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D-445726

TA # Lake County, In.
RECORD AND RETURN TO: Denny
TITLE ASSOCIATES INC.
964 THIRD AVENUE
NEW YORK, NY 10022
ATT. J. TANGORRA

113259

NOTICE OF RIGHT OF FIRST OFFER

NOTICE OF RIGHT OF FIRST OFFER, dated as of July 12, 1990 ("Notice") made by State Street Bank and Trust Company ("Trustee"), and Denny's, Inc. ("Operator").

W I T N E S S E T H:

WHEREAS: Denny's Realty, Inc. ("Owner") is the fee owner of the property more particularly described in Exhibit A annexed hereto and made a part hereof (the "Property"); and

WHEREAS: Owner, as landlord, and Operator, as tenant, have entered into that certain Amended and Restated Net Lease of even date herewith whereby Operator leases the Property from Owner and operates the restaurant located on such Property; and

WHEREAS: Owner, as issuer, and Trustee have entered into that certain Indenture of even date herewith (the "Indenture");

NOW THEREFORE, Owner, Operator and Trustee desire evidence of record of that certain right of first offer pursuant to the Indenture with respect to the Property, and so the parties hereto, intending to be legally bound under such right of first offer, do hereby give notice as follows:

1. Terms defined in (or by reference in) the Indenture are used herein as defined therein.

2. The right of first offer, pursuant to Section 5.18(a), (b) and (c) of the Indenture, provides for Operator to have a right of first offer to purchase the Property on the following terms:

i) If an Event of Default has occurred and is continuing and the Trustee any time thereafter intends to sell one or more of the Properties acquired by the Trustee pursuant to a deed in lieu of foreclosure, then Trustee shall notify Operator of such intention and



CHICAGO TITLE INSURANCE COMPANY
INDIANA DIVISION

STATE OF INDIANA/S.S. NO.
LAKE COUNTY
FILED FOR RECORD

JUL 24 1 01 PM '90
ROBERT D. FREELAND
CLERK OF COUNTY

16.00
ct

specify in such notice the Properties (the "Specified Properties") as to which such sales shall commence. If Operator desires to purchase one or more of the Specified Properties, Operator shall deliver to the Trustee within thirty (30) days after receipt of the Trustee's notice a terms letter (the "Terms Letter") containing all of the material terms and conditions for a contract of sale with respect to the Specified Properties which it desires to purchase. If the Operator fails to deliver the Terms Letter within said thirty (30) day period, Trustee shall have no obligation to sell such Specified Properties to Operator, and the Operator's right of first offer with respect to such Specified Properties pursuant to this Section 5.18 shall be extinguished.

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ii) If the Operator shall deliver the Terms Letter in a timely manner as aforesaid, upon the receipt by the Operator from the Trustee of a notice indicating its desire to commence negotiations, the Operator and Trustee shall attempt to negotiate, execute and deliver a contract of sale for the Specified Properties referred to in the Terms Letter within thirty (30) days of the Operator's receipt of such notice; provided, however, until such contract is executed, the Trustee shall be permitted to negotiate and accept other bonafide offers for the purchase of one or more of the Specified Properties at a price in excess of the price stated in the Terms Letter for such Property or such Properties. If said contract of sale is not executed by the Operator and the Trustee within said thirty (30) day period or if prior to the execution of said contract of sale the Trustee accepts another bonafide offer for the purchase of one or more of the Specified Properties at a price in excess of the price stated in the Terms Letter for such Property or such Properties, the Trustee shall have no further obligation to sell any of such Specified Properties referred to in the Terms Letter to Operator, and the Operator's right of first offer with respect to the Specified Properties pursuant to this Section 5.18 shall be extinguished.

iii) The Operator's right of first offer with respect to any Property pursuant to this Section 5.18 shall apply only to those Properties acquired by the Trustee pursuant to a deed in lieu of foreclosure and subsequently offered for sale by the Trustee prior to ninety-one (91) days before the Stated Maturity Date. Such right of first offer shall expire with any sale of such Property by the Trustee to the Operator or any other Person. Prior to such right of first offer with respect to a Property being extinguished, such right shall be freely assignable by the Operator. In no event shall the Operator have either a right of first refusal or right of first offer with respect to any Property sold pursuant to a statutory power of sale or judicial foreclosure procedure.

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IN WITNESS WHEREOF, the parties hereto have caused this Notice to be duly executed as the day and year first above written.

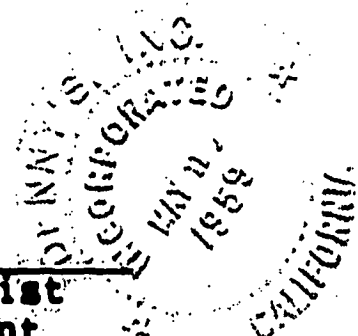
witnesses

Lise Hirschberg
Lise Hirschberg

DENNY'S, INC.

By:

Robert J. Krist
Name: Robert J. Krist
Title: Vice President



Attest:

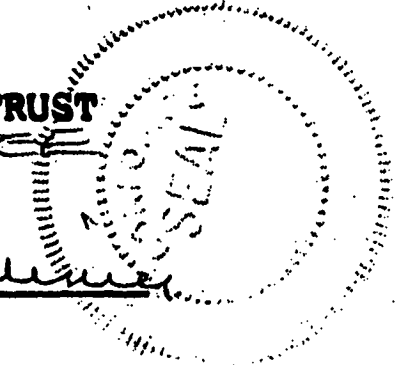
Sarah B. Sargent
Sarah B. Sargent

[Signature]
[Asst.] Secretary
[Asst.] Treasurer
(Mass. only)

STATE STREET BANK AND TRUST COMPANY AS TRUSTEE

By:

Carol A. Fournier
Name: Carol A. Fournier
Title: Vice President



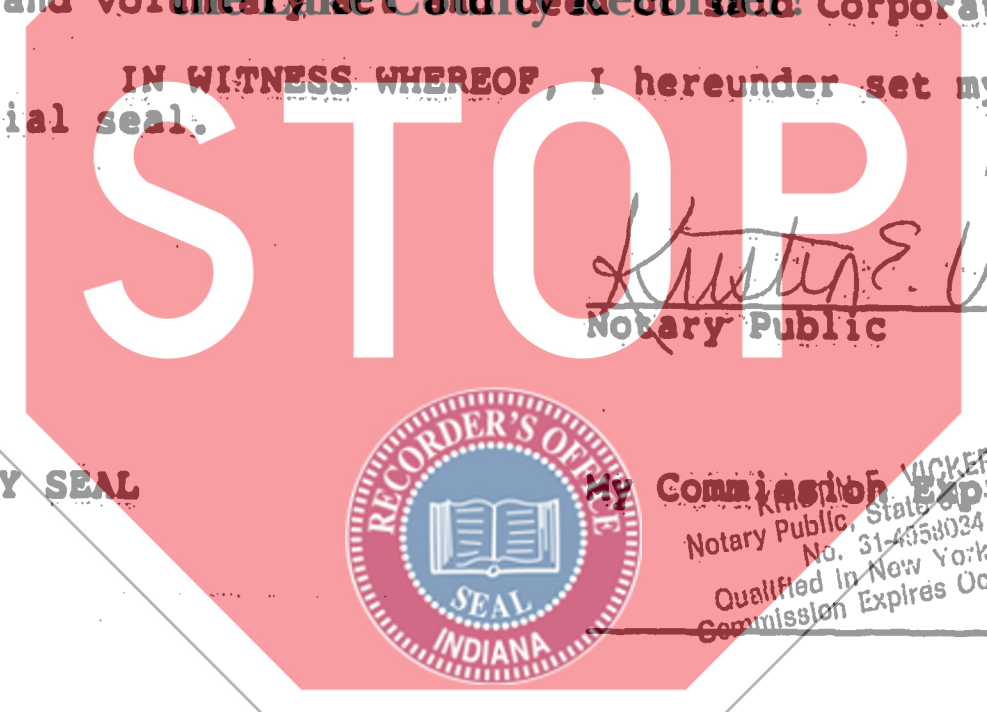
CORPORATE ACKNOWLEDGEMENT

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

Carol A. Fournier

On this 12th day of July, 1990, before me, the undersigned officer, personally appeared ~~James A. Gault~~ (residing at 26 Scenic Ave., Salem, MASS), personally known and acknowledged himself to me to be a Vice President of State Street Bank and Trust Company, and that as such officers, being duly authorized to do so pursuant to its bylaws or a resolution of its board of directors, executed and acknowledged the foregoing instrument for the purposes therein contained, by signing the name of the Corporation by themselves as such officers as their free and voluntary act and deed said Corporation.

IN WITNESS WHEREOF, I hereunder set my hand and official seal.



Kristen E. Vickers
Notary Public

NOTARY SEAL



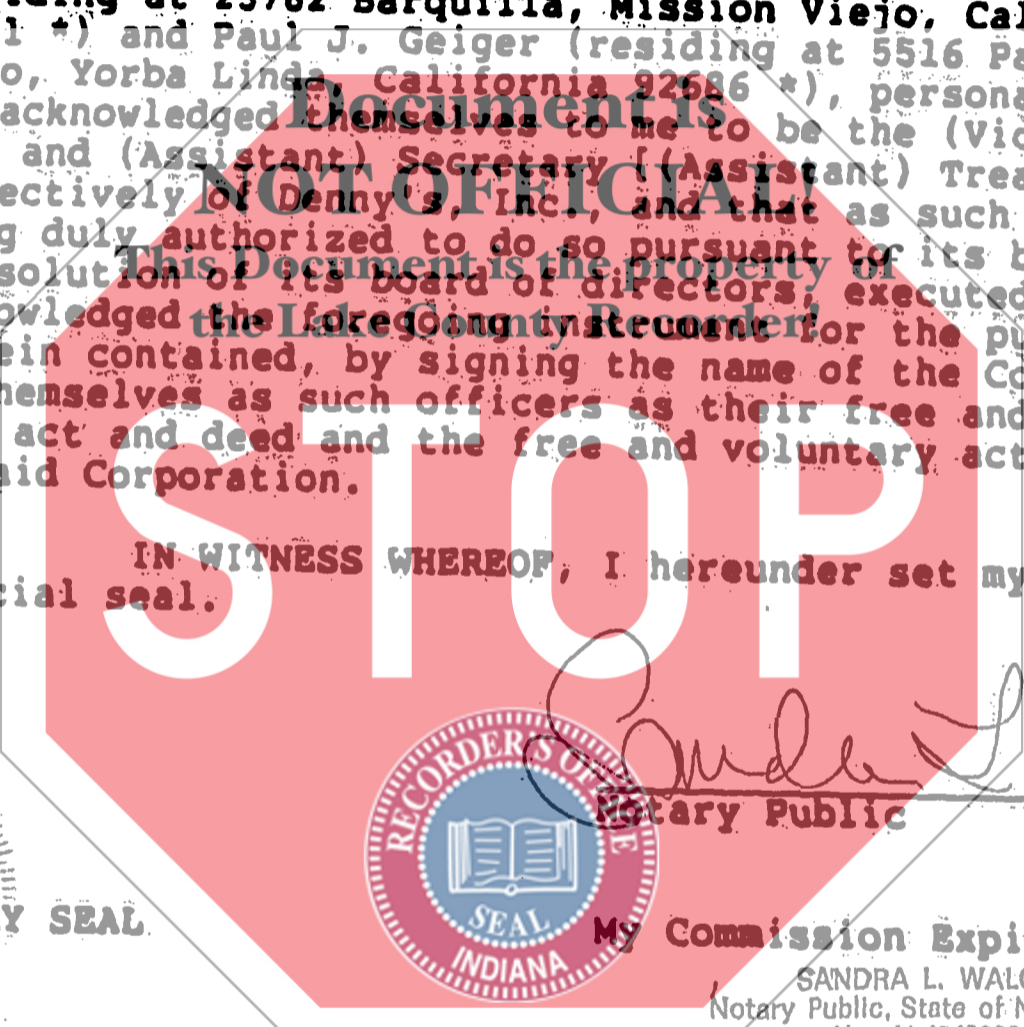
My Commission Expires:
Notary Public, State of New York
No. 31-4358034
Qualified In New York County
Commission Expires Oct. 30, 1991

CORPORATE ACKNOWLEDGEMENT
(For use in all states except LA)

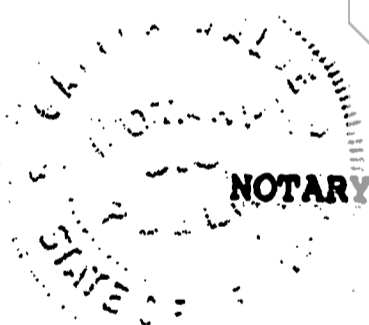
STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 12th day of July, 1990, before me, the undersigned officer, personally appeared Robert J. Krist (residing at 23762 Barquilla, Mission Viejo, California 92691 *) and Paul J. Geiger (residing at 5516 Paseo Gilberto, Yorba Linda, California 92686 *), personally known and acknowledged themselves to me to be the (Vice) President and (Assistant) Secretary [(Assistant) Treasurer**] respectively of Denny's, Inc., and that as such officers, being duly authorized to do so pursuant to its bylaws or a resolution of its board of directors, executed and acknowledged the foregoing instrument for the purposes therein contained, by signing the name of the Corporation by themselves as such officers as their free and voluntary act and deed and the free and voluntary act and deed of said Corporation.

IN WITNESS WHEREOF, I hereunder set my hand and official seal.



Sandra L. Walge
Notary Public



NOTARY SEAL



My Commission Expires:

SANDRA L. WALGE
Notary Public, State of New York
No. 41-4949203
Qualified In Queens County
Commission Expires April 3, 1991

*New York only requirement
**Massachusetts only requirement

SCHEDULE "A"

PARCEL 1: PART OF THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 35 NORTH, RANGE 8 WEST OF THE 2ND P. M., DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 22; THENCE NORTH 89 DEGREES 59 MINUTES 40 SECONDS WEST ALONG THE NORTH LINE OF THE SOUTH HALF OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 22, A DISTANCE OF 202.08 FEET; THENCE SOUTH 00 DEGREES 11 MINUTES 15 SECONDS EAST, 94.26 FEET; THENCE SOUTH 16 DEGREES 18 MINUTES 19 SECONDS EAST 58.00 FEET; THENCE SOUTH 40 DEGREES 37 MINUTES 00 SECONDS EAST 26.09 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF U. S. HIGHWAY NO. 30; THENCE EASTERLY ALONG A CURVE TO THE RIGHT WITH A RADIUS OF 88.00 FEET A DISTANCE OF 60.70 FEET; THENCE NORTH 88 DEGREES 56 MINUTES EAST A DISTANCE OF 113.4 FEET TO THE EAST LINE OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 22; THENCE NORTH 00 DEGREES 11 MINUTES 15 SECONDS WEST ALONG THE EAST LINE OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 22 A DISTANCE OF 146.37 FEET TO THE PLACE OF BEGINNING, IN LAKE COUNTY, INDIANA.

PARCEL 2: PART OF THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 35 NORTH, RANGE 8 WEST OF THE 2ND P. M., DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE NORTH LINE OF THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 22 AND 202.08 FEET WEST OF THE NORTHEAST CORNER THEREOF; THENCE NORTH 89 DEGREES 59 MINUTES 40 SECONDS WEST ALONG THE NORTH LINE OF THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 22 A DISTANCE OF 197.92 FEET; THENCE SOUTH 00 DEGREES 11 MINUTES 15 SECONDS EAST 60 FEET; THENCE SOUTH 89 DEGREES 59 MINUTES 40 SECONDS EAST, 197.92 FEET; THENCE NORTH 00 DEGREES 11 MINUTES 15 SECONDS WEST 60 FEET TO THE PLACE OF BEGINNING, IN LAKE COUNTY, INDIANA.

PARCEL 3: THE SOUTH 217 FEET OF THE EAST 400 FEET OF THE NORTH HALF OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 35 NORTH, RANGE 8 WEST OF THE 2ND P. M., IN LAKE COUNTY, INDIANA.