

assignment of beneficial interest, any guaranty agreement or any other agreement which secures, guaranties or otherwise relates to the Note or Loan.

However, this security interest will not secure another debt:

- A. if this security interest is in Borrower's principal dwelling and Bank fails to provide (to all persons entitled) any notice of right of rescission required by law for such other debt; or
  - B. to the extent that this security interest is in "household goods" and the other debt to be secured is a "consumer" loan (as those terms are defined in applicable federal regulations governing unfair and deceptive credit practices); or
  - C. if Bank fails to make any disclosure of the existence of this security interest required by law for such other debt.
3. BACKGROUND. Lessor warrants and represents that Lessor owns in fee simple the following described real property (Property) which is located in DOUGLAS County, KANSAS, described as follows:

2540 IOWA, LAWRENCE, KANSAS 66046 -- Suite D

Lessor has leased the Property to Lessee pursuant to a lease (Lease) dated August 21, 1997 for a term of FIVE YEARS. Hereafter the term "Lease" includes all amendments, additions, extensions and substitutions thereto. A WING AND A PRAYER, INC., TODD BABINGTON, and TAMMY BABINGTON (Borrower) have applied for a Loan from Bank. An assignment of the Lessee's interest under the Lease to Bank as security for the Loan requires the consent of Lessor. Bank is willing to make the Loan if Lessor acknowledges and consents to this Agreement.

4. CONSIDERATION. To induce Bank to make the Loan, continue to extend credit to Borrower, allow Borrower to incur any Obligations, accept the assignment of the Lease as security for the Obligations, and in consideration of the mutual promises in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to the terms and provisions of this Agreement.
5. ASSIGNMENT. To secure the Obligations, Lessee assigns, bargains, conveys, grants and sells a security interest in and to all of Lessee's right, title and interest in the Lease and Lessee's leasehold estate in and to the Property to Bank as security for the Obligations, with the consent of Lessor, for the remainder of the term of the Lease, together with all renewals, extensions or substitutions thereof.
6. PERFORMANCE OF TERMS. Lessee and Lessor acknowledge that neither is in default in any of the terms of the Lease, and they further acknowledge that they shall comply with all of the terms of the Lease during the entire term of the Lease and any extensions, renewals, or substitutions thereof until the Obligations are fully paid. Lessor agrees to give Bank, within a reasonable time, written notice of the occurrence of any event which is, or with the giving of notice or passage of time or both would be, an event of default by Lessee under the Lease.
7. MODIFICATION. Lessee and Lessor agree that they shall not modify, terminate or substitute the Lease without the prior written consent of Bank.
8. DEFAULT UNDER THE LEASE. If there is any default by Lessee in any terms of the Lease, Lessor agrees that it shall, before any exercise of any rights or remedies available as a result of the default, notify Bank in writing of the default and Bank shall have the right to cure any default within 30 days of receipt of such notice unless the nature of the default is such that it cannot be cured within 30 days, in which case Bank shall have a reasonable time to cure the default so long as it exercises reasonable diligence in effecting such cure. During the applicable cure period, Lessor agrees that it will take no action to exercise any rights or remedies available under the Lease or by law as a result of such default without Bank's prior written consent.

Bank may choose, at its sole discretion and option,

- A. to contest any allegation by Lessor of default under the Lease;
- B. not to cure the default;
- C. to cure the default and retain Lessee in possession of the Property; or
- D. to cure the default and foreclose by subrogation to Lessor's rights against Lessee's interest in the Property, enter and take possession of the Property, and assume all responsibilities of Lessee under the Lease. In no event shall Bank be responsible for any prior default of Lessee under the Lease. Bank in no way assumes or guaranties Lessee's performance under the terms of the Lease.

Borrower and Lessee hereby indemnify Bank, hold Bank harmless from and agree to pay any sums or expenses, including but not limited to attorneys' fees and costs, paid by Bank to cure or contest the allegations of any default under the Lease. If such sums or expenses are paid by Bank, such sums or expenses shall be added to the principal indebtedness of the Note and shall accrue interest at the same rate provided for under the terms of the Note. Bank is entitled to all rights and remedies provided at law or equity whether or not expressly stated in this Agreement. By choosing any remedy, Bank does not waive its right to an immediate use of any other remedy if the event of default continues or occurs again. In the event Bank cures any default by Lessee under the Lease, Lessee agrees that Bank shall be subrogated to all the rights and remedies of the Lessor under the Lease.

9. EVENTS OF DEFAULT. Lessee shall be in default under the Loan upon the occurrence of any of the following events, circumstances or conditions (Events of Default):
- A. Failure by any party obligated on the Obligations to make payment when due; or
  - B. A default or breach by Borrower, Lessee or any co-signer, endorser, surety, or guarantor under any of the terms of this Agreement, the Note, any construction loan agreement or other loan agreement, any security agreement, mortgage, deed to secure debt, deed of trust, trust deed, or any other document or instrument evidencing, guarantying, securing or otherwise relating to the Obligations; or
  - C. The making or furnishing of any verbal or written representation, statement or warranty to Bank which is or becomes false or incorrect in any material respect by or on behalf of Lessee, Borrower, or any one of them, or any co-signer, endorser, surety or