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LEATHERWOOD, WALKER, TODD & MARR

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STATE OF SOUTH CAROLINA)
COUNTY OF GREENVILLE)

MORTGAGE OF REAL ESTATE

THIS MORTGAGE, made as of this 15th day of February, 1978, by KRYSTAL REAL ESTATE CO. II (hereinafter referred to as "Mortgagor") and given to American National Bank and Trust Company of Chattanooga, as Trustee (hereinafter referred to as "Mortgagee"), whose address is 736 Market Street, Chattanooga, Tennessee 37402,

W I T N E S S E T H:

WHEREAS, the Mortgagor is the owner of the real property described in Exhibit A attached hereto.

WHEREAS, the Mortgagor stands bound unto the Mortgagee as trustee for the owners and holders of certain bonds issued pursuant to and identified in the blanket Indenture of Mortgage, Deed of Trust and Security Agreement hereafter described, in the maximum principal sum of Seven Million Three Hundred Fifteen Thousand Dollars (\$7,315,000), said principal together with interest thereon being payable as provided for in said bonds, the terms and provisions of which are incorporated herein by reference.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that the said Mortgagor, for and in consideration of the aforesaid indebtedness and in order to secure the payment thereof and also to secure in accordance with Section 29-3-50, as amended, Code of Laws of South Carolina (1976): (i) all future advances that may subsequently be made to Mortgagor by Mortgagee pursuant to the blanket Indenture of Mortgage, Deed of Trust and Security Agreement hereinafter described; and (ii) all other indebtedness of Mortgagor to the aforesaid Bondholders, now or hereafter existing, whether direct or indirect, the maximum amount of all indebtedness outstanding at any one time secured hereby not to exceed \$7,315,000, plus interest thereon, all charges and expenses of collection including court costs and reasonable attorneys' fees, has granted, bargained, sold, released and by these presents does grant, bargain, sell and release unto the Mortgagee, its successors and assigns, all the right, title and interest of the Mortgagor in and to all the property and assets, real, personal and mixed, now owned by the Mortgagor, wherever situate (except the property and assets expressly excepted by the Indenture from the lien thereof) and also all the property and assets, real, personal and mixed, hereafter acquired by the Mortgagor wherever situate (except the property and assets expressly excepted by the Indenture from the lien thereof), including both as to property now owned and property hereafter acquired (without in anywise limiting or impairing by the enumeration of the same the scope and intent of the foregoing or of any general description contained herein or in the Indenture) all property and rights described in granting clauses I through IV of the Indenture, both inclusive, including but not limited to said real estate described in Exhibit A hereto and all rights of the Mortgagor under that certain lease and agreement dated as of February 15, 1978, entered into by and between the Mortgagor as Lessor and The Krystal Company as Lessee covering said real estate described in Exhibit A, which lease and an assignment thereof to the Mortgagee have been filed for record (the foregoing being referred to as the "Mortgaged Property").

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