

## KRYSTAL REAL ESTATE CO. II

INDENTURE OF MORTGAGE, DEED OF TRUST AND SECURITY AGREEMENT (hereinafter, together with any amendment or supplement hereto, or any individual mortgage, deed of trust or other security instrument provided for herein, attached hereto, or to which this Indenture is attached, called this Indenture), dated as of September 1, 1977, between KRYSTAL REAL ESTATE CO. II, a Tennessee corporation (herein, together with its successors and assigns, called the Company), having an office at 701 Cherry Street, Chattanooga, Tennessee 37402, and AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHATTANOOGA, a national banking association (herein called the Trustee), having its principal corporate trust office at 736 Market Street, Chattanooga, Tennessee 37402.

## PRELIMINARY STATEMENT

The Company deems it necessary to incur indebtedness by borrowing for its proper corporate purposes. The Company proposes to issue from time to time its 9 1/2% Secured Bonds Due February 1, 1998 (the Bonds), to be in the form set forth in Annex I hereto in an aggregate principal amount not to exceed \$7,315,000 in order to evidence the indebtedness so incurred, and to pledge and assign the Trust Estate, hereinafter described, in order to secure payment of the Bonds. To that end, the Board of Directors of the Company and the sole stockholder of the Company by its written consent have authorized the creation, execution and delivery of the Bonds and the execution and delivery of this Indenture to secure payment of the principal of, and interest on, the Bonds, and to establish and declare the terms and conditions upon which the Bonds are to be secured. The lien of this Indenture is to be perfected by the filing and recording hereof, of the Lease Assignments made or to be made by the Company to the Trustee and of financing statements with respect thereto. The Company is duly authorized under all applicable provisions of law to execute and deliver the Bonds and this Indenture and to pledge and assign said Trust Estate to the Trustee, and all action required by law and all corporate action on its part required therefor have been duly taken.

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NOW, THEREFORE, THIS INDENTURE WITNESSETH: That the Company in consideration of the premises and of One Dollar