen	Westerly	RI
	Washington Trust Admin. Offices	Westerly	RI

* Limited to the personal property as listed on Exhibit A and Exhibit B to Schedule 2.3(g), Schedule 2.1(b)(II), Schedule 2.1(f) and Schedule 2.1(i).

Schedule 5.13 - Insurance Policies

#	insurer	broker	insured	supplemental names	policy no.	effective date	expiry date	type	coverage basis	limit	deductible	premium	pending claims
1 avail	Hartford Ins Group	Starweather & Shepley Insurance Brokerage Inc	Bess Eaton Donut Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli, Jr.	02 UJUN UE3865	05/15/2003	05/15/2004	combined Bldg & Per Prop	blanket, agreed amount, replacement cost, standard policy coverage	\$18,613,010	\$5,000	\$37,616	
	Hartford Ins Group	Starweather & Shepley Insurance Brokerage Inc	Bess Eaton Donut Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli, Jr.	02 UJUN UE3865	05/15/2003	05/15/2004	business income with extra expense	blanket, agreed amount, valuation, standard policy coverage	\$2,000,000	\$24		included
	Hartford Ins Group	Starweather & Shepley Insurance Brokerage Inc	Bess Eaton Donut Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli, Jr.	02 UJUN UE3865	05/15/2003	05/15/2004	off premises power failure - transmission lines incl - time element triad	standard policy coverage	\$10,000	\$5,000		included
	Hartford Ins Group	Starweather & Shepley Insurance Brokerage Inc	Bess Eaton Donut Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli, Jr.	02 UJUN UE3865	05/15/2003	05/15/2004	boiler & machinery - limit same as Policy Property Damage and Business Income limit	replacement cost, standard policy coverage				included
	Hartford Ins Group	Starweather & Shepley Insurance Brokerage Inc	Bess Eaton Donut Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli, Jr.	02 UJUN UE3865	05/15/2003	05/15/2004	glass coverage incl in Building limit	replacement cost, standard policy coverage		\$5,000		included
	Hartford Ins Group	Starweather & Shepley Insurance Brokerage Inc	Bess Eaton Donut Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli, Jr.	02 UJUN UE3865	05/15/2003	05/15/2004	property in transit	replacement cost, standard policy coverage	\$50,000	\$5,000		included
	Hartford Ins Group	Starweather & Shepley Insurance Brokerage Inc	Bess Eaton Donut Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli, Jr.	02 UJUN UE3865	05/15/2003	05/15/2004	property choice form - see policy					included
	Hartford Ins Group	Starweather & Shepley Insurance Brokerage Inc	Bess Eaton Donut Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli, Jr.	02 UJUN UE3865	05/15/2003	05/15/2004	building ordinance or law - policy limit - undamaged portion of bldg	replacement cost, standard policy coverage		\$5,000		included
	Hartford Ins Group	Starweather & Shepley Insurance Brokerage Inc	Bess Eaton Donut Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli, Jr.	02 UJUN UE3865	05/15/2003	05/15/2004	spillage as a result of equipment breakdown	replacement cost, standard policy coverage	\$100,000	\$5,000		included
	Hartford Ins Group	Starweather & Shepley Insurance Brokerage Inc	Bess Eaton Donut Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli, Jr.	02 UJUN UE3865	05/15/2003	05/15/2004	accounts receivable	replacement cost, standard policy coverage	\$250,000	\$5,000		included

Hartford Ins Group	Starkweather & Shepley Bass Eaton Donut Insurance Brokerage Inc Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli Jr.	02 UUN UE3865	05/15/2003	05/15/2004	increased cost of construction	replacement cost, standard policy coverage	\$500,000	\$5,000	Included
Hartford Ins Group	Starkweather & Shepley Bass Eaton Donut Insurance Brokerage Inc Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli Jr.	02 UUN UE3865	05/15/2003	05/15/2004	employee dishonesty	replacement cost, standard policy coverage	\$100,000	\$2,500	Included
Hartford Ins Group	Starkweather & Shepley Bass Eaton Donut Insurance Brokerage Inc Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli Jr.	02 UUN UE3865	05/15/2003	05/15/2004	ERISA, Employee Retirement Income Security Act) - employee dishonesty	replacement cost, standard policy coverage	\$50,000	\$2,500	Included
Hartford Ins Group	Starkweather & Shepley Bass Eaton Donut Insurance Brokerage Inc Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli Jr.	02 UUN UE3865	05/15/2003	05/15/2004	general liability	occurrence, aggregate	\$2,000,000		Included
Hartford Ins Group	Starkweather & Shepley Bass Eaton Donut Insurance Brokerage Inc Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli Jr.	02 UUN UE3865	05/15/2003	05/15/2004	general liability	occurrence, products & completed operations	\$2,000,000		Included
Hartford Ins Group	Starkweather & Shepley Bass Eaton Donut Insurance Brokerage Inc Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli Jr.	02 UUN UE3865	05/15/2003	05/15/2004	general liability	occurrence, personal & advertising injury	\$1,000,000		Included
Hartford Ins Group	Starkweather & Shepley Bass Eaton Donut Insurance Brokerage Inc Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli Jr.	02 UUN UE3865	05/15/2003	05/15/2004	general liability	occurrence, fire damage/legal	\$300,000		Included
Hartford Ins Group	Starkweather & Shepley Bass Eaton Donut Insurance Brokerage Inc Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli Jr.	02 UUN UE3865	05/15/2003	05/15/2004	general liability	occurrence, medical expense	\$10,000		Included
Hartford Ins Group	Starkweather & Shepley Bass Eaton Donut Insurance Brokerage Inc Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli Jr.	02 UUN UE3865	05/15/2003	05/15/2004	general liability	vendors covered automatically employee benefits liability	\$1,000,000		Included
Hartford Ins Group	Starkweather & Shepley Bass Eaton Donut Insurance Brokerage Inc Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli Jr.	02 UUN UE3865	05/15/2003	05/15/2004	commercial equipment	Page American Cargo Trailer serial# 40LWB24213P 091829	\$20,000		
Hartford Ins Group	Starkweather & Shepley Bass Eaton Donut Insurance Brokerage Inc Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli Jr.	02 UEN UE4385	5/15/2003	5/15/2004	commercial automobile	combined single limit	\$1,000,000		\$70,922

Hartford Ins Group	Starkweather & Shepley, Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	02 UENUE4385	5/15/2003	5/15/2004	commercial automobile	auto medical payments	\$5,000		included
Hartford Ins Group	Starkweather & Shepley, Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	02 UENUE4385	5/15/2003	5/15/2004	commercial automobile	uninsured motorists CSL	\$1,000,000		included
Hartford Ins Group	Starkweather & Shepley, Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	02 UENUE4385	5/15/2003	5/15/2004	commercial automobile	underinsured motorists	\$1,000,000		included
Hartford Ins Group	Starkweather & Shepley, Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	02 UENUE4385	5/15/2003	5/15/2004	commercial automobile	comprehensive	see vehicle schedule	\$1,000	included
Hartford Ins Group	Starkweather & Shepley, Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	02 UENUE4385	5/15/2003	5/15/2004	commercial automobile	specified perils	see vehicle schedule		included
Hartford Ins Group	Starkweather & Shepley, Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	02 UENUE4385	5/15/2003	5/15/2004	commercial automobile	collision	see vehicle schedule	\$1,000	included
Hartford Ins Group	Starkweather & Shepley, Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	02 UENUE4385	5/15/2003	5/15/2004	commercial automobile	hired/ borrowed auto liability	RI		included
Hartford Ins Group	Starkweather & Shepley, Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	02 UENUE4385	5/15/2003	5/15/2004	commercial automobile	non-owned auto liability	RI		included
Hartford Ins Group	Starkweather & Shepley, Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	02 MCP UE4708	08/01/2003	5/15/2004	commercial automobile	combined single limit	\$1,000,000		\$3,588
Hartford Ins Group	Starkweather & Shepley, Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	02 MCP UE4708	08/01/2003	5/15/2004	commercial automobile	personal injury protection	\$8,000		included
Hartford Ins Group	Starkweather & Shepley, Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	02 MCP UE4708	08/01/2003	5/15/2004	commercial automobile	auto medical payments	\$5,000		included
Hartford Ins Group	Starkweather & Shepley, Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	02 MCP UE4708	08/01/2003	5/15/2004	commercial automobile	uninsured motorists BI	\$1,000,000		included
Hartford Ins Group	Starkweather & Shepley, Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	02 MCP UE4708	08/01/2003	5/15/2004	commercial automobile	underinsured motorists	included		included
Hartford Ins Group	Starkweather & Shepley, Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	02 MCP UE4708	08/01/2003	5/15/2004	commercial automobile	comprehensive	see vehicle schedule	\$1,000	included
Hartford Ins Group	Starkweather & Shepley, Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	02 MCP UE4708	08/01/2003	5/15/2004	commercial automobile	collision	see vehicle schedule	\$1,000	included

3 not avail

Hartford Ins Group	Starkweather & Shepley Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	Louis Gencarelli Sr., Karen Gencarelli, Louis Gencarelli Jr.	02 MOPUE4708	08/01/2003	5/19/2004	commercial automobile	compulsory bodily injury	\$20,000 each person/ \$40,000 each accident		included
4 not avail	*Environmental Ins Underwriters	Paul Gencarelli South Fier Condominium Association	GU0680966	12/04/2001	12/04/2010	environmental - pollution legal liability for 70 Old Pt Judith Rd & covs A, B, C, E 366 South Pier Rd, Narragansett, RI 02882	each incident - covs A, B, C, E	\$1,000,000	\$10,000	
	*Environmental Ins Underwriters	Paul Gencarelli South Fier Condominium Association	GU0680966	12/04/2001	12/04/2010	environmental - pollution legal liability for 70 Old Pt Judith Rd & 366 South Pier Rd, Narragansett, RI 02882	aggregate	\$1,000,000		
	*Environmental Ins Underwriters	Paul Gencarelli South Fier Condominium Association	GU0680966	12/04/2001	12/04/2010	environmental - pollution legal liability for 70 Old Pt Judith Rd & 366 South Pier Rd, Narragansett, RI 02882	each incident - environmental - pollution legal liability for 70 Old Pt Judith Rd & Cov D	\$250,000 7 business days		
5 not avail	Omaha Prop & Casualty	Starkweather & Shepley Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	3008274015	08/12/2003	08/12/2004	flood - commercial flood coverage for 24 E Main St., Mystic CT 06355	flood	\$150,000	\$1,000	\$1,323
6 not avail	Omaha Prop & Casualty	Starkweather & Shepley Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	3008355418	08/07/2003	08/07/2004	flood - commercial flood coverage for 25 W Broad St Pawcatuck CT 06379	building	\$220,000	\$500	\$766
7 not avail	Travelers Insurance Company	Starkweather & Shepley Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc Profit D5(401k) Sharing & Salary Savings Plan	0065Z1C0062799	4/24/2001	4/24/2004	ERISA bond coverage for 79 Tom Harvey Rd Westley RI 02891	ERISA	\$200,000		\$348
8 avail	Beacon Mutual Ins Co	Starkweather & Shepley Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	34036	5/23/2003	5/23/2004	workers' compensation - employers' liability for various RI locs	each incident	\$500,000		\$114,425
	Beacon Mutual Ins Co	Starkweather & Shepley Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	34036	5/23/2003	5/23/2004	workers' compensation - employers' liability for various RI locs	policy total	\$500,000		included
	Beacon Mutual Ins Co	Starkweather & Shepley Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	34036	5/23/2003	5/23/2004	workers' compensation - employers' liability for various RI locs	each employee	\$500,000		included
9 avail	Hartford Ins Group	Starkweather & Shepley Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	02 WB KI2048	5/15/2003	5/15/2004	workers' compensation - employers' liability for various CT and MA locs	each incident	\$500,000		\$61,296
	Hartford Ins Group	Starkweather & Shepley Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	02 WB KI2048	5/15/2003	5/15/2004	workers' compensation - employers' liability for various CT and MA locs	policy total	\$500,000		included
	Hartford Ins Group	Starkweather & Shepley Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	02 WB KI2048	5/15/2003	5/15/2004	workers' compensation - employers' liability for various CT and MA locs	each employee	\$500,000		included

*Subject to paragraph 2.1(k)

Hartford Ins Group	Stakweather & Shepley Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli Jr.	02 XHU JE2972	5/15/2003	5/15/2004	umbrella	each occurrence	\$5,000,000	\$10,000	\$19,000	
Hartford Ins Group	Stakweather & Shepley Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli Jr.	02 XHU JE2972	5/15/2003	5/15/2004	umbrella	annual general aggregate (other than those below) products - completed operations	\$5,000,000			included
Hartford Ins Group	Stakweather & Shepley Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli Jr.	02 XHU JE2972	5/15/2003	5/15/2004	umbrella	aggregate bodily injury by disease aggregate	\$5,000,000			included
Hartford Ins Group	Stakweather & Shepley Bess Eaton Donut Insurance Brokerage Inc Flour Co Inc	Louis Gencarelli, Karen Gencarelli, Paul Gencarelli, Louis Gencarelli Jr.	02 XHU JE2972	5/15/2003	5/15/2004	umbrella	workers' compensator				
not avail (see (D) in umbrella policy)	Beacon Mutual Ins Co		19649	12/31/2002	12/31/2003						

Schedule 5.15 - Material Contracts

Property Management Contracts

Robert D. Rahn & Associates
Inc./RDR and Bess Eaton Coffee
Shop and Bake Shop
Please see Schedule 5.28 for Employee Plans

Property Tax Management
Agreement. Entered into on 27th day
of September, 2002.

Flat annual rate fee of \$145/location.

Bess may elect to terminate the Agreement without cause effective upon (30)
Thirty days written notice to RDR.

**Schedule 5.17
Licenses**

Store No.	Town/State	Type of License
902.	Connecticut	License to Operate A Food Service Establishment (Expires December 31, 2003)
	Connecticut	Sales and Use Tax Permit (Expired November 30, 2003)
	Connecticut	Tobacco License (Expired September 30, 2003)
	Connecticut	Bakery License (Expires June 30, 2004)
	Connecticut	Cigarette Dealer License (Expires September 30, 2004)
	Connecticut	License to Operate a Food Service Establishment (Expires December 31, 2004).
903	Connecticut	Annual Food Services License (Expires June 30, 2004)
	Connecticut	Sales and Use Tax Permit (Expires February 28, 2004)
	Connecticut	Cigarette Dealer License (Expires September 30, 2004)
	Connecticut	Bakery License (Expires June 30, 2004)
906	Westerly, RI	Permit to Make Sales at Retail (Expires June 30, 2004)
	Westerly, RI	Permit for Sunday/Holiday Sales (Expires May 15, 2004)
	Rhode Island	Food Business License (Expires April 30, 2004)
907	Connecticut	Sales & Use (Expires April 30, 2004)
	Connecticut	Bakery License (Expires June 30, 2004)
	Connecticut	Cigarette Dealer License (Expires September 30, 2004)
909	Rhode Island	Victualing License (Expires December 1, 2004)
	Rhode Island	Food Business License (Expires April 30, 2004)
	Rhode Island	Sunday Sales License (Expires December 31, 2004)
	Rhode Island	Permit to Make Sales at Retail (Expires June, 30 2004)
910	Massachusetts	Application for Common Victualing License (Dated December 31, 2003)
911	Massachusetts	Application for Common Victualing License (Dated December 31, 2003)
913	Rhode Island	Permit to Make Sales at Retail (Expires June 30, 2004)
	South Kingston	Application for a License to Discharge Wastewater (dated September 9, 2003)
	Rhode Island	Food Business License (Expires April 30, 2004)
	Rhode Island	Sunday Sales License (Expired December 1, 2002)
915	Rhode Island	Food Business License (Expires April 30, 2004)

Store No.	Town/State	Type of License
	Rhode Island	Permit to Make Sales at Retail (Expires June 30, 2004)
	City of Cranston	Application for Tobacco Dealer's License (Dated August 5, 2002)
	City of Cranston	Application for Victualing License (Dated October 6, 2001)
917	Rhode Island	Food Business License (Expires April 30, 2004)
	Town of Westerly	Sunday Holiday Sales License (Expires May 15, 2004)
	Town of Westerly	Victualing License Application (Expired December 2, 2003)
	Rhode Island	Permit to Make Sales at Retail (Expires June 30, 2004)
	Town of Westerly	Extended Hours License (Expired December 2, 2003)
	Town of Westerly	Permit Retail Sales (Expires May 15, 2004)
918	Town of Westerly	Victualing License (Expires December 1, 2004)
	Rhode Island	Food Business License (Expires April 30, 2004)
	Town of Westerly	Retail Sales License (Expires May 15, 2004)
	Town of Westerly	Sunday/Holiday Sales License (Expires May 15, 2004)
	Rhode Island	Permit to Makes Sales at Retail (Expires June 30, 2004)
919	Connecticut	Sales and Use Tax Permit (Expires May 31, 2005)
	Town of North Stonington	Application for Food Service License (Dated July 2, 2003)
	Connecticut	Bakery License (Expires June 30, 2004)
	Connecticut	Cigarette Dealer License (Expires September 30, 2004)
920	Town of Narragansett	Wastewater Discharge Permit
	Rhode Island	Food Business License (Expires April 30, 2004)
	Town of Narragansett	Victualing License (Expires April 30, 2004)
	Town of Narragansett	Sunday Sales License (Expires April 30, 2004)
	Rhode Island	Permit to Makes Sales at Retail (expires June 30, 2004)
921	Connecticut	Sales and Use Tax Permit (Expires May 31, 2004)
	Connecticut	Cigarette Dealer License (Expires September 30, 2004)
	Connecticut	Renewal Notice for Bakery License (Expired June 30, 2003)
	Ledge Light Health District	2004 Food Service Application
	Connecticut	License to Operate a Food Service Establishment (Expires December 31, 2004)
922	Town of	Victualing License (Expires November 30, 2004)

Store No.	Town/State	Type of License
	Coventry	
	Rhode Island	Permit to Make Sales at Retail (Expires June 30, 2004)
	Rhode Island	Food Business License (Expires April 30, 2004)
	Town of Coventry	Sunday Sales License (Expires December 31, 2004)
923	Rhode Island	Food Business License (Expires April 30, 2004)
	City of Warwick	Victualing License (Expires February 1, 2005)
	Rhode Island	Permit to Make Sales at Retail (Expires June 30, 2004)
	City of Warwick	Tobacco License (Expires February 1, 2007)
925	Connecticut	Sales and Use Tax Permit (Expires August 31, 2004)
	Connecticut	Bakery License (Expires June 30, 2004)
	Connecticut	Cigarette Dealer License (Expires September 30, 2004)
	North Stonington	Food Service License (Expired June 30, 2003)
	North Stonington	Application Food Service (Dated July 2, 2003)
927	Town of South Kingstown	Victualing License (Expired December 1, 2003)
	Town of South Kingstown	Sunday Sales License (Expired December 1, 2003)
	Town of South Kingstown	License to Stay Open Additional Hours (Expired December 1, 2003)
	Town of Kingstown	Commercial Wastewater License (Expired December 1, 2003)
	Rhode Island	Food Business License (Expires April 30, 2004)
	Rhode Island	Permit to Make Sales at Retail (Expires June 30, 2004)
928	Rhode Island	Food Business License (Expires April 30, 2004)
	City of Pawtucket	Petition to City Council for a License to Keep Sunday Sales (License Expires March 31, 2004)
	Rhode Island	Permit to Make Sales at Retail (Expires June 30, 2004)
	City of Pawtucket	Victualing House License (Expires December 1, 2004)
929	Town of Swansea	Business Certificate (Expires March 15, 2004)
	Town of Swansea	Retail Food Establishment Certificate of Registration (Expires December 31, 2004)
931	Rhode Island	Food Business License (Expires April 30, 2004)
	Town of Narragansett	Wastewater Discharge Permit
	Rhode Island	2003 Litter Control Participation Permit
	Town of Narragansett	Sunday Sales License (Expires April 30, 2004)
	Town of	Victualing License (Expires April 30, 2004)

Store No.	Town/State	Type of License
	Narragansett	
932	Rhode Island	Food Business License (Expires April 30, 2004)
	Rhode Island	Permit to Makes Sales At Retail (Expires June 30, 2004)
	City of Cranston	Tobacco Dealer's License Application (Dated December 19, 2003)
	City of Cranston	Application for Victualling License (Dated December 19, 2003)
933	Rhode Island	Food Business License (Expires April 30, 2004)
	Rhode Island	Permit to Make Sales at Retail (Expires June 30, 2004)
	Town of West Greenwich	24 Hour Victualing License (Expires November 30, 2003)
	Town of West Greenwich	Sunday Sales License Application (Dated November 24, 2003 for Dec 1, 2003 to November 30, 2004)
	Town of West Greenwich	Victualling License Application (Dated November 24, 2003 for Dec 1, 2003 to November 30, 2004)
934	Rhode Island	Permit to Make Sales at Retail (Expires June 30, 2004)
	Rhode Island	Food Business License (Expires April 30, 2004)
	Town of Hopkinton	Sunday Sales License (Expires December 31, 2004)
	Town of Hopkinton	Victualing License (Expires November 30, 2004)
935	Rhode Island	Permit to Make Sales at Retail (Expires June 30, 2004)
	Rhode Island	Food Business License (Expires April 30, 2004)
	City of Warwick	Second Class Victualing License (Expires February 1, 2005)
	City of Warwick	Tobacco License (Expires February 1, 2007)
936	Ledge Light Health District	2004 Food Service Application (Expires December 31, 2004)
	Connecticut	Bakery License (Expires June 30, 2004)
	Connecticut	Sales and Use Tax Permit (Expires June 30, 2003)
	Connecticut	Cigarette Dealer License (Expires September 30, 2004)
937	Town of Old Lyme	Restaurant License (Department of Health) May 1, 2003 to April 30, 2004
	Connecticut	Cigarette Dealer License (Expires September 30, 2004)
	Connecticut	Bakery License (Expires June 30, 2004)
938	Rhode Island	Permit to Make Sales at Retail (Expires June 30, 2004)
	Rhode Island	Food Business License (April 30, 2004)
	Town of South	Victualing License (Expires December 1, 2003)

Store No.	Town/State	Type of License
	Kingstown	
	Town of South Kingstown	License for Sunday Sales (Expires December 1, 2003)
	Town of South Kingstown	License for Commercial Wastewater (Expires December 1, 2003)
943	Rhode Island	Permit to Make Sales at Retail (Expires June 30, 2004)
	Rhode Island	Food Business License (Expires April 30, 2004)
	Town of West Warwick	Victualling House License (Expires December 1, 2004)
944	Rhode Island	Permit to Make Sales at Retail (Expires June 30, 2004)
	Rhode Island	Food Business License (April 30, 2004)
	Town of North Kingstown	Victualing License (Expires November 30, 2004)
946	Rhode Island	Permit to Make Sales at Retail (Expires June 30, 2004)
	Town of Westerly	License to Extend Hours (Expired December 2, 2003)
	Rhode Island	Food Business License (April 30, 2004)
	Town of Westerly	Victualing License (Expired December 2, 2003)
	Town of Westerly	License for Sunday/Holiday Sales (Expires May 15, 2004)
	Town of Westerly	Retail Sales License (Expired May 15, 2004)
948	Connecticut	Bakery License (Expires June 30, 2004)
	Town of Stonington	License to Operate a Food Service Establishment (Expires February 21, 2004)
	Connecticut	Sales and Use Tax Permit (Expires February 28, 2004)
	Connecticut	Cigarette Dealer License (Expires September 30, 2004)
949	Connecticut	Sales and Use Tax Permit (Expires February 28, 2004)
	Connecticut	Cigarette Dealer License (Expired September 30, 2004)
	Stonington, CT	Food Service License (Expires February 21, 2004)
	Connecticut	Bakery License (Expires June 30, 2004)
950	Connecticut	Tobacco License (Expired September 30, 2003)
	Connecticut	Sales and Use Tax Permit (November 30, 2003)
	Town of Stonington	License to Operate a Food Service Establishment (February 21, 2004)
	Connecticut	Cigarette Dealer License (Expired September 30, 2004)
953	Connecticut	Bakery License (Expires June 30, 2004)
	Connecticut	Sales and Use Tax License (Expired October 31, 2003)
	Connecticut	Cigarette Dealer License (Expires September 30, 2004)

Store No.	Town/State	Type of License
954	Connecticut	Sales and Use Tax Permit (Expired August 31, 2003)
	Connecticut	Bakery License (Expires June 30, 2004)
	Connecticut	Cigarette Dealer License (Expires September 30, 2004)
956	Town of Coventry	Victualing License (Expires November 30, 2004)
	Rhode Island	Permit to Make Sales at Retail (Expires June 30, 2004)
	Rhode Island	Food Business License (Expires April 30, 2004)
	Town of Coventry	Tobacco Dealer's License (Expires August 31, 2006)
	Town of Coventry	Sunday Sales License (Expires December 31, 2004)
957	Town of Westerly	Retail Sales License (Expires May 15, 2004)
	Town of Westerly	Sunday/Holiday Sales License (Expires May 15, 2003)
	Rhode Island	Food Business License (Expires April 30, 2004)
	Town of Westerly	License to Extend Hours (Expires December 2, 2003)
	Town of Westerly	Victualing License (Expires December 2, 2003)
958	Connecticut	Food Service License (Expires June 30, 2004)
	Connecticut	Sales and Use Tax Permit (Expires May 31, 2005)
	Connecticut	Cigarette Dealer License (Expires September 30, 2004)
	Connecticut	Bakery License (Expires June 30, 2004)
959	Rhode Island	Permit to Make Sales at Retail (Expires June 30, 2004)
	Rhode Island	Food Business License (April 30, 2004)
	Town of Charlestown	Sunday License (Expires December 31, 2004)
	Town of Charlestown	Victualing License (Expires December 31, 2004)
960	Connecticut	Sales and Use Tax Permit (Expires December 31, 2003)
	Connecticut	Bakery License (Expires June 30, 2004)
	Connecticut	Cigarette Dealer License (Expires September 30, 2004)
961	Rhode Island	Permit to Make Sales at Retail (Expires June 30, 2004)
	Rhode Island	Food Business License (Expires April 30, 2004)
	Town of Tiverton	Sunday License (Expires March 31, 2004)
	Town of Tiverton	Victualing License (Expires March 31, 2004)
962	Town of Richmond	Victualling License (Expires December 1, 2004)
	Rhode Island	Permit to Make Sales at Retail (Expires June 30, 2004)
	Rhode Island	Food Business License (Expires April 30, 2004)
	Town of	Sunday Sales License (Expires December 31, 2004)

Store No.	Town/State	Type of License
	Richmond	
963	Rhode Island	Permit to Make Sales at Retail (June 30, 2004)
	Town of Smithfield	Sunday Sales License (Expires April 8, 2004)
	Rhode Island	Food Business License (expires April 30, 2004)
	Town of Smithfield	Victualing License (Expired December 1, 2003)
965	Rhode Island	Permit to Make Sales at Retail (Expires June 30, 2004)
	Rhode Island	Litter Control Participation Permit 2003
	Rhode Island	Food Business License (Expires April 30, 2004)
	Johnston, RI	Application for Vict. & Sunday Sales (Dated March 25, 2003)
968	Rhode Island	Permit to Make Sales At Retail (June 30, 2004)
	Rhode Island	Litter control Participation Permit 2003
	Greenwich, RI	Vict. License (Expired December 1, 2003)
	Greenwich, RI	Application for Vict. (Dated October 24, 2003)
970	Rhode Island	Permit to Make Sales at Retail (Expires June 30, 2004)
	Rhode Island	Food Business License (Expires April 30, 2004)
	Town of Westerly	Sunday/Holiday Sales License (Expires May 15, 2004)
	Town of Westerly	Retail Sales (Expires May 15, 2004)
989	Connecticut	Bakery License (Expires June 30, 2004)
	Connecticut	Sales and Use Tax Permit (Expires November 30, 2004)
	Connecticut	Cigarette Dealer License (Expires September 30, 2004)
	Ledge Light Health District	License to Operate a Food Service Establishment (Expires December 31, 2004)

Schedule 5.18A
Regulatory Consents and Approvals

- 1) Report to Rhode Island Department of Labour & Training at least five (5) days prior to the Closing Date.
- 2) Notice to Rhode Island Division of Taxation at least five (5) days prior to the Closing Date.

SCHEDULE 5.18(B)
Contractual Consents and Approval

Consent and Approval

PARTIES
A. Purchasing Contracts **Nature of Contract**

None

B. IT Contracts

Dell Computer Leases between Dell Financial Services LP and Bess Eaton Donut Flour Co., Inc.

Computer Leases

These contracts do not allow for assignment, sale or transfer or sublease of the product or an interest in the lease.

COX Business Services, Inc. and Bess Eaton Donut Flour Co.

Telecommunications Facilities License Agreement.

No consent or approval required in order to assign.

COX Business Services, Inc. and Bess Eaton Donut Flour Co.

Telecommunications Services Agreement.

This Agreement may not be assigned without prior written consent of Cox, which consent may be withheld in Cox's discretion.

Bess Eaton Donut Flour Co., Inc. and IOS Capital

Lease Agreement for Equipment provided by IKON Office Solutions.

Prior written consent is required in order to assign this Lease.

Alpha Technologies, Ltd.

Internet data system for store POS system

Assignable with written consent

C. Leases
 All Leases referred to in 2.1(a) and 2.2(b) require Landlord Consent.

Schedule 5.19
Interim Financial Statements -
Exceptions to GAAP

Nil

Schedule 5.21
Changes Since Financial Statement Date

- (a) There has been damage and loss to the Mystic location.
- (b) See schedules 1.7 and 5.24
- (c) None
- (d) None
- (e) None
- (f) None
- (g) The employees of Bess Eaton earn compensation increases based on performance criteria and longevity, while Bess Eaton did not have any general increases in compensation employees, on a case by case basis may have experience increases in compensation.
- (h) The following lists the expenditures or commitments relating to purchased assets that are in excess of \$25,000:
 - 1. Eastern schedule 12 - Graphic Impact - Signage for 932 Cranston - \$15,000.00
 - 2. Eastern schedule 12 - Graphic Impact - Signage for 932 Cranston - \$24,488.45
 - 3. Eastern schedule 12 - Preferred Fixtures - Booths for 932 Cranston - \$10,663.35
 - 4. Eastern schedule 12 - Markem - Smart Date 3I Printer for Bakery - \$28,936.31
 - 5. Eastern schedule 12 - Restaurant Design and Equipment - furniture and fixtures - \$27,079.52
 - 6. Eastern schedule 12 - Farmington Displays Inc. - furniture and fixtures - \$41,070.85
 - 7. Eastern schedule 12 - Various suppliers added as Cranston improvements - \$34,140.91
 - 8. Eastern schedule 12 - Various suppliers added as Cranston project - \$24,476.97
 - 9. Westerly Hospital Construction in Progress accumulated amount comprised of various payment to vendors - \$18,593.82
 - 10. Westerly Hospital Construction in Progress accumulated amount comprised of various payment to vendors - \$22,042.78
 - 11. Cranston Construction in Progress accumulated amount comprised of various payment to vendors - \$46,664.72
- (i) None
- (j) None
- (k) None
- (l) None
- (m) None except as set forth above.

Schedule 5.22
Related Party Transitions

- a) (i) Louis Gencarelli Sr.
- (ii) Paul Gencarelli
- b) Bess Eaton has numerous long term leases with Louis A. Gencarelli Sr. and Paul D. Gencarelli as follows:

- 1. Rental Lease Agreements with Louis A. Gencarelli Sr.

- Store 902 Groton I
- Store 903 Norwich I
- Store 910 Fall River I
- Store 911 Fall River II
- Store 915 Plainfield Pike
- Store 917 Dunns Corners II
- Store 918 Bradford
- Store 919 North Stonington I
- Store 925 North Stonington II
- Store 927 Wakefield
- Store 928 Newport Ave.
- Store 929 Swansea
- Store 933 West Greenwich
- Store 934 Ashaway
- Store 935 Bald Hill Rd.
- Store 936 Groton II
- Store 946 Oak Street
- Store 948 Pawcatuck I
- Store 950 Pawcatuck II
- Store 956 Coventry II
- Store 957 Granite Street
- Store 958 Norwich II
- Store 959 Charlestown
- Store 960 Vernon
- Store 962 Richmond
- Store 989 Waterford

- 2. Rental lease agreements with Paul D. Gencarelli.

- Store 920 Narrangansett III
- Store 922 Coventry I
- Store 932 Cranston
- Store 943 West Warwick

(c) None

SCHEDULE 5.24

Pending Litigation Matters

A. Bess Eaton Donut Flour Co., Inc. ("Bess Eaton")/Plaintiff Matters:

<u>Matter</u>	<u>Court</u>	<u>Date of Commencement</u>
1) Bess Eaton v Subway Sandwich Shops, Inc. C.A. No. KC 99-747	Kent Court Superior Court	September 22, 1999
2) Bess Eaton v Subway Sandwich Shops, Inc. and Vincent Greco and Carolyn Greco C.A. No. 01-1710	District Court/Kent County/ Third Division	September 12, 2001

Tenant on Post Road in Warwick. Claim for unpaid rents in the amount of \$36,000 and eviction. Both of these have gone to binding non-appealable arbitration and Bess Eaton is awaiting decision. No counterclaim has been made against Bess Eaton Co., Inc. or Louis A. Gencarelli, Sr.

B. Bess Eaton Flour Co., Inc. ("Bess Eaton")/Defendant Matters:

1) Jessica Pandoli v Louis A. Gencarelli Case No. 03948	Massachusetts Superior Court	October 1, 2003
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Injured employee at a Bess Eaton store, the location of which has been sold. Litigation civilly against Louis Gencarelli. This is insurance claim where employee was hit with a bottle and was injured. She alleges that defendant failed to provide adequate security and safeguards.

2) Terri A. Judd v Bess Eaton C.A. No. CV030080491	Connecticut Superior Court/District of Tollard	January 6, 2003
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Sexual harassment case. Appeal dismissed by State of CT. Employment Security Appeals Division. No appeal. Disposition of same matter before Commission on Human Rights and Opportunities or the State of Connecticut Superior Court is still pending.

<u>Matter</u>	<u>Court</u>	<u>Date of Commencement</u>
3) RDW Group, Inc. v Bess Eaton C.A. No. 03-144T	USDC/District of RI	April 18, 2003

Advertising firm with partner formerly on the Board of Bess Eaton, (Dave Monte) brought on by Cioe. Advertising firm suing for services rendered. Payment plan in place for payment of \$100,000. Plaintiff has filed for attachment. Vendor must covenant to pay debt from closing proceeds and provide evidence of full and final release by Plaintiff.

4) Lois I. Bitgood v Bess Eaton, et al C.A. No. 03-282	RI/Washington County Superior Court	May 15, 2003
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Customer slip and fall in 2000. With insurance company.

5) Frederick Avery v Bess Eaton & Tammy Johnston	Connecticut Superior Court/District of New London	August 15, 2003
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Suit for (1) wrongful termination, (2) negligent supervision, and (3) case against another employee by the name of Tammy Johnston – civil assault and battery. Mark Block – Connecticut retained. This is not an insured matter. (Only claim has been provided-detailed review of file required)

6) Carrie Stevens

Client burn from coffee while driving says she crashed her car as a result of the burn. Employee in store knows that she had a crashed it two weeks earlier. Not a claim yet.

7) Vendor has learned but not confirmed that an action may have been commenced by Eastern Bank as secured party and lessor against Bess Eaton.

Schedule 5.25
Environmental Matters

Store #919 - North Stonington (1), CT

Failed septic system. The system is currently operating, but will not cover the increased load of the coming spring and summer seasons. Estimated replacement cost is \$22,500. A plan is in place and has been approved by the town of Stonington.

Store #918 - Bradford, RI

Contaminated soil (dry cleaning fluid and home heating oil). A plan is in place to remove the contaminated soil and replace it with clean soil. The project is expected to commence in approximately 7-10 days. The cost will be determined based on the level of contamination found.

726 Meridian Street, Groton, CT

The structure on the property described on Schedule 7.16 was found to have asbestos siding. The estimated removal cost is \$5,000. Vendor will not take any action to remove this prior to the Closing Date.

Bess Eaton Benefit Plan and Participation

BENEFIT	BRIEF DESCRIPTION	EFFECTIVE DATE	ELIGIBILITY	Number on Plan	GENERAL
MEDICAL Rite, MA Residents	Utilization of non-network providers may result in decreased coverage and increased deductibles. See Summary Plan Description for details. Bess Eaton will subsidize 50% of the annual \$500 inpatient/outpatient hospital deductible up to \$500/family/year. Mail order prescriptions available.	First day of month following 60 days of full-time employment	<ul style="list-style-type: none"> • Full-time service is 30 hours per week • Must be actively working full-time on date coverage is to begin 	UnitedHealthcare RUMA 124	If you waive coverage during the first 60 days of employment, you may join only on January 1 of any year following the initial waiting period
MEDICAL CT Residents	Utilization of non-network providers may result in decreased coverage and increased deductibles. See Summary Plan Description for details. Bess Eaton will subsidize 50% of the annual \$500 inpatient/outpatient hospital deductible up to \$500/family/year. Mail order prescriptions available.	First day of month following 60 days of full-time employment	<ul style="list-style-type: none"> • Full-time service is 30 hours per week • Must be actively working full-time on date coverage is to begin 	UnitedHealthcare CT 39	If you waive coverage during the first 60 days of employment, you may join only on January 1 of any year following the initial waiting period
DENTAL	For participating providers: <ul style="list-style-type: none"> • All basic care services covered in full with no deductible • Crowns covered at 80% • Periodontics, bridges, & dentures covered at 50% • All services covered up to \$1000 per person annual maximum One times annual salary rounded to the next \$1,000 increment to max of \$200,000	First day of month following 60 days of full-time employment	<ul style="list-style-type: none"> • Full-time service is 30 hours per week • Must be actively working full-time on date coverage is to begin 	BCBS of Rhode Island Dental 167	If you waive coverage during the first 60 days of employment, you may join only on January 1 of any year following the initial waiting period
LIFE ACCIDENTAL DEATH DISMEMBERMENT	<ul style="list-style-type: none"> • Salary continuation for sickness/injury • All employees-60% of monthly salary not to exceed max \$5,000 monthly 	First day of month following 60 days of full-time employment as a management employee	<ul style="list-style-type: none"> • Full-time service is 30 hours per week • Must be actively working full-time on date coverage is to begin 	The Medical Life Insurance Co. 124	Benefit begins 181 st day of sickness/injury until retirement age.
SUPPLEMENTAL LIFE INSURANCE	<ul style="list-style-type: none"> • Life - Term or Whole Life • Accident--Benefit paid for inconvenience of having an accident • Disability--many options to choose 	First day of month following 60 days of full-time employment	<ul style="list-style-type: none"> • Full-time service is 30 hours per week • Must be actively working full-time on date coverage is to begin 	The Medical Life Insurance Co. 90 STD for CT Eas 24 AFLAC 44	Call HR for Details

Bess Eaton Benefit Plan and Participation

BENEFIT	BRIEF DESCRIPTION	EFFECTIVE DATE	ELIGIBILITY	Number on Plan	GENERAL
401(K) PLAN	<ul style="list-style-type: none"> Contribution & investment earnings sheltered from tax until withdrawn. Contribute up to 18% of your compensation, but not more than \$12,000 (2003). You can increase your contributions & change investment options on a monthly basis. Tax Free earnings on savings for college education Derived from any increase in retail net sales vs. prior year as well as profit after controllables (PAC) vs. prior year 	First day of month following one year of employment Immediately	<ul style="list-style-type: none"> Must work a minimum of 1000 hours per year Must be 21 years old Rollover from previous employer eligible on first day of employment with Bess Eaton 	Investments – MFS Recordkeeper – Angel Pension Group 42	<ul style="list-style-type: none"> Administrator: MFS 13 Investment options including 4 allocation funds Loans available 10% penalty imposed by IRS for early withdrawals
529 College Bond Fund				3	Call HR for details
PROFIT SHARING		Employed for 27 weeks in Plan Year	Must be active on date of distribution		<ul style="list-style-type: none"> Formula based on employee's percentage of annual pay to total non-retail payroll Bess Eaton as a retail group must meet Its Sales & PAC vs. prior year

Bess Eaton reserves the right to amend, alter, change, or terminate the provisions of the Program during this and subsequent years without any prior notice. Additionally, the plan does not constitute a contractual arrangement or contract for employment, nor does the failure of the Bess Eaton Donut Flour Company, Inc. to apply the provisions hereof give rise to a claim against Bess Eaton. If there is any discrepancy between this summary and the provisions of the plan, plan provisions will be followed. Revised 8/03

Schedule 5.29A
Collective Agreements

None

Schedule 5.29B

Work Stoppages

None

SCHEDULES 5.30A AND 5.30B HAVE NOT BEEN INCLUDED TO PROTECT
PRIVACY AND CONFIDENTIALITY WITH RESPECT TO EMPLOYEE MATTERS.

SCHEDULE 5.30C

Pending Litigation Matters

Bess Eaton Flour Co., Inc. ("Bess Eaton")/Defendant Matters:

1) Jessica Pandoli v Bess Eaton Massachusetts December 4, 2000
Case No. 2701059 Division of Industrial
Board No. 80293-00 Accidents

Injured employee - site was sold – litigation civilly against company. This is insurance claim where employee was hit with a bottle.

2) Terri A. Judd v Bess Eaton Connecticut Superior January 6, 2003
C.A. No. CV030080491 Court/District of
Tollard

Sexual harassment case. Appeal dismissed by State of CT. Employment Security Appeals Division. No appeal, disposition of same matter before Commission on Human Rights and Opportunities or the State of Connecticut Superior Court is still pending.

3) Lee Ann Morrone v Bess Eaton RI State Human January 10, 2003
EEOC #161A300263 Rights Commission

Insured claim. EEOC (Equal Employee Opportunity Commission). Matter Dismissed. 90 days to file in Federal Court. As of Nov. 27/03 matter completely settled. (We do not have copy of settlement by Bess Eaton).

4) Frederick Avery v Bess Eaton & Tammy Connecticut Superior August 15, 2003
Court/District of New
London

Suit for (1) wrongful termination, (2) negligent supervision and (3) case against another employee by the name of Tammy Johnston – civil assault and battery. Mark Bloch – Connecticut retained. This is not an insured matter.

5) Rosemarie Moreau State of RI September 8, 2003
EEOC #16JA300279 Commission for
RICHR #04 ESH 060-50/38 Human Rights

SCHEDULE 5.30(D) HAS NOT BEEN INCLUDED TO PROTECT PRIVACY AND
CONFIDENTIALITY WITH RESPECT TO EMPLOYEE MATTERS.

Schedule 5.30(E)
Changes in Rating Assessment

RHODE ISLAND			CONNECTICUT/ MASSACHUSETTS	
DATE	EXP MOD		DATE	EXP MOD
05/23/2003	1.00		05/15/2003	1.00
09/17/2002	1.00		09/17/2002	1.00
12/31/2001	1.23		12/31/2001	1.23
12/31/2000	1.35		12/31/2000	1.35
07/21/2000	1.23		07/21/2000	1.23
09/01/1999	1.35		12/31/1999	1.35

SCHEDULE 5.30F

Employee Claims

Nil

SCHEDULE 6.1

Purchaser Jurisdictions

Delaware

SCHEDULE "6.4"

Purchaser's Consents and Approvals

Nil

SCHEDULE "7.16"

All that certain tract or parcel of land, with the buildings thereon standing, situated on the northerly side of Meridian Street Extension in the Town of Groton, County of New London and State of Connecticut, and bounded and described as follows:

Beginning at a point on the northerly line of said Meridian Street Extension which point is two hundred (200) feet, more or less, west of the westerly line of the Long Hill Road; and thence running northerly by and along land of George E. Dyer and Ragna O. Dyer, sixty-five feet and eight inches (65'8"), more or less, to other land of said George E. Dyer and Ragna O. Dyer, said last line runs parallel with and thirty-two (32) feet east of the foundation of the house on the herein described premises; thence turning and running westerly by and along other land of said George E. Dyer and Ragna O. Dye, seventy-four feet and six inches (74'6"), said last line runs parallel with and fifteen (15) feet north of the foundation of the house on the herein described premises; thence turning and running southerly by and along other land of said George E. Dyer and Ragna O. Dyer, ninety-six feet and six inches (96'6"), more or less, to the northerly line Meridian Street Extension; thence turning and running easterly by and with the northerly line of Meridian Street Extension seventy-nine (79) feet, more or less, to the point and place of beginning.

SCHEDULE 7.18- Gencarelli Guaranty

Not included as signed guaranty was delivered contemporaneously with signing of this Agreement.

SCHEDULE 7.25A

DESCRIPTION OF BAKERY AND OFFICE/WAREHOUSE PROPERTY

BESS EATON BAKERY, 79B TOM HARVEY ROAD, WESTERLY, RI

That certain tract or parcel of land, with all buildings and improvements thereon, situated in the Town of Westerly, Rhode Island, in Parcel "C", so-called such Parcel "C" being laid out on a certain "Map of Land Located in Westerly, Rhode Island, Known as Parcel 'C'", Westerly Airport Industrial Park, belonging to the Industrial Foundation of Rhode Island, Inc., Showing Areas Transferred to the Town of Westerly, Rhode Island, Gordon R. Archibald, Inc., Professional Engineers, Providence, Rhode Island, October, 1980, Scale 1" =60'" recorded in the office of the Town Clerk of said Town of Westerly, on November 26, 1980 in Micro Book 11, at page 196, bounded and described as follows:

Beginning at granite bound in the northerly line of Tom Harvey Road, said granite bound being at the westerly end of a curve connecting the westerly line of Road "B" with said northerly line of Tom Harvey Road and the southeasterly corner of the herein described parcel; thence running westerly in said northerly line of Tom Harvey Road two hundred twenty and one hundredths (220.01) feet to a granite bound; thence turning an interior angle of 169 degrees 01'00" and running westerly in said northerly line of Tom Harvey Road three hundred three and twenty-five hundredths (303.25) feet land now or formerly of Bess Eaton Donut Flour Company, Incorporated; thence turning an interior angle of 90 degrees 00'00" and running northerly bounded westerly by said Bess Eaton Donut Flour Company, Incorporated land three hundred fifty-five and eighty-seven hundredths (355.87) feet to land now or formerly of The Industrial Foundation of Rhode Island, Inc; thence turning an interior angle of 90 degrees 00'00" and running easterly bounded northerly by said The Industrial Foundation of Rhode Island, Inc. land four hundred eighty three and seventy six hundredths (483.76) feet to said westerly line of Rode "B"; thence turning an interior angle of 100 degrees 59'00" and running southerly in said westerly line of Road "B" two hundred eighty-nine and ninety-six hundredths (289.96) feet to a granite bound at the beginning of said curve connecting said westerly line of Road "B" with said northerly line of Tom Harvey Road; thence running southerly, southwesterly and westerly in the arc of said curve to the right having a radius of twenty-five and no hundredths (25.00) feet a distance of thirty nine and twenty-seven hundredths (39.27) feet to the point of beginning. Containing 4.0975 acres more or less.

Together with all benefits and rights reserved by The Industrial Foundation of Rhode Island, Inc. in that certain deed of areas heretofore transferred to the town of Westerly, recorded in said Town Clerk's Office on November 26, 1980 in Book 216 at Page 144, insofar as such benefits and rights may apply to the premises hereby conveyed, in common with The Industrial Foundation of Rhode Island, Inc. and other existing and subsequent owners of lots in Parcel "C".

Subject to restrictions as to use for industrial development purposes by the Rhode Island General Assembly at its January 1964 session.

Subject also to the restrictions set forth in the deed of the State of Rhode Island to the Trustees of The Industrial Foundation of Rhode Island dated June 29, 1965, recorded in said Town Clerk's Office on July 8, 1965 in Book 86, at Page 365.

Subject also to Declaration of Restrictions and Protective Covenants dated October 24, 1980, recorded in said Town Clerk's Office on November 12, 1980 in Book 215 at Page 271.

BESS EATON CORPORATE OFFICE, 79 TOM HARVEY ROAD, WESTERLY,

RI

That certain tract or parcel of land, with all buildings and improvements thereon, situated on the northerly side of Tom Harvey Road and the easterly side of Road A in the Town of Westerly, Rhode Island in Parcel "C", so-called, such Parcel "C" being laid out on a certain "Map of Land Located in Westerly, Rhode Island, Known as Parcel "C", Westerly Airport Industrial Park, belonging to The Industrial Foundation of Rhode Island, Inc., Showing Areas Transferred to the Town of Westerly, R.I., Gordon R. Archibald, Inc., Professional Engineers, Providence, R.I., October, 1980, Scale 1" = 160'" recorded in the office of the Town Clerk of said Town of Westerly, on November 26, 1980 in Micro Book 11, at Page 196, bounded and described as follows:

Beginning at a granite bound in the easterly line of Road "A", said granite bound being at the northerly end of a curve connecting the northerly line of Tom Harvey Road with said easterly line of Road "A" and in the westerly line of the herein described Parcel; thence running northerly in said easterly line of Road "A" a distance of three hundred thirty and eighty seven hundredths (330.87) feet to land now or formerly of the Industrial Foundation of Rhode Island Inc.; thence turning an interior angle of 90 degrees -00'-00" and running easterly bounded northerly by said Industrial Foundation of Rhode Island Inc. land a distance four hundred ninety and no hundredths (490.00) feet to a point; thence turning an interior angle of 90 degrees -00'-00" and running southerly bounded easterly by said Industrial Foundation of Rhode Island Inc. land a distance of three hundred fifty five and eighty seven hundredths (355.87) feet to a point in said northerly line of Tom Harvey Road, said point being three hundred three and twenty five hundredths (303.25) feet westerly of a granite bound in said northerly line of Tom Harvey Road; thence turning an interior angle of 90 degrees -00'00" and running westerly in said northerly line of Tom Harvey Road a distance of four hundred sixty five and no hundredths (465.00) feet to a granite bound at the beginning of said curve connecting said northerly line of Tom Harvey Road with said easterly line of Road "A"; thence turning and running westerly, northwesterly and northerly in the line of said curve having a central angle of 90 degrees -00'-00", and a

radius of twenty five and no hundredths (25.00) feet a distance of thirty nine and twenty seven hundredths (39.27) feet to a granite bound at the end of said curve and the point of beginning; containing 174,242 square feet, or 4.00 acres, more or less.

Together with all benefits and rights reserved by The Industrial Foundation of Rhode Island, Inc. in that certain deed of areas heretofore transferred to the Town of Westerly, recorded in said Town Clerk's office on November 26, 1980 in Book 216, at Page 144, in so far as such benefits and rights may apply to the premises hereby conveyed, in common with The Industrial Foundation of Rhode Island, Inc. and other existing and subsequent owners of lots in Parcel "C".

**SCHEDULE 7.25B
GUARANTY**

GUARANTY, dated as of _____, 2004, by Louis A. Gencarelli, Sr., an individual currently residing at Two Kidds Way, Westerly, Rhode Island 02891, (the "**Guarantor**") in favor of Tim Hortons (New England), Inc., a Delaware corporation (the "**Lender**").

The Guarantor, and Bess Eaton Donut Flour Co Inc. (the "**Company**"), a Connecticut corporation of which the Guarantor is an executive officer and director and the sole shareholder, are entering into an Asset Purchase Agreement with the Lender dated as of February __, 2004 (the "**Asset Purchase Agreement**"), pursuant to which, among other things, the Lender has agreed, subject to certain conditions precedent, to make a certain loan to the Company, which loan is to be secured by a mortgage of certain properties of the Company and by this Guaranty.

It is a condition precedent to the Lender's making a loan to the Company that the Guarantor execute and deliver to this Guaranty to the Lender. The Guarantor, as the Company's sole shareholder, expects to receive substantial direct and indirect benefits from the Lender's loan to the Company.

NOW, THEREFORE, to induce the Lender to extend credit to the Company, the Guarantor hereby agrees with the Lender as follows:

1. **Definitions.** As used in this Guaranty:

"**Loan Documents**" means _____ [refer to all agreements and other documents relating to the mortgage loan].

"**Note**" means _____ [refer to Company's promissory note].

"**Obligations**" means all indebtedness, obligations, and liabilities of the Company to the Lender arising or incurred pursuant to or in connection with the Loan Documents or the transactions contemplated thereby, regardless of whether existing on the date of this Guaranty or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law, or otherwise.

2. **Guaranty of Payment and Performance.** The Guarantor hereby guarantees to the Lender the full and punctual payment when due (whether at stated maturity, by required pre-payment, by acceleration, or otherwise), as well as the performance, of all of the Obligations, including without limitation those that would become due but for the operation of the automatic stay

pursuant to §362(a) of the United States Bankruptcy Code and the operation of §§ 502(b) and 506(b) of the United States Bankruptcy Code. This Guaranty is an absolute, unconditional, and continuing guaranty of the full and punctual payment and performance of all of the Obligations and not of their collectibility only, and is in no way conditioned upon any requirement that the Lender first attempt to collect any of the Obligations from the Company or resort to any collateral security or other means of obtaining payment. Should the Company default in the payment or performance of any of the Obligations, the obligations of the Guarantor hereunder with respect to such Obligations will become immediately due and payable to the Lender, without demand or notice of any nature, all of which are expressly waived by the Guarantor. Payments by the Guarantor hereunder may be required by the Lender on any number of occasions.

3. Guarantor's Agreement to Pay Enforcement Costs, etc. The Guarantor, as the principal obligor and not as a guarantor only, will pay to the Lender, on demand, all reasonable costs and expenses (including court costs and legal expenses) incurred or expended by the Lender in connection with the Obligations, this Guaranty, and the enforcement of the Obligations and this Guaranty, together with interest on amounts recoverable under this § 3 from the time when such amounts become due until payment, whether before or after judgment, at the lesser of (i) the rate of interest for overdue principal set forth in the Note, and (ii) the maximum interest rate permitted to be paid under applicable law.

4. Waivers by Guarantor; Lender's Freedom to Act. The Guarantor agrees that the Obligations will be paid and performed strictly in accordance with their respective terms, regardless of any law, regulation, or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Lender with respect thereto. The Guarantor knowingly, purposefully, and expressly waives and relinquishes all rights to promptness, diligence, presentment, demand, protest, notice of acceptance, notice of any Obligations incurred, and all other rights to notices of any kind, all rights to assert defenses that may be available by virtue of any valuation, stay, moratorium law, or other similar law now or hereafter in effect, any right to require the marshalling of assets of the Company or any other entity or other person primarily or secondarily liable with respect to any of the Obligations, and all suretyship defenses and defenses in the nature of suretyship defenses generally. Without limiting the generality of the foregoing, the Guarantor agrees to the provisions of the Note, each of the other Loan Documents, and any other agreement, instrument, or other document evidencing, securing, or otherwise executed in connection with any of the Obligations and agrees that the obligations of the Guarantor hereunder will not be released or discharged, in whole or in part, or otherwise affected by (i) the failure of the Lender to assert any claim or demand or to enforce any right or remedy against the Company or any other entity or other person primarily or secondarily liable

with respect to any of the Obligations; (ii) any extensions, compromises, refinancings, consolidations, or renewals of any of the Obligations; (iii) any change in the time, place, or manner of payment of any of the Obligations or any rescissions, waivers, compromises, refinancings, consolidations, amendments, or modifications of any of the terms or provisions of the Note, any of the other Loan Documents, or any other agreement, instrument, or other document evidencing, securing, or otherwise executed in connection with any of the Obligations; (iv) the addition, substitution, or release of any entity or other person primarily or secondarily liable for any of the Obligations, (v) the adequacy of any rights that the Lender may have against any collateral security or other means of obtaining repayment of any of the Obligations; (vi) the impairment of any collateral securing any of the Obligations, including without limitation the failure to perfect or preserve any rights which the Lender might have in such collateral security or the substitution, exchange, surrender, release, loss, or destruction of any such collateral security; or (vii) any other act or omission that might in any manner or to any extent increase or otherwise vary the risk of the Guarantor or otherwise operate as a release or discharge of the Guarantor, all of which may be done without notice to the Guarantor. To the fullest extent permitted by law, the Guarantor hereby knowingly, purposefully, and expressly waives and relinquishes any and all rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law that would otherwise prevent the Lender from bringing any action, including any claim for a deficiency, or exercising any other right or remedy (including any right of set-off), against the Guarantor before or after the Lender's commencement or completion of any foreclosure action, whether judicially, by exercise of power of sale, or otherwise, or (B) any other law that in any other way would otherwise require any election of remedies by the Lender.

5. Unenforceability of Obligations Against Company. If for any reason the Company has no legal existence or is under no legal obligation to discharge any of the Obligations, or if any of the Obligations have become irrecoverable from the Company by reason of the Company's insolvency, bankruptcy, or reorganization or by other operation of law, or for any other reason whatsoever, this Guaranty will nevertheless be binding on the Guarantor to the same extent as if the Guarantor at all times had been the principal obligor on all such Obligations. In the event that acceleration of the time for payment of any of the Obligations is stayed upon the insolvency, bankruptcy, or reorganization of the Company, or for any other reason, all such amounts otherwise subject to acceleration under the terms of the Note, any of the other Loan Documents, or any other agreement, instrument, or other document evidencing, securing, or otherwise executed in connection with any of the Obligations will be immediately due and payable by the Guarantor.

6. Subrogation; Subordination.

6.1. Waiver of Rights Against Company. Until the final payment and performance in full of all of the Obligations, the Guarantor will not exercise any rights against the Company arising as a result of payment by the Guarantor hereunder, by way of subrogation, reimbursement, restitution, contribution, or otherwise, and will not prove any claim in competition with the Lender in respect of any payment hereunder in any bankruptcy, insolvency, or reorganization case or proceeding of any nature; the Guarantor will not claim any set-off, recoupment, or counterclaim against the Company in respect of any liability of the Guarantor to the Company; and the Guarantor knowingly, purposefully, and expressly waives and relinquishes any benefit of, and any right to participate in, any collateral security that at any time or from time to time may be held by the Lender.

6.2. Subordination. The payment of any amounts due with respect to any indebtedness or other obligation of the Company now or hereafter owed to the Guarantor is hereby subordinated to the prior payment in full of all of the Obligations. The Guarantor agrees that, after the occurrence of any default in the payment or performance of any of the Obligations, the Guarantor will not demand, sue for, otherwise attempt to collect, accept, or receive payment of any such indebtedness or obligation of the Company to the Guarantor until all of the Obligations have been paid in full. If notwithstanding the foregoing sentence, the Guarantor receives any amounts in respect of such indebtedness, such amounts will be received and held by the Guarantor as trustee for benefit of the Lender and the Guarantor will as promptly as possible pay them over to the Lender on account of the Obligations without affecting in any manner the liability of the Guarantor under the other provisions of this Guaranty.

6.3. Provisions Supplemental. The provisions of this § 6 are supplemental to, and not in derogation of, any rights and remedies of the Lender under any separate subordination agreement that the Lender may at any time and from time to time enter into with the Guarantor.

7. Set-off. Subject to the terms of the Asset Purchase Agreement, the Guarantor hereby authorizes the Lender at any time and from time to time, upon prior written notice to the Guarantor and to the fullest extent permitted by law, to set off and deduct any amount that may be payable by the Guarantor to the Lender under this Guaranty from any amounts payable to the Guarantor by the Lender after demand under this Guaranty.

8. Further Assurances. The Guarantor will promptly provide to the Lender such financial information relating to his businesses, affairs, and

properties as the Lender reasonably may request from time to time. The Guarantor also agrees to do all such things and execute all such documents as the Lender reasonably may consider necessary or desirable to give full effect to this Guaranty and to perfect and preserve the rights and powers of the Lender hereunder. The Guarantor acknowledges and confirms that the Guarantor has established his own adequate means of obtaining from the Company on a continuing basis all information desired by the Guarantor concerning the financial condition of the Company and that the Guarantor will look to the Company and not to the Lender in order for the Guarantor to keep adequately informed of changes in the Company's financial condition.

9. Termination; Reinstatement. This Guaranty will remain in full force and effect until all of the Obligations have been indefeasibly paid and discharged in full. This Guaranty will continue to be effective, or be reinstated, if at any time any payment made or value received with respect to any of the Obligations is rescinded or must otherwise be returned by the Lender upon the insolvency, bankruptcy, or reorganization of the Company, or otherwise, all as though such payment had not been made or value received.

10. Successors and Assigns. This Guaranty binds the Guarantor and his heirs, executors, administrators, legal representatives, successors, and assigns, and benefits and is enforceable by the Lender and its successors, transferees, and assigns. Without limiting the generality of the foregoing sentence, the Lender may assign or otherwise transfer any or all of the Note, the other Loan Documents, or any other agreement, instrument, or document evidencing, securing, or otherwise executed in connection with any of the Obligations, or sell participations in any interest therein, to any other entity or other person, and such other entity or other person will thereupon become vested, to the extent set forth in the agreement evidencing such assignment, transfer, or participation, with all the rights in respect thereof granted to the Lender herein.

11. Amendments and Waivers. No amendment or waiver of any provision of this Guaranty nor consent to any departure by the Guarantor therefrom will be effective unless in writing and signed by the Lender. No failure on the part of the Lender to exercise, or delay in exercising, any right hereunder will operate as a waiver thereof; nor will any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

12. Notices. All notices and other communications called for hereunder will be made in writing and, unless otherwise specifically provided herein, will be deemed to have been duly made or given when delivered by hand or mailed first class, postage prepaid, or, in the case of notice sent by facsimile, when transmitted, with confirmation of transmission, addressed to the Guarantor or

the Lender, as the case may be, at his or its then current address for notices given pursuant to Section 12.2 of the Asset Purchase Agreement.

13. Governing Law; Consent to Jurisdiction and Service of Process. THIS GUARANTY IS INTENDED TO TAKE EFFECT AS A SEALED INSTRUMENT AND WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE COMMONWEALTH OF MASSACHUSETTS, WITHOUT REFERENCE TO PRINCIPLES OF CONFLICTS OR CHOICES OF LAW. The Guarantor agrees that any suit for the enforcement of this Guaranty may be brought in the courts of the Commonwealth of Massachusetts or any federal court sitting therein and consents to the exclusive jurisdiction of such courts and to service of process in any such suit being made upon the Guarantor by mail pursuant to § 12 hereof, or in any manner permitted under Section 12.2 of the Asset Purchase Agreement. The Guarantor 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 forum.

14. Waiver of Jury Trial. THE GUARANTOR HEREBY WAIVES HIS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS GUARANTY, ANY RIGHTS OR OBLIGATIONS HEREUNDER, OR THE PERFORMANCE OR BREACH OF ANY OF SUCH RIGHTS OR OBLIGATIONS. Except as prohibited by law, the Guarantor hereby waives any right that he may have to claim or recover in any litigation referred to in the preceding sentence any special, exemplary, punitive, or consequential damages or any damages other than, or in addition to, actual direct damages. The Guarantor (i) certifies that neither the Lender nor any representative, agent, or attorney of the Lender has represented, expressly or otherwise, that in the event of litigation the Lender would not seek to enforce the foregoing waivers and (ii) acknowledges that in entering into and extending credit to the Company pursuant to the Loan Documents, the Lender is relying upon, among other things, the waivers and certifications contained in this § 14.

15. Miscellaneous. This Guaranty constitutes the entire agreement of the Guarantor with respect to the matters set forth herein. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by law or any other agreement, and this Guaranty will be in addition to any other guaranty of or collateral security for any of the Obligations. The invalidity or unenforceability of any one or more sections of this Guaranty will not affect the validity or enforceability of its remaining provisions. Captions and headings herein are for the ease of reference only and do not affect the meaning of the relevant provisions. The meanings of all defined terms used in this Guaranty are equally applicable to the singular and plural forms of the terms defined. The language of this Guaranty is the language mutually chosen