

GUARANTY

THIS GUARANTY (the "Guaranty") is made and entered as of this 27th day of February, 2004, by Louis A. Gencarelli, Sr., an individual residing in Westerly, Rhode Island (together with his heirs, administrators, legal representative and permitted assigns, "Gencarelli"), for the benefit of all of the unsecured creditors (the "Creditors") of Bess Eaton Donut Flour Company ("Bess").

WITNESSETH

WHEREAS, Gencarelli is the sole stockholder of Bess and Bess is or may become indebted to the creditors for the Obligations (as hereafter defined) and Bess has acknowledged its inability to pay the Obligations (as hereafter defined); and

WHEREAS, Gencarelli has represented to the Creditors that he intends to (a) cause Bess to sell substantially all of its assets and (b) sell certain assets of Gencarelli relating to the operation of the Bess business (the "Sale");

WHEREAS, Gencarelli believes the Sale will be in the best interests of Bess and Gencarelli and will maximize the value they can obtain for the assets; and

WHEREAS, Gencarelli has, in consideration for the Creditors' agreement to forbear from commencing any civil actions to recover money or to interfere with the Sale and to permit Gencarelli to pursue the Sale, agreed herein to undertake certain obligations, including, without limitation, to guaranty or otherwise pay the Obligations (as hereafter defined) owed to the Creditors.

NOW THEREFORE, for and in consideration of delivery of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Gencarelli agrees as follows:

1. **Obligations.** The term "Obligations," as used herein, means any and all obligations, indebtedness, liabilities, loans and advances due from Bess to the Creditors, arising prior to, on or after the date hereof, and any and all interest, commissions, obligations, liabilities, indebtedness, charges and expenses now or hereafter chargeable against Bess by the Creditors or owing by Bess to the Creditors, whether any of the foregoing matters are direct or indirect, joint or several, absolute or contingent, due or to become due, now existing or hereafter arising, no matter how or when arising and whether under any past, present or future agreement or instrument between Bess and the Creditors or otherwise, and the performance and fulfillment by Bess of all of the terms, conditions, promises, covenants and provisions contained in any note, past, present or future agreement or instrument between Bess and the Creditors, and including all costs of collections and expenses, including reasonable attorneys' fees incurred by the Creditors to collect the Obligations from any party liable for the payment thereof, whether as maker, endorser, guarantor, surety or otherwise, or in protecting, enforcing or realizing upon the Creditor's rights in connection with any collateral securing the Obligations or any guaranty thereof. In the event that Bess becomes a

debtor under the federal Bankruptcy Code, the Obligations shall be those finally allowed in the bankruptcy case, without giving effect to interest unmatured as of the commencement of the case.

2. Undertaking. Conditional only upon the Sale occurring, Gencarelli agrees to pay to Bess, for the benefit of the Creditors, all of the Obligations. In the event that Gencarelli becomes a debtor under the Bankruptcy Code, payment shall be made, unless otherwise ordered by the bankruptcy court, on the effective date of Gencarelli's plan in his Chapter 11 case or at such other time as distributions are generally made to his prepetition creditors. If a claim has not been finally allowed on the effective date or at the time of distribution, payment shall be made at such time as the claim is finally allowed unless otherwise ordered by the bankruptcy court. In the event that a Sale occurs, but Gencarelli does not become a debtor under the Bankruptcy Code or any bankruptcy case in which Gencarelli is a debtor is subsequently dismissed, payment shall be made on demand by any or all of the Creditors.

3. Trust Fund/Priority.

(a) Gencarelli agrees that all proceeds received by him from the Sale shall be held in trust by him for the payment of the Obligations and of claims of his other creditors. Notwithstanding anything in this Agreement to the contrary, in the event that Gencarelli's assets available to Creditors are not sufficient to pay both the Obligations and the claims of Gencarelli's Own Creditors, no payment shall be made to Creditors until Gencarelli's Own Creditors shall have first received payment in full of their claims. In the event that Gencarelli becomes a Debtor under the Bankruptcy Code, the claims of Gencarelli's Own Creditors shall be those finally allowed in the bankruptcy case.

(b) The term "Gencarelli's Own Creditors", as used in this Section 3, means creditors holding claims against Gencarelli before giving effect to this Guaranty. Gencarelli's Own Creditors include, without limitation, L.R.F., Inc., Eastern Bank, Perkins Paper, Inc. and Sara Lee Coffee and Tea Foodservice, a Division of Sara Lee/DE International B.V., each of which is owed obligations previously guaranteed personally by Gencarelli.

4. Governing Law, Jurisdiction and Forum. Gencarelli consents that this Guaranty shall be governed by and construed in accordance with the substantive laws (other than the rules governing conflicts of laws) of the Commonwealth of Massachusetts, and that the state and federal courts located in the Commonwealth of Massachusetts shall have exclusive jurisdiction over all matters related to this Guaranty, except in the event of Bess' and Gencarelli's bankruptcy filings. Gencarelli hereby agrees to submit to the jurisdiction of such courts as having proper venue to resolve such matters.

5. Amendments. This Guaranty may not be amended or modified except by an agreement in writing signed by Gencarelli, the Creditors and any person under which Bess is at any time under contract to sell its assets as part of the Sale so long as the contract is in effect or the Sale has closed.

6. Headings. The headings of sections and subsections hereof are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Guaranty.

7. Severability. If a court of competent jurisdiction finds that any provision of this Guaranty is contrary to any applicable statute, law, rule or policy or for any reason unenforceable as written, the finding shall have no effect upon any such provision remaining enforceable to the extent permitted by law, and all other provisions shall remain in full force and effect.

8. Non-assignment. The obligations of Gencarelli under this Guaranty are personal to him, and no such rights, benefits or obligations shall be subject to voluntary or involuntary alienation, assignment or transfer, except as otherwise contemplated hereby.

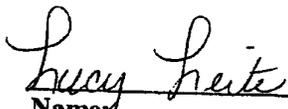
9. Execution. This Guaranty may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

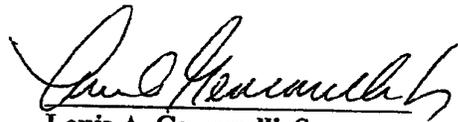
10. Waiver. A failure by any Creditor to enforce any of Gecarelli's obligations hereunder shall not be deemed to be a waiver of such obligations, unless such waiver is an express written waiver which has been signed by the Creditor. The waiver by the Creditor of a breach of any provision of this Guaranty shall not operate or be construed as a waiver by the Creditor of any subsequent breach by Gencarelli. Gencarelli generally waives all suretyship defenses.

11. Successors and Assigns. This Guaranty shall be binding on Gencarelli and his heirs, legal representative, successors or assign, and shall inure to the benefit of the Creditors, their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Guaranty as a sealed instrument as of the date first written above.

Witnessed by:


Name: _____


Louis A. Gencarelli, Sr.

3998873