

KRYSTAL REAL ESTATE CO. II

SUPPLEMENTAL INDENTURE OF MORTGAGE, DEED OF TRUST AND SECURITY AGREEMENT (hereinafter, called this Supplemental Indenture), dated as of February 15, 1978, 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 has heretofore executed and delivered to the Trustee its Indenture of Mortgage, Deed of Trust and Security Agreement, dated as of September 1, 1977 (herein called the Original Indenture and, together with all amendments and supplements thereto, including this Supplemental Indenture, herein called the Indenture), for the benefit and security of certain bonds of the Company issued and to be issued from time to time as provided in the Original Indenture, and has duly authorized the issuance, execution and delivery from time to time of its 9 1/2% Secured Bonds Due February 1, 1998 (the "Bonds") and has by the Original Indenture conveyed to the Trustee, upon and subject to certain covenants, conditions, uses and trusts therein contained, certain property of the Company therein described.

The terms and conditions of the Original Indenture are incorporated in this Supplemental Indenture by reference, as if fully set forth herein. Unless otherwise defined, capitalized terms used herein shall have the meanings specified in the Original Indenture. The Indenture provides for the issuance of a maximum of \$7,315,000 in aggregate principal amount of Bonds, and the Company having heretofore issued, as provided in the Indenture, Bonds in the aggregate principal amount of \$3,586,432 (the "Original Bonds") deems it necessary to issue, as provided in the Bond Agreements, additional Bonds in the aggregate principal amount of \$3,713,232 (the "Additional Bonds") and to execute and deliver this Supplemental Indenture, as provided in Section 9.1 of the Indenture, in order to convey to the Trustee, in addition to the Trust Estate conveyed by the Original Indenture, the Properties hereinafter described, in trust for the purposes of the Indenture.