

01-14-2002

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Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002)

U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

Tab settings

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1-10-02

1. Name of conveying party(ies):
 Friendly Ice Cream Corporation¹
 Friendly's Realty II, LLC²

Individual(s) Association
 General Partnership Limited Partnership

1 Corporation-State Massachusetts
 2 Other Limited Liability Company-Delaware

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
 Name: GE Capital Franchise Finance Corporation
 Internal Address: _____
 Address: _____
 Street Address: 17207 N. Perimeter Drive
 City: Scottsdale State: AZ Zip: 85255

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State Delaware
 Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached. Yes No
 (Designations must be a separate document from assignment)
 Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other Collateral Assignment of License

Execution Date: December 19, 2001

4. Application number(s) or registration number(s):
 A. Trademark Application No.(s)
 B. Trademark Registration No.(s)
 1704309; 1597640; 1595593

Additional number(s) attached Yes No

6. Total number of applications and registrations involved: 3

5. Name and address of party to whom correspondence concerning document should be mailed:
 GE Capital Franchise Finance Corporation
 Name: _____
 Internal Address: _____

 Street Address: 17207 N. Perimeter Drive

 City: Scottsdale State: AZ Zip: 85255

7. Total fee (37 CFR 3.41).....\$ 90.00
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number: _____

 (Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature
 To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Mark R. Nethers
 Name of Person Signing

Mark R. Nethers
 Signature

1/3/02
 Date

Total number of pages including cover sheet, attachments, and document: 11

01/14/2002 DBYRNE 00000321 1704309

Mail documents to be recorded with required cover sheet information to:
 Commissioner of Patent & Trademarks, Box Assignments
 Washington, D.C. 20231

01 FC:481
 02 FC:482

40.00 OP
 50.00 OP

TRADEMARK
 REEL: 002422 FRAME: 0211



COLLATERAL ASSIGNMENT OF LICENSE AGREEMENT

THIS COLLATERAL ASSIGNMENT OF LICENSE AGREEMENT (this "Assignment") is executed effective as of December 19, 2001, by FRIENDLY'S REALTY II, LLC, a Delaware limited liability company ("Assignor"), to and for the benefit of GE CAPITAL FRANCHISE FINANCE CORPORATION, a Delaware corporation ("Assignee").

FOR VALUE RECEIVED, Assignor does hereby collaterally assign, transfer, and set over to Assignee all of Assignor's right, title and interest in and to that certain License Agreement dated as of the date hereof, between Friendly Ice Cream Corporation, a Massachusetts corporation ("Lessee"), and Assignor, and all amendments, modifications and supplements thereto (collectively, the "License Agreement"), relating to the restaurant properties described on Exhibit A thereto (the "Properties").

A. THIS COLLATERAL ASSIGNMENT IS MADE FOR THE PURPOSE OF SECURING Assignor's performance of and compliance with all of the terms, covenants and conditions set forth herein, in that certain Loan Agreement dated as of the date hereof executed by Assignee and Assignor with respect to the Properties (the "Loan Agreement") and all other documents, agreements and instruments executed or to be executed in connection therewith, including, without limitation, the Loan Documents (as defined in the Loan Agreement) (collectively, the "Documents"). Capitalized terms used but not defined herein shall have the meaning set forth in the Loan Agreement.

B. ASSIGNOR HEREBY GRANTS TO ASSIGNEE A SECURITY INTEREST IN THE LICENSE AGREEMENT.

C. ASSIGNOR AGREES:

(1) To faithfully abide by, perform and discharge each and every obligation, covenant and agreement of the License Agreement to be performed by Assignor thereunder, at no cost or expense to Assignee, and: (a) to enforce or secure the performance of each and every material obligation, covenant, condition and agreement contained in the License Agreement to be performed by Lessee; and (b) not to modify, extend or in any way alter the terms of the License Agreement or accept a surrender of the License Agreement, or to waive, excuse, condone, or in any manner release or discharge Lessee of or from the obligations, covenants, conditions and agreements to be performed by Lessee in the manner and at the place and time specified therein. Assignor hereby expressly releases, relinquishes and surrenders unto Assignee all its right, power and authority to amend, modify, cancel, terminate or in any way alter the terms or provisions of the License Agreement without the prior written consent of Assignee.

(2) That, at no cost or expense to Assignee, Assignor shall appear in and defend any action or proceeding arising under, growing out of or in any manner connected with the License Agreement or the obligations, duties or liabilities of Assignor thereunder, and shall pay all costs and expenses of Assignee, including reasonable attorneys' fees and expenses, in any action or proceeding concerning the License Agreement in which Assignee may appear.

(3) That, if Assignor fails to make any payment or to do any act as herein provided or fails to do so promptly upon demand by Assignee, and does not promptly cure such failure within any applicable cure period provided in the Documents, then Assignee shall have the right, but without the obligation so to do, without releasing Assignor from any obligation hereof and without notice to or demand upon Assignor, to make such payment or to do such act in such manner and to such extent as Assignee may deem necessary to prevent the material impairment of the security hereof, including, without limiting the generality of the foregoing, the right to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Assignee and to perform and discharge each and every obligation, covenant and agreement of Assignor contained in the License Agreement, and in exercising any such rights or powers to employ counsel and pay such costs and expenses as Assignee shall incur, including, without limitation, reasonable attorneys' fees. Neither this Assignment nor any action or actions on the part of Assignee shall constitute an assumption by Assignee of any obligation of Assignor under the License Agreement and Assignor shall continue to be liable for all obligations thereunder, Assignor hereby agreeing to perform each and all of its obligations under the License Agreement.

(4) To pay immediately upon demand all sums expended by Assignee under the authority hereof, together with interest ("Default Interest") thereon at the rate of 14% per annum (the "Default Rate"); provided, however, if such advance does not relate to a default hereunder by Assignor or under any other Loan Document, then no Default Interest shall be due if Assignor repays such advance within ten (10) days of written demand by Assignee.

D. THE PARTIES HERETO MUTUALLY AGREE THAT:

(1) As long as no "Event of Default" has occurred and is continuing under any of the Documents, Assignor shall have the right to exercise all of its rights (other than its right to amend, modify, cancel, terminate or in any way alter the terms of the License Agreement without the prior written consent of Assignor) under the License Agreement.

(2) Assignor agrees that Assignee does not and will not assume any of Assignor's obligations or duties concerning the License Agreement until and unless Assignee expressly notifies Assignor and Lessee in writing of Assignor's intent to assume such obligations. Assignor further agrees that no amendment to the License Agreement shall be effective without Assignee's prior written consent.

(3) Upon the occurrence and during the continuance of an "Event of Default" under any of the Documents, Assignee may, at its option, exercise all of its rights granted under this Assignment. Assignor hereby irrevocably constitutes and appoints Assignee, upon the occurrence and during the continuance of an "Event of Default" under any of the Documents, as its attorney-in-fact to demand, receive and enforce Assignor's rights with respect to the License Agreement, to give appropriate receipts, releases and satisfactions for and on behalf of Assignor, and to do any and all acts in the name of Assignor or in the name of Assignee with the same force and effect as Assignor could do if this Assignment had not been made.

(4) Assignor shall and does hereby agree to indemnify, defend and hold Assignee harmless for, from and against any and all liability, loss or damage which it may or might incur under the License Agreement or under or by reason of this Assignment and for, from and against any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligation or undertaking in its part to perform or discharge any of the terms, covenants or agreements contained in the License Agreement or under or by reason of this Assignment. Should Assignee incur any such liability, loss or damage under the License Agreement or under or by reason of this Assignment, or in the defense of any such claim or demand, the amount thereof, including costs, expenses and attorneys' fees, together with interest thereon at the Default Rate, shall be secured hereby, and Assignor shall reimburse Assignee therefor immediately upon demand.

(5) So long as this Assignment is in effect, and subject to the provisions of paragraph C(1) above, Assignor covenants and agrees to transfer and assign to Assignee any and all subsequent agreements which are entered into pursuant to, in replacement of or to serve substantially the same purpose as the License Agreement upon the same or substantially the same terms and conditions as herein contained, and to make, execute and deliver to Assignee, upon demand, any and all instruments that may be necessary therefor.

(6) Upon the satisfaction and discharge of all of Assignor's obligations under the Documents, this Assignment shall become and be void and of no effect, but any person may rely upon the affidavit of any officer of Assignee affirming the validity, effectiveness and continuing force of this Assignment. Upon such termination, all the estate, right, title, interest, claim and demand of Assignee under the License Agreement shall revert to Assignor, and Assignee shall, at the request of Assignor, deliver to Assignor an instrument canceling the Assignment and reassigning the License Agreement to Assignor, which instrument shall be prepared at Assignor's expense.

(7) Assignor warrants (i) that the License Agreement has not been amended or modified, (ii) that no default by Assignor exists thereunder, (iii) that no event has occurred or exists which, with notice or lapse of time or both, would constitute a default by Assignor thereunder, (iv) that no default by Lessee exists which, with the giving of notice or lapse of time, or both, would constitute a default by Lessee thereunder, and (v) that no previous assignment of its interest in the License Agreement has been made and, except for the collateral assignment to Assignee hereunder, Assignor will not assign, sell, pledge, transfer, hypothecate or otherwise encumber in any manner whatsoever its interest in the License Agreement so long as this Assignment is in effect.

(8) Assignor agrees that it shall provide to Assignee copies of any and all notices Assignor submits to Lessee in conjunction with the operation of or default by Lessee pursuant to the License Agreement. Said notices shall be given to Assignee contemporaneously with the giving of any such notice to Lessee. All notices, consents, approvals or other instruments required or permitted to be given by either party pursuant to this Assignment shall be given in accordance with the notice provisions of the Loan Agreement.

(9) Time is of the essence with respect to each and every provision of this Assignment in which time is a factor. Except as otherwise specifically provided herein, the terms, covenants and conditions contained in this Assignment shall bind and inure to the benefit of the respective heirs, successors, executors, administrators and assigns of each of the parties hereto.

(10) The taking of this Assignment by Assignee shall not effect the release of any other collateral now or hereafter held by Assignee as security for the obligations of Assignor under the Documents, nor shall the taking of additional security for the obligations hereafter effect a release or termination of this Assignment or any terms or provisions hereof.

(11) No failure or delay on the part of Assignee in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The rights, powers and remedies hereunder are cumulative and may be exercised by Assignee either independently of or concurrently with any other right, power or remedy of Assignee contained herein or in any of the documents.

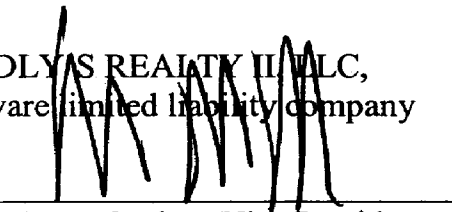
(12) This Assignment may be executed in one or more counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be executed as of the day and year first above written.

ASSIGNOR:

FRIENDLY'S REALTY II, LLC,
a Delaware limited liability company

By



Aaron Parker, Vice President

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

ASSIGNEE:

GE CAPITAL FRANCHISE FINANCE
CORPORATION, a Delaware corporation

By 

Printed Name Mark Wood

Its VICE PRESIDENT

[END OF SIGNATURES]

POWER OF ATTORNEY

Assignee may act as attorney-in-fact or otherwise on behalf of Assignor pursuant to paragraph D(3) of this Assignment. This power of attorney is coupled with an interest, is durable and is not affected by subsequent disability or incapacity of the principal or lapse of time.

L.H.K.
Witness

[Signature]
Assignor

WITNESS

In accordance with the requirements of Arizona Revised Statutes Section 14-5506 and other applicable law, the undersigned has executed this Assignment for the purpose of witnessing the grant of the powers of attorney by Assignor to Assignee.

[Signature]

STATE OF ARIZONA)
)
COUNTY OF MARICOPA)

SS.

The foregoing instrument was acknowledged before me on; November 29, 2001 by Aaron Parker, Vice President of Friendly's Realty II, LLC, a Delaware limited liability company, on behalf of the limited liability company.

Janice S. Bott
Notary Public

My Commission Expires:



STATE OF ARIZONA)
) SS.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me on November 29, 2001 by MARK WOOD, VICE PRESIDENT of GE Capital Franchise Finance Corporation, a Delaware corporation, on behalf of the corporation.

Rebecca L. Garner
Notary Public

My Commission Expires:

11/21/03



EXHIBIT A
PROPERTIES
(See attached)

GECFFC No.	Store No.	Address	City	State
8001-3155	788	2 Corporate Dr.	Windsor Locks	CT
8001-3161	3	697 Southbridge St.	Auburn	MA
8001-3165	41	109 Housatonic St.	Lee	MA
8001-3166	53	245 State Rd.	North Adams	MA
8001-3171	154	966 Grafton St.	Worcester	MA
8001-3172	155	213 Independence Ave.	Quincy	MA
8001-3173	172	1745 N Hampton St	Holyoke	MA
8001-3174	181	105-109 Broadway	Arlington	MA
8001-3180	238	181 Chestnut St.	Needham	MA
8001-3181	275	631 Dartmouth St.	South Dartmouth	MA
8001-3188	565	524 Pleasant St.	Attleboro	MA
8001-3194	743	P.O. Box 1609	Bourne	MA
8001-3197	816	529 Memorial Dr.	Chicopee	MA
8001-3200	847	1094 Riverdale St.	West Springfield	MA
8001-3204	1016	95 Main St.	Ware	MA
8001-3206	263	471 Sabattus St.	Lewiston	ME
8001-3212	945	871 Central Ave.	Dover	NH
8001-3213	967	2456 Lafayette Rd. (condo)	Portsmouth	NH
8001-3225	690	550 Middlesex Ave.	Metuchen	NJ
8001-3226	1053	981 Rt. 37 West	Toms River	NJ
8001-3227	1059	3201 State Highway 35	Hazlet	NJ
8001-3228	183	661 Upper Glen St.	Glens Falls	NY
8001-3232	332	111 Main St.	Fishkill	NY
8001-3236	723	737 New Loudon Rd.	Latham	NY
8001-3238	846	81 Central Dr.	Plattsburgh	NY
8001-3242	904	60 Nott Terrace	Schenectady	NY
8001-3250	754	3921 Medina Rd.	Akron	OH
8001-3251	760	4490 Everhard Rd. NW	Canton	OH
8001-3252	784	1502 Reynolds Rd.	Maumee	OH
8001-3253	959	3281 Dayton/Xenia Rd.	Beaver Creek	OH
8001-3257	462	43 Lancaster Ave.	Frazer	PA
8001-3261	824	168 Easton Rd.	Horsham	PA
8001-3266	810	5220 Brook Rd.	Richmond	VA
8001-3270	706	288 S. Main St	Rutland, VT	VT