

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

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|----------------------------------|--|-----------------------|----------------------------|
| SUBMISSION TYPE: | NEW ASSIGNMENT | | |
| NATURE OF CONVEYANCE: | SECURITY INTEREST | | |
| CONVEYING PARTY DATA | | | |
| Name | Formerly | Execution Date | Entity Type |
| Friendly Ice Cream Corporation | | 08/30/2007 | CORPORATION: MASSACHUSETTS |
| RECEIVING PARTY DATA | | | |
| Name: | Bank of Montreal | | |
| Street Address: | 115 S. LaSalle | | |
| City: | Chicago | | |
| State/Country: | ILLINOIS | | |
| Postal Code: | 60603 | | |
| Entity Type: | Canadian Bank: CANADA | | |
| PROPERTY NUMBERS Total: 2 | | | |
| Property Type | Number | Word Mark | |
| Registration Number: | 1597640 | FRIENDLY'S | |
| Registration Number: | 1595593 | FRIENDLY'S | |
| CORRESPONDENCE DATA | | | |
| Fax Number: | (202)739-3001 | | |
| | <i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i> | | |
| Phone: | 202-739-5652 | | |
| Email: | chowell@morganlewis.com | | |
| Correspondent Name: | Wen Zhang/Catherine R. Howell, Paralegal | | |
| Address Line 1: | 1111 Pennsylvania Ave., N.W. | | |
| Address Line 4: | Washington, DISTRICT OF COLUMBIA 20004 | | |
| ATTORNEY DOCKET NUMBER: | FRIENDLYS'/WEN ZHANG RECO | | |
| NAME OF SUBMITTER: | Catherine R. Howell, Paralegal | | |
| Signature: | /Catherine R. Howell/ | | |

CH \$65.00 1597640

Date:

09/01/2007

Total Attachments: 8

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This instrument and the rights and obligations evidenced hereby are subordinate in the manner and to the extent set forth in that certain and Intercreditor Agreement (the "Intercreditor Agreement"), dated as of August 30, 2007, by and between Bank of Montreal and Wells Fargo Foothill, Inc. (the "Agent"), to the indebtedness (including interest) owed by Friendly Ice Cream Corporation, pursuant to that certain Amended and Restated Revolving Credit Agreement, dated as of March 15, 2006 (as amended, amended and restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), among Friendly Ice Cream Corporation, the Agent and the lenders from time to time party thereto; and each holder of this instrument, by its acceptance hereof, irrevocably agrees to be bound by the provisions of the Intercreditor Agreement.

GRANT OF
SECURITY INTEREST IN TRADEMARK RIGHTS

THIS GRANT OF SECURITY INTEREST IN TRADEMARK RIGHTS (this "Agreement"), dated as of August 30, 2007 is made by Friendly Ice Cream Corporation, a Massachusetts corporation (the "Borrower"), in favor of Bank of Montreal, as lender ("Lender"). Capitalized terms not defined herein shall have the meanings ascribed to them in the Security Agreement (as defined below).

W I T N E S S E T H:

WHEREAS, the parties hereto have executed that certain Bank of Montreal Loan Authorization Agreement, dated as of the date hereof (as amended, supplemented, amended and restated or otherwise modified from time to time, the "BMO Loan Agreement");

WHEREAS pursuant to the BMO Loan Agreement, the Lender has agreed to make loans and other extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, in connection with the BMO Loan Agreement, the Borrower has executed and delivered a Security Agreement, dated as of the date hereof, in favor of the Lender (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Security Agreement");

WHEREAS, pursuant to the Security Agreement, the Borrower pledged and granted to the Agent for the benefit of the Lender a continuing security interest in all personal property, including the Trademarks (as defined below); and

WHEREAS, the Borrower has duly authorized the execution, delivery and performance of this Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and in order to induce the Lender to make loans and other financial accommodations to the Borrower pursuant to the BMO Loan Agreement, the Borrower agrees, for the benefit of the Lender as follows:

SECTION 1. Definitions. The following terms (whether or not underscored) when used in this Agreement, including its preamble and recitals, shall have the following meanings:

“Trademarks” shall mean all United States, state and foreign trademarks, service marks, certification marks, collective marks, trade names, corporate names, company names, business names, fictitious business names, Internet domain names, trade styles, logos, other source or business identifiers, designs and general intangibles of a like nature, rights of publicity and privacy pertaining to the names, likeness, signature and biographical data of natural persons, now or hereafter in force, and, with respect to any and all of the foregoing: (i) all registrations and recordation thereof and all applications in connection therewith including, but not limited to, the registrations and applications referred to in Schedule A (as such schedule may be amended or supplemented from time to time), (ii) all renewals and extensions thereof (iii) the goodwill of the business associated therewith and symbolized thereby, (iv) all rights corresponding to any of the foregoing throughout the world, (v) all rights to sue at law or in equity for any past, present and future infringement, misappropriation, dilution, violation or other impairment thereof, including, without limitation, the right to receive all proceeds of suit and damage awards therefore, and (vi) all payments, income, and royalties and rights to payments, income, and royalties arising out of the sale, lease, license assignment or other disposition thereof.

SECTION 2. Grant of Security Interest. The Borrower hereby pledges and grants a continuing security interest in, and a right of setoff against, and effective upon demand made upon a demand for payment made by the Lender under the BMO Loan Agreement, assigns, transfers and conveys, the Trademarks (including, without limitation, those items listed on Schedule A hereto), to the Lender to secure payment, performance and observance of the Obligations (as defined in the Security Agreement, dated as of the date hereof, by and between the Borrower and the Lender).

SECTION 3. Purpose. This Agreement has been executed and delivered by the Borrower for the purpose of recording the grant of security interest herein with the United States Patent and Trademark Office. The security interest granted hereby has been granted to the Lender in connection with the Security Agreement and is expressly subject to the terms and conditions thereof. The Security Agreement (and all rights and remedies of the Lender thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Acknowledgment. The Borrower does hereby further acknowledge and affirm that the rights and remedies of the Lender with respect to the security interest in the Trademarks granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 5. Governing Law, Entire Agreement, etc. THIS GRANT OF SECURITY INTERESTS IN TRADEMARK RIGHTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ILLINOIS,

EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF ILLINOIS. THIS GRANT OF SECURITY INTERESTS IN TRADEMARK RIGHTS, THE SECURITY AGREEMENT AND THE BMO LOAN AGREEMENT CONSTITUTE THE ENTIRE UNDERSTANDING AMONG THE PARTIES HERETO WITH RESPECT TO THE SUBJECT MATTER HEREOF AND SUPERSEDE ANY PRIOR AGREEMENTS, WRITTEN OR ORAL, WITH RESPECT THERETO

SECTION 6. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together constitute one and the same original.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

FRIENDLY ICE CREAM CORPORATION

By: 

Name: Paul V. Hoagland

Title: Chief Financial Officer and
Executive Vice President - Administration

BANK OF MONTREAL
as Lender

By: _____

Name: Denise Sidlo

Title: Vice President

[Signature Page to Grant of Security Interest in Trademark Rights]

TRADEMARK
REEL: 003612 FRAME: 0882

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

FRIENDLY ICE CREAM CORPORATION

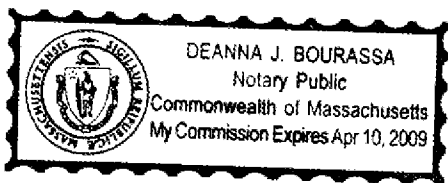
By: _____
Name: Paul V. Hoagland
Title: Chief Financial Officer and
Executive Vice President - Administration

BANK OF MONTREAL
as Lender

By: Denise Sidlo
Name: Denise Sidlo
Title: Vice President

COMMONWEALTH OF MASSACHUSETTS)
) ss
COUNTY OF HAMPDEN)

On the 29th day of August, 2007, before me personally came Paul V. Hoagland; who, being duly sworn, did depose and say that he is the Chief Financial Officer and Executive Vice President - Administration of Friendly Ice Cream Corporation, a Massachusetts corporation, the company described in and which executed the foregoing instrument; that he executed and delivered said instrument pursuant to authority given by the Board of Directors of such corporation; and that he acknowledged said instrument to be the free act and deed of said corporation.



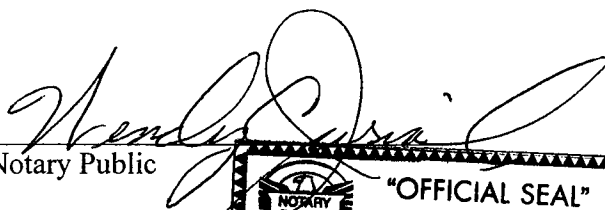
Deanna J. Bourassa
Notary Public


(PLACE STAMP AND SEAL ABOVE)

[Acknowledgment to Grant of Security Interests in Trademark Rights]

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

On the 30th day of August, 2007, before me personally came Denise Sidlo; who, being duly sworn, did depose and say that she is the Vice President of Bank of Montreal, a Canadian chartered bank, the bank described in and which executed the foregoing instrument; that she executed and delivered said instrument pursuant to authority given by the Board of Directors of such bank; and that she acknowledged said instrument to be the free act and deed of said bank.


Notary Public



(PLACE STAMP AND SEAL ABOVE)

[Acknowledgment to Grant of Security Interest in Trademark Rights]

TRADEMARK
REEL: 003612 FRAME: 0885

SCHEDULE A

U.S. Patents Registrations and Applications

| <u>Trademark</u> | <u>Registration or Serial Number</u> |
|-----------------------|--------------------------------------|
| FRIENDLY'S | 1597640 |
| FRIENDLY'S (Stylized) | 1595593 |