

**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. 120__

**ORDER APPROVING PROCEDURES FOR THE SALE,
TRANSFER, OR ABANDONMENT OF DE MINIMIS ASSETS**

Upon the motion (the “Motion”) of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Order”) approving procedures of the sale, transfer, or abandonment of De Minimis Assets;² and this Court having found that this Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that the Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of this proceeding and the Motion in this District is proper pursuant to 28 U.S.C. § 1408; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and notice of the Motion appearing adequate and appropriate under the circumstances; and this Court having found that no other or further notice need be provided; and this Court having reviewed the Motion and having heard statements in support of the Motion at a hearing held before this

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.

Court (the "Hearing"); and this 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 this Court having found that relief requested in the Motion is necessary to prevent immediate and irreparable harm; and any objections to the relief requested herein having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefore, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. Pursuant to section 363(b) of the Bankruptcy Code, the Debtors are authorized to sell or transfer the De Minimis Assets in accordance with the following procedures (the "De Minimis Asset Sale Procedures"):

- a. With regard to sales or transfers of the De Minimis Assets in any individual transaction or series of related transactions to a single buyer or group of related buyers with an aggregate selling price³ equal to or less than \$50,000:
 - i. The Debtors are authorized to consummate such transaction(s) if the Debtors determine in the reasonable exercise of their business judgment that such sales or transfers are in the best interests of the estates, without further order of the Court or notice to any party; provided that the Debtors will provide advance notice of any such De Minimis Assets to be sold or transferred to the proposed counsel to the Official Committee of the Unsecured Creditors appointed in these chapter 11 cases (the "Committee"); and
 - ii. Any such transaction(s) shall be free and clear of all Liens, with such Liens attaching only to the sale or transfer proceeds with the same validity, extent, and priority as had attached to the De Minimis Assets immediately prior to such sale or transfer.
- b. With regard to the sales or transfers of the De Minimis Assets in any individual transaction or series of related transactions to a single buyer or

³ For purposes of these procedures, selling price shall refer to the Debtors' estimate of the net proceeds of any sale transaction.

group of related buyers with an aggregate selling price greater than \$50,000 and up to or equal to \$500,000:

- i. The Debtors are authorized to consummate such transaction(s) without further order of the Court if the Debtors determine in the reasonable exercise of their business judgment that such sales or transfers are in the best interests of the estates, subject to the procedures set forth herein;
- ii. Any such transaction(s) shall be free and clear of all Liens, with such Liens attaching only to the sale or transfer proceeds with the same validity, extent, and priority as had attached to the De Minimis Assets immediately prior to such sale or transfer;
- iii. The Debtors shall give written notice of each such sale (the "Sale Notice") to (a) the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee"); (b) counsel to the agent for the Debtors' prepetition secured lenders and the agent for the Debtors' postpetition debtor in possession financing facility; (c) the indenture trustee for the Debtors' prepetition unsecured noteholders; (d) proposed counsel to the Committee, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York 10036, Attn: Philip Dublin and Kristine Manoukian; (e) counsel to the Stalking Horse Purchaser, Morgan, Lewis & Bockius LLP, 1701 Market Street, Philadelphia, Pennsylvania 19103, Attn: David A. Gerson; and (f) those persons who have formally appeared and requested service in this proceeding pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties") at least seven (7) business days prior to the closing of such sale or transfer;
- iv. The content of the Sale Notice shall consist of (a) identification of the De Minimis Assets being sold or transferred, (b) identification of the purchaser of the assets, (c) the purchase price, and (d) the significant terms of the sale or transfer agreement, including, but not limited to, any payments to be made by the Debtors on account of commission fees to agents, brokers, auctioneers, and liquidators;
- v. If no written objections from any of the Notice Parties are filed within seven (7) business days after the date of receipt of such Sale Notice, then the Debtors are authorized to immediately consummate such sale or transfer;
- vi. If any Notice Party files a written objection to any such sale or transfer with the Court within seven (7) business days after receipt of such Sale Notice, then the relevant De Minimis Asset shall only be sold or transferred upon either the consensual resolution of the

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* The Debtors will provide Huntington National Bank and 4th Day Hospitality LLC prior notice of any sale or transfer of any of the assets located at the five Dayton-area Friendly's location (Miamisburg, Troy, Vandalia, Kettering & Beaver Creek) and Huntington shall have seven business days from receipt of such notice to object to any such sale, transfer or objection by the parties in question or further order of the Court after notice and a hearing.

3. The Debtors shall use commercially reasonable efforts to market all De Minimis Assets proposed to be sold in an effort to maximize the value received.

4. Sales of De Minimis Assets shall be deemed arm's-length transactions entitled to the protections of section 363(m) of the Bankruptcy Code.

5. For the avoidance of doubt, the De Minimis Asset Sale Procedures shall not apply to any sales or transfers of non-residential real property leases, nor shall it affect the rights of non-residential real property lessors under section 365 of the Bankruptcy Code.

6. The De Minimis Assets shall be sold free and clear of all liens, claims, interests, and encumbrances (collectively, the "Liens") against the Debtors, their estates, or the De Minimis Assets, because, in each case, one or more of the standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. Holders of Liens against De Minimis Assets are adequately protected by having their Liens attach to the cash proceeds attributable to the De Minimis Assets in which such creditor alleges an interest, in the same order of priority, with the same validity, force, and effect that such creditor had prior to the sale, subject to any claims and defenses the Debtors may possess with respect thereto. Failure to object to the entry of the order approving this Motion, along with failure to file a timely objection to a Sale Notice, shall be deemed "consent" to any sales or transfers pursuant to the order within the meaning of section 363(f)(2) of the Bankruptcy Code.

7. The Debtors are authorized pursuant to section 554(a) of the Bankruptcy Code to abandon De Minimis Assets in accordance with the following procedures (the "De Minimis Asset Abandonment Procedures"):

a. The Debtors shall give written notice of the abandonment (the "Abandonment Notice") to the Notice Parties;

- b. The Abandonment Notice shall contain a (i) reasonably detailed description of the De Minimis Assets to be abandoned, (ii) the Debtors' reasons for such abandonment, and (iii) any payments to be made by the Debtors in connection with such abandonment including, but not limited to, commission fees to agents, brokers, auctioneers, and liquidators;
- c. If no written objections from any of the Notice Parties are filed with the Court within seven (7) business days after the date of receipt of such Abandonment Notice, then the Debtors are authorized to immediately proceed with the abandonment; and
- d. If a written objection from any Notice Party is filed with the Court within seven (7) business days after receipt of such Abandonment Notice, then the relevant De Minimis Asset shall only be abandoned upon either the consensual resolution of the objection by the parties in question or further order of the Court after notice and a hearing.

8. Abandonment of any De Minimis Assets located on property leased by the Debtors (the "Leased Premises") shall be done in accordance with applicable order(s) of this Court authorizing the rejection of the lease for the Leased Premises and abandonment of any personal property remaining on the Leased Premises following rejection of the lease.

9. Notwithstanding anything to the contrary contained herein, (i) any payment made, or authorization contained, hereunder shall be subject to the requirements imposed on the Debtors under any order approving debtor-in-possession financing (a "DIP Order"), and (ii) any claim for which payment is authorized pursuant to this Order that is treated as an administrative expense of the Debtors' estates shall be and is subject and subordinate to any and all claims, liens, security interests, and priorities granted to the DIP Agents (as defined in the DIP Order) in accordance with and subject to the terms of the applicable DIP Order, and payment on any such claim shall be subject to any and all restrictions on payments in the DIP Order and any other order of the Court authorizing the Debtors' use of cash collateral.

10. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied.

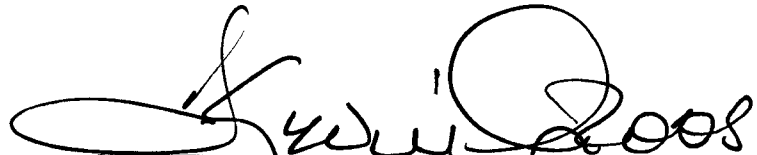
11. Notice of the Motion as provided therein shall be deemed good and sufficient and the requirements of Bankruptcy Rule 6004(a) and the Local Bankruptcy Rules are satisfied by

such notice.

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

13. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order, including paying those necessary fees and expenses incurred in the sale or abandonment of De Minimis Assets (including, but not limited to, commission fees to agents, brokers, auctioneers, and liquidators); provided that procedures of this Order are followed with respect to the payment of such amounts in connection with a sale or abandonment of De Minimis Assets.

Dated: Oct. 24, 2011
Wilmington, Delaware



The Honorable Kevin Gross
Chief United States Bankruptcy Judge