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**AGENDA ITEM
REQUEST/JUSTIFICATION FORM**
(To be completed by requesting Department)
 Forward all requests to Sharon Bourke, LC2 Civic Center
**DEADLINE SUBMITTAL IS 3:00 P.M. WEDNESDAY
 BEFORE THE TUESDAY MEETING**

Agenda item: 2016 New Application for Partial Permissive Exemption
 (i.e. Consent/Recognition-Proclamation/Presentation/Public Hearing/Committee, etc.)
 Date to be on agenda: August 2, 2016

Exact wording to be used for the agenda: _____
 2016 New Applications for Partial Permissive Exemption. The website for Douglas County, www.douglascounty-ne.gov, in its section for DC Agendas, has a link to the supporting information for this agenda item

Action requested: Commissioner's approval

Amount requested: _____ Object Code: _____

Is item in current year's budget? Yes _____ No _____

Does this item commit funds in future years? Yes _____ No _____

If yes, explain: _____

If an agreement or contract, has the County Attorney reviewed and approved? Yes ___ No ___

Previous action taken on this item, if any: _____

Recommendations and rationale or action: _____

Will anyone speak on behalf of this item, if so who? _____
 Mike Goodwillie, if necessary

If this is a rush agenda item, please explain why: _____

Submitted by (Name & Dept.): Chris Seitz Ext. 6685

Date submitted: 7-20-16

List Attachments: Application and Exhibit List
 (Attach resolution and all pertinent documentation; i.e. contract, agreement, memorandums, etc.)

Certified resolutions can be obtained at the County Clerk's website:
<http://www.douglascountyclerk.org/county-board-records/search-for-resolutions>

<i>Completed by receiving office</i>		
Received in Administrative Office:	Date <u>7/20/16</u>	Time _____

August 2, 2016 Agenda
Partial Exemptions

Parcel	NAME1	PROPERTY ADDRESS	Taxable		
0239550000	FOREST LAWN CEMETERY	7909 MORMON BRIDGE RD	13083 SQ FT		
0718270000	CLARKSON REGIONAL HEALTH	304 S 42 ST	5408 SQ FT		
1414430000	CHILDREN'S HOSPITAL & MEDICAL CENTER	8401 WEST DODGE RD	12686 SQ FT		
1739610310	MERCADO CORP	4909 S 25 ST	5100 SQ FT		

BOARD OF EQUALIZATION
DOUGLAS COUNTY, NEBRASKA

Resolved

WHEREAS, the attached "Exhibit A" lists organizations which have filed New Applications for Tax Exemption,

WHEREAS, the New Applications for Tax Exemption listed in "Exhibit A" have been reviewed by the Douglas County Assessor/Register of Deeds,

WHEREAS, it is the recommendation of the Douglas County Assessor/Register of Deeds that the New Applications listed in "Exhibit A" should be granted **Partial** exemption for 2016.

IT IS THEREFORE RESOLVED BY THE DOUGLAS COUNTY BOARD OF EQUALIZATION THAT the New Applications for Tax Exemption contained in "Exhibit A" are hereby granted **Partial** exemption for 2016.

Dated this 2nd day of August, 2016

File with
Your County
Assessor

Exemption Application

for Tax Exemption on Real and Personal Property by Qualifying Organizations

FORM
451

Failure to properly complete or timely file this application will result in a denial of the exemption.

Name of Organization Forest Lawn Cemetery Association		County Name Douglas	Tax Year 2016
Name of Owner of Property Forest Lawn Cemetery Association		State Where Incorporated Nebraska	
Street or Other Mailing Address of Applicant 7909 Mormon Bridge Road		Total Actual Value of Real and Personal Property \$2,482,300.00	Parcel ID Number 0239550000
City Omaha	State NE	Zip Code 68152-2413	Contact Name Samuel E. Clark
Type of Ownership		Phone Number 402-390-7128	

- Agricultural and Horticultural Society
 Educational Organization
 Religious Organization
 Charitable Organization
 Cemetery Organization

Name	Title of Officers, Directors, or Partners	Address, City, State, Zip Code
Samuel E. Clark	Director	10330 Regency Parkway Drive, Omaha, NE 68114
Bruce Frasier	Director	1005 S. 76th Street, Suite 103, Omaha, NE 68114
Jack McMannama	Director	9735 Nottingham Drive, Omaha, NE 68114

Legal description of real property and general description of all depreciable tangible personal property, except licensed motor vehicles:

LANDS SEC-TWN-RGE 30-16-13-EX TRIA S 410 E 500 FT - E 1/2 SE 1/4 & -EX RD & IRREG E 564.70 W 1800.30 N 537.63 FT & TRIA NW 3.5 AC - S 1/2 NE 1/4 & E 1/2 NW 1/4 SE 1/4. Approximately four acres, including parking lot, located at 7909 Mormon Bridge Road. Personal property consists of standard office equipment and furnishings.

Property described above is used in the following exempt category (please mark the applicable boxes):

- Agricultural and Horticultural Society
 Educational
 Religious
 Charitable
 Cemetery

Give a detailed description of the use of the property:

22.5% offices of Forest Lawn Cemetery Association
77.5% offices, chapel, and mortuary for Forest Lawn Funeral Home, Inc.

All organizations, except for an Agricultural and Horticultural Society, must complete the following questions.

- Is all of the property used exclusively as described above? YES NO
Is the property used for financial gain or profit to either the owner or owner or organization making exclusive use of the property? YES NO
Is a portion of the property used for the sale of alcoholic beverages? YES NO
If Yes, state the number of hours per week _____
Is the property owned or used by an organization which discriminates in membership or employment based on race, color, or national origin? YES NO

Under penalties of law, I declare that I have examined this exemption application and, to the best of my knowledge and belief, it is correct and complete. I also declare that I am duly authorized to sign this exemption application.

sign here  **Director** **4/29/16**
Authorized Signature Title Date

Retain a copy for your records.

For County Assessor's Recommendation

- Approval
 Approval of a Portion
 Denial

COMMENTS:

Diane L. Battista

Assessor / Register of Deeds by *mgf*

Signature of County Assessor

Date

6/30/2016

For County Board of Equalization Use Only

I declare that to the best of my knowledge and belief, the determination made by the County Board of Equalization is correct pursuant to the laws of the State of Nebraska.

- Approved
 Approval of a Portion
 Denied

COMMENTS:

Signature of County Board Member

Date

County Clerk: A legible copy of this form showing the final decision of the County Board of Equalization must be delivered electronically to the Nebraska Department of Revenue within seven days after the Board's decision.

RECEIVED
15 JUN 29 AM 10:19
DANIELAS COUNTY ASSESSOR/
REGISTER OF DEEDS

Permissive Exemption Application Questionnaire

Building/Parcel Address: 7909 Mormon Bridge Road, Omaha, NE 68152-2413

Ownership

Does the organization hold legal title to the building/parcel for which the exemption is sought?

YES NO

If no, does the organization hold equitable title under a land contract, lease-purchase agreement, deed of trust or some other instrument?

YES NO

Please describe the nature of the instrument.

If the organization holds equitable, but not legal title, will it obtain legal title in the future? If so, describe the circumstances under which that will occur.

Is the organization leasing the property and seeking exemption for its leasehold interest in the building/parcel?

YES NO

Please provide:

Name of Property Owner

Lease Terms

Monthly Rent

Please provide answers for each of the property-improvement types that are included in the parcel for which you are seeking an exemption. Click all boxes that pertain to your parcel. By clicking on the actual improvement type, you will be sent to that improvement type's questions. At the end of each improvement's section, click on "Return to Improvement Types" to return here for each improvement type on your parcel.

UNIMPROVED LOTS (LAND)

COMMERCIAL

HOUSING FOR THE ELDERLY

HOSPITAL/MEDICAL FACILITIES

RELIGIOUS

EDUCATIONAL

SINGLE-FAMILY RESIDENCES

MULTI-FAMILY

DAYCARE

FACILITIES RETAIL

FRATERNAL ORG/UNION HALL

Commercial Property

Is it solely used by the organization, and if so, for what purpose or purposes?

YES NO

Describe the property.

16,882 square feet, used in part by Forest Lawn Cemetery Association for its offices. The remainder is leased to Forest Lawn Funeral Home, Inc., a for-profit.

If other entities use all or a portion of the building, please list those entities and the portion of the building they use. Please provide the square footage used by each of those other entities.

77.5% used by separate for-profit Forest Lawn Funeral Home.

Is the use of the building by other entities continuous or occasional?

Continuous Occasional

If continuous, please describe the terms and conditions under which the space is used, such as the amount of rent, length of the lease and how the space is used?

The leasehold is used as a funeral home. The term of the lease is for five years. The lease payment is \$35,000 per month.

If the use of the building by other entities is occasional, please list the entities, and the occasions on which it was used. Describe the uses of the building.

Is the building or some portion of it used for the sale and consumption of alcohol more than 20 hours a week? If so, what portion of the building is used for that purpose; what is the square footage of that area?

N/A

Is the building or some portion of it leased to a for-profit entity? If so, what is (are) the name/ names of the lessee(s), What is the square footage of the area leased? For what purpose does the lessee use the portion leased?

13,083 square feet (77.5%) is leased to Forest Lawn Funeral Home, Inc. It is used for mortuary services including religious services.

If the operation of the building shows a profit after the payment of expenses, how is that money used or distributed?

Any funds generated by the ownership of the building are for the exclusive use of Forest Lawn Cemetery Association.

Return to Improvement Types

Permissive Exemption Application Questionnaire

Building/Parcel Address: 304 So 42nd St, Omaha, NE 68131

Ownership

Does the organization hold legal title to the building/parcel for which the exemption is sought?

YES NO

If no, does the organization hold equitable title under a land contract, lease-purchase agreement, deed of trust or some other instrument?

YES NO

Please describe the nature of the instrument.

If the organization holds equitable, but not legal title, will it obtain legal title in the future? If so, describe the circumstances under which that will occur.

Is the organization leasing the property and seeking exemption for its leasehold interest in the building/parcel?

YES NO

Please provide:

Name of Property Owner

Lease Terms

Monthly Rent

Please provide answers for each of the property-improvement types that are included in the parcel for which you are seeking an exemption. Click all boxes that pertain to your parcel. By clicking on the actual improvement type, you will be sent to that improvement type's questions. At the end of each improvement's section, click on "Return to Improvement Types" to return here for each improvement type on your parcel.

- | | |
|--|---|
| <input type="checkbox"/> UNIMPROVED LOTS (LAND) | <input type="checkbox"/> SINGLE-FAMILY RESIDENCES |
| <input checked="" type="checkbox"/> COMMERCIAL | <input type="checkbox"/> MULTI-FAMILY |
| <input type="checkbox"/> HOUSING FOR THE ELDERLY | <input type="checkbox"/> DAYCARE |
| <input type="checkbox"/> HOSPITAL/MEDICAL FACILITIES | <input type="checkbox"/> FACILITIES RETAIL |
| <input type="checkbox"/> RELIGIOUS | <input type="checkbox"/> FRATERNAL ORG/UNION HALL |
| <input type="checkbox"/> EDUCATIONAL | |

Commercial Property

Is it solely used by the organization, and if so, for what purpose or purposes?

YES NO

Describe the property.

Unoccupied former Mid City Bank building and parking lot used by hospital employees. To be used for potential future expansion of hospital services.

If other entities use all or a portion of the building, please list those entities and the portion of the building they use. Please provide the square footage used by each of those other entities.

N/A

Is the use of the building by other entities continuous or occasional?

Continuous Occasional

If continuous, please describe the terms and conditions under which the space is used, such as the amount of rent, length of the lease and how the space is used?

N/A

If the use of the building by other entities is occasional, please list the entities, and the occasions on which it was used. Describe the uses of the building.

N/A

Is the building or some portion of it used for the sale and consumption of alcohol more than 20 hours a week? If so, what portion of the building is used for that purpose; what is the square footage of that area?

No

Is the building or some portion of it leased to a for-profit entity? If so, what is (are) the name/ names of the lessee(s), What is the square footage of the area leased? For what purpose does the lessee use the portion leased?

No

If the operation of the building shows a profit after the payment of expenses, how is that money used or distributed?

N/A

Return to Improvement Types

File with
Your County
Assessor

Exemption Application

for Tax Exemption on Real and Personal Property by Qualifying Organizations

Read instructions on reverse side.

FORM
451

Failure to properly complete or timely file this application will result in a denial of the exemption.

Name of Organization CHILDREN'S HOSPITAL & MEDICAL CENTER c/o FINANCE		County Name DOUGLAS	Tax Year 2016
Name of Owner of Property CHILDREN'S HOSPITAL & MEDICAL CENTER		State Where Incorporated NE	
Street or Other Mailing Address of Applicant 8200 DODGE ST		Total Actual Value of Real and Personal Property \$4,310,000.00	Parcel ID Number 1414430000
City OMAHA	State NE	Zip Code 68114	Contact Name TAMMY HALL
			Phone Number 402-955-6786

Type of Ownership

Agricultural and Horticultural Society Educational Organization Religious Organization Charitable Organization Cemetery Organization

Name	Title of Officers, Directors, or Partners	Address, City, State, Zip Code
SEE ATTACHED		

Legal description of real property and general description of all depreciable tangible personal property, except licensed motor vehicles:

8401 WEST DODGE ROAD
INDIAN HILLS VILLAGE LOT 4 BLOCK 0

Property described above is used in the following exempt category (please mark the applicable boxes):

Agricultural and Horticultural Society Educational Religious Charitable Cemetery

Give a detailed description of the use of the property:

MIXED NOT FOR PROFIT AND FOR PROFIT: SEE ATTACHED BREAKDOWN OF OCCUPANTS AND SQUARE FOOTAGES

All organizations, except for an Agricultural and Horticultural Society, must complete the following questions.

Is all of the property used exclusively as described above? YES NO

Is the property used for financial gain or profit to either the owner or owner of organization making exclusive use of the property? ... YES NO

Is a portion of the property used for the sale of alcoholic beverages? YES NO

If Yes, state the number of hours per week _____

Is the property owned or used by an organization which discriminates in membership or employment based on race, color, or national origin? YES NO

Under penalties of law, I declare that I have examined this exemption application and, to the best of my knowledge and belief, it is correct and complete. I also declare that I am duly authorized to sign this exemption application.

sign here

Authorized Signature

VP FINANCE

Title

06/29/16

Date

Retain a copy for your records.

For County Assessor's Recommendation

Approval

Approval of a Portion

Denial

COMMENTS:

Quane L. Battista
Assessor / Register of Deeds

Signature of County Assessor

Date

6/30/2016

For County Board of Equalization Use Only

I declare that to the best of my knowledge and belief, the determination made by the County Board of Equalization is correct pursuant to the laws of the State of Nebraska.

Approved

Approval of a Portion

Denied

COMMENTS:

Signature of County Board Member

Date

County Clerk: A legible copy of this form showing the final decision of the County Board of Equalization must be delivered electronically to the Nebraska Department of Revenue within seven days after the Board's decision.

[CLICK HERE TO ADVANCE TO THE QUESTIONNAIRE](#)

Permissive Exemption Application Questionnaire

Building/Parcel Address: 8401 WEST DODGE ROAD, OMAHA NE 68114

Ownership

Does the organization hold legal title to the building/parcel for which the exemption is sought?

YES NO

If no, does the organization hold equitable title under a land contract, lease-purchase agreement, deed of trust or some other instrument?

YES NO

Please describe the nature of the instrument.

If the organization holds equitable, but not legal title, will it obtain legal title in the future? If so, describe the circumstances under which that will occur.

Is the organization leasing the property and seeking exemption for its leasehold interest in the building/parcel?

YES NO

Please provide:

Name of Property Owner

Lease Terms

Monthly Rent

Please provide answers for each of the property-improvement types that are included in the parcel for which you are seeking an exemption. Click all boxes that pertain to your parcel. By clicking on the actual improvement type, you will be sent to that improvement type's questions. At the end of each improvement's section, click on "Return to Improvement Types" to return here for each improvement type on your parcel.

UNIMPROVED LOTS (LAND)

COMMERCIAL

HOUSING FOR THE ELDERLY

HOSPITAL/MEDICAL FACILITIES

RELIGIOUS

EDUCATIONAL

SINGLE-FAMILY RESIDENCES

MULTI-FAMILY

DAYCARE

FACILITIES RETAIL

FRATERNAL ORG/UNION HALL

Commercial Property

Is it solely used by the organization, and if so, for what purpose or purposes?

YES NO

Describe the property.

PLEASE SEE ATTACHED BREAKOUT OF FOR PROFITS OCCUPANTS AND SQUARE FOOTAGE LEASED BY THEM

If other entities use all or a portion of the building, please list those entities and the portion of the building they use. Please provide the square footage used by each of those other entities.

SEE ATTACHED

Is the use of the building by other entities continuous or occasional?

Continuous Occasional

If continuous, please describe the terms and conditions under which the space is used, such as the amount of rent, length of the lease and how the space is used?

PLEASE SEE ATTACHED

If the use of the building by other entities is occasional, please list the entities, and the occasions on which it was used. Describe the uses of the building.

Is the building or some portion of it used for the sale and consumption of alcohol more than 20 hours a week? If so, what portion of the building is used for that purpose; what is the square footage of that area?

NO

Is the building or some portion of it leased to a for-profit entity? If so, what is (are) the name/ names of the lessee(s), What is the square footage of the area leased? For what purpose does the lessee use the portion leased?

PLEASE SEE ATTACHED

If the operation of the building shows a profit after the payment of expenses, how is that money used or distributed?

Held for future facility or service needs based on community needs and assessments and demand for specialized pediatric care.

Return to Improvement Types

Hospitals and Medical Facilities

Does the hospital or medical facility turn patients away when they have no insurance, or cannot afford to pay for medical care at the hospital?

YES

NO

If the hospital or medical facility provides free or reduced-rate medical care for those who cannot afford to pay for their medical care, what is the value of the medical services provided on this basis during the most recent annual accounting period?

Charity Care Children's Hospital & Medical Ctr & Affiliates
Consolidated \$6.6M in 2015

Does the hospital or medical facility contract with any other entity for the day-to-day operation of the facility, or the provision of staff for the facility?

YES

NO

If YES, what is the entity and describe the service or services it provides?

How is the entity compensated for its services?

n/a

If the entity contracted with provides the staff for the facility, does the hospital/medical facility or contract entity direct the work of the staff, determine work assignments/compensation and make the decisions regarding hiring, discipline, and termination of staff?

Hospital/Medical Facility

Contract Entity

**** PLEASE PROVIDE A COPY OF THE CONTRACT. ****

What were the gross revenues of the hospital or medical facility during its most recent annual accounting period?

\$ 634,250,000, Consolidated

Hospitals and Medical Facilities - continued

Is the hospital or medical facility reimbursed by any third party for the value of free or reduced-rate medical care provided by the hospital or medical facility?

YES

NO

If so, what portion is reimbursed?

Does the reimbursement come from a government entity?

YES

NO

If not, from where does reimbursement come?

Does the hospital or medical facility lease space to for-profit entities?

YES

NO

If so, how much of the space in the hospital is leased?

See attached

What is the rent charged?

If the hospital or medical facility shows a profit, after expenses are paid, how is that money used or distributed?

Held for future facility or service needs based on community needs and assessments and demand for specialized pediatric care.

Return to Improvement Types

NON-PROFIT OCCUPANT LIST

Occupant Name	Sq Ft Use	Monthly Base Rent	Purpose of Organization
Methodist Health System	8,805	13,941.25	Offices for Hospital Coding, Legal & Supply Chain
Gretchen Swanson Center for Nutrition-UNMC	6,831	13,559.48	Providing world-wide nutrition plans & education 24-hour emergency telephone services for
NE Regional Poison Center	2,295	3,825.00	assessment & recommendations for poisoning
Children's Hospital & Medical Center Foundation	9,237	11,753.03	CHMC Foundation offices
FirstGiving-NE Methodist Hospital Foundation	4,134	8,201.77	NE Methodist Foundation offices
Total Occupied Sq Footage & Rent	31,302	\$ 51,280.53	

FOR-PROFIT OCCUPANT LIST

Occupant Name	Sq Ft Use	Monthly Base Rent	Purpose of Organization
Pinnacle Bank Omaha	1,907	7,788.00	Full service banking institution
Bridges Investment Counsel	8,813	12,590.24	Financial Investments
The Affiliated Companies Inc	1,966	3,153.79	Full service investments management firm
Total Occupied Sq Footage & Rent	12,686	\$ 23,532.03	
Grand Totals	43,988	\$ 74,812.56	

Exemption Application

for Tax Exemption on Real and Personal Property by Qualifying Organizations
Read instructions on reverse side.

Failure to properly complete or timely file this application will result in a denial of the exemption.

Name of Organization Mercado Corp			County Name Douglas	Tax Year 2016
Name of Owner of Property Same as above			State Where Incorporated Nebraska	
Street or Other Mailing Address of Applicant 4913 S 25th St; Ste 12			Total Actual Value of Real and Personal Property \$ 421,700.00	Parcel ID Number 17 3961 0310 37
City Omaha	State Ne	Zip Code 68107	Contact Name Tom Reyes	Phone Number 402-345-2025
Type of Ownership <input type="checkbox"/> Agricultural and Horticultural Society <input checked="" type="checkbox"/> Educational Organization <input type="checkbox"/> Religious Organization <input type="checkbox"/> Charitable Organization <input type="checkbox"/> Cemetery Organization				

Name	Title of Officers, Directors, or Partners	Address, City, State, Zip Code
Tom Reyes	President	4913 So 25th Ste 12, St. Omaha, Ne 68107
Tony Acosta	Director	4913 So 25th Ste 12, St. Omaha, Ne 68107
Fernando Godinez	Director	4913 So 25th Ste 12, St. Omaha, Ne 68107

Legal description of real property and general description of all depreciable tangible personal property, except licensed motor vehicles:
**Mercados ADD
 Lot 1 BIK
 140 x 150; Property Address: 4909 S 25th St. No Tangible Personal Property**

Property described above is used in the following exempt category (please mark the applicable boxes):

Agricultural and Horticultural Society
 Educational
 Religious
 Charitable
 Cemetery

Give a detailed description of the use of the property:
leasing to small business for not for profit in South Omaha district. Assisting small businesses in educating local community in cultural, music, traditions, and hazardous waste.

All organizations, except for an Agricultural and Horticultural Society, must complete the following questions.

Is all of the property used exclusively as described above? YES NO

Is the property used for financial gain or profit to either the owner or owner or organization making exclusive use of the property? ... YES NO

Is a portion of the property used for the sale of alcoholic beverages? YES NO
 If Yes, state the number of hours per week _____

Is the property owned or used by an organization which discriminates in membership or employment based on race, color, or national origin? YES NO

Under penalties of law, I declare that I have examined this exemption application and, to the best of my knowledge and belief, it is correct and complete. I also declare that I am duly authorized to sign this exemption application.

sign here **Tom Reyes** **President** **12/09/2015**
 Authorized Signature Title Date

**Retain a copy for your records.
 For County Assessor's Recommendation**

Approval _____ COMMENTS: _____

Approval of a Portion

Denial _____

Diane L. Battista
Assessor / Register of Deeds by *[Signature]* Date **6/15/2016**
 Signature of County Assessor

For County Board of Equalization Use Only

I declare that to the best of my knowledge and belief, the determination made by the County Board of Equalization is correct pursuant to the laws of the State of Nebraska.

Approved COMMENTS: _____
 Approval of a Portion
 Denied

 Signature of County Board Member Date

County Clerk: A legible copy of this form showing the final decision of the County Board of Equalization must be delivered electronically to the Nebraska Department of Revenue within seven days after the Board's decision.

CLICK HERE TO ADVANCE TO THE PROPERTY SCHEDULE

RECEIVED
 2015 DEC 16 PM 3:51
 DOUGLAS COUNTY ASSESSOR
 REGISTER OF DEEDS

- Mercedes - NP Profit at 505

↓
Per Tom Reyes - leaves to
cultural nonprofits

4909 525th

Visited 6/15
1st Floor of apt -
2 story bldg. of apt -
used by City of Omaha
An lead remediation
2nd Floor - taxable
for profit business,
including tattoo parlor
Building 2 -
1 story bldg. taxable
used by for-profit
businesses 7/12



DOUGLAS COUNTY
ASSESSOR • REGISTER OF DEEDS

Diane L. Battlato, CPO, Elected Official
402.444.7457 • F 402.996.8015
Diane.Battlato@douglascounty-ne.gov

Larry Miller, Chief Deputy
402.444.8780 • F 402.996.8015
Larry.Miller@douglascounty-ne.gov

Jack Baines, Chief Field Deputy
402.444.6729 • F 402.444.3973
Jack.Baines@douglascounty-ne.gov

February 7, 2016

Mr. Tom Reyes
President
Mercado Corp.
4913 S. 25th Street,
Omaha, NE 68107

RE: Exemption Application for Mercado Corp., 4909 S. 25th Street

Dear Mr. Reyes:

Our office is in the process of reviewing property tax exemption applications for 2016. Because this is a "full" application year, in addition to the Exemption Application, Form 451, we are asking applicants to file the Questionnaire, available on our website at www.dcasessor.org, to provide information that better informs this office of whether the property qualifies under Nebraska law for a property tax exemption. In reviewing the application filed by Mercado Corp., the Form 451 has been filed but no Questionnaire has been filed. Additionally, there is additional information that this office would need to make a determination of whether the property at 4909 S. 25th Street qualifies for property tax exemption. Please provide this office the following:

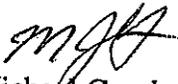
- A copy of the Articles of Incorporation for Mercado Corp.;
- A copy of a tax exempt certificate issued to Mercado Corp. by the Internal Revenue Service;
- A copy of any documents Mercado Corp. has filed with the Nebraska Secretary of State's Office;
- A list of current tenants and a copy of their leases;
- A description of the charitable activities of Mercado Corp., and;
- A Questionnaire, filled out by Mercado Corp. You need not fill out all the sections; just those applicable to your organization and property. For Mercado Corp., the section dealing with commercial property would be applicable.

You may mail or deliver the requested documentation to:

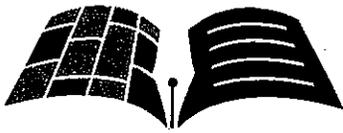
Exemptions
Douglas County Assessor/Register of Deeds
1819 Farnam Street
4th Floor
Omaha, NE 68183

Remember: It is the responsibility of the applicant for a property tax exemption to prove that it meets all of the tests for property tax exemption contained in Neb. Rev. Stat. §77-202. Your prompt attention to this matter is much appreciated.

Sincerely,



Michael Goodwillie
Compliance Officer
(402) 444-6703



DOUGLAS COUNTY
ASSESSOR • REGISTER OF DEEDS

Diane L. Battiato, CPO, Elected Official
402.444.7457 • F 402.996.8015
Diane.Battiato@douglascounty-ne.gov

Larry Miller, Chief Deputy
402.444.6780 • F 402.996.8015
Larry.Miller@douglascounty-ne.gov

Jack Baines, Chief Field Deputy
402.444.6729 • F 402.444.3973
Jack.Baines@douglascounty-ne.gov

February 7, 2016

Mr. Tom Reyes
President
Mercado Corp.
4913 S. 25th Street,
Omaha, NE 68107

RE: Exemption Application for Mercado Corp., 4909 S. 25th Street

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- ✓ --A copy of the Articles of Incorporation for Mercado Corp.;
- ✓ --A copy of a tax exempt certificate issued to Mercado Corp. by the Internal Revenue Service;
- ✓ --A copy of any documents Mercado Corp. has filed with the Nebraska Secretary of State's Office;
- ✓ --A list of current tenants and a copy of their leases;
- A description of the charitable activities of Mercado Corp., and;
- ✓ --A Questionnaire, filled out by Mercado Corp. You need not fill out all the sections; just those applicable to your organization and property. For Mercado Corp., the section dealing with commercial property would be applicable.

Table 1—Nebraska Net Book Depreciation Factors

Year	Recovery Period in Years					
	3	5	7	10	15	20
1	75.00%	85.00%	89.29%	92.50%	95.00%	96.25%
2	37.50	59.50	70.16	78.62	85.50	89.03
3	12.50	41.65	55.13	66.83	76.95	82.35
4	0.00	24.99	42.88	56.81	69.25	76.18
5		8.33	30.63	48.07	62.32	70.46
6		0.00	18.38	39.33	56.09	65.18
7			6.13	30.59	50.19	60.29
8			0.00	21.85	44.29	55.77
9				13.11	38.38	51.31
10				4.37	32.48	46.85
11				0.00	26.57	42.38
12					20.67	37.92
13					14.76	33.46
14					8.86	29.00
15					2.95	24.54
16					0.00	20.08
17						15.62
18						11.15
19						6.69
20						2.23
21						0.00

Table 2—Recovery Periods
(Equivalent to the Federal "Modified Accelerated Cost Recovery System" (MACRS))

Part A	Personal Property Used in All Business Activities, Without Regard to the Type of Business	Recovery Period
	Office furniture, fixtures, and equipment (telephones, communication equipment)	7
	Information systems, computers and peripheral equipment, calculators, typewriters, adding machines, copiers, duplicating equipment	5
	Transportation:	
	Light and heavy general purpose trucks and cars (unlicensed)	5
	Trailers and trailer-mounted containers	5
	Airplanes and helicopters not used for commercial or contract carrying of passengers or freight.....	5
	Railroad cars and locomotives not owned by railroad transportation companies	7
	Water transportation vessels, barges, etc.....	10
Part B	Other Personal Property Used in the Following Business Activities	
	Agricultural:	
	Agricultural machinery and equipment, including irrigation equipment.....	7
	Cable Television:	
	Subscriber connection and distribution systems.....	7
	Program origination.....	5
	Service and test.....	5
	Microwave systems.....	5
	Construction:	
	Assets used in construction by general building, special trade, heavy and marine construction contractors, operative and investment builders, real estate subdividers and developers, and others except railroads	5
	Distributive Trades and Services:	
	Wholesale and retail trades, and personal and professional services	5
	Manufacturing:	
	Grain and grain mill products.....	10
	Sugar and sugar products.....	10
	Vegetable oils and vegetable oil products.....	10
	Other food and beverages	7
	Yarn, thread, woven products, and nonwoven fabrics	7
	Wood products and furniture.....	7

Table 2 (continued)

Manufacturing (continued):	Recovery Period
Printing, publishing, and allied materials.....	7
Rubber products and finished plastic products.....	7
Leather and leather products.....	7
Glass products.....	7
Stone and clay products.....	7
Primary nonferrous metals.....	7
Foundry, steel mill, and fabricated metal products.....	7
Electrical and nonelectrical machinery and other mechanical products.....	7
Manufacture of motor vehicles.....	7
Manufacture of aerospace products.....	7
Manufacture of athletic, jewelry, and other goods.....	7
Sawmill equipment in permanent sawmills.....	7
Sawmill equipment in temporary facility.....	5
Knitted goods and textured yarns.....	5
Carpets and dyeing, finishing, and packaging of textile products and manufacture of medical and dental supplies.....	5
Apparel and other finished products.....	5
Special tools and devices for food and beverages, rubber products, finished plastic products, glass products, fabricated metal products, and manufacture of motor vehicles.....	3
Miscellaneous:	
Electric utility transmission and distribution plant.....	20
Waste reduction and resource recovery plants.....	7
Furniture and appliances used in rental property.....	7
Oil and Mineral:	
Mining—assets used in mining and quarry (for example, sand, gravel, stone, etc.).....	7
Exploration for and production of petroleum and natural gas, including gathering pipelines and related storage facilities, compression or pumping equipment.....	7
Drilling onshore oil and gas wells.....	5
Recreation:	
Assets used in provision of entertainment for fee (for example, bowling alleys, billiard and pool halls, theaters, miniature golf courses, etc.).....	7
Theme and amusement parks.....	7
Telephone Communications and Radio and Television Broadcasting:	
Cable and long-line systems (transmission lines).....	20
Telephone distribution plant (poles, lines, aerial wires, underground conduits, etc.).....	15
Telephone central office equipment (central office switching equipment).....	10
Telephone station equipment.....	7
Computer-based telephone central office switching equipment (function are those of a computer or peripheral equipment used in its capacity as telephone central office equipment).....	5
Radio and television broadcasting (except transmission towers).....	5
Telegraph And Satellite Communications:	
Central office control facilities (switching and monitoring signals).....	10
High-frequency radio and microwave systems (transmitters, receivers, transmission lines, and towers).....	7
Computerized switching, channelling, and associated equipment.....	7
Satellite ground segment property.....	7
Equipment installed on customer premises.....	7
Support equipment.....	7
Headend.....	7

If you are unable to use the submit button, click on the "FILE" tab above, choose "SAVE AS" and save your application to your desktop as "2016 Exemption - "Your Organization Name". Then email your application as an attachment to exemptions@douglascounty-ne.gov.

If you are unable to email your application/questionnaire, click on the "PRINT" button and mail or drop off your documents to: 1819 Farnam St - 4th Floor, Omaha NE 68183

Mercedes - Drive

- Latina Productions - for profit
4913 So 25th - Suite 1 - Taxable

- Anna Cecilia tattoo - for profit - taxable
~~4913 So 25th~~
4907 So 25th - 2nd suite, 2nd
floor

- City of Omaha - 4913 So 25th
Suite 12 - Exempt
2700 SF

- Happy Corner - for profit - taxable
4907 So 25th, 1st suite, 2nd
floor
600 SF

- Pixamix - for profit - taxable
4913 So 25th st - Suite 1
1200 SF

~~2114240400~~ F
last sent ~~2114240402~~ P
404 N - E

for white

1st suite 1 Lotus Productions
2nd suite Pure Creation Talker
1st second Happy Corner

suite 12 - City of Omaha

- Whole floor - Bottom
floor of a story bldg

Indian Culture - will
send

MERCADO

**LEASE FOR EL MERCADO BUILDING
IN OMAHA, NEBRASKA**

**EL MERCADO
4913 SOUTH 25TH STREET
Suite 1
OMAHA, NEBRASKA 68107-2764
(402) 345-2025**

Prepared for:

**"Luis Marcos, DBA Pixamixim"
4913 So 25 st.; Suite 1**

Prepared by:

**MERCADO, INC
El Mercado, Inc.**

JANUARY 2015

RECEIVED
JANUARY 24 PM 5:23
**DORRIS COUNTY ASSESSOR
REGISTER OF DEEDS**

Executive Summary

The purpose of this document is to Lease the property at 4913 South 25th Street, Suite 1, Omaha, Nebraska, 68107-2764 to Luis Marcos DBA Pixanixim.

THIS LEASE is entered into this 1st day of June, 2016 between El Mercado., Landlord, and Luis Marcos DBA Pixanixim, Tenant.

Table of Contents

Executive Summary.....	ii
1.0 Article 1 – DEMISE OF LEASED PREMISES.....	1-1
2.0 Article 2 – TERM.....	2-1
3.0 Article 3 – USE OF PREMISES.....	3-1
4.0 ARTICLE 4 - RENT.....	4-1
4.1 Operating Expenses.....	4-1
4.2 Payment of Rent.....	4-3
4.3 Late Charge.....	4-3
4.4 Security Deposit.....	4-3
5.0 ARTICLE 5 - SERVICES.....	5-3
6.0 ARTICLE 6 – ASSIGNMENT OR SUBLEASE.....	6-4
7.0 ARTICLE 7– TENANT’S IMPROVEMENTS.....	7-4
8.0 ARTICLE 8– REPAIRS.....	8-5
9.0 ARTICLE 9– CONDITION OF PREMISES.....	9-5
10.0 ARTICLE 10 – HAZARDOUS SUBSTANCES.....	10-6
11.0 ARTICLE 11 – PERSONAL PROPERTY AT RISK OF TENANT.....	11-6
12.0 ARTICLE 12 – LANDLORD’S RESERVED RIGHTS.....	12-7
12.1 Name Change.....	12-7
12.2 Signs.....	12-7
12.3 Mail Access.....	12-7
12.4 Alterations.....	12-7
12.5 Passkeys.....	12-7
12.6 Showing.....	12-7
12.7 Improvements.....	12-8
12.8 Approval.....	12-8
13.0 ARTICLE 13 - INSURANCE.....	13-8
14.0 ARTICLE 14 - INDEMNITY.....	14-8
15.0 ARTICLE 15 – LIABILITY INSURANCE.....	15-9
16.0 ARTICLE 16 – DAMAGE BY FIRE OR OTHER CASUALTY.....	16-10
17.0 ARTICLE 17 - CONDEMNATION.....	17-10
18.0 ARTICLE 18 – DEFAULT OR BREACH.....	18-11

18.1	Payment	18-11
18.2	Vacate	18-11
18.3	Bankruptcy	18-11
18.4	Involuntary Proceedings	18-11
18.5	Nonperformance	18-11
19.0	ARTICLE 19 – EFFECT OF DEFAULT	19-12
19.1	Re-entry	19-12
19.2	Retake	19-12
19.3	Relet	19-12
20.0	ARTICLE 20 – SURRENDER – HOLDING OVER	20-13
21.0	ARTICLE 21 – SUBORDINATION AND ATTORNMEN T	21-13
22.0	ARTICLE 22 - NOTICES	22-14
23.0	ARTICLE 23 – RIGHT TO TERMINATE	23-14
24.0	ARTICLE 24 – RULES AND REGULATIONS	24-14
25.0	ARTICLE 25 – NET LEASE	25-14
26.0	ARTICLE 26 - MISCELLANEOUS	26-15
26.1	Amendment in Writing	26-15
26.2	Waiver – None	26-15
26.3	No Surrender	26-15
26.4	Captions	26-15
26.5	Brokers	26-15
26.6	Applicable Law	26-16
27.0	SIGNATURES	27-16
27.1	Personal Guarantee	27-17

1.0 Article 1 – DEMISE OF LEASED PREMISES

Landlord leases to Tenant room number Suite 1 at building located at 4913 St.; Luis Marcos DBA Pixanixim., Omaha, Nebraska (the "Building"), commonly known as El Mercado, as designated on the El Mercado floor plan annexed hereto as Exhibit "A", (the "Premises"), containing approximately 1200 square feet of area, on the following terms and conditions.

2.0 Article 2 – TERM

This Lease shall be for a term of 12 months, beginning on the 1st day of June, 2016, and ending on the 31th day of ~~May 2017~~ ^{AUG 1st 2016}, unless terminated earlier as provided in this Lease.

3.0 Article 3 – USE OF PREMISES

The Premises are leased to Tenant, and are to be used by Tenant, for the purpose of Engineering Design, Environmental Remediation, and Construction and for no other purpose. Tenant agrees to use the Premises in such a manner as to not interfere with the rights of other tenants in the Building, to comply with all applicable governmental laws, ordinances, and regulations in connection with its use of the Premises, to keep the Premises in a clean and sanitary condition, and to use all reasonable precaution to prevent waste, damage, or injury to the Premises and the Real Estate.

4.0 ARTICLE 4 - RENT

The total Base Rent under this Lease is \$1,500.00 Dollars per month for ~~twelve (12)~~ ^{Thre (3)} months. Tenant agrees to pay rent to Landlord at 4913 South 25th Street, Ste 12; Omaha, Nebraska, 68107-2764, or at any other place Landlord may designate in writing, in lawful money of the United States, monthly in advance, on the first day of each month.

4.1 Operating Expenses.

In addition to the Base Rent, Tenant shall pay as additional rent a pro rata share of operating expenses of the real estate of which the Premises are part, including the building, parking areas,

and grounds (the "Real Estate"). "Operating Expenses" shall mean all costs of maintaining and operating the Real Estate, including but not limited to all taxes and special assessments levied upon the Real Estate, fixtures, and personal property used by Landlord at the Real Estate, all insurance costs, all costs of services furnished to the Real Estate, all costs of labor, material and supplies for cleaning, maintenance, repair, replacement, redecorating, and operating of the Real Estate, including but not limited to line painting, lighting, snow removal, landscaping, depreciation of machinery and equipment used in such maintenance, repair and replacement, and security and management costs, including building superintendents and managers.

Operating Expenses shall not include property additions and capital improvements to the Real Estate, alterations made for specific tenants, depreciation of the Real Estate, debt service or income taxes paid by Landlord. "Tenant's pro rata share" shall mean the percentage determined by dividing the square feet of the Premises as shown in Article 1, by the square feet of store area of the Real Estate, as defined by the American National Standard published by Building Owners and Managers Association which at the date hereof is agreed to by 1200 square feet.

Tenant's pro rata share of the Operating Expenses shall be determined on an annual basis for each calendar year ending on December 31 and shall be pro rated for the number of months Tenant occupied the Premises if Tenant did not occupy the Premises on the full year. TENANT SHALL PAY \$0.00 PER MONTH, ON THE FIRST OF EACH MONTH in advance with rent for Tenant's estimated pro rata share of the Operating Expenses.

Landlord may change this amount at any time upon written notice to Tenant. At the end of each year, an analysis of the total year's Operating Expenses shall be presented to Tenant and Tenant shall pay the amount, if any, by which the Tenant's pro rata share of the Operating Expenses for the year exceeded the amount of the Operating Expenses paid by Tenant. Tenant shall pay any such excess charge to the Landlord within thirty (30) days after receiving the statement. In the event this Lease terminates at any time other than the last day of the year, the excess Operating Expenses shall be determined as of the date of termination. Upon termination of this Lease, any

overpayment of Operating Expenses by Tenant shall be applied to the amounts due Landlord from Tenant under this Lease and any remaining overpayment shall be refunded to Tenant.

4.2 Payment of Rent.

Tenant agrees to pay the Base Rent as and when due, together with Tenant's share of the Operating Expenses and all other amounts required to be paid by Tenant under this Lease. In the event of nonpayment of any amounts due under this Lease, whether or not designated as rent, Landlord shall have all the rights and remedies provided in this Lease or by law for failure to pay rent.

4.3 Late Charge.

If the Tenant fails to pay the Base Rent together with the Tenant's share of the Operating Expenses and all other amounts required to be paid by Tenant under this Lease, on or before the third day after such payments are due, Tenant agrees to pay Landlord a late charge of \$150.00.

4.4 Security / "Damage" Deposit.

As partial consideration for the execution of this Lease, the Tenant has delivered to Landlord the sum of \$ 0 Security/"Damage" Deposit. The Security/"Damage" Deposit will be returned to Tenant at the expiration of this Lease if Tenant has fully complied with all covenants and conditions of this Lease. During the duration of the contract any damage done to the space rented by this tenant will be billed to the tenant or subtracted from this amount.

5.0 ARTICLE 5 - SERVICES

Landlord shall furnish lighting, electricity, heating, and air conditioning to the Building and to the Premises and janitorial service (clean bathrooms) to the Building (but not the Premises during normal business hours, and at such other times as Landlord may deem necessary or desirable, in the manner customary to the Real Estate. Landlord shall have the right to discontinue any service during any period for which rent is not promptly paid by Tenant.

Landlord shall not be liable for damages, nor shall the rental be abated, for failure to furnish, or

delay in furnishing, any service when failure to furnish, or delay in furnishing, is occasioned in whole or in part by needful repairs, renewals, or improvements, or by any strike or labor controversy, or by any accident or casualty whatsoever, or by any unauthorized act or default of any employee of Landlord, or for any other cause or causes beyond the control of Landlord. As determined by the landlord whether he has full control.

6.0 ARTICLE 6 – ASSIGNMENT OR SUBLEASE

Tenant shall not assign this Lease or sublet the whole or any part of the Premises, transfer this Lease by operation of law or otherwise, or permit any other person except agents and employees of Tenant to occupy the Premises, or any part thereof, without the prior written consent of Landlord. Landlord may consider the following in determining whether to withhold consent: (a) financial responsibility of the new tenant, (b) identity and business character of the new tenant, (c) nature and legality of the proposed use of the Premises.

7.0 ARTICLE 7– TENANT'S IMPROVEMENTS

Tenant shall have the right to place partitions and fixtures and make improvements or other alterations in the interior of the Premises at its own expense. Prior to commencing any such work, Tenant shall first obtain the written consent of Landlord for the proposed work. Landlord may, as a condition to its consent, require that the work be done by Landlord's own employees and/or under Landlord's supervision, but at the expense of Tenant, and that Tenant give sufficient security that the Premises will be completed free and clear of liens and in a manner satisfactory to Landlord. Upon termination of this Lease, at Landlord's option, Tenant will repair and restore the Premises to its former condition, at Tenant's expense, or any such improvements, additions, or alterations installed or made by Tenant, except Tenant's trade fixtures, shall become part of the Premises and the property of the Landlord. Tenant may

remove its trade fixtures at the termination of this Lease provided Tenant is not then in default and provided further that Tenant repairs any damaged caused by such removal.

8.0 ARTICLE 8- REPAIRS

As part of the Operating Expenses, Landlord agrees to maintain and repair the Real Estate, except the interior of the Premises. Tenant agrees that it will make, at its own cost and expense, all repairs and replacements to the Premises not required to be made by Landlord, including but not limited to, all interior and exterior store fronts, doors, door frames, gates, windows, plate glass, and any heating, air conditioning, plumbing and electrical systems located within the Premises. Tenant agrees to do all redecorating, remodeling, alteration, and painting required by it during the term of this Lease at its own cost and expense, to pay for any repairs to the Premises or the Real Estate made necessary by any negligence or carelessness of Tenant or any of its agents or employees or persons permitted on the Real Estate by Tenant, and to maintain the Premises in a safe, clean, neat, and sanitary condition. Tenant shall be entitled to no compensation for inconvenience, injury, or loss of business arising from the making of any repairs by Landlord, Tenant, or other tenants to the Premises or Real Estate.

9.0 ARTICLE 9- CONDITION OF PREMISES

Except as provided herein, Tenant agrees that no promises, representations, statements, or warranties have been made on behalf of Landlord to Tenant respecting the condition of the Premises or the Real Estate, or the manner of operating the Real Estate, or the making of any repairs to the Premises or the Real Estate. By taking possession of the Premises, Tenant acknowledges that the Premises were in good and satisfactory condition when possession was taken. Tenant shall, at the termination of this Lease, by lapse of time or otherwise, remove all of Tenant's property and surrender the Premises to Landlord in as good condition as when Tenant

took possession, normal wear excepted. There has been a walk-through with tenant and rental space condition has been accepted by both before signatures have been applied to this contact.

10.0 ARTICLE 10 – HAZARDOUS SUBSTANCES

Tenant shall not, without Landlord's prior written consent, keep in, on, or about the Premises or Real Estate, for use, disposal, generation, storage or sale, any Hazardous Substances. "Hazardous Substances" means and includes any materials (or components thereof) now or hereafter designated and/or regulated as hazardous, dangerous, toxic, or harmful in any provisions of law, statutes, ordinances, rules, regulations, permits, licenses, judgments, writs, injunctions, decrees, orders, awards, and standards promulgated by and federal, state, or local government or by any court, agency, instrumentality, regulatory authority, or commission of any of the foregoing concerning health, safety and the protection of, or regulation of the discharge of substances into the environment and the transportation and disposal of such substances.

11.0 ARTICLE 11 – PERSONAL PROPERTY AT RISK OF TENANT

All personal property in the Premises shall be at the risk of Tenant only. Landlord shall not be liable for any damage to any property of Tenant or its agents or employees in the Premises caused by steam, electricity, sewage, gas or odors, or from water, rain, or snow which may leak into, issue or flow into the Premises from any part of the Real Estate, or from any other place, or for a any damage done to Tenant's property in moving same to or from the Real Estate or the Premises. Tenant shall give Landlord, or its agents, prompt written notice of any damage to or defects in water pipes, gas, or heating or cooling apparatus in the Premises.

12.0 ARTICLE 12 – LANDLORD’S RESERVED RIGHTS

Without notice to Tenant, without liability to Tenant for damage or injury to property, person, or business, and without effecting an eviction of Tenant or a disturbance of Tenant’s use or possession or giving rise to any claim for setoff or abatement or rent, Landlord shall have the right to:

12.1 Name Change

Change the name or street address of the Real Estate.

12.2 Signs

Install and maintain signs on the Real Estate.

12.3 Mail Access

Have access to all mail chutes according to the rules of the United States Post Office department.

12.4 Alterations

At reasonable times, to decorate, and to make, repairs, alterations, additions, and improvements, structural or otherwise, in or to the Premises, the Real Estate, or part thereof, and any adjacent building, land, street, or alley, and during such operations to take into and through the Premises or any part of the Real Estate all material required, and to temporarily close or suspend operation of entrances, doors, corridors, elevators, or other facilities to do so.

12.5 Passkeys

Possess passkeys to the Premise.

12.6 Showing

Show the Premises to prospective tenants at reasonable times, within 24 hour notice whether or not tenant chooses to be present.

12.7 Improvements

Take any and all reasonable measures, including inspections or the making of repairs, alterations, and additions and improvements to the Premises or to the Real Estate, which Landlord deems necessary or desirable for the safety, protection, operation, or preservation of the Premises or the Real Estate.

12.8 Approval

Approve all sources furnishing signs, painting, and/or lettering to the Premises, and approve all signs on the Premises prior to installation thereof.

13.0 ARTICLE 13 - INSURANCE

Tenant shall not use or occupy the Premises or any part thereof in any manner which could invalidate any policies of insurance now or hereafter placed on the Real Estate or increase the risks covered by insurance on the Real Estate or necessitate additional insurance premiums or policies of insurance, even if such use may be in furtherance of Tenant's business purposes. In the event any policies of insurance are invalidated by acts or omissions of Tenant, Landlord shall have the right to terminate this Lease and, at Landlord's option, to charge Tenant for extra insurance premiums required on the Real Estate on account of the increased risk caused by Tenant's use and occupancy of the Premises. Each party hereby waives all claims for recovery from the other for any loss or damage to any of its property insured under valid and collectible insurance policies. Provided, that this waiver shall apply only when permitted by the applicable policy of insurance.

14.0 ARTICLE 14 - INDEMNITY

Tenant shall indemnify, hold harmless, and defend Landlord from and against, and Landlord shall not be liable to Tenant on account of, any and all costs, expenses, liabilities, losses, damages, suits, actions, fines, penalties, demands, or claims of any kind, including reasonable

attorney's fees, asserted by or on behalf of any person, entity, or governmental authority arising out of or in any way connected with either (a) a failure by Tenant to perform any of the agreements, terms, or conditions of this Lease required to be performed by Tenant; (b) a failure by Tenant to comply with any laws, statutes, ordinances, regulations, or orders of any governmental authority; or (c) any accident, death, or personal injury, or damage to, or loss or theft of property which shall occur on or about the Premises, or the Real Estate, except as the same may be the result of the negligence of Landlord, its employees, or agents.

15.0 ARTICLE 15 – LIABILITY INSURANCE

Tenant agrees to procure and maintain continuously during the entire term of this Lease, a policy or policies of insurance in a company or companies acceptable to landlord, at Tenant's own cost and expense, insuring Landlord and Tenant from all claims, demands or actions; such comprehensive insurance shall protect and name the Tenant the Insured and shall provide coverage of at least \$ 100,000 for injuries to any one person, \$ 300,000 for injuries to persons in any one accident, and \$ 100,000 for damage to property, made by or on behalf of any person or persons, firm or corporation arising from, related to, or connected with the conduct and operation of Tenant's business in the Premises, or arising out of and connected with the use and occupancy of the Real Estate by the Tenant. All such insurance shall provide that Landlord shall be given a minimum of ten (10) days notice by the insurance company prior to cancellation, termination, or change of such insurance. Tenant shall provide Landlord with copies of the policies or certificates evidencing that such insurance is in full force and effect and stating the term and provisions thereof. If Tenant fails to comply with such requirements for insurance, Landlord may, but shall not be obligated to, obtain such insurance and keep the same in effect, and Tenant agrees to pay Landlord, upon demand, the premium cost thereof.

16.0 ARTICLE 16 – DAMAGE BY FIRE OR OTHER CASUALTY

If, during the term of this Lease, the Premises shall be so damaged by fire or any other cause except Tenant's negligence or intentional act so as to render the Premises untenable, the rent shall be abated while the Premises remains untenable; and in the event of such damage, Landlord shall elect whether to repair the Premises or to cancel the Lease, and shall notify Tenant in writing of its election within sixty (60) days after such damage. In the event Landlord elects to repair the Premises, the work or repair shall begin promptly ____ (depending on direction or monies received from insurance to repair)____, and shall be carried on without unnecessary delay. In the event Landlord elects not to repair the Premises, the Lease shall be deemed cancelled as of the date of the damage. Such damage shall not exceed the Lease term.

17.0 ARTICLE 17 - CONDEMNATION

If the whole or any part of the Premises shall be taken by public authority under the power of eminent domain, then the term of this Lease shall cease on that portion of the premises so taken, from the date of possession, and the rent shall be paid to that date, with a proportionate refund by Landlord to Tenant of such rent as may have been paid by Tenant in advance. If the portion of the Premises taken is such that it prevents the practical use of the Premises for Tenant's purposes, then Tenant shall have the right either (a) to terminate this Lease by giving written notice of such termination to Landlord not later than thirty (30) days after the taking; or (b) to continue in possession of the remainder of the Premises, except that the rent shall be reduced in proportion to the area of the Premises taken. In the event of any taking or condemnation of the Premises, in whole or in part, the entire resulting award of damages shall be the exclusive property of the Landlord, including all damages awarded as compensation for diminution in value to the leasehold, without any deduction for the value of any unexpired term of this Lease, or for any others estate or interest in the Premises now or hereafter vested in Tenant.

18.0 ARTICLE 18 – DEFAULT OR BREACH

Each of the following events shall constitute a default or a breach of this Lease by Tenant:

18.1 Payment

If Tenant fails to pay Landlord any rent or other payments when due hereunder;

18.2 Vacate

If Tenant vacates or abandons the Premises due to the fact did not give landlord notice we will assume vacated after 8 days;

18.3 Bankruptcy

If Tenant files a petition in bankruptcy or insolvency or for reorganization under any bankruptcy or insolvency or for reorganization under any bankruptcy act, or voluntarily takes advantage of any such act by answer or otherwise, or makes an assignment of the benefit of creditors;

18.4 Involuntary Proceedings

If involuntary proceedings under any bankruptcy or insolvency act shall be instituted against Tenant, or if a receiver or trustee shall be appointed of all or substantially all of the property of Tenant, and such proceedings shall not be dismissed or the receivership or trusteeship vacated within thirty (30) days after the institution or appointment; or

18.5 Nonperformance

If Tenant fails to perform or comply with any other term or condition of this Lease and if such nonperformance shall continue for a period of ten (10) days after notice thereof by Landlord to Tenant, time being of the essence.

19.0 ARTICLE 19 – EFFECT OF DEFAULT

In the event of any default or breach hereunder, in addition to any other right or remedy available to Landlord, either at law or in equity, Landlord may exert any one or more of the following rights:

19.1 Re-entry

Landlord may re-enter the Premises immediately and remove the property and personnel of Tenant, and shall have the right, but not in the obligation, to store such Property in a public warehouse or at a place selected by Landlord, at the risk and expense of Tenant.

19.2 Retake

Landlord may retake the Premises and may terminate this Lease by giving written notice of termination to Tenant. Without such notice, Landlord's retaking will not terminate the Lease. On termination, Landlord may recover from Tenant all damages proximately resulting from the breach, including the cost of recovering the premises and the difference between the rent due for the balance of the Lease term, as though the Lease had not been terminated, and the reasonable rental value of the Premises, which sum shall be immediately due Landlord from Tenant.

This is a separate condition in cost not related to security/damage amount paragraph 4.4.

19.3 Relet

Landlord may relet the Premises or any part thereof for any term without terminating this Lease, at such rent and on such terms as Landlord may choose. Landlord may make alterations and repairs to the Premises. In addition to Tenant's liability to Landlord for breach of the Lease, Tenant shall be liable for all expenses of the reletting, for any alterations and repairs made, and for the rent due for the balance of the Lease term, which sum shall be immediately due Landlord from Tenant. The amount due Landlord will be reduced by the net rent received by Landlord during the remaining term of this Lease from reletting the Premises or any part thereof. If, during the remaining term of this Lease, Landlord receives more than the amount due Landlord

under this subparagraph, the Landlord shall pay such excess to Tenant, but only to the extent Tenant has actually made payment pursuant to this sub-paragraph.

20.0 ARTICLE 20 – SURRENDER – HOLDING OVER

Tenant shall, upon termination of the Lease, whether by lapse of time or otherwise, peaceably and promptly surrender the Premises to Landlord. If Tenant remains in possession after the termination of this Lease, without a written lease duly executed by the parties, Tenant shall be deemed a trespasser. If Tenant pays and Landlord accepts, rent for a period after termination of this Lease, Tenant shall be deemed to be occupying the Premises only as a tenant from month to month, subject to all the terms, conditions, and agreements of this Lease.

21.0 ARTICLE 21 – SUBORDINATION AND ATTORNMENT

Landlord reserves the right to place liens and encumbrances on the Premises superior in lien and effect to this Lease. This Lease, and all rights of Tenant hereunder, shall, at the option of Landlord, be subject and subordinate to any liens and encumbrances now or hereafter imposed by Landlord upon the Premises or the Real Estate or any part thereof, and Tenant agrees to execute, acknowledge, and deliver to Landlord, upon request, any and all instruments that may be necessary or proper to subordinate this Lease and all rights herein to any such lien or encumbrance as may be required by Landlord. In the event any proceedings are brought for the foreclosure of any mortgage on the Premises, Tenant will attorn to the purchaser at the foreclosure sale and recognize such purchaser as the landlord under this Lease. The purchaser, by virtue of such foreclosure, shall be deemed to have assumed, as substitute landlord, the terms and conditions of the Lease until the resale or the disposition of its interest. Such assumption, however, shall not be deemed an acknowledgement by the purchaser of the validity of any then existing claims of Tenant against the prior landlord.

22.0 ARTICLE 22 - NOTICES

Any notice to be given hereunder shall be given in writing and personally delivered or sent by registered or certified mail to Landlord at 4913 South 25th Street Ste 12, Omaha, Nebraska 68107, and to Tenant at the Premises to "Luis Marcos DBA Pixanixim. at 4913 South 25th Street, Ste 1, Omaha, Nebraska 68107, " Luis Marcos DBA Pixanixim. or at such other address as either party may from time to time designate in writing. Each such notice shall be deemed to have been given at the time it shall be personally delivered to such address or deposited in the United States mail, in the manner prescribed herein.

23.0 ARTICLE 23 – RIGHT TO TERMINATE

Landlord shall have the right to terminate this Lease at the end of any calendar month by giving the Tenant written notice at least three months before the date of the termination of Landlord's intention to remodel, remove or demolish the Premises, or to sell, or make a ground lease of the land thereunder.

24.0 ARTICLE 24 – RULES AND REGULATIONS

Tenant and Tenant's agents, employees, and invitees shall fully comply with all rules and regulations of the Real Estate, as amended from time to time, which are made a part of this Lease as if fully set forth herein. Landlord shall have the right to amend such rules and regulations, as Landlord deems necessary or desirable for the safety, care, cleanliness, or proper operation of the Premises and the Real Estate.

25.0 ARTICLE 25 – NET LEASE

This is a net-net-net Lease and the parties agree and understand that Tenant shall pay Tenant's proportionate share of the real estate taxes, special assessments, insurance, and all other Operating Expenses as described in Section 4.2 of this Lease.

26.0 ARTICLE 26 - MISCELLANEOUS

All terms, conditions, and agreements of this Lease shall be binding upon, apply, and inure to the benefit of the parties hereto and their respective heirs, representatives, successors, and assigns.

26.1 Amendment in Writing.

This Lease contains the entire agreement between the parties and may be amended only by subsequent written agreement.

26.2 Waiver – None.

The failure of Landlord to insist upon strict performance of any of the terms, conditions, and agreements of the Lease shall not be deemed a waiver of any of its rights or remedies hereunder and shall not be deemed a waiver of any subsequent breach or default or any of such terms, conditions, and agreements. The doing of anything by Landlord which Landlord is not obligated to do hereunder shall not impose any future obligation on Landlord nor otherwise amend any provisions of this Lease.

26.3 No Surrender.

No surrender of the Premises by Tenant shall be affected by Landlord's acceptance of the keys to the Premises or of the rent due hereunder, or by any other means whatsoever, without Landlord's written acknowledgement that such acceptance constitutes surrender.

26.4 Captions.

The captions of the various paragraphs in this Lease are for convenience only and do not define, limit, describe, or construe the contents of such paragraphs.

26.5 Brokers.

Tenant hereby warrants that no real estate broker has or will be represented in this transaction and that no finder's fees have been earned by a third party.

Personal Guarantee.

The undersigned hereby unconditionally guarantees unto the Landlord the payment of the rent and the performance of all of the covenants under the Lease by the Tenant and hereby waive notice of any default under the Lease and agree that this liability shall not be released or affected by an extension of time for payment or by any forbearance by the Landlord.

DATED this _____ day of _____, 2015

Tenant: Tenant, Company name dba or LLC

Name

Signature/Date

26.6 Applicable Law.

This Lease shall be governed by and construed in accordance with the law of the State of Nebraska.

27.0 SIGNATURES

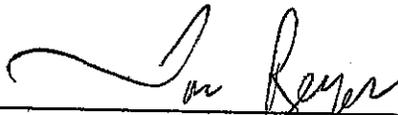
Until this Lease is executed on behalf of all parties hereto, it shall be construed as an offer to lease of Tenant to Landlord.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first below written.

El Mercado, Inc.

LANDLORD

by Tom Reyes President



Name

Signature/Date

5-17-2016

TENANT

By

Tenant, Luis Marcos DBA Pixanixim.

Name

Signature/Date

Witness by

Name

Signature/Date

**LEASE FOR EL MERCADO BUILDING
IN OMAHA, NEBRASKA**

**EL MERCADO
4913 SOUTH 25TH STREET
Suite 1
OMAHA, NEBRASKA 68107-2764
402-345-2025**

Prepared for:

**"LATINO PRODUCTIONS"
"SECOND LEVEL"**

Prepared by:

**MERCADO, INC
El Mercado, Inc.**

JANUARY 2015

Executive Summary

The purpose of this document is to Lease the property at 4907 South 25th Street, Second Floor, Omaha, Nebraska, 68107-2764 to Latino Productions and Management.

THIS LEASE is entered into this 1st day of July 2015 between El Mercado., Landlord, and Latino Productions and Management, Tenant.

**LEASE FOR EL MERCADO BUILDING
IN OMAHA, NEBRASKA**

**EL MERCADO
4913 SOUTH 25TH STREET
Suite 1
OMAHA, NEBRASKA 68107-2764
(402) 345-2025**

Prepared for:

**"A New Creation Tattoo"
"4907 So 25th, 2nd suite, 2nd FLR"**

Prepared by:

**MERCADO, INC
El Mercado, Inc.**

JANUARY 2016

Executive Summary

The purpose of this document is to Lease the property at 4907 South 25th Street, 2nd Suite, 2nd floor, Omaha, Nebraska, 68107 to A New Creation Tattoo c/o Frankie Granados.

THIS LEASE is entered into this 1st day of May, 2016 between El Mercado., Landlord, and to A New Creation Tattoo c/o Frankie Granados, Tenant.

**LEASE FOR EL MERCADO BUILDING
IN OMAHA, NEBRASKA**

**EL MERCADO
4913 SOUTH 25TH STREET
Suite 12
OMAHA, NEBRASKA 68107-2764
(402) 345-2025**

Prepared for:

**City of Omaha
1819 Farnam St
Omaha, NE 68138**

Prepared by:

**MERCADO, INC
El Mercado, Inc.**

JANUARY 2016

Executive Summary

The purpose of this document is to Lease the property at 4909 and 4911 South 25th Street, Omaha, Nebraska, 68107-2764 to the City Of Omaha.

THIS LEASE is entered into this 1st day of March, 2016 between El Mercado., Landlord, and City of Omaha, Tenant.

**LEASE FOR EL MERCADO BUILDING
IN OMAHA, NEBRASKA**

**EL MERCADO
4913 SOUTH 25TH STREET
Suite 1
OMAHA, NEBRASKA 68107-2764
(402) 345-2025**

Prepared for:

**"Happy Corner Club"
"4907 So 25th, 1st suite, 2nd FLR"**

Prepared by:

**MERCADO, INC
El Mercado, Inc.**

JANUARY 2016

Executive Summary

The purpose of this document is to Lease the property at 4907 South 25th Street, 1st Suite, 2nd floor, Omaha, Nebraska, 68107 to Happy Corner Club c/o Max Ramirez.

THIS LEASE is entered into this 1st day of May, 2016 between El Mercado, Landlord, and Happy Corner Club, Tenant.

Table of Contents

Executive Summary	ii
1.0 Article 1 – DEMISE OF LEASED PREMISES	1-1
2.0 Article 2 – TERM	2-1
3.0 Article 3 – USE OF PREMISES	3-1
4.0 ARTICLE 4 - RENT	4-1
4.1 Operating Expenses	4-2
4.2 Payment of Rent	4-3
4.3 Late Charge	4-3
4.4 Security Deposit	4-3
5.0 ARTICLE 5 - SERVICES	5-3
6.0 ARTICLE 6 – ASSIGNMENT OR SUBLEASE	6-4
7.0 ARTICLE 7– TENANT’S IMPROVEMENTS	7-4
8.0 ARTICLE 8– REPAIRS	8-5
9.0 ARTICLE 9– CONDITION OF PREMISES	9-5
10.0 ARTICLE 10 – HAZARDOUS SUBSTANCES	10-6
11.0 ARTICLE 11 – PERSONAL PROPERTY AT RISK OF TENANT	11-6
12.0 ARTICLE 12 – LANDLORD’S RESERVED RIGHTS	12-7
12.1 Name Change	12-7
12.2 Signs	12-7
12.3 Mail Access	12-7
12.4 Alterations	12-7
12.5 Passkeys	12-7
12.6 Showing	12-7
12.7 Improvements	12-8
12.8 Approval	12-8
13.0 ARTICLE 13 - INSURANCE	13-8
14.0 ARTICLE 14 - INDEMNITY	14-8
15.0 ARTICLE 15 – LIABILITY INSURANCE	15-9
16.0 ARTICLE 16 – DAMAGE BY FIRE OR OTHER CASUALTY	16-10
17.0 ARTICLE 17 - CONDEMNATION	17-10
18.0 ARTICLE 18 – DEFAULT OR BREACH	18-11

18.1	Payment	18-11
18.2	Vacate	18-11
18.3	Bankruptcy	18-11
18.4	Involuntary Proceedings	18-11
18.5	Nonperformance	18-11
19.0	ARTICLE 19 – EFFECT OF DEFAULT	19-12
19.1	Re-entry	19-12
19.2	Retake	19-12
19.3	Relet	19-12
20.0	ARTICLE 20 – SURRENDER – HOLDING OVER	20-13
21.0	ARTICLE 21 – SUBORDINATION AND ATTORNMENT	21-13
22.0	ARTICLE 22 - NOTICES	22-14
23.0	ARTICLE 23 – RIGHT TO TERMINATE	23-14
24.0	ARTICLE 24 – RULES AND REGULATIONS	24-14
25.0	ARTICLE 25 – NET LEASE	25-15
26.0	ARTICLE 26 - MISCELLANEOUS	26-15
26.1	Amendment in Writing	26-15
26.2	Waiver – None	26-15
26.3	No Surrender	26-15
26.4	Captions	26-15
26.5	Brokers	26-16
26.6	Applicable Law	26-16
27.0	SIGNATURES	27-16
27.1	Personal Guarantee	27-17

1.0 Article 1 – DEMISE OF LEASED PREMISES

Landlord leases to Tenant room number Suite 1 at building located at 4907 St. 2nd Floor; Happy Corner Club, Omaha, Nebraska (the "Building"), commonly known as El Mercado, as designated on the El Mercado floor plan annexed hereto as Exhibit "A", (the "Premises"), containing approximately 600 square feet of area, on the following terms and conditions.

2.0 Article 2 – TERM

This Lease shall be for a term of 12 months, beginning on the 1st day of May, 2016, and ending on the 31th day of April 2017, unless terminated earlier as provided in this Lease.

3.0 Article 3 – USE OF PREMISES

The Premises are leased to Tenant, and are to be used by Tenant, for the purpose of Engineering Design, Environmental Remediation, and Construction and for no other purpose. Tenant agrees to use the Premises in such a manner as to not interfere with the rights of other tenants in the Building, to comply with all applicable governmental laws, ordinances, and regulations in connection with its use of the Premises, to keep the Premises in a clean and sanitary condition, and to use all reasonable precaution to prevent waste, damage, or injury to the Premises and the Real Estate.

4.0 ARTICLE 4 - RENT

The total Base Rent under this Lease is \$600.00 Dollars per month for twelve (12) months. Tenant agrees to pay rent to Landlord at 4913 South 25th Street, Ste 12; Omaha, Nebraska, 68107-2764, or at any other place Landlord may designate in writing, in lawful money of the United States, monthly in advance, on the first day of each month.

4.1 Operating Expenses.

In addition to the Base Rent, Tenant shall pay as additional rent a pro rata share of operating expenses of the real estate of which the Premises are part, including the building, parking areas, and grounds (the "Real Estate"). "Operating Expenses" shall mean all costs of maintaining and operating the Real Estate, including but not limited to all taxes and special assessments levied upon the Real Estate, fixtures, and personal property used by Landlord at the Real Estate, all insurance costs, all costs of services furnished to the Real Estate, all costs of labor, material and supplies for cleaning, maintenance, repair, replacement, redecorating, and operating of the Real Estate, including but not limited to line painting, lighting, snow removal, landscaping, depreciation of machinery and equipment used in such maintenance, repair and replacement, and security and management costs, including building superintendents and managers.

Operating Expenses shall not include property additions and capital improvements to the Real Estate, alterations made for specific tenants, depreciation of the Real Estate, debt service or income taxes paid by Landlord. "Tenant's pro rata share" shall mean the percentage determined by dividing the square feet of the Premises as shown in Article 1, by the square feet of store area of the Real Estate, as defined by the American National Standard published by Building Owners and Managers Association which at the date hereof is agreed to by 1200 square feet.

Tenant's pro rata share of the Operating Expenses shall be determined on an annual basis for each calendar year ending on December 31 and shall be pro rated for the number of months Tenant occupied the Premises if Tenant did not occupy the Premises on the full year. TENANT SHALL PAY \$0.00 PER MONTH, ON THE FIRST OF EACH MONTH in advance with rent for Tenant's estimated pro rata share of the Operating Expenses.

Landlord may change this amount at any time upon written notice to Tenant. At the end of each year, an analysis of the total year's Operating Expenses shall be presented to Tenant and Tenant shall pay the amount, if any, by which the Tenant's pro rata share of the Operating Expenses for the year exceeded the amount of the Operating Expenses paid by Tenant. Tenant shall pay any

such excess charge to the Landlord within thirty (30) days after receiving the statement. In the event this Lease terminates at any time other than the last day of the year, the excess Operating Expenses shall be determined as of the date of termination. Upon termination of this Lease, any overpayment of Operating Expenses by Tenant shall be applied to the amounts due Landlord from Tenant under this Lease and any remaining overpayment shall be refunded to Tenant.

4.2 Payment of Rent.

Tenant agrees to pay the Base Rent as and when due, together with Tenant's share of the Operating Expenses and all other amounts required to be paid by Tenant under this Lease. In the event of nonpayment of any amounts due under this Lease, whether or not designated as rent, Landlord shall have all the rights and remedies provided in this Lease or by law for failure to pay rent.

4.3 Late Charge.

If the Tenant fails to pay the Base Rent together with the Tenant's share of the Operating Expenses and all other amounts required to be paid by Tenant under this Lease, on or before the third day after such payments are due, Tenant agrees to pay Landlord a **late charge of \$100.00.**

4.4 Security / "Damage" Deposit.

As partial consideration for the execution of this Lease, the Tenant has delivered to Landlord the sum of **\$ 600.00 Security/"Damage" Deposit.** The Security/"Damage" Deposit will be returned to Tenant at the expiration of this Lease if Tenant has fully complied with all covenants and conditions of this Lease. During the duration of the contract any damage done to the space rented by this tenant will be billed to the tenant or subtracted from this amount.

5.0 ARTICLE 5 - SERVICES

Landlord shall furnish lighting, electricity, heating, and air conditioning to the Building and to the Premises and janitorial service (clean bathrooms) to the Building (but not the Premises during normal business hours, and at such other times as Landlord may deem necessary or

desirable, in the manner customary to the Real Estate. Landlord shall have the right to discontinue any service during any period for which rent is not promptly paid by Tenant. Landlord shall not be liable for damages, nor shall the rental be abated, for failure to furnish, or delay in furnishing, any service when failure to furnish, or delay in furnishing, is occasioned in whole or in part by needful repairs, renewals, or improvements, or by any strike or labor controversy, or by any accident or casualty whatsoever, or by any unauthorized act or default of any employee of Landlord, or for any other cause or causes beyond the control of Landlord. As determined by the landlord whether he has full control.

6.0 ARTICLE 6 – ASSIGNMENT OR SUBLEASE

Tenant shall not assign this Lease or sublet the whole or any part of the Premises, transfer this Lease by operation of law or otherwise, or permit any other person except agents and employees of Tenant to occupy the Premises, or any part thereof, without the prior written consent of Landlord. Landlord may consider the following in determining whether to withhold consent: (a) financial responsibility of the new tenant, (b) identity and business character of the new tenant, (c) nature and legality of the proposed use of the Premises.

7.0 ARTICLE 7– TENANT'S IMPROVEMENTS

Tenant shall have the right to place partitions and fixtures and make improvements or other alterations in the interior of the Premises at its own expense. Prior to commencing any such work, Tenant shall first obtain the written consent of Landlord for the proposed work. Landlord may, as a condition to its consent, require that the work be done by Landlord's own employees and/or under Landlord's supervision, but at the expense of Tenant, and that Tenant give sufficient security that the Premises will be completed free and clear of liens and in a manner satisfactory to Landlord. Upon termination of this Lease, at Landlord's option, Tenant will repair and restore the Premises to its former condition, at Tenant's expense, or any such

improvements, additions, or alterations installed or made by Tenant, except Tenant's trade fixtures, shall become part of the Premises and the property of the Landlord. Tenant may remove its trade fixtures at the termination of this Lease provided Tenant is not then in default and provided further that Tenant repairs any damaged caused by such removal.

8.0 ARTICLE 8- REPAIRS

As part of the Operating Expenses, Landlord agrees to maintain and repair the Real Estate, except the interior of the Premises. Tenant agrees that it will make, at its own cost and expense, all repairs and replacements to the Premises not required to be made by Landlord, including but not limited to, all interior and exterior store fronts, doors, door frames, gates, windows, plate glass, and any heating, air conditioning, plumbing and electrical systems located within the Premises. Tenant agrees to do all redecorating, remodeling, alteration, and painting required by it during the term of this Lease at its own cost and expense, to pay for any repairs to the Premises or the Real Estate made necessary by any negligence or carelessness of Tenant or any of its agents or employees or persons permitted on the Real Estate by Tenant, and to maintain the Premises in a safe, clean, neat, and sanitary condition. Tenant shall be entitled to no compensation for inconvenience, injury, or loss of business arising from the making of any repairs by Landlord, Tenant, or other tenants to the Premises or Real Estate.

9.0 ARTICLE 9- CONDITION OF PREMISES

Except as provided herein, Tenant agrees that no promises, representations, statements, or warranties have been made on behalf of Landlord to Tenant respecting the condition of the Premises or the Real Estate, or the manner of operating the Real Estate, or the making of any repairs to the Premises or the Real Estate. By taking possession of the Premises, Tenant acknowledges that the Premises were in good and satisfactory condition when possession was taken. Tenant shall, at the termination of this Lease, by lapse of time or otherwise, remove all of

Tenant's property and surrender the Premises to Landlord in as good condition as when Tenant took possession, normal wear excepted. There has been a walk-through with tenant and rental space condition has been accepted by both before signatures have been applied to this contract.

10.0 ARTICLE 10 – HAZARDOUS SUBSTANCES

Tenant shall not, without Landlord's prior written consent, keep in, on, or about the Premises or Real Estate, for use, disposal, generation, storage or sale, any Hazardous Substances. "Hazardous Substances" means and includes any materials (or components thereof) now or hereafter designated and/or regulated as hazardous, dangerous, toxic, or harmful in any provisions of law, statutes, ordinances, rules, regulations, permits, licenses, judgments, writs, injunctions, decrees, orders, awards, and standards promulgated by and federal, state, or local government or by any court, agency, instrumentality, regulatory authority, or commission of any of the foregoing concerning health, safety and the protection of, or regulation of the discharge of substances into the environment and the transportation and disposal of such substances.

11.0 ARTICLE 11 – PERSONAL PROPERTY AT RISK OF TENANT

All personal property in the Premises shall be at the risk of Tenant only. Landlord shall not be liable for any damage to any property of Tenant or its agents or employees in the Premises caused by steam, electricity, sewage, gas or odors, or from water, rain, or snow which may leak into, issue or flow into the Premises from any part of the Real Estate, or from any other place, or for a any damage done to Tenant's property in moving same to or from the Real Estate or the Premises. Tenant shall give Landlord, or its agents, prompt written notice of any damage to or defects in water pipes, gas, or heating or cooling apparatus in the Premises.

12.0 ARTICLE 12 – LANDLORD'S RESERVED RIGHTS

Without notice to Tenant, without liability to Tenant for damage or injury to property, person, or business, and without effecting an eviction of Tenant or a disturbance of Tenant's use or possession or giving rise to any claim for setoff or abatement or rent, Landlord shall have the right to:

12.1 Name Change

Change the name or street address of the Real Estate.

12.2 Signs

Install and maintain signs on the Real Estate.

12.3 Mail Access

Have access to all mail chutes according to the rules of the United States Post Office department.

12.4 Alterations

At reasonable times, to decorate, and to make, repairs, alterations, additions, and improvements, structural or otherwise, in or to the Premises, the Real Estate, or part thereof, and any adjacent building, land, street, or alley, and during such operations to take into and through the Premises or any part of the Real Estate all material required, and to temporarily close or suspend operation of entrances, doors, corridors, elevators, or other facilities to do so.

12.5 Passkeys

Possess passkeys to the Premise.

12.6 Showing

Show the Premises to prospective tenants at reasonable times, within 24 hour notice whether or not tenant chooses to be present.

12.7 Improvements

Take any and all reasonable measures, including inspections or the making of repairs, alterations, and additions and improvements to the Premises or to the Real Estate, which Landlord deems necessary or desirable for the safety, protection, operation, or preservation of the Premises or the Real Estate.

12.8 Approval

Approve all sources furnishing signs, painting, and/or lettering to the Premises, and approve all signs on the Premises prior to installation thereof.

[REDACTED]

[REDACTED]

[REDACTED]

15.0 ARTICLE 15 [REDACTED]

[REDACTED]

Tenant agrees to procure and maintain continuously during the entire term of this Lease, a policy or policies of insurance in a company or companies acceptable to landlord, at Tenant's own cost and expense, insuring Landlord and Tenant from all claims, demands or actions; such comprehensive insurance shall protect and name the Tenant the Insured and shall provide

[REDACTED]

or persons, firm or corporation arising from, related to, or connected with the conduct and operation of Tenant's business in the Premises, or arising out of and connected with the use and occupancy of the Real Estate by the Tenant. All such insurance shall provide that Landlord shall be given a minimum of ten (10) days notice by the insurance company prior to cancellation, termination, or change of such insurance. Tenant shall provide Landlord with copies of the policies or certificates evidencing that such insurance is in full force and effect and stating the term and provisions thereof. If Tenant fails to comply with such requirements for insurance, Landlord may, but shall not be obligated to, obtain such insurance and keep the same in effect, and Tenant agrees to pay Landlord, upon demand, the premium cost thereof.

**16.0 ARTICLE 16 - DAMAGE BY FIRE
OR OTHER CASUALTY**

If, during the term of this Lease, the Premises shall be so damaged by fire or any other cause except Tenant's negligence or intentional act so as to render the Premises untenable, the rent shall be abated while the Premises remains untenable; and in the event of such damage, Landlord shall elect whether to repair the Premises or to cancel the Lease, and shall notify Tenant in writing of its election within sixty (60) days after such damage. In the event Landlord elects to repair the Premises, the work or repair shall begin promptly ~~(depending on~~
~~direction or amount received from insurance or (cash))~~ and shall be carried on without unnecessary delay. In the event Landlord elects not to repair the Premises, the Lease shall be deemed cancelled as of the date of the damage. Such damage shall not exceed the Lease term.

17.0 ARTICLE 17 - CONDEMNATION

If the whole or any part of the Premises shall be taken by public authority under the power of eminent domain, then the term of this Lease shall cease on that portion of the premises so taken, from the date of possession, and the rent shall be paid to that date, with a proportionate refund by Landlord to Tenant of such rent as may have been paid by Tenant in advance. If the portion of the Premises taken is such that it prevents the practical use of the Premises for Tenant's purposes, then Tenant shall have the right either (a) to terminate this Lease by giving written notice of such termination to Landlord not later than thirty (30) days after the taking; or (b) to continue in possession of the remainder of the Premises, except that the rent shall be reduced in proportion to the area of the Premises taken. In the event of any taking or condemnation of the Premises, in whole or in part, the entire resulting award of damages shall be the exclusive property of the Landlord, including all damages awarded as compensation for diminution in value to the leasehold, without any deduction for the value of any unexpired term of this Lease, or for any others estate or interest in the Premises now or hereafter vested in Tenant.

18.0 ARTICLE 18 – DEFAULT OR BREACH

Each of the following events shall constitute a default or a breach of this Lease by Tenant:

18.1 Payment

If Tenant fails to pay Landlord any rent or other payments when due hereunder;

18.2 Vacate

If Tenant vacates or abandons the Premises due to the fact did not give landlord notice we will assume vacated after 8 days;

18.3 Bankruptcy

If Tenant files a petition in bankruptcy or insolvency or for reorganization under any bankruptcy or insolvency or for reorganization under any bankruptcy act, or voluntarily takes advantage of any such act by answer or otherwise, or makes an assignment of the benefit of creditors;

18.4 Involuntary Proceedings

If involuntary proceedings under any bankruptcy or insolvency act shall be instituted against Tenant, or if a receiver or trustee shall be appointed of all or substantially all of the property of Tenant, and such proceedings shall not be dismissed or the receivership or trusteeship vacated within thirty (30) days after the institution or appointment; or

18.5 Nonperformance

If Tenant fails to perform or comply with any other term or condition of this Lease and if such nonperformance shall continue for a period of ten (10) days after notice thereof by Landlord to Tenant, time being of the essence.

**19.0 ARTICLE 19 – EFFECT OF
DEFAULT**

In the event of any default or breach hereunder, in addition to any other right or remedy available to Landlord, either at law or in equity, Landlord may exert any one or more of the following rights:

19.1 Re-entry

Landlord may re-enter the Premises immediately and remove the property and personnel of Tenant, and shall have the right, but not in the obligation, to store such Property in a public warehouse or at a place selected by Landlord, at the risk and expense of Tenant.

19.2 Retake

Landlord may retake the Premises and may terminate this Lease by giving written notice of termination to Tenant. Without such notice, Landlord's retaking will not terminate the Lease. On termination, Landlord may recover from Tenant all damages proximately resulting from the breach, including the cost of recovering the premises and the difference between the rent due for the balance of the Lease term, as though the Lease had not been terminated, and the reasonable rental value of the Premises, which sum shall be immediately due Landlord from Tenant.

This is a separate condition in cost not related to security/damage amount paragraph 4.4.

19.3 Relet

Landlord may relet the Premises or any part thereof for any term without terminating this Lease, at such rent and on such terms as Landlord may choose. Landlord may make alterations and repairs to the Premises. In addition to Tenant's liability to Landlord for breach of the Lease, Tenant shall be liable for all expenses of the reletting, for any alterations and repairs made, and for the rent due for the balance of the Lease term, which sum shall be immediately due Landlord from Tenant. The amount due Landlord will be reduced by the net rent received by Landlord during the remaining term of this Lease from reletting the Premises or any part thereof. If, during the remaining term of this Lease, Landlord receives more than the amount due Landlord

under this subparagraph, the Landlord shall pay such excess to Tenant, but only to the extent Tenant has actually made payment pursuant to this sub-paragraph.

20.0 ARTICLE 20 – SURRENDER – HOLDING OVER

Tenant shall, upon termination of the Lease, whether by lapse of time or otherwise, peaceably and promptly surrender the Premises to Landlord. If Tenant remains in possession after the termination of this Lease, without a written lease duly executed by the parties, Tenant shall be deemed a trespasser. If Tenant pays and Landlord accepts, rent for a period after termination of this Lease, Tenant shall be deemed to be occupying the Premises only as a tenant from month to month, subject to all the terms, conditions, and agreements of this Lease.

21.0 ARTICLE 21 – SUBORDINATION AND ATTORNMENT

Landlord reserves the right to place liens and encumbrances on the Premises superior in lien and effect to this Lease. This Lease, and all rights of Tenant hereunder, shall, at the option of Landlord, be subject and subordinate to any liens and encumbrances now or hereafter imposed by Landlord upon the Premises or the Real Estate or any part thereof, and Tenant agrees to execute, acknowledge, and deliver to Landlord, upon request, any and all instruments that may be necessary or proper to subordinate this Lease and all rights herein to any such lien or encumbrance as may be required by Landlord. In the event any proceedings are brought for the foreclosure of any mortgage on the Premises, Tenant will attorn to the purchaser at the foreclosure sale and recognize such purchaser as the landlord under this Lease. The purchaser, by virtue of such foreclosure, shall be deemed to have assumed, as substitute landlord, the terms and conditions of the Lease until the resale or the disposition of its interest. Such assumption, however, shall not be deemed an acknowledgement by the purchaser of the validity of any then existing claims of Tenant against the prior landlord.

22.0 ARTICLE 22 - NOTICES

Any notice to be given hereunder shall be given in writing and personally delivered or sent by registered or certified mail to Landlord at 4913 South 25th Street Ste 12, Omaha, Nebraska 68107, and to Tenant at the Premises to "Happy Corner Club" at 4907 South 25th Street, Ste 1, 2nd Floor, Omaha, Nebraska 68107, " c/o Max Ramirez" or at such other address as either party may from time to time designate in writing. Each such notice shall be deemed to have been given at the time it shall be personally delivered to such address or deposited in the United States mail, in the manner prescribed herein.

23.0 ARTICLE 23 – RIGHT TO TERMINATE

Landlord shall have the right to terminate this Lease at the end of any calendar month by giving the Tenant written notice at least three months before the date of the termination of Landlord's intention to remodel, remove or demolish the Premises, or to sell, or make a ground lease of the land thereunder.

24.0 ARTICLE 24 - RULES AND REGULATIONS

Tenant and Tenant's agents, employees, and invitees shall fully comply with all rules and regulations of the Real Estate, as amended from time to time, which are made a part of this Lease as if fully set forth herein. Landlord shall have the right to amend such rules and regulations, as Landlord deems necessary or desirable for the safety, care, cleanliness, or proper operation of the Premises and the Real Estate.

25.0 ARTICLE 25 – NET LEASE

This is a net-net-net Lease and the parties agree and understand that Tenant shall pay Tenant's proportionate share of the real estate taxes, special assessments, insurance, and all other Operating Expenses as described in Section 4.2 of this Lease.

26.0 ARTICLE 26 - MISCELLANEOUS

All terms, conditions, and agreements of this Lease shall be binding upon, apply, and inure to the benefit of the parties hereto and their respective heirs, representatives, successors, and assigns.

26.1 Amendment in Writing.

This Lease contains the entire agreement between the parties and may be amended only by subsequent written agreement.

26.2 Waiver – None.

The failure of Landlord to insist upon strict performance of any of the terms, conditions, and agreements of the Lease shall not be deemed a waiver of any of its rights or remedies hereunder and shall not be deemed a waiver of any subsequent breach or default or any of such terms, conditions, and agreements. The doing of anything by Landlord which Landlord is not obligated to do hereunder shall not impose any future obligation on Landlord nor otherwise amend any provisions of this Lease.

26.3 No Surrender.

No surrender of the Premises by Tenant shall be affected by Landlord's acceptance of the keys to the Premises or of the rent due hereunder, or by any other means whatsoever, without Landlord's written acknowledgement that such acceptance constitutes surrender.

26.4 Captions.

The captions of the various paragraphs in this Lease are for convenience only and do not define, limit, describe, or construe the contents of such paragraphs.

26.5 Brokers.

Tenant hereby warrants that no real estate broker has or will be present in this transaction and that no finder's fees have been earned by a third party.

26.6 Applicable Law.

This Lease shall be governed by and construed in accordance with the law of the State of Nebraska.

27.0 SIGNATURES

Until this Lease is executed on behalf of all parties hereto, it shall be construed as an offer to lease of Tenant to Landlord.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first below written.

El Mercado, Inc.

LANDLORD

by

Name	Signature/Date
------	----------------

TENANT

By

Happy Corner Club c/o Max Ramirez

Name	Signature/Date
------	----------------

Witness by

Name	Signature/Date
------	----------------

You may mail or deliver the requested documentation to:

Exemptions
Douglas County Assessor/Register of Deeds
1819 Farnam Street
4th Floor
Omaha, NE 68183

Remember: It is the responsibility of the applicant for a property tax exemption to prove that it meets all of the tests for property tax exemption contained in Neb. Rev. Stat. §77-202. Your prompt attention to this matter is much appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Goodwillie", written in a cursive style.

Michael Goodwillie
Compliance Officer
(402) 444-6703

STATE OF

NEBRASKA

Exhibit A



United States of America }
State of Nebraska } ss.

Department of State

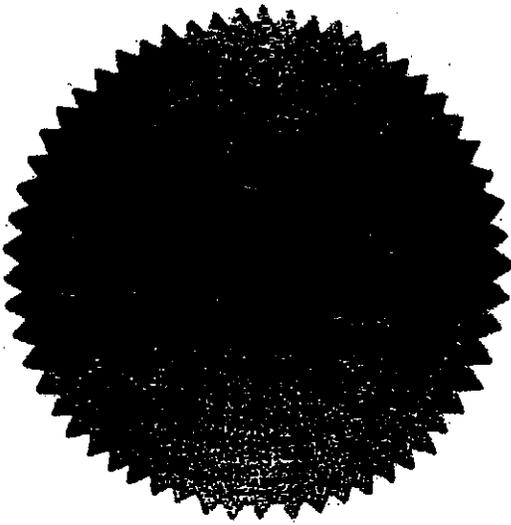
I, Allen J. Beermann, Secretary of State of the
State of Nebraska do hereby certify that

THE MERCADO CORPORATION

filed Articles of Incorporation with its
registered office located in Omaha,
Nebraska, in this office as a nonprofit
corporation on March 26, 1991.

I further certify that said corporation
is in good standing as of this date.

In Testimony Whereof,



I have herewith set my hand and
affixed the Great Seal of the State
of Nebraska.

Done at Lincoln this

twenty-sixth

day of March

in the year of our Lord, one thou-
sand nine hundred and ninety-one.

Allen J. Beermann
SECRETARY OF STATE

DEPUTY

