

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
FRIENDLY ICE CREAM CORPORATION, <i>et al.</i> , ¹)	Case No. 11-13167 (KG)
)	
Debtors.)	Jointly Administered
)	
)	Re: Court Docket No. 5

**ORDER AUTHORIZING AND APPROVING
EXPEDITED PROCEDURES FOR (A) REJECTION
OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND
(B) ABANDONMENT OF PERSONAL PROPERTY**

Upon the motion (the "Motion")² of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order") approving and authorizing the Rejection Procedures in connection with (a) the rejection of any Contract during the course of these chapter 11 cases and (b) the abandonment of personal property in connection therewith; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest; and the Debtors having provided appropriate notice of the Motion and the opportunity for a hearing on the Motion under the circumstances and no other or further notice need be

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Friendly Ice Cream Corporation (3130); Friendly's Restaurants Franchise, LLC (3693); Friendly's Realty I, LLC (2580); Friendly's Realty II, LLC (2581); and Friendly's Realty III, LLC (2583). The location of the Debtors' corporate headquarters and the Debtors' service address is: 1855 Boston Road, Wilbraham, Massachusetts 01095.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

provided; and the Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before the Court (the "Hearing"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The Rejection Procedures are approved in connection with the rejection of any

Contract as follows:

- a. Rejection Notice. The Debtors will file a notice (the "Rejection Notice") to reject a Contract or Contracts pursuant to section 365 of the Bankruptcy Code, which Rejection Notice shall set forth, among other things: (i) the Contract(s) to be rejected; (ii) the names and addresses of the counterparties to such Contract(s); (iii) the proposed effective date of the rejection for each such Contract(s), which date may not be before the date of service of the Rejection Notice nor the date the Debtors relinquish (or already have relinquished) control of the applicable premises by delivering keys and/or security codes to the affected landlord (the "Rejection Date"); and (iv) the deadlines and procedures for filing objections to the Rejection Notice (as set forth below).
- b. Service of the Rejection Notice. The Debtors will serve the Rejection Notice (i) by an overnight delivery service upon the Contract counterparties or landlords affected by the Rejection Notice (including any sublessees); and (ii) by email upon: (a) the U.S. Trustee; (b) counsel to the Committee; (c) counsel to the agent for the Debtors' prepetition secured credit facility; (d) counsel to the indenture trustee for the Debtors' prepetition notes; (e) counsel to the agent for the Debtors' proposed postpetition financing facility; (f) counsel to Contract counterparty or landlord (including sublessees) affected by the Rejection Notice, if known; (g) any third party equipment or personal property lessor with an interest in any property to be abandoned; and (h) those persons who have formally appeared and requested service in this proceeding pursuant to Bankruptcy Rule 2002.
- c. Objection Procedures. Parties objecting to a proposed rejection must file and serve a written objection so that such objection is filed with the Court and is actually received by the following parties (collectively, the "Objection Service Parties") no later than ten (10) calendar days after the date the Debtors serve the relevant Rejection Notice: (a) counsel to the Debtors, Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn: Ross M. Kwasteniet, and Pachulski

Stang Ziehl & Jones LLP, 919 North Market Street, 17th Floor, Wilmington, Delaware 19899-8705, Attn: Laura Davis Jones; (b) the U.S. Trustee, 844 King Street, Suite 2207, Wilmington, Delaware 19801, Attn: Richard Schepacarter; (c) counsel to the Committee, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York, 10036, Attn: Philip Dublin and Kristine Manoukian, and Blank Rome LLP, 1201 Market Street, Suite 800, Wilmington, Delaware 19801, Attn: Stanley B. Tarr; (d) counsel to the agent for the Debtors' prepetition secured credit facility and for the Debtors' proposed postpetition financing facility, Paul Hastings LLP, 600 Peachtree Street, N.E., Suite 2400, Atlanta, Georgia 30308, Attn: Jesse H. Austin, III; (e) counsel to the indenture trustee for the Debtors' prepetition notes, Reed Smith LLP, Reed Smith Centre, 225 Fifth Avenue, Pittsburgh, Pennsylvania 15222-2716, Attn: Amy M. Tonti, Esquire; (f) counsel to Contract counterparty or landlord (including sublessees) affected by the Rejection Notice, if known; (g) any third party equipment or personal property lessor with an interest in any property to be abandoned, if known; and (h) those persons who have formally appeared and requested service in this proceeding pursuant to Bankruptcy Rule 2002.*

- d. Certificate of No Objection. If an objection to the rejection of any Contract(s) is/are not timely filed, the Debtors shall file with the Court a certificate of no objection with a proposed order rejecting such Contract(s) with the effective date of such rejection to be as set forth in the Rejection Notice or such other date to which the Debtors (in consultation with the Committee) and the counterparty or counterparties to such Contract(s) have agreed.
- e. Unresolved Objections. If an objection to the rejection of any Contract(s) is/are timely filed and not withdrawn or resolved, the Debtors shall file a notice for a hearing to consider the objection for the Contract(s) to which such objection relates. If such objection is overruled or withdrawn, such Contract(s) shall be rejected with the Rejection Date to be as set forth in the Rejection Notice or such other date to which the Debtors (in consultation with the Committee) and the counterparty to such Contract(s) have agreed; provided, however, that in the case of a real property lease to be rejected, if a non-landlord third party objects to the proposed rejection, the Rejection Date will be no earlier than the date on which the non-landlord third party objection is withdrawn or adjudicated by the Court.
3. Counterparties to Contracts rejected pursuant to the Rejection Procedures must

file a proof of claim relating to the rejection of such Contracts, if any, by the later of (a) the claims bar date established in these chapter 11 cases, if any, and (b) forty-five (45) days after the Rejection Date.

* Objectors may send a copy of the Objections to the Debtors for service on the parties indicated in (g) and ~~(h)~~. no

4. The Debtors are authorized, but not directed, prior to the Rejection Date of any rejected Contract, to remove any property from the premises that is the subject of such Contract, consistent with the Debtors' ownership rights or other property interests therein.

5. The Debtors are authorized (in consultation with the Committee) to abandon any personal property that may be located on premises, including property leased under a Contract rejected pursuant to the Rejection Procedures (collectively, "Abandoned Property"). Any Abandoned Property remaining at the Premises after the Rejection Date is abandoned free and clear of any claims, liens, or interests of the Debtors or third parties, and the landlord may dispose of such Abandoned Property in its sole discretion without liability to any third party. All rights of the landlord to assert claims against the Debtors' estates related to the Abandoned Property, including without limitation to its disposal, are fully reserved, and the rights of the Debtors to dispute any such claims are fully reserved.

6. The Debtors will use commercially reasonable efforts to remove any remaining hazardous products from the Premises prior to relinquishing the Premises.

7. Notwithstanding anything to the contrary herein, the Rejection Procedures will not govern any rejection of that certain commercial real estate lease dated June 25, 1999, (as may have been amended from time to time) with respect to a certain building and premises located at 1045 Sheridan Street, Chicopee, Massachusetts. To the extent that the Debtors determine to reject such lease, such rejection shall be the subject of a separate motion filed with this Court.

8. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall be deemed: (a) an admission as to the validity of any claim against a Debtor entity; (b) a waiver of the Debtors' or the Committee's right, if any, to

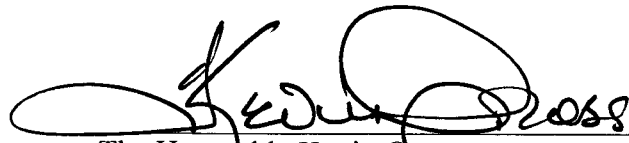
dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified of defined in this Order of the Motion.

9. Notice of the Motion as provided therein shall be deemed good and sufficient and the requirements of Bankruptcy Rule 6004(a) and the Local Bankruptcy Rules are satisfied by such notice.

10. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

11. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

Dated: Oct. 24, 2011
Wilmington, Delaware

A handwritten signature in black ink, appearing to read "Kevin Gross", written over a horizontal line.

The Honorable Kevin Gross
Chief United States Bankruptcy Judge