

limited to said real estate described in Exhibit 1 hereto and all rights of the Mortgagor under that certain lease and agreement dated as of September 1, 1977, entered into by and between the Mortgagor as Lessor and the Krystal Company as Lessee covering said real estate described in Exhibit 1, which lease and an assignment thereof to the Mortgagee have been filed for record (the foregoing being referred to as the "Mortgaged Property").

TOGETHER with all and singular rights, members, hereditaments and appurtenances belonging or in any way incident or appertaining thereto; all improvements now or hereafter situated thereon; and all fixtures now or hereafter attached thereto (all of the same being deemed part of the Mortgaged Property and included in any reference thereto);

TO HAVE AND TO HOLD all and singular the Mortgaged Property unto Mortgagee and the successors or assigns of Mortgagee forever.

MORTGAGOR covenants that Mortgagor is lawfully seized of the Mortgaged Property in fee simple absolute, that Mortgagor has good right and is lawfully authorized to sell, convey or encumber the same, and that the Mortgaged Property is free and clear of all encumbrances except as expressly provided herein. Mortgagor further covenants to warrant and forever defend all and singular the Mortgaged Property unto Mortgagee and the successors or assigns of Mortgagee from and against Mortgagor and all persons whomsoever lawfully claiming the same or any part thereof.

This Mortgage is covered by the provisions of a blanket Indenture of Mortgage, Deed of Trust and Security Agreement dated as of September 1, 1977 between Krystal Real Estate Co., II and American National Bank and Trust Company of Chattanooga, as trustee, a copy of which is attached hereto as Exhibit 2, all the terms and provisions of which are hereby incorporated herein by reference. In the event there are any inconsistencies between the provisions of this Mortgage and those contained in the blanket Indenture of Mortgage, Deed of Trust and Security Agreement, the provisions of the latter shall govern and shall be controlling.

Upon the occurrence of a default in the payment of the indebtedness secured by this Mortgage or upon the occurrence of any other default under this Mortgage or under the blanket Indenture of Mortgage, Deed of Trust and Security Agreement, the Mortgagee may, without notice to Mortgagor, declare all sums secured by this Mortgage immediately due and payable and may commence proceedings to collect such sums, foreclose this Mortgage and sell the Mortgaged Property. At the foreclosure Mortgagee shall be entitled to bid and to purchase the Mortgaged Property and shall be entitled to apply the debt secured hereby, or any portion thereof, in payment for the Mortgaged Property. The remedies provided to Mortgagee in this paragraph shall be in addition to and not in lieu of any other rights and remedies provided in this Mortgage or in the blanket Indenture of Mortgage, Deed of Trust and Security Agreement or by law, all of which rights and remedies may be exercised by Mortgagee simultaneously or consecutively in any order without being deemed to have waived any right or remedy previously or not yet exercised.

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