

RESOLUTION NO. \_\_\_\_\_

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A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF LA VISTA, NEBRASKA RECOMMENDING TO THE NEBRASKA LIQUOR CONTROL COMMISSION, APPROVAL OF THE CLASS D LIQUOR LICENSE APPLICATION OF FANTASY'S, INC. DBA SOUTHPORT FANTASY'S, LA VISTA, NEBRASKA.

WHEREAS, Fantasy's, Inc. dba Southport Fantasy's, 7828 S. 123rd Plaza, La Vista, Sarpy County, Nebraska, has applied to the Nebraska Liquor Control Commission for a Class D Liquor License, and

WHEREAS, the Nebraska Liquor Control Commission has notified the City of said application, and

WHEREAS, the City has adopted local licensing standards to be considered in making recommendations to the Nebraska Liquor Control Commission, and

WHEREAS, said licensing standards have been considered by the City Council in making its decision.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Council of La Vista, Nebraska, hereby recommend to the Nebraska Liquor Control Commission approval of the Class D Liquor License application submitted by Fantasy's, Inc. dba Southport Fantasy's.

PASSED AND APPROVED THIS 7TH DAY OF AUGUST 2007.

CITY OF LA VISTA

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Douglas Kindig, Mayor

ATTEST:

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Pamela A. Buethe, CMC  
City Clerk

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LA VISTA POLICE DEPARTMENT INTEROFFICE MEMORANDUM

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**TO:** PAM BUETHE, CITY CLERK  
**FROM:** BOB LAUSTEN, POLICE CHIEF  
**SUBJECT:** LOCAL BACKGROUND-CORPORATE MANAGER LIQUOR LICENSE-  
SOUTHPORT FANTASY'S  
**DATE:** 7/17/2007  
**CC:**

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The police department conducted a check of computerized records on the applicant, John T. Spaustat, for criminal conduct in Nebraska in reference to the Corporate Manager Liquor License application. No entries were found.

## LICENSE APPLICATION CHECKLIST

Applicant Name Fantasy's, Inc. Telephone # 402-891-9455

Trade Name Fantasy's Food N Fuel Previous Trade Name None

Provide all the items requested. Failure to provide any item will cause this application to be denied. All items must be legible. Any false statement or omission may result in the denial or revocation of your license.

## NEW APP D-78004 Deed

If your operation is denied, you may appeal the decision. If you appeal, you must spend or commit money that you do so at your own risk. Please review the application carefully to ensure that all information is correct and no errors have been made. All applications & attachments must be submitted in triplicate. You may want to check with the city/village or county clerk, where you are making application, to see if any additional requirements must be met before submitting application to the state.

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JUL 13 2007

NEBRASKA LIQUOR  
CONTROL COMMISSION

### REQUIRED ATTACHMENTS

Each item must be checked off and included or marked N/A for not applicable.

1. Fingerprint cards for each person (two cards per person) must be enclosed with a separate check payable to the Nebraska State Patrol for processing in the amount of \$35.00 per person. All areas must be completed on cards as per brochure.
2. Enclose registration fee for the appropriate class of license, made out to the Nebraska Liquor Control Commission.
3. Enclose the appropriate application forms; Individual License – Form 1; Partnership License – Form 2; Corporate/LLC License – Form 3 and manager application (with corporate application only). LLC application must include all members.
- Deed 4. If building is being leased send a copy of the lease. Be sure it is in the individual(s) or corporate name being applied for. Also, the lease must extend through the license year being applied for. If building is owned, send a copy of the deed or purchase agreement in the appropriate name.
- N/A 5. If you are buying the business of a current licensee, provide a copy of the purchase agreement from licensee. This also needs to be in applicants name.
- N/A 6. Enclose a copy of the Temporary Agency Agreement, if applicable. Must be on Commission forms only. Include a copy of the signature card from the bank showing both the sellers and buyers name(s) on account.
- N/A 7. Copy of alcohol inventory being purchased. Inventory shall include brand names and container sizes. Inventory may be taken at the time application is being submitted.  
*No purchases made until license received*

N/A 8. Enclose a list of any inventory or property owned by other parties that are on the premise.

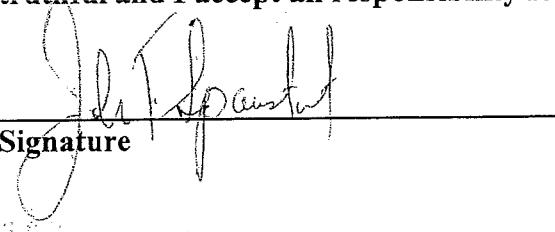
N/A 9. For Individual and Partnership applications enclose proof of citizenship, birth certificates, or naturalization documents for all persons listed on application. Documents must be a certificate from the State, where born, not hospital certificate.

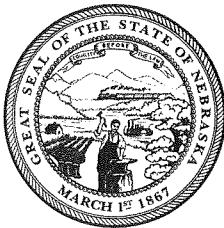
10. If a corporation enclose a copy of the articles of incorporation. This document must show receipt (barcode) by the Secretary of States Office.

When you have completed this checklist, the application form(s) and attached a the required documents, in triplicate, submit them to: **Nebraska Liquor Control Commission, 301 Centennial Mall South, PO Box 95046, Lincoln, NE 68509-5046**

**I acknowledge that this application is not a guarantee that a liquor license will be issued to me, and that the average processing period is 45-60 days. Furthermore, I understand that all the information is truthful and I accept all responsibility for any false documents.**

Signature





**Dave Heineman**  
Governor

July 16, 2007

**La Vista City Clerk**  
**8116 Park View Blvd**  
**La Vista, NE 68128-2198**

## STATE OF NEBRASKA

### NEBRASKA LIQUOR CONTROL COMMISSION

**Robert B. Rupe**

Executive Director

301 Centennial Mall South, 5th Floor

P.O. Box 95046

Lincoln, Nebraska 68509-5046

Phone (402) 471-2571

Fax (402) 471-2814

TRS USER 800 833-7352 (TTY)

web address: <http://www.lcc.ne.gov/>

### RE: New Application for Class D License for Fantasy's, Inc dba Southport Fantasy's

Dear Local Governing Body:

Attached is the form to be used on all retail liquor license applications. Local clerks must collect proper license fees and occupation tax per ordinance, if any, before delivering the license at time of issuance.

#### TWO KEY TIME FRAMES TO KEEP IN MIND ARE:

- 1) You have 45 days to conduct a hearing after the date of receipt of the notice from this Commission (§53-134). You may choose **NOT** to make a recommendation of approval or denial to our Commission.

PER §53-133, THE LIQUOR CONTROL COMMISSION SHALL SET FOR HEARING ANY APPLICATION WHEREIN:

- 1) There is a recommendation of denial from the local governing body.
- 2) A citizens protest; or
- 3) Statutory problems that the Commission discovers.

PLEASE NOTE...A LICENSEE MUST BE "PROPERLY" LICENSED IN ORDER TO PURCHASE FROM WHOLESALERS; AND, A LICENSE IS EFFECTIVE:

- 1) Upon payment of the license fees;
- 2) Physical possession of the license;
- 3) Effective date on the license.

Sincerely,

NEBRASKA LIQUOR CONTROL COMMISSION

Tami Applebee  
Licensing Division

Enclosures

**Rhonda R. Flower**  
Commissioner

**Bob Logsdon**  
Chairman

**R.L. (Dick) Coyne**  
Commissioner

## RECOMMENDATION OF THE NEBRASKA LIQUOR CONTROL COMMISSION

Date Mailed from Commission Office: **July 16, 2007**I, \_\_\_\_\_ Clerk of \_\_\_\_\_  
(City, Village or County)

Nebraska, hereby report to the Nebraska Liquor Control Commission in accordance with Revised Statutes of Nebraska, Chapter 53, Sec. 134 (7) (reissue 1984) the recommendation of said city, village or county, as the case may be relative to the application for a license under the provisions of the Nebraska Liquor Control Act as applied for by:

**Fantasy's Inc dba Southport Fantasy's  
7828 S 123<sup>rd</sup> Street  
La Vista, NE 68128/ Sarpy County  
Application D-78004  
45 days = 08/30/2007**

1. Notice of local hearing was published in a legal newspaper in or of general circulation in city, village or county, one time not less than 7 nor more than 14 days before time of hearing.

**Check one**.....Yes \_\_\_\_\_ No \_\_\_\_\_

The Statutes require that such hearing shall be held not more than 45 days after the date of receipt of this notice from the Commission.

2. Local hearing was held not more than 45 days after receipt of notice from the Nebraska Liquor Control Commission.

**Check one**.....Yes \_\_\_\_\_ No \_\_\_\_\_

3. Date of hearing of Governing Body: \_\_\_\_\_

4. Type or write the Motion as voted upon by the Governing Body. If additional Motions are made by the Governing Body, then use an additional page and follow same format.

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5. Motion was made by: \_\_\_\_\_ Seconded by: \_\_\_\_\_

6. Roll Call Vote: \_\_\_\_\_

7. Check one: The motion passed: \_\_\_\_\_ The motion failed: \_\_\_\_\_

8. If the motion is for recommendation of denial of the applicant, then list the reasons of the governing body upon which the motion was made.

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(Attach additional page if necessary)

**SIGN HERE** \_\_\_\_\_ **DATE** \_\_\_\_\_  
clerks signature

## APPLICATION FOR LIQUOR LICENSE

NEBRASKA LIQUOR CONTROL COMMISSION  
301 CENTENNIAL MALL SOUTH  
PO BOX 95046  
LINCOLN, NE 68509-5046  
PHONE: (402) 471-2571  
FAX: (402) 471-2814  
Website: [www.nol.org/home/NLCC/](http://www.nol.org/home/NLCC/)

OFFICE USE ONLY

### CLASS OF LICENSE FOR WHICH APPLICATION IS MADE AND FEES CHECK DESIRED CLASS(S)

#### RETAIL LICENSE(S)

<input type="checkbox"/>	A	Beer, On Sale Only	\$45.00
<input type="checkbox"/>	B	Beer, Off Sale Only	\$45.00
<input type="checkbox"/>	C	Beer, Wine & Distilled Spirits, On & Off Sale	\$45.00
<input checked="" type="checkbox"/>	D	Beer, Wine & Distilled Spirits, Off Sale Only	\$45.00
<input type="checkbox"/>	I	Beer, Wine & Distilled Spirits, On Sale Only	\$45.00

Class K Catering license may be added to any of these classes with an additional fee of \$100.00 and filing form 35-4202

#### MISCELLANEOUS

		Bond		
<input type="checkbox"/>	L	Craft Brewery (Brew Pub)	\$295.00	1,000 min.
<input type="checkbox"/>	O	Boat	\$ 95.00	N/A
<input type="checkbox"/>	V	Manufacturer, Beer, Wine & Distilled Spirits	\$ 45.00	10,000 min.
(additional fee of \$100 to \$1,000-call for exact amount)				
<input type="checkbox"/>	W	Wholesale Beer	\$545.00	5,000
<input type="checkbox"/>	X	Wholesale Liquor	\$795.00	5,000
<input type="checkbox"/>	Y	Farm Winery	\$295.00	1,000

All Class C licenses expire October 31st

All other licenses expire April 30<sup>th</sup>

Catering expire same as underlying retail license

### TYPE OF APPLICATION BEING APPLIED FOR (CHECK ONE)

<input type="checkbox"/>	Individual License, requires insert form 1
<input type="checkbox"/>	Partnership License, requires insert form 2
<input checked="" type="checkbox"/>	Corporate License, requires insert form 3a and manager application 3b

### NAME OF PERSON OR FIRM ASSISTING WITH APPLICATION

(Commission will call this person with any questions we may have)

Name: Diane Mills Phone: (402) 891-9455

Firm Name: Fantasy's, Inc.

Firm address: 15611 Harrison St, Omaha, NE 68136

**PREMISE INFORMATION**Trade Name (doing business as) Southport Fantasy'sStreet Address #1 7828 S. 123rd Plaza

Street Address #2 \_\_\_\_\_

City La Vista County SarpyZip Code 68128Telephone number at premise to be licensed not yet determinedIs this location inside the city/village corporate limits:  YES  NO

Mail to Address ( where you want receipt of Liquor Control Commission mailings)

Name: Fantasy's, Inc.Street Address #1 15611 Harrison St.

Street Address #2 \_\_\_\_\_

City Omaha County SarpyZip Code 68138**DESCRIPTION AND DIAGRAM OF THE STRUCTURE TO BE LICENSED**

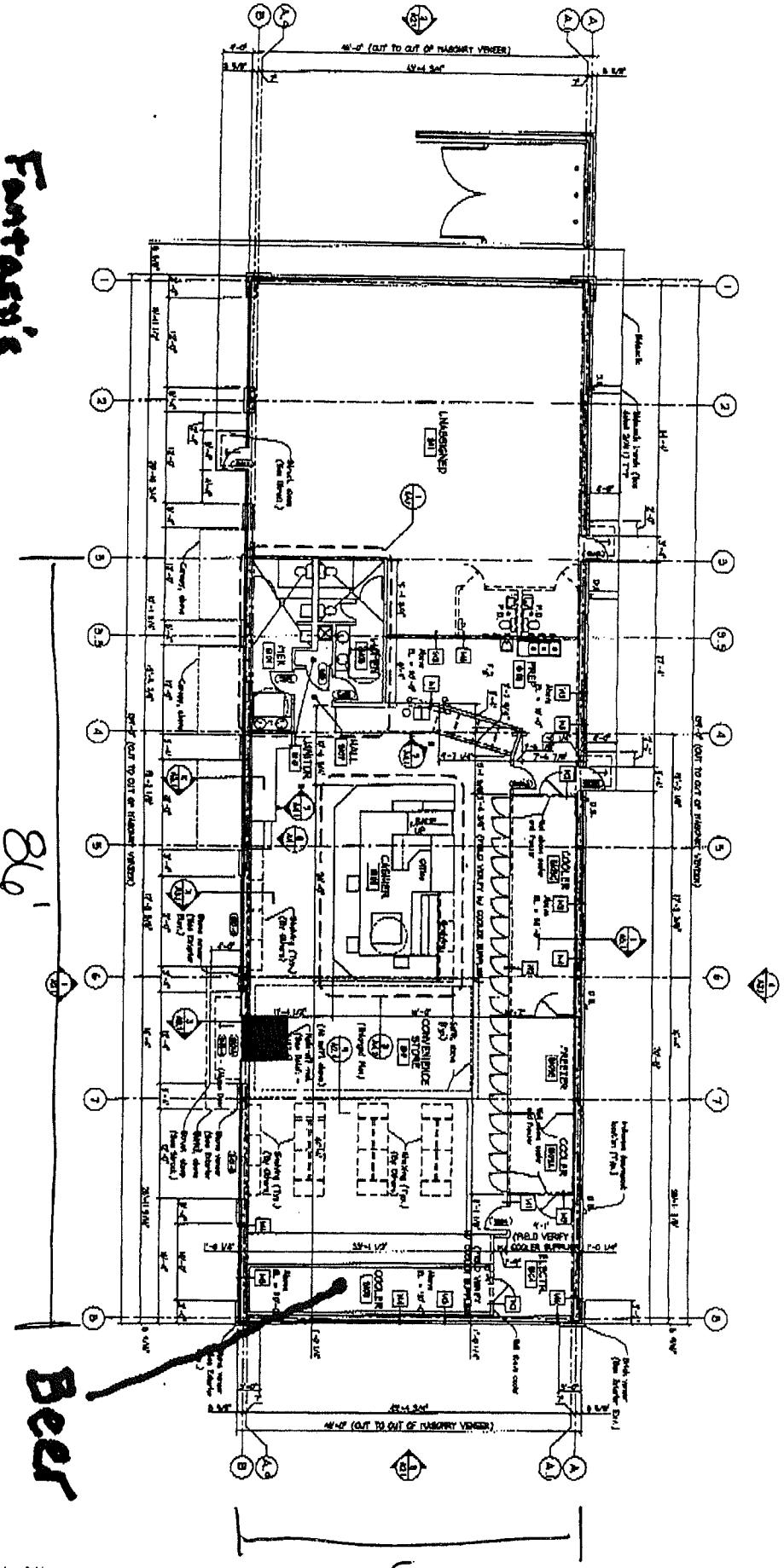
In the space provided or on an attachment draw the area to be licensed. This should include storage areas, basement, sales areas and areas where consumption or sales of alcohol will take place. If only a portion of the building is to be covered by the license, you must still include dimensions (length x width) of the licensed area as well as the dimensions of the entire building in situations. No blue prints please. Be sure to indicate the direction north and number of floors of the building.

*See attached*  
*Entire One*  
*Story 86 x 46*

Fantasy's  
7228 S. 123rd Pl.



C-STORE/ RETAIL FLOOR PLAN



## APPLICANT INFORMATION

### 1. READ CAREFULLY, ANSWER COMPLETELY AND ACCURATELY.

Has anyone who is a party to this application, or their spouse, EVER been convicted of or plead guilty to any charge. Charge means any charge alleging a felony, misdemeanor, violation of a federal or state law; a violation of a local law, ordinance or resolution. List the nature of the charge, where the charge occurred and the year and month of the conviction or plea. Also list any charges pending at the time of this application. If more than one party, please list charges by each individual's name.



Yes If yes, please explain below or attach a separate page.



No

2. Are you buying the business and/or assets of a licensee? If yes, submit a copy of the sales agreement with a listing of assets being acquired including liquor inventory (name brand and container size required). Liquor Inventory may be taken at time of application being submitted.



Yes

Current business name and license number \_\_\_\_\_



No

3. Are you filing a temporary agency agreement, Commission form 4231, whereby current licensee allows you to operate on their license. If yes, attach agreement.

**Please note:** This agreement is not effective until Commissions assigns you a 3-digit ID number.



Yes



No

4. Are you borrowing any money from any source to establish and/or operate the business? If yes, list the lender.



Yes Tier One Bank, 3707 N. 144th St.

Omaha, NE 68116-4201



No

5. Will any person or entity other than applicant be entitled to a share of the profits of this business? If yes, explain. All involved members must be disclosed on application.

Yes \_\_\_\_\_  
 No \_\_\_\_\_

6. Will any of the furniture, fixtures and equipment to be used in this business be owned by others? If yes, list such items and the owner.

Yes \_\_\_\_\_  
 No \_\_\_\_\_

7. Will any person(s) other than named in this application have any direct or indirect ownership or control of the business? If yes, explain? (No silent partners)

Yes \_\_\_\_\_  
 No \_\_\_\_\_

8. Are the premises to be licensed within 150 ft of a church, school, hospital, home for the aged or indigent persons or for veterans, their wives, children, or within 300 ft of a college or university campus? If yes, list the name of such institution and where it is located in relation to the premises. Neb. Rev. Stat. 53-177.

Yes \_\_\_\_\_  
 No \_\_\_\_\_

9. Is anyone listed on this application a law enforcement officer? If yes, list the person, the law enforcement agency involved and the person's exact duties.

Yes \_\_\_\_\_  
 No \_\_\_\_\_

10. List the primary bank and/or financial institution (branch if applicable) to be utilized by the business and the individual(s) who will be authorized to write checks and/or make withdrawals on accounts at the institutions.

Tier One Bank  
3707 N. 144th St.  
Omaha, NE 68112

John Spausat  
per tc w/ Diane Mills

11. List all past and present liquor licenses held in Nebraska or any other state by any person named in this application. Include license holder name, location of license and license number. Also list reasons for termination of any licenses previously held.

Fantasys Inc - Millard Park # 43190, - Cornhusker Fantasys # 32144,  
Fantasys N 147th # 50333, - 90th Fort # 41291,  
Southwestern Fantasys # 41040, N 120th Fantasys # 40192,  
Tranquility Realty, LLC # 58153, # 101924, # 105955

12. List the person who will be the on site supervisor of the business and the estimated number of hours per week such person or manager will be on the premises supervising operations.

Lori Grenawalt, Store Manager - 50 hrs per week

13. List the training or experience (when and where) of the person listed in #12 above in connection with selling and/or serving alcohol products.

Currently the store manager for Southwestern Fantasys, employed by Fantasy's, Inc. since 3/20/03, understands and enforces all alcohol sale policies.

14. If the property for which this license is sought is owned, submit a copy of the deed, or proof of ownership. If leased, submit a copy of the lease covering the entire license year. Documents must show title or lease held in name of applicant as owner or lessee in the individual(s) or corporate name for which the application is being filed.

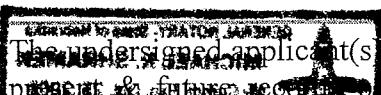
Lease: expiration date \_\_\_\_\_  
 Deed  
 Purchase Agreement

15. When do you intend to open for business? 9-15-07

16. What will be the main nature of business? What are the anticipated hours of operation? Convenience Store hrs 5am - 11pm

17. List the principal residence(s) for the past 10 years for all persons required to sign application, including spouses. If necessary attach a separate sheet.

Applicant Name	From: Year	To: Year	City/State
John Spaustat	1981	present	Omaha, NE
Karen Shramek	1981	present	Omaha, NE

  
The undersigned applicant(s) hereby consent(s) to a background investigation and release ~~present & future records~~ every kind and description including police records, tax records (State and Federal), bank or lending institution records, and said applicant(s) and spouse(s) waive(s) any right or causes of action that said applicant(s) or spouse(s) may have against the Nebraska Liquor Control Commission, the Nebraska State Patrol, and any other individual disclosing or releasing said information. Any documents or records for the proposed business or for any partner or stockholder that are needed in furtherance

of the application investigation or any other investigation shall be supplied immediately upon demand to the Nebraska Liquor Control Commission or the Nebraska State Patrol. The undersigned understand and acknowledge that any license issued, based on the information submitted in this application, is subject to cancellation if the information contained herein is incomplete, inaccurate or fraudulent.

Individual applicants agree to supervise in person the management and operation of the business and that they will operate the business authorized by the license for themselves and not as an agent for any other person or entity. Corporate applicants agree the approved manager will superintend in person the management and operation of the business. Partnership applicants agree one partner shall superintend the management and operation of the business. All applicants agree to operate the licensed business within all applicable laws, rules, regulations, and ordinances and to cooperate fully with any authorized agent of the Nebraska Liquor Control Commission.

Must be signed in the presence of a notary public by applicant(s) and spouse(s). If partnership or LLC (Limited Liability Company), all partners, members and spouses must sign. If corporation all officers, directors, stockholders (holding over 25% of stock) and spouses. Full (birth) names only, no initials.

*John T. Paul* (sign here) *Karen Shramek* (sign here)

*John T. Paul* (sign here) (sign here)

(sign here) (sign here)

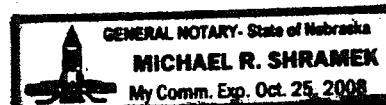
(sign here) (sign here)

(sign here) (sign here)

Subscribed in my presence and sworn to before me this

12 day of July, 2007

*Michael R. Shramek*  
Notary Public Signature & Seal

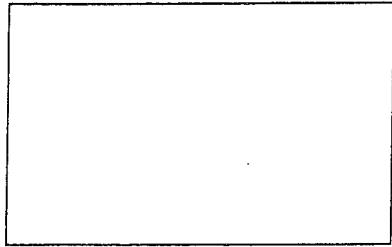


In compliance with the ADA, this application for license form is available in other formats for persons with disabilities. A ten day advance period is requested in writing to produce the alternate format.

FORM 35-4010  
REV. 4/05

APPLICATION FOR LIQUOR LICENSE  
CORPORATION/LLC INSERT - FORM 3a

NEBRASKA LIQUOR CONTROL COMMISSION  
301 CENTENNIAL MALL SOUTH  
PO BOX 95046  
LINCOLN, NE 68509-5046  
PHONE: (402) 471-2571  
FAX: (402) 471-2814  
Website: [www.nol.org/home/NLCC](http://www.nol.org/home/NLCC)



Name of Corporation or Limited Liability Company that will hold license. Attach copy of Articles of Incorporation. (Document must show [barcode] receipt by Secretary of States Office.

Fantasy's, Inc.

Corporate Street Address: 15011 Harrison St

City: Omaha State: NE Zip Code: 68136

Corporate Telephone Number (402) 891-9455

Total number of shares issued (if corporation) 5,000

Is this a Non Profit Corporation?  YES  NO  
If yes, what is your Federal ID #? \_\_\_\_\_

Name of Registered Agent John Spaustat

Name of Proposed Manager John Spaustat

This person must complete form 35-4013

List name of Chief Executive Officer

Last Name: Spaustat First Name: John MI J

Address Street 10302 Rockbrook Rd City Omaha

State NE Zip Code 68 Home Phone number 402-510-1055

Social Security Number \_\_\_\_\_ Date of Birth 1-13-55

List names of all Officers, Directors, Stockholders, Members and their Spouses

Last Name Spaustat First Name John

Social Security Number \_\_\_\_\_ Date of Birth 1-13-55

Title President Number of Shares \_\_\_\_\_

Spouse Name (indicate N/A if single) Karen Shramek

Spouse Social Security Number 508-18-5765 Date of Birth 6-19-54

Title VP of Operations Number of Shares 0

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Last Name \_\_\_\_\_ First Name \_\_\_\_\_

Social Security Number \_\_\_\_\_ Date of Birth \_\_\_\_\_

Title \_\_\_\_\_ Number of Shares \_\_\_\_\_

Spouse Name (indicate N/A if single) \_\_\_\_\_

Spouse Social Security Number \_\_\_\_\_ Date of Birth \_\_\_\_\_

Title \_\_\_\_\_ Number of Shares \_\_\_\_\_

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Last Name \_\_\_\_\_ First Name \_\_\_\_\_

Social Security Number \_\_\_\_\_ Date of Birth \_\_\_\_\_

Title \_\_\_\_\_ Number of Shares \_\_\_\_\_

Spouse Name (indicate N/A if single) \_\_\_\_\_

Spouse Social Security Number \_\_\_\_\_ Date of Birth \_\_\_\_\_

Title \_\_\_\_\_ Number of Shares \_\_\_\_\_

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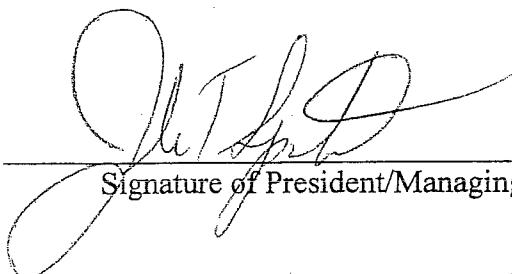
Is this Corporation or Limited Liability Company controlled by another Corporation?

Yes  No

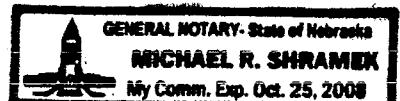
If yes, give name of corporation and supply organizational chart

Indicate tax year with the IRS

Starting Date \_\_\_\_\_ Ending Date \_\_\_\_\_



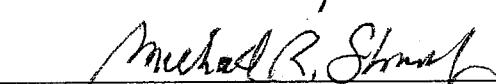
\_\_\_\_\_  
Signature of President/Managing Member



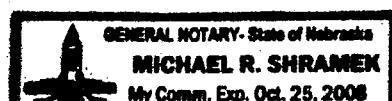
\_\_\_\_\_  
Notary Public Signature & Seal

Subscribed in my presence and sworn to before me this

\_\_\_\_\_  
12 day of July, 2007



\_\_\_\_\_  
Notary Public Signature & Seal



In compliance with the ADA, this application for license form is available in other formats for persons with disabilities. A ten day advance period is requested in writing to produce the alternate format.

**APPLICATION FOR LIQUOR LICENSE  
CORPORATION MANAGER - FORM 3b  
\*MUST BE A NEBRASKA RESIDENT\***

301 CENTENNIAL MALL SOUTH  
PO BOX 95046  
LINCOLN, NE 68509-5046  
PHONE: (402) 471-2571  
FAX: (402) 471-2814  
Website: [www.nol.org/home/NLCC/](http://www.nol.org/home/NLCC/)

RECEIVED

JUL 13 2007

NEBRASKA LIQUOR  
CONTROL COMMISSION

## LIQUOR LICENSE INFORMATION

NAME OF LICENSED CORPORATION Fantasy's, Inc.

CLASS & LICENSE NUMBER D

TRADE NAME Southport Fantasy's

STREET ADDRESS 7828 S. 123rd Plaza CITY LaVista

RE OF CORPORATION PRESID

**SIGNATURE OF CORPORATION PRESIDENT/CEO**

**APPLICANT INFORMATION (MUST BE 21 OR OVER AND NEBRASKA RESIDENT)**

NAME John T. Spaustat

ADDRESS 10302 Rockbrook Rd

CITY Omaha STATE NE ZIP CODE 68134

HOME PHONE NUMBER (402) 510-1055 BUSINESS PHONE NUMBER (402) 891-9455

SEX  MALE  FEMALE SOCIAL SECURITY NUMBER \_\_\_\_\_

DATE OF BIRTH 1-13-55 PLACE OF BIRTH

DRIVERS LICENSE NUMBER & STATE GD117337 Nebraska

**SPOUSES INFORMATION (IF NOT MARRIED INDICATE)**

SPOUSE NAME Karen Shramek

SOCIAL SECURITY NUMBER 1 DATE OF BIRTH 6-19-54

DRIVER'S LICENSE NUMBER & STATE 650108663 \_\_\_\_\_

601086663 KS  
Nebraska

**1. READ CAREFULLY. ANSWER COMPLETELY AND ACCURATELY.**

Has anyone who is a party to this application, or their spouse, EVER been convicted of or plead guilty to any charge. Charge means any charge alleging a felony, misdemeanor, violation of a federal or state law; a violation of a local law, ordinance or resolution. List the nature of the charge, where the charge occurred and the year and month of the conviction or plea. Also list any charges pending at the time of this application. If more than one party, please list charges by each individual's name.

YES  NO

If yes, please explain below or attach a separate page.

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2. Have you or your spouse ever made application for any liquor license or manager for any liquor license? **IF YES**, for what premise give license number and date.

*Current license #'s*

YES  NO \* 43190, 32144, 50333, 41291, 41066, 40192, 58153, 101924  
65955

3. Have you or your spouse ever made a compromise settlement for violation of such laws?

YES  NO

4. Do you, as a manager, have all the qualifications required by any person entitled to hold a Nebraska Liquor License?

Nebraska Liquor Control Act (§53-131.01)

YES  NO

5. Have you filed fingerprint cards and **PROPER FEES** (if check, make out to the NE State Patrol), with this application?

YES  NO

**RESIDENCES FOR THE PAST 10 YEARS, APPLICANT AND SPOUSE MUST COMPLETE**

APPLICANT: CITY & STATE	YEAR FROM	YEAR TO	SPOUSE: CITY & STATE	YEAR FROM	YEAR TO
John Spaulstat, Omaha, NE	1981	Present	Karen Shramek, Omaha, NE	1981	Present

**EMPLOYERS - LIST LAST TWO EMPLOYERS**

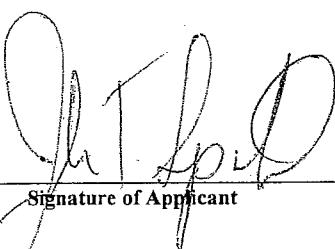
MONTH/YEAR FROM	NAME OF EMPLOYER	NAME OF SUPERVISOR	TELEPHONE NUMBER
1/1981	Present	Smith Barney/Citigroup	(402) 548-3424

## PERSONAL OATH AND CONSENT OF INVESTIGATION MUST BE SIGNED BY APPLICANT & SPOUSE

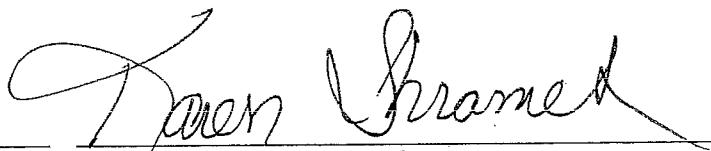
The above individual(s), being first duly sworn upon oath, deposes and states that the undersigned is the applicant and/or spouse of applicant who makes the above and foregoing application, that said application has been read and that the contents thereof and all statements contained therein are true. If any false statement is made in any part of this application, the applicant(s) shall be deemed guilty of perjury and subject to penalties provided by law. (Sec. §53-131.01) Nebraska Liquor Control Act.

The undersigned applicant hereby consents to an investigation of his/her background including all records of every kind and description including police records, tax records (State and Federal), and bank or lending institution records, and said applicant and spouse waive any rights or causes of action that said applicant or spouse may have against the Nebraska Liquor Control Commission and any other individual disclosing or releasing said information to the Nebraska Liquor Control Commission. If spouse has NO interest directly or indirectly, an affidavit of non participation may be attached.

The undersigned understand and acknowledge that any license issued, based on the information submitted in this application, is subject to cancellation if the information contained herein is incomplete, inaccurate, or fraudulent.



Signature of Applicant



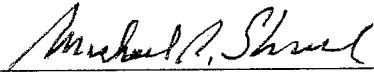
Signature of Spouse

Subscribed in my presence and sworn to before me this 12  
day of July 2007

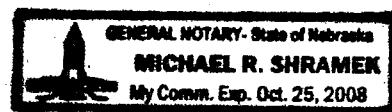
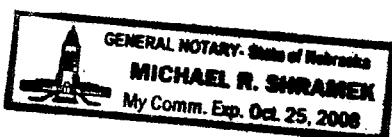
Subscribed in my presence and sworn to before me this 12  
day of July 2007



Notary Signature & Seal



Notary Signature & Seal

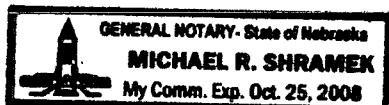


NEBRASKA LIQUOR CONTROL COMMISSION  
AFFIDAVIT OF NON PARTICIPATION

The undersigned individual acknowledges that he/she will have no interest, directly or indirectly, in the operation or profit of the business, as prescribed in Section §53-125(13) of the Liquor Control Act. Such individual shall not tend bar, make sales, serve patrons, stock shelves, write checks, sign invoices, represent themselves as owner or in any way participate in the day to day operations in any capacity. The undersigned individual will also be waived of filing fingerprint cards, however, will be required to disclose any violation(s) on all applications and sign all necessary documents.

*Karen Shramek*  
Signature of Spouse Asking to be Waived

SUBSCRIBED in my presence and sworn to before me this 12 day  
of July, 2007.



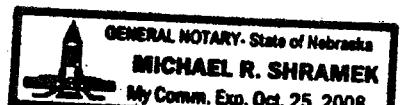
*Michael R. Shramek*  
Signature of Notary Public

The applying individual, whose spouse is requesting to be waived, understands that he/she is responsible for compliance with the conditions set out above, and that if such terms are violated, the Commission may cancel or revoke the license.

*John T. Spaulsot*  
Signature of applying individual  
(spouse of individual listed above)

*John T. Spaulsot*  
Print name of applying individual

SUBSCRIBED in my presence and sworn to before me this 12 day  
of July, 2007.



*Michael R. Shramek*  
Signature of Notary Public

\*spouse of individual listed above is the individual required to sign bottom portion of affidavit

## Real Estate Transfer Statement

• Read instructions on reverse side

THE DEED WILL NOT BE RECORDED UNLESS THIS STATEMENT IS SIGNED AND LINES 1-25 ARE ACCURATELY COMPLETED

1 County Name Sarpy	2 County Number	3 Date of Sale Mo. 9 Day 28 Yr. 06	4 Date of Deed Mo. 9 Day 28 Yr. 06		
5 Grantor's Name, Address, and Telephone (Please Print) Grantor's Name (Seller) Port Starboard, LLC		6 Grantee's Name, Address, and Telephone (Please Print) Grantee's Name (Buyer) Fantasy's Inc.			
Street or Other Mailing Address 780 N 114th Street		Street or Other Mailing Address 15611 Harrison Street			
City Omaha, NE 68154	State	Zip Code	City Omaha, NE 68136	State	Zip Code
Telephone Number ( )		Telephone Number ( )			

7 PROPERTY CLASSIFICATION NUMBER. Check one box in categories A and B. Check C also if property is mobile home.					
(A) Status		(B) Property Type			(C)
(1) <input type="checkbox"/> Improved	(1) <input type="checkbox"/> Single Family	(4) <input type="checkbox"/> Industrial	(6) <input type="checkbox"/> Recreational	(8) <input type="checkbox"/> Mineral Interests-Producing	(9) <input type="checkbox"/> State Assessed
(2) <input checked="" type="checkbox"/> Unimproved	(2) <input type="checkbox"/> Multi-Family	(5) <input type="checkbox"/> Agricultural	(7) <input type="checkbox"/> Mineral Interests-Nonproducing	(10) <input type="checkbox"/> Exempt	(1) <input type="checkbox"/> Mobile Home
(3) <input type="checkbox"/> IOLL	(3) <input checked="" type="checkbox"/> Commercial				

8 Type of Deed <input checked="" type="checkbox"/> Warranty <input type="checkbox"/> Sheriff <input type="checkbox"/> Executor <input type="checkbox"/> Mineral <input type="checkbox"/> Cemetery <input type="checkbox"/> Quit Claim <input type="checkbox"/> Conservator <input type="checkbox"/> Partition <input type="checkbox"/> Trust <input type="checkbox"/> Other						9
---	--	--	--	--	--	---

10 Type of Transfer <input checked="" type="checkbox"/> Sale <input type="checkbox"/> Auction <input type="checkbox"/> Gift <input type="checkbox"/> Exchange <input type="checkbox"/> Foreclosure <input type="checkbox"/> Satisfaction of Contract <input type="checkbox"/> Life Estate <input type="checkbox"/> Other (explain) _____					
---	--	--	--	--	--

11 Ownership Transferred in Full (if No, explain division) <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO _____						12 Was real estate purchased for same use? (if No, state intended use) <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
---	--	--	--	--	--	---

13 Was sale between relatives? (If Yes, check appropriate box) <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Spouse <input type="checkbox"/> Parents and Child <input type="checkbox"/> Family Corporation or Partnership <input type="checkbox"/> Grandparents and Grandchild <input type="checkbox"/> Brothers and Sisters <input type="checkbox"/> Aunt or Uncle to Niece or Nephew <input type="checkbox"/> Other					
---	--	--	--	--	--

14 If the real estate was transferred for nominal consideration, what is the current market value?						15 Was mortgage assumed? If Yes, state amount and interest rate. <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO \$ _____ %
--	--	--	--	--	--	--

16 Does this conveyance divide a current parcel of land? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO						Was sale through a real estate agent? (If Yes, name of agent) _____
--	--	--	--	--	--	---

18 Address of Property						19 Name and Address of Person to Whom Tax Statement Should be Sent Fantasy's Inc. 15611 Harrison Street Omaha, NE 68136
------------------------	--	--	--	--	--	--

## 20 Legal Description

Lot 2, Southport East Replat Three, an Addition to the City of Omaha, in Douglas County, Nebraska.

21 If agricultural, list total number of acres \_\_\_\_\_

22 Total purchase price, including any liabilities assumed \_\_\_\_\_

22 \$ 1,392,912.00

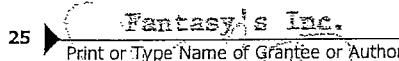
23 Was nonreal property included in purchase?  YES  NO (if Yes, enter amount and attach itemized list) \_\_\_\_\_

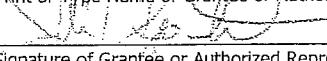
23 \$ \_\_\_\_\_

24 Adjusted purchase price paid for real estate (line 22 minus line 23) \_\_\_\_\_

24 \$ 1,392,912.00

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

25  Print or Type Name of Grantee or Authorized Representative \_\_\_\_\_ Telephone Number \_\_\_\_\_

sign here  Signature of Grantee or Authorized Representative \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

REGISTER OF DEEDS' USE ONLY				FOR NDR USE ONLY
26 Date Deed Recorded Mo. Day Yr.	27 Value of Stamp or Exempt Number \$	28 Deed Book	29 Deed Page	30

Nebraska Department of Property Assessment & Taxation  
Form No. 2-146-67 Rev. 12-00 Supersedes 2-146-67 Rev. 9-94

Authorized by Sections 76-214, 77-1327, R.R.S. 1943

NEBRASKA DEPARTMENT OF REVENUE — White Copy

COUNTY ASSESSOR — Canary and Pink Copies

GRANTEE — Goldenrod Copy

printed with soy ink on recycled paper

## WARRANTY DEED

Know all men by these presents, that **Port Starboard, LLC**, a Nebraska limited liability company, herein called the grantor whether one or more, for and in consideration of the sum of One dollar and other valuable consideration received from grantee, do hereby grant, bargain, sell, convey and confirm unto **Fantasy's Inc., a Nebraska corporation**, herein referred to as "Grantee", the following described real property:

**Lot 2, Southport East Replat Three, an Addition to the City of La Vista, in Sarpy County, Nebraska.**

Seller is the owner of **Lot 3, Southport East Replat Three, an Addition to the City of La Vista, in Sarpy County, Nebraska** and hereby places the following restriction over said lot:

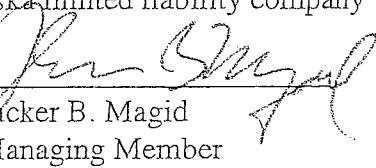
Seller hereby prohibits **Lot 3, Southport East Replat Three** to be used as a c-store, gasoline retailer, car wash or "Walgreens" type of store.

To have and to hold the above described premises together with all tenements, hereditament and appurtenances thereto belonging unto the grantee and to grantee's heirs and assigns forever.

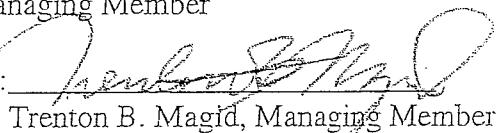
And the grantor does hereby covenant with the grantee and with grantee's heirs and assigns that grantor is lawfully seized of said premises; that they are free from encumbrances except covenants, easements and restrictions of record; that they are free from all regular taxes and special assessments, except those levied or assessed subsequent to date hereof; that grantor has right and lawful authority to convey the same; and that grantor warrants and will defend the title to said premises against the lawful claims of all persons whomsoever.

Dated: September 28, 2006

Port Starboard, LLC,  
a Nebraska limited liability company

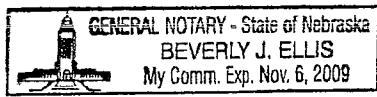
By:   
Tucker B. Magid  
Managing Member

By: Starboard South, LLC,  
a Nebraska limited liability company,  
Managing Member

By:   
Trenton B. Magid, Managing Member

STATE OF NEBRASKA      )  
                            )  
                            )s.s.  
COUNTY OF DOUGLAS    )

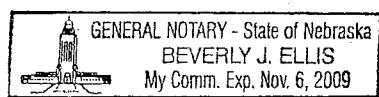
The foregoing instrument was acknowledged before me on September 28, 2006 by Tucker B. Magid, Managing Member of Port Starboard, LLC, a Nebraska limited liability company, on behalf of the Limited Liability Company. Tucker B. Magid personally appeared before me, a General Notary Public for the State of Nebraska, and is either personally known to me or was identified by me through satisfactory evidence.



Beverly J. Ellis  
Notary Public

STATE OF NEBRASKA      )  
                            )  
                            )s.s.  
COUNTY OF DOUGLAS    )

The foregoing instrument was acknowledged before me on September 28, 2006 by Trenton B. Magid, Managing Member of Starboard South, LLC, a Nebraska limited liability company, which is a managing member of Port Starboard, LLC, a Nebraska limited liability company, on behalf of the Limited Liability Company. Trenton B. Magid personally appeared before me, a General Notary Public for the State of Nebraska, and is either personally known to me or was identified by me through satisfactory evidence.



Beverly J. Ellis  
Notary Public

When recorded return to:

TierOne Bank  
Attn: Credit Administration Department  
1235 "N" Street  
Lincoln, NE 68508

CONSTRUCTION SECURITY AGREEMENT/  
DEED OF TRUST WITH ASSIGNMENT OF RENTS  
AND SECURITY AGREEMENT

*COPY*

Loan No. 01-09251206

THIS CONSTRUCTION SECURITY AGREEMENT/DEED OF TRUST WITH ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (herein "Security Instrument") is made this 28<sup>th</sup> day of September, 2006, among the Trustor, Fantasy's, Inc., a Nebraska corporation, whose address is c/o John T. Spaustat, 15611 Harrison Street, Omaha, Nebraska 68136 (herein "Borrower"), TierOne Bank (herein "Trustee"), and the Beneficiary, TierOne Bank, a federally chartered savings bank, whose address is 1235 "N" Street, Lincoln, Nebraska 68508 (herein "Lender").

Borrower, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants, transfers, assigns, and conveys to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit of and security of Lender, under and subject to the terms and conditions hereinafter set forth, the following described real property located in the County of Sarpy, State of Nebraska:

(See Exhibit "A" attached hereto and incorporated herein by this reference)

which has the address of 126<sup>th</sup> & Giles Road, La Vista, Nebraska (herein "Property Address");

IT IS UNDERSTOOD BY THE BORROWER AND LENDER THAT THIS SECURITY INSTRUMENT, WHICH IS SECURED BY THE ABOVE-REFERENCED PROPERTY, IS A CONSTRUCTION SECURITY AGREEMENT; THAT IT DOES OR WILL SECURE AN OBLIGATION WHICH THE BORROWER HAS OR WILL INCUR FOR THE PURPOSE OF MAKING AN IMPROVEMENT OR IMPROVEMENTS ON PROPERTY HEREIN DESCRIBED AND IS A CONSTRUCTION SECURITY INTEREST; AND THAT ADVANCES MADE HEREUNDER WILL BE APPLIED TO THE PAYMENT OF THE CONTRACT PRICE OF SAID IMPROVEMENTS.

TOGETHER WITH all improvements now or hereafter erected on such property, and all easements, rights, appurtenances, rents (subject, however, to the rights and authorities given herein to Lender to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures, including, but not limited to, heating and cooling equipment, now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Security Instrument; and all of the foregoing, together with said property, or the leasehold estate if this Security Instrument is on a leasehold, are herein referred to as the "Property";

TO SECURE to Lender the repayment of the indebtedness evidenced by Borrower's Note Secured by Construction Security Agreement dated of even date herewith (herein "Note"), in the principal sum of **THREE MILLION EIGHT HUNDRED THOUSAND AND NO/100 DOLLARS** (\$3,800,000.00) (the "Principal") with Interest (as defined in the Note) thereon, providing for monthly Interest Only payments, with the balance of the indebtedness, if not sooner paid, due and payable on October 1, 2012 (the "Maturity Date"); the payment of all sums, with interest thereon, advanced in accordance herewith to protect the real and personal property covered by this Security Instrument; and the performance of the covenants and agreements of Borrower herein contained or contained in the Note or any other document executed by Borrower in connection with the indebtedness secured hereby (jointly, the "Loan Documents").

Borrower covenants to Lender and Trustee that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any

title insurance policy insuring Lender's interest in the Property and otherwise reasonably acceptable to Lender.

Borrower and Lender covenant and agree as follows:

**1. PAYMENT OF PRINCIPAL AND INTEREST.** Borrower shall promptly pay when due the Principal of and Interest on the indebtedness evidenced by the Note, and all prepayment and late charges as provided in the Note or in this Security Instrument.

**2. FUNDS FOR TAXES AND INSURANCE.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on each Due Date under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments which may attain priority over this Security Instrument, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for the insurance required to be maintained pursuant thereto, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills or other reasonable estimates thereof.

The Funds shall be held by Lender and commingled with the Lender's other funds and, further, Lender shall not be liable to Borrower for interest on such Funds. Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. The Funds are pledged as additional security for the sums secured by this Security Instrument.

If at any point during the term hereof, the amount of the Funds held by Lender shall exceed the amount required to pay the taxes, assessments, insurance premiums and ground rents as they fall due during the next consecutive twelve-month period, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on future monthly payments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums, and ground rents as they fall due during the next consecutive twelve-month period, Borrower shall pay to Lender any amount necessary to make up the deficiency within thirty (30) days from the date notice is mailed by Lender to Borrower requesting payment thereof.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If under Paragraph 23 herein the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Security Instrument.

**3. APPLICATION OF PAYMENTS.** Unless applicable law provides otherwise, all payments received by Lender under the Note and Paragraphs 1 and 2 hereof shall be applied by Lender (i) first to interest payable on the Note, (ii) then in payment of amounts payable to Lender by Borrower under Paragraph 2 hereof, and (iii) then to the Principal of the Note.

**4. CHARGES; LIENS.** Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Security Instrument, and leasehold payments or ground rents, if any, in the manner provided under Paragraph 2 hereof, or, if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payments directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Security Instrument; provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall in good faith contest such lien by, or defend such enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

**5. INSURANCE COVERAGES.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require, in an amount equal to the full replacement value of the improvements (80% co-insurance clause permitted), as established by a competent insurance appraiser. Comprehensive general public liability insurance will also be obtained, with a company acceptable to the Lender, for an amount not less than \$2,000,000.00 combined single limit. Business Interruption/rental value insurance equal to a twelve (12) month period, as established by a competent insurance appraiser, shall also be carried throughout the term of the loan. The Property, if located in a 100-year flood plain, shall also be covered, for the term of the loan, by flood insurance in an amount at least equal to the outstanding principal balance of the loan, or the maximum limit of coverage made available with respect to this particular type of property, whichever is less.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided that such approval shall not be unreasonably withheld. It is required that the insurance carrier hold a Policyholders Rating of at least B+ as set forth in the most current issue of Best's Key Rating Guide for property and casualty companies. All premiums on insurance policies shall be paid in the manner provided under Paragraph 2 hereof, or, if not paid in such manner, by Borrower making payment, when due, directly to the insurance carrier.

In the event any policy is not renewed on or before ten (10) days of its expiration, the Lender, to protect its interest, may procure insurance on the improvements, pay the premiums and such sums shall become immediately due and payable with Interest at the rate set forth in the Note until paid and shall be secured by this Security Instrument. Failure by Borrower to comply may, at the option of Lender, constitute a default under the terms of this Security Instrument.

All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a Lender's loss payable endorsement/standard mortgagee clause in favor of and in form acceptable to Lender, shall provide that the policies may not be canceled, modified, or not renewed except upon the giving of at least thirty (30) days prior written notice to Lender, and shall also provide that any losses shall be payable to Lender and Borrower, as their respective interest may appear notwithstanding (i) any act, failure to act or negligence contained in such policy by any named insured, (ii) the occupation or use of the Property for purposes more hazardous than permitted by the terms thereof, (iii) any foreclosure or other action or proceeding taken by Lender or foreclosure pursuant to any provision of this Security Instrument, or (iv) any change in title or ownership of the Property. Lender shall have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of said premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair by Borrower of the Property damaged, provided such restoration or repair is economically feasible and the real and personal property covered by this Security Instrument is not thereby impaired. In the event of restoration or repair, the insurance proceeds shall be held in escrow by Lender and disbursed to Borrower as construction is completed and Borrower's contractors are paid. If such restoration or repair is not economically feasible or if the real and personal property covered by this Security Instrument would be impaired, the insurance proceeds shall be applied to the sums secured by this Security Instrument, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within thirty (30) days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Security Instrument.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to Principal shall not extend or postpone the Due Date of the Installments referred to in Paragraphs 1 and 2 hereof or change the amount of such Installments. If under Paragraph 23 hereof the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to such sale or acquisition.

**6. PRESERVATION AND MAINTENANCE OF PROPERTY: LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS.** Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Security Instrument is on a leasehold. If this Security Instrument is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declarations or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents. If a condominium or planned unit development rider is executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider were a part hereof.

**7. COMPLIANCE WITH LAWS; HAZARDOUS MATERIALS.** Borrower shall keep the Property in compliance with any and all applicable federal, state and local laws, ordinances and regulations relating to industrial hygiene or to environmental conditions on, under or about the Property, including, but not limited to, soil and ground water conditions (collectively the "Environmental Laws"). Borrower shall not use, generate, release, manufacture, store or dispose of on, under or about the Property, or transport to or from the Property, any flammable explosive, radioactive materials, asbestos, petroleum or petroleum products, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definition of "hazardous substances",

RECEIVED  
JUL 13 2007  
NEBRASKA LIQUOR  
CONTROL COMMISSION

"hazardous wastes", "hazardous materials" or "toxic substances" under any Environmental Laws (collectively referred to hereinafter as "Hazardous Materials"). Nothing contained herein shall be construed so as to limit Borrower's ability to use and store janitorial and office supplies in reasonable quantities on the Property, provided such supplies are employed, stored and disposed of in accordance with all Environmental Laws. Borrower hereby warrants and represents to Lender, that there are no hazardous Materials on or under the Property. Borrower hereby agrees to indemnify and hold harmless Lender, its directors, officers, employees, and agents, and any successors to Lender's interest, from and against any and all claims, damages and liabilities arising in connection with the presence, use, storage, release, disposal or transport of any Hazardous Materials on, under, from or about the Property, including, without limitations, (i) all damages directly or indirectly arising out of the use, generation, storage or disposal of Hazardous Materials by Borrower or any prior owner or operator of the Property or any other person, including an adjacent property owner or operator, and (ii) all costs of any required or necessary repair, remediation, clean-up or detoxification and the preparation of any closure or other required plans, whether such action is required or necessary prior to or following transfer of title to the Property, to the full extent that such action is attributable, directly or indirectly, to the presence or use, generation, storage, release, threatened release or disposal of Hazardous Materials by any person on or under the Property prior to transfer of title thereto by Lender. THE FOREGOING WARRANTIES AND REPRESENTATIONS, AND BORROWER'S OBLIGATIONS PURSUANT TO THE FOREGOING INDEMNITY, SHALL SURVIVE REPAYMENT OF THE NOTE AND THE RECONVEYANCE OF THIS SECURITY INSTRUMENT.

At any time that Lender reasonably suspects the presence of Hazardous Materials, in, on, under, from or around the Property (except with respect to any Hazardous Materials used in the ordinary course of business of Borrower or the tenants of the Property, with respect to which use there has been no violation of Environmental Laws) or upon and after any Event of Default hereunder, Lender shall have the right to require Borrower, at the sole cost and expense of Borrower, to employ a qualified independent environmental firm, acceptable to Lender, to conduct an environmental assessment of the Property to determine whether there is any Hazardous Material above, in, on, under, from or around the Property, such that the Property, any activity related to the Property, or the Hazardous Materials is subject to regulation under Environmental Laws. Lender shall instruct such environmental firm to conduct such assessment in such a manner as to minimize interference with the operation of the Property.

**8. BANKRUPTCY.** The parties agree that Borrower has substantial duties of performance apart from its mere financial obligations under the Security Instrument, the Note and other Loan Documents or obligations which this Security Instrument secures, and that parties other than the Borrower could not adequately and fully perform the covenants to be performed by Borrower in this Security Instrument. The parties also agree that this Security Instrument is an agreement for the making of loans and for the extending of debt financing or financial accommodations. No assumption of or assignment of this Security Instrument shall be allowed in bankruptcy. Should an assumption of or assignment of this Security Instrument be permitted in violation of this covenant, the parties agree that Lender will not have adequate assurance of performance unless and until Lender is allowed access to adequate financial and other information to satisfy itself that the trustee or proposed assignee is fully able to assume the financial and personal covenants of Borrower under this agreement, in full accordance with its terms. The parties further agree that the definition of the term "adequate assurance" as set forth in the United States Bankruptcy Code, as amended, shall be applicable directly or by analogy to any determination of adequate assurance in connection with this Security Instrument.

In the event Borrower becomes a debtor in bankruptcy, the debtor in possession or trustee shall not be permitted to use, sell or lease any of the Property, whether or not in the ordinary course of business, without providing adequate protection to Lender. The parties agree that the language in the United States Bankruptcy Code, as amended, shall be the definition of the term "adequate protection" in connection with any use, sale or lease of the Property. The cash payment referred to in that section shall mean the full payments required under the Note and all other indebtedness which this Security Instrument secures.

The parties agree that because of the extreme financial importance to Lender of this transaction, Lender will be irreparably harmed by any stay of its collection efforts or the exercise of its remedies under this Security Instrument. In the event a plan of reorganization is proposed under Chapter 11 of the United States Bankruptcy Code, as amended, the parties also agree that the plan will be fair and equitable to Lender, as a secured creditor, only if Lender realizes under the plan the full payments required under the Note and all other indebtedness which this Security Instrument secures.

**9. AMERICANS WITH DISABILITIES ACT.** At its sole expense, Borrower shall cause the Property to be and remain in compliance with the Americans with Disabilities Act and all similar state and local laws, rules and regulations (hereafter "ADA") during the term hereof. If the Property is remodeled or altered while this Security Instrument is in effect, the Borrower shall have the work performed so that the Property continues to comply with the ADA. Borrower shall furnish to Lender, if

requested, a written opinion from a licensed architect that the remodeling/alterations comply with the ADA. Borrower hereby warrants and represents to Lender that there are no pending or threatened claims by the Department of Justice or third parties relating to the ADA. Borrower hereby agrees to indemnify and hold harmless the Lender, its directors, officers, employees and agents, and any successor to Lender's interest, from and against any and all claims, damages, losses and liabilities arising in connection with the violation of the ADA. THE FOREGOING WARRANTIES AND REPRESENTATIONS, AND BORROWER'S OBLIGATIONS PURSUANT TO THE FOREGOING INDEMNITY, SHALL SURVIVE THE REPAYMENT OF THE NOTE AND THE RECONVEYANCE OF THIS SECURITY INSTRUMENT.

**10. PROTECTION OF LENDER'S SECURITY.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument or in any other Loan Document, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, enforcement of laws or regulations, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, incurrence of attorneys' fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this Paragraph 10, with interest thereon, shall become additional indebtedness of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate of EIGHTEEN PERCENT (18.00%), unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this Paragraph 10 shall require Lender to incur any expense or take any action hereunder.

**11. INSPECTION.** Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

**12. REPRESENTATIONS AND WARRANTIES OF BORROWER.** In order to induce Lender to execute and deliver this Security Instrument and perform hereunder, Borrower makes the following representations and warranties to Lender, which representations and warranties shall remain in effect throughout the term of this Security Instrument, and shall survive and shall be unaffected by any investigations, inspections or inquiries made by Lender, the recording of any of the Loan Documents, or the performance by Lender and Borrower hereunder:

(a) Organization: Borrower is duly organized, validly existing and in good standing as a corporation under the laws of the State of Nebraska, is qualified, in good standing, and authorized to do business in each of the jurisdictions in which the nature of its activities or properties require such authorization, and has full power and authority to own its properties, carry on this business(es) as now being conducted, and to enter into, deliver and perform under this Security Instrument.

(b) Authorization: The execution and delivery of this Security Instrument and the satisfaction of Borrower's obligations hereunder have been duly authorized by all necessary corporation in accordance with the laws of the State of Nebraska. Each of the Loan Documents, upon execution and delivery to Lender, constitutes a legally valid and binding agreement of Borrower, enforceable against Borrower in accordance with its terms, except as such enforcement may be qualified or limited by bankruptcy, insolvency, or other similar laws affecting creditors' rights in general

(c) No Contravention: The execution, delivery, and performance of this Security Instrument by Borrower will not, immediately or with the passage of time, the giving of notice or otherwise, result in (i) the breach of, or constitute a default under, or in any manner release any party thereto from, or accelerate any obligations under, any of the terms or provisions of any lease, security agreement, mortgage, note, indenture, security instrument, license, permit, contract, agreement, or other instrument or document of any kind or nature to which Borrower is a party of by which it or its property is bound or affected, or any restriction to which it or its property is subject, (ii) the creation or acceleration of any lien or encumbrance on the property of Borrower, (iii) a violation of any order, writ, injunction, or decree by which Borrower is bound of any court, administrative agency, or governmental body, or (iv) the breach of the terms of Borrower's Articles of Incorporation and Bylaws.

(d) Disclosure: No representation or warranty of Borrower in this Security Instrument or any statement or certificate furnished or to be furnished by Borrower pursuant to this Security Instrument or in connection with the transactions contemplated herein contains or shall contain any untrue, inaccurate, or misleading statement of material fact or omits to state a material fact necessary in order to make a statement contained therein not misleading.

(e) Financial Information: The most recent annual financial statements of Borrower and the Guarantor, John T. Spaustat, delivered to Lender during the loan application process at Lender's request (the "Annual Financial Statements and Federal Income Tax Returns") accurately present the financial condition of the Borrower and Guarantor referred to therein as of the dates therein indicated.

(f) Litigation: No suits, actions, governmental investigations or inquiries, proceeding (including, without limitation, condemnation or eminent domain proceedings), or other litigation is pending or, to the best of Borrower's knowledge, proposed or threatened, against or affecting Borrower, the Property, or the Collateral which, singularly or in the aggregate, if adversely determined, would materially inhibit or impair Borrower's ability to perform hereunder or reduce or restrict Borrower's interest in the Property or the Collateral, and Borrower knows of no basis for any such litigation.

(g) Loan Documents: All representations and warranties of Borrower contained in the Note, Assignment of Leases and Rents and the Hazardous Substances Certificate and Indemnity Agreement entered into by Borrower are true and accurate in all material respects to the extent not inconsistent with the representations and warranties of Borrower contained herein.

(h) Property: Neither the whole nor any portion of the Property is subject to any pending condemnation, taking, or other similar proceeding by any public or private authority, and, to the best of Borrower's knowledge, no such condemnation or taking is threatened or contemplated with respect to the Property. Borrower is unaware of and has not been notified of any plan, study, or effort by any governmental authority or agency which in any way affects or would affect the present use or zoning of the Property nor any existing, proposed, or contemplated plan to widen, modify, or realign any street or highway adjoining the Property. The Property and the occupancy by or operation of the Borrower's business at the Property is not in violation of any law or any building, zoning, fire, health, or other ordinance, code, or regulation, and neither Borrower nor any tenant has received any notice or request from any governmental authority, insurance company or board of fire underwriters alleging any such violation or requiring or calling attention to the need for any work, repairs, construction, alterations or installation on or in connection with the Property which has not been heretofore complied with. There exist adequate rights of egress from and ingress to the Property, and there is currently adequate access to all water, sewer, gas, electric, telephone, drainage, and other utility equipment and services required by law or necessary for the operation of the business currently operated on the Property, and, to the best of Borrower's knowledge, no fact, condition, or threatened or proposed action exists which would or could have the effect of diminishing such rights.

(i) Environmental Matters: For purposes of this Security Instrument, "Hazardous Substances" shall mean asbestos in a friable state or condition, non-contained polychlorinated biphenyls ("PCBS"), petroleum or petroleum products, and any hazardous or toxic waste or substance or related material defined or treated as a "hazardous substance" or "toxic substance" or "hazardous waste" or "toxic waste" (or comparable term) in the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. 9601, et seq.) ("CERCLA"), the Hazardous Materials Transportation Act (49 U.S.C. 1801, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. 6901, et. seq.) ("RCRA"), or any other applicable federal, state or local statute, law or ordinance, and any rules and regulations promulgated thereunder (jointly, the "Applicable Environmental Law"). No Hazardous Substances have been generated, used, discharged, dispersed, released, disposed of, or allowed to escape on or under the Property in violation of Applicable Environmental Law. No asbestos or asbestos-containing substance presently in a condition or in a sufficient quantity as to violate Applicable Environmental Law has been installed, used, incorporated into or disposed of on the Property. No underground liquid storage tanks are located on the Property. No notice has been received by Borrower or any tenant with respect to, nor is Borrower aware of any basis for, any federal, state or local agency investigation, administrative order, consent order or decree, litigation, or settlement regarding the existence of

Hazardous Substances on or under the Property or the use, generation, or disposal thereof by Borrower or any tenant or previous owner or tenant. The Property is and at all times has been in compliance with Applicable Environmental Laws. No notice, demand, claim, or other communication has been received by Borrower or any tenant from any governmental or other entity or individual claiming any violation of or demanding compliance with any Applicable Environmental Law, or demanding payment, contribution, remedial action or any other action or inaction with respect to any actual or alleged environmental damage or condition. THE FOREGOING WARRANTIES AND REPRESENTATIONS, AND BORROWER'S OBLIGATIONS PURSUANT TO THIS PARAGRAPH 12 (i), SHALL SURVIVE REPAYMENT OF THE NOTE AND THE RECONVEYANCE OF THIS SECURITY INSTRUMENT.

13. **CONDEMNATION.** Borrower shall promptly provide Lender with notice of any condemnation, eminent domain, change of grade or other proceedings with respect to the Property. All moneys and awards payable as damages and/or compensation for the taking of title to or possession of, or for damage to, or on account of change of grade affecting, any portion of the Property by reason of any condemnation, eminent domain, change of grade, or other proceeding shall, at the option of the Lender, be paid to the Lender, and such moneys and awards are hereby assigned to Lender, and judgment therefor shall be entered in favor of Lender, and when paid shall be used at its option toward the payment of any indebtedness, taxes, assessments, repairs or other items for the payment of which this Security Instrument is given as security, whether the same be then due or not and in such manner as Lender may determine, or for the restoration or repair of the Property, and any amount not so used shall be released by the Lender to the Borrower. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to Principal shall not extend or postpone the Due Date of the installments referred to in Paragraphs 1 and 2 hereof or change the amount of such installments.

14. **BORROWER NOT RELEASED.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest or permitted assignee of Borrower shall not operate to release, in any manner, the liability of the original Borrower or Borrower's guarantors. Lender shall not be required to commence proceedings against such successor or assignee or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's guarantors.

15. **LENDER'S POWERS.** Without affecting the liability of Borrower or any other person liable for the payment of any obligation secured hereby, and without affecting the lien or charge of this Security Instrument upon any portion of the Property not then or heretofore released as security for the full amount of all unpaid obligations, Lender may, from time to time and without notice to Borrower (i) release any person so liable, (ii) extend or renew the maturity or alter any of the terms of any such obligations, (iii) grant other indulgences, (iv) release or reconvey, or cause to be released or reconveyed at any time at Lender's option any parcel, portion or all of the Property, (v) take or release any other or additional security for any obligation herein mentioned, or (vi) make compromises, settlements, or other arrangements with debtors in relation thereto.

16. **FORBEARANCE BY LENDER NOT A WAIVER.** Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the subsequent exercise of any such right or remedy. Likewise, the waiver by Lender of any default by Borrower hereunder shall not be deemed to be a waiver of any other or subsequent default by Borrower hereunder. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Security Instrument in the event of Borrower's default hereunder.

17. **REMEDIES CUMULATIVE.** All remedies provided in this Security Instrument are distinct and cumulative to any other right or remedy under this Security Instrument or afforded by law or equity, and may be exercised concurrently, independently or successively.

18. **ASSIGNMENT; SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CAPTIONS.** Lender may assign its rights and obligations hereunder by notice to Borrower. Borrower may not assign its rights or obligations hereunder, whether by contract or operation of law, without the prior written consent of Lender, which may be withheld in Lender's sole discretion. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and permitted assigns of Lender and Borrower. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Security Instrument are for convenience only and are not to be used to interpret or define the provisions hereof.

19. **NOTICE.** Except for any notice required under applicable law to be given in another manner, (i) any notice to Borrower provided for in this Security Instrument shall be in writing to be effective and given by mailing such notice by first class U.S. mail, postage prepaid, to Borrower c/o John T. Spaustat, 15611 Harrison Street, Omaha, Nebraska 68136 or at such other address as Borrower may designate by notice to Lender as provided herein, and (ii) any such notice to Lender shall be in writing to be effective and given by mailing such notice by first class U.S. mail, postage prepaid, to Lender c/o Credit Administration Department, 1235 "N" Street, Lincoln, Nebraska 68508, or to such other address as Lender may designate by notice to Borrower as provided herein. Any such notice shall be effective upon deposit with U.S. mail. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender only when given in the manner designated herein.

20. **UNIFORM SECURITY INSTRUMENT; GOVERNING LAW; SEVERABILITY.** This form of Security Instrument combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. In the event that any provision or clause of this Security Instrument or the Note or any other Loan Document conflicts with applicable law, such conflict shall not affect the other provisions of this Security Instrument or the Note or any other Loan Document which can be given effect without the conflicting provision, and to this end the provisions of the Security Instrument and the Note and the Loan Documents are declared to be severable. This Security Instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought. This Security Instrument shall be governed by and construed in accordance with the Laws of the State in which the Property is located, except to the extent that Federal laws or the rules and regulations of the Office of Thrift Supervision, or its successor, preempt the laws of the State in which the Property is located, in which case Lender shall be entitled to such Federal rights and remedies without regard to conflicting limitation imposed by State law.

21. **BORROWER'S COPY.** Borrower acknowledges receipt of a conformed and completed copy of the Note and of this Security Instrument at the time of execution or after recordation hereof.

22. **TRANSFER OF THE PROPERTY: ASSUMPTION.** If the Borrower or any successor in interest to Borrower or the Property described in this Security Instrument should, without the prior written consent of the Lender, assign the Note or sell, convey, transfer, or alienate the Property, or any part thereof, or any interest therein, or be divested of its title or any interest therein in any manner, whether voluntary or involuntary, by contractual arrangement or operation of law, or if the Borrower or any successor in interest to Borrower or the Property is a corporation, partnership, limited liability company, or joint venture, and more than fifty percent (50%) of the equity ownership of such corporation, partnership, limited liability company, or joint venture is, without the prior written consent of Lender, sold, conveyed, transferred or alienated, either voluntarily or involuntarily, by contractual arrangement or operation of law, then the Lender shall have the right at its sole option to declare any and all indebtedness due hereunder, or any other obligation secured by this Security Instrument, immediately due and payable.

Not less than thirty (30) days prior to any such sale or other transfer, Borrower shall notify Lender in writing of the proposed sale or transfer and shall provide Lender with such information concerning the terms and conditions of the sale or transfer and the creditworthiness and financial condition of the proposed purchaser or transferee as Lender may require. Lender may withhold its consent to any such sale or other transfer in Lender's sole discretion.

A consent and waiver of Lender's option to accelerate shall be subject to (a) the credit of the purchaser or transferee being satisfactory to the Lender; (b) an assumption fee of two percent (2%) of the then outstanding Principal balance being paid to Lender; (c) assumption of full and unconditional liability on the indebtedness by all purchasers or transferees of the Property on a joint and several basis; and (d) any other requirements reasonably necessary to protect Lender's interest in the Property. Any agreement regarding Lender's consent and waiver of its option to accelerate must be in writing and reached prior to the date of the sale or transfer. Waiver of any right granted to the Lender by the provisions of this paragraph as to one transaction, event or occurrence shall not be deemed to be a waiver of any right as to any subsequent transaction, event or occurrence.

The sale or transfer of the Property subject to this Security Instrument or the assignment of the Note shall not operate to release the Borrower or any guarantor of the Note without the express written agreement of Lender, which may be withheld in Lender's sole discretion.

If the ownership of the Property subject to this Security Instrument becomes vested in a person(s), corporation, partnership, limited liability company, or joint venture other than the Borrower, the Lender may, without notice to the Borrower, deal with such successor or successors in interest with reference to the Security Instrument and the debt evidenced hereby secured as with the Borrower, and may forebear to sue, alter time for payment of the debt, change the Interest rate and/or payments of the

debt hereby secured, without discharging or in any way affecting the liability of the Borrower hereunder or upon the debt secured.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with Paragraph 19 hereof. Such notice shall provide a period of not less than ten (10) days from the date the notice is mailed within which the Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by Paragraph 23 hereof.

**23. ACCELERATION; REMEDIES.** Except as provided in Paragraph 22 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Security Instrument, including, but not limited to, the covenants to pay when due any sums secured by this Security Instrument, or if there shall be filed by or against Borrower an action under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency, or other relief for debtors; or there shall be appointed any trustee, receiver, or liquidator of Borrower of all or any part of the Property, or the rents, issues or profits thereof, or Borrower shall make any general assignment for the benefit of creditors, or abandonment of the Property, Lender prior to acceleration shall mail notice to Borrower as provided in Paragraph 19 hereof specifying (i) the breach; (ii) the action required to cure such breach; (iii) a date, not less than ten (10) days from the date notice is mailed to Borrower, by which such breach must be cured; and (iv) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. If the breach is not cured on or before the date specified in the notice, Lender, at Lender's option, may declare all of the sums secured by this Security Instrument to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all costs and expenses actually incurred in pursuing the remedies provided in this Paragraph 23, including, but not limited to, attorneys' fees actually incurred.

If the power of sale is invoked, Trustee shall record a notice of default in each county in which the Property or some part thereof is located and shall mail copies of such notice in the manner prescribed by applicable law to Borrower and to the other persons prescribed by applicable law. After the lapse of such time as may be required by applicable law, Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine and in the manner prescribed by applicable law. Trustee may postpone sale of all or any part of the Property by public announcement at the time and place of any previously scheduled sale and in the manner prescribed by applicable law. Lender or Lender's designee may purchase the Property at any such sale.

Upon receipt of payment of the price bid, Trustee shall deliver to the purchaser a Trustee's deed conveying the Property sold. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all reasonable costs and expenses of the sale, including, but not limited to, Trustee's fees of not more than 1/2 of 1% of the gross sale price, attorneys' fees and costs of title evidence; (b) to all sums secured by this Security Instrument, in such order as Trustee shall determine; and (c) the excess, if any, to the person or persons legally entitled thereto.

**24. ACCELERATION; PREPAYMENT PRIVILEGE.** Upon any default by Borrower and following the acceleration of maturity as herein provided, a tender of payment of the amount necessary to satisfy the entire or any portion of indebtedness secured hereby, including the late payment fee and interest accrued at the default rate set forth in the Note, made at any time prior to foreclosure sale (including sale under power of sale) by the Borrower, its successors or permitted assigns or by anyone on behalf of Borrower, its successors or permitted assigns, shall constitute an evasion of the prepayment terms of said Note and be deemed to be a voluntary prepayment thereunder and any such payment, to the extent permitted by law, will, therefore, include the additional payment required under the prepayment privilege, if any, contained in said Note.

**25. BORROWER'S RIGHT TO REINSTATE.** Notwithstanding Lender's acceleration of the sums secured by this Security Instrument, Borrower shall have the right to have any proceedings begun by Lender to enforce this Security Instrument discontinued at any time prior to the earlier to occur of (i) the fifth day before the sale of the Property pursuant to the power of sale contained in this Security Instrument, or (ii) entry of a judgment enforcing this Security Instrument if: (a) Borrower pays Lender all sums which would be then due under this Security Instrument and the Note, had no acceleration occurred, including the late payment fee and interest accrued at the default rate set forth in the Note; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Security Instrument; (c) Borrower pays all expenses actually incurred by Lender and Trustee in enforcing the covenants and agreements of Borrower contained in this Security Instrument and in enforcing Lender's and Trustee's remedies as provided in Paragraph 23 hereof, including, but not limited to, attorneys' fees;

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and (d) Borrower takes such other action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's interest in the Property, and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unimpaired. Upon such payment and cure by Borrower, this Security Instrument and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

**26. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION.** As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property pursuant to the Assignment of Leases and Rents dated of even date herewith by Borrower in favor of Lender, provided that Borrower shall, prior to acceleration under Paragraph 23 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

**27. SECURITY AGREEMENT AND FINANCING STATEMENT UNDER UNIFORM COMMERCIAL CODE.** This Security Instrument encumbers, and Borrower hereby grants Lender a security interest in, Borrower's interest in all personal property of any kind whatsoever, whether tangible or intangible, whether or not any such personal property is now or becomes a "fixture", which is used or will be used in construction of, or is or will be placed upon or is derived from or used in any connection with the use, occupancy or enjoyment of the Property. Such personal property ("Collateral") shall include those items as shown on the attached Exhibit "B".

"Fixtures" shall include all articles of personal property, furniture and furnishings which are so related to the Property such that an interest arises in them under the real estate laws of the State of Nebraska. To the extent of the existence of Collateral encumbered by this Security Instrument, this Security Instrument shall constitute a security agreement and when filed with the Nebraska Secretary of State and in the real property records of the county where the Property is situated is intended to create a perfected security interest in such Collateral in favor of Lender and to constitute a "fixture filing" in accordance with the provisions of Nebraska Uniform Commercial Code. This Security Instrument shall be self-operative with respect to such Collateral, but Borrower agrees to execute and deliver on demand such security agreements, financing statements and other instruments as Lender may request in order to impose the lien hereof more specifically upon any such Collateral and to pay the recording and/or filing fees associated therewith. For purpose of treating this Security Instrument as a security agreement and financing statement, Lender shall be deemed to be the Secured Party and Borrower shall be deemed to be the Debtor.

**28. RECONVEYANCE.** Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all Notes evidencing indebtedness secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any.

**29. SUBSTITUTE TRUSTEE.** Lender, at Lender's option, may from time to time by an instrument recorded in the Register of Deeds' office of the County in which this Security Instrument is recorded and otherwise in accordance with the provisions of Neb. Rev. Stat. § 76-1004 remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

**30. OTHER DOCUMENTS.** The undersigned has also executed other Loan Documents simultaneously with the Note and this Security Instrument. The parties hereto agree that said Loan Documents shall survive the closing, and that a default or violation of any one Loan Document is a default or violation of all Loan Documents, and that as a result thereof, the Security Instrument can be foreclosed or a default can be declared.

**31. FINANCIAL STATEMENTS.** Within one hundred fifty (150) days of Borrower's fiscal year end, Borrower shall furnish to Lender, Borrower certified annual operating statements for the Property during the term of the loan, which statements shall be prepared in accordance with generally accepted accounting principles consistently applied and reviewed by an independent certified public accountant. Said statements shall include a rent roll, gross income (itemized as to source), operating expenses (itemized) and net income before federal income taxes. Upon conversion of the Note to permanent financing, Borrower shall maintain during the remaining term of the loan a minimum debt service coverage ratio of 1.25:1 (Total Annual Net Income divided by Annual Debt Service) for the Property. The debt service coverage ratio shall be tested on an annual basis and failure to maintain said minimum debt service coverage ratio shall be an event of default.

Within one hundred fifty (150) days of Borrower's fiscal year end, Borrower shall furnish to Lender, annual financial statements for the Borrower each year during the loan term. Said statements

shall include a balance sheet, profit and loss statement, and any supplemental schedules which statements shall be prepared in accordance with generally accepted accounting principles consistently applied and reviewed by an independent certified public accountant. If Borrower fails to furnish said statements, Lender shall, at its option, have the right to audit Borrower's books and records. Borrower will also provide copies of its federal income tax returns to Lender within fifteen (15) days of filing.

Upon completion of the construction of the Property, Borrower shall furnish to Lender monthly financial statements for the Property within thirty (30) days of the end of each month during the remaining term of the loan. Said monthly financial statements shall include a balance sheet, profit and loss statement and any supplemental schedules which shall be prepared in a manner consistent with the previously prepared monthly financial statements.

Within thirty (30) days of the end of each month, Borrower shall furnish to Lender monthly financial statements for all locations owned by Borrower during the term of the loan. Said monthly financial statements shall include a balance sheet, profit and loss statement and any supplemental schedules for each location which shall be prepared in a manner consistent with the previously prepared monthly financial statements.

Within one hundred fifty (150) days of Borrower's fiscal year end, Guarantor, John T. Spaustat, shall submit personal financial statements dated and signed certifying to the accuracy of the statement during the term of the loan. Said personal financial statements must be current (not more than 60 days old) when submitted to Lender. Guarantor will also provide copies of his federal income tax returns to Lender within fifteen (15) days of filing.

**32. MONTHLY INSTALLMENT ADJUSTMENTS.** Borrower and Lender acknowledge that the Interest Only payments of the Note secured hereby are subject to periodic adjustment pursuant to the provisions of said Note.

**33. SECONDARY FINANCING.** Borrower hereby agrees that there shall be no secondary financing on the Property without the prior written consent of Lender.

**34. DIVIDENDS, DISTRIBUTIONS OR LOANS TO SHAREHOLDERS.** Borrower hereby agrees that there shall be no dividends, distributions or loans to any shareholders of Borrower without the prior written consent of Lender.

**35. NON-MONETARY EVENT OF DEFAULT.** In the event of a non-monetary default, Borrower shall cure the non-monetary default within sixty (60) days from the date that the Borrower receives written notice from Lender of the default.

**36. CONSTRUCTION LOAN PROVISIONS.** Borrower agrees to comply with the covenants and conditions of the Construction Loan Agreement, if any, which is hereby incorporated by reference in and made a part of this Security Instrument. All advances made by Lender pursuant to the Construction Loan Agreement shall be indebtedness of Borrower secured by this Security Instrument, and such advances may be obligatory as provided in the Construction Loan Agreement. All sums disbursed by Lender prior to completion of the improvements to protect the security of this Security Instrument up to the principal amount of the Note shall be treated as disbursements pursuant to the Construction Loan Agreement. All such sums shall bear interest from the date of disbursement at the rate stated in the Note, unless collection from Borrower of interest at such rate would be contrary to applicable law in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law and shall be payable upon notice from Lender to Borrower requesting payment therefore.

From time to time as Lender deems necessary to protect Lender's interests, Borrower shall, upon request of Lender, execute and deliver to Lender, in such form as Lender shall direct, assignments of any and all rights or claims which relate to the construction of the Property and which Borrower may have against any party supplying or who has supplied labor, materials or services in connection with construction of the Property. In case of breach by Borrower of the covenants and conditions of the Construction Loan Agreement, Lender, at Lender's option, with or without entry upon the Property, (i) may invoke any of the rights or remedies provided in the Construction Loan Agreement, (ii) may invoke all rights and remedies provided in this Security Instrument, including the acceleration of all sums secured by this Security Instrument, or (iii) may exercise any other right or remedy available to Lender under the Loan Documents or such remedies as may be provided at law or in equity. All such rights and remedies shall be cumulative.

**37. REQUEST FOR NOTICE.** Borrower and Lender hereby request that a copy of any notice of default and notice of sale made or executed by Trustee pursuant to the provisions hereof be sent to Borrower and Lender at their respective mailing addresses set forth above.

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**38. CROSS-DEFAULT PROVISION.** In the event Borrower fails to comply with or is in default or breach of or fails to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower, including any other loan, obligation, debt or liability of Borrower to Lender, whether Borrower may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, then such failure, default or breach shall constitute an event of default under this Security Instrument and Borrower further covenants and agrees that any event of default under the Note or this Security Agreement shall likewise constitute an event of default under any and all other loans, obligations, debts or liabilities of Borrower to Lender.

39. **CROSS-COLLATERAL PROVISION.** In addition to the indebtedness evidenced by the Note and other obligations secured hereby and all future advances made at Lender's option or advanced to protect the security of the Security Instrument, this Security Instrument shall further secure all other obligations, debts and liabilities, plus interest thereon, of Borrower, or any one or more of them, to Lender, as well as all claims by Lender against Borrower or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Borrower may be liable individually or jointly with others, and whether obligated as guarantor, surety, accommodation party or otherwise. ✓

IN WITNESS WHEREOF, Borrower has executed and delivered this Security Instrument as of the date and year first above written.

**BORROWER:**

Fantasy's, Inc., a Nebraska corporation

By: \_\_\_\_\_

STATE OF NEBRASKA )  
 ) ss.  
COUNTY OF DOUGLAS )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of September, 2006, by John T. Spaustat, the President of Fantasy's, Inc., a Nebraska corporation, on behalf of corporation.

---

Notary Public

WHEN RECORDED TO BE RETURNED TO:

TierOne Bank  
c/o Credit Administration Department  
1235 "N" Street  
Lincoln, NE 68508

EXHIBIT "A"  
(Legal Description)

Lot 2, Southport East Replat Three, an Addition to the City of La Vista, Sarpy County, Nebraska.

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**EXHIBIT "B"**

A. All structural and mechanical components of any structures, buildings, and improvements erected or placed upon the PROPERTY described on the foregoing Exhibit "A," together with all trees, shrubs, flowers, drains and drainage rights appurtenant to, located on, under, or above or used in connection with the PROPERTY and the improvements situated thereon, or any part thereof, whether now existing or hereafter created or acquired;

B. All goods, inventory, machinery, equipment, apparatus, fixtures, furniture, furnishings, appliances, including without limitation all built-in furniture and installations, shelving, partitions, door-stops, vaults, elevators, dumbwaiters, awnings, window shades, venetian blinds, light fixtures, fire hoses and brackets and boxes for the same, fire sprinklers, alarm systems, drapery rods and brackets, screens, linoleum, carpets, plumbing, refrigerators, freezers, heating units, stoves, ovens, water heaters, incinerators, furniture and furnishings, communication systems, all specifically designed installations and furnishings, and all of said articles of property now or at any time hereafter affixed to, attached to, placed upon or used in any way in connection with the use, enjoyment, occupancy or operation of the PROPERTY, all building materials and equipment now or hereafter delivered to the PROPERTY and intended to be installed or placed in or about the improvements, items held for sale or lease, items leased to others, and all items used or consumed in DEBTOR'S business;

C. Accounts, accounts receivable, contract rights, chattel paper, including tangible chattel paper and electronic chattel paper, promissory notes, drafts, instruments, investment property, money, letter of credit rights, commercial tort claims, documents and supporting obligations (including but not limited to all of the rents, royalties, issues, profits, revenue, income, proceeds and other benefits of the Premises) arising from the use or enjoyment of all or any portion of the Premises or from any lease agreement pertaining thereto, and all right, title and interest of the DEBTOR in and to all leases of the PROPERTY now or hereafter entered into and all right, title and interest of DEBTOR thereunder, all guarantees of tenants' or occupants' performances thereunder, cash or securities deposited thereunder to secure performance by the lessees of their obligations thereunder, whether said cash or securities are to be held until the expiration of the terms of said leases or applied to one or more of the installments of rent coming due immediately prior to the expiration of said terms; in addition all amounts paid or to be paid by the federal or state government or any governmental agency to or on behalf of DEBTOR or any tenant arising from the use or enjoyment of all or any portion of the Premises;

D. All deposit accounts of DEBTOR maintained at the offices or any branch of SECURED PARTY;

E. All rights, title and interest of DEBTOR in any and all building permits, and any other permits, licenses or authorization required by the governmental authorities having or exercising jurisdiction over the PROPERTY, all rights to performance or payment of any other nature which DEBTOR has or may have in the future under any contract or agreement regarding the PROPERTY, all rights to the names under or by which the PROPERTY may at any time be operated or known, and all rights to carry on business under any such names, logos and goodwill in any way relating to the PROPERTY, and all general intangibles, payment intangibles and software now or hereafter associated with or arising from the PROPERTY;

F. All documents of membership and any owners or members association or similar group having responsibility for managing or operating any part of the PROPERTY; all claims and causes of action relating to, arising, or derived from the PROPERTY;

G. All proceeds (including claims and demands therefore) of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, including, without limitation, proceeds of insurance (Insurance Proceeds) and condemnation awards on the PROPERTY (Condemnation Proceeds) (all of such proceeds hereinafter called "Proceeds").

Whether now owned or hereafter acquired or arising, and all additions and accessions to, all spare and repair parts, special tools, equipment and replacements thereof, and all proceeds and products of the foregoing wherever located.

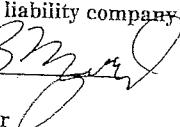
**AFFIDAVIT AND INDEMNITY  
TO COMMONWEALTH LAND TITLE COMPANY**

1. This is written evidence to you that there are no unpaid bills for materials or labor furnished for the construction and erection, repairs or improvements on property legally described as:  
  
Lot 2, Southport East Replat Three, an Addition to the City of La Vista, in Sarpy County, Nebraska.
2. We further represent that there are no public improvements affecting the property prior to the date of closing that would give rise to a special property tax assessment against the property after the date of closing.
3. We further represent that there are no pending proceedings or unsatisfied judgments of records, in any State or Federal Court, nor any tax liens filed against us. That if there are any judgments, bankruptcies, probate proceedings, state or federal tax liens of record against parties with same or similar names, they are not against us.
4. We further represent that there are no unrecorded contracts, leases, easements, or other agreements or interests relating to said premises of which we have knowledge.
5. We further represent that we are in sole possession of the real property described herein.

This undersigned affiant(s) know the matters herein stated are true and indemnifies Commonwealth Land Title Company, against loss, costs, damages and expenses of every kind incurred by it by reason of its reliance on the statements made herein.

This agreement is executed with and forms a part of the sale and/or financing of the above described premises, and is given in addition to, the conveyance and/or financing of the premises in consideration for the conveyance and/or financing and forms a complete agreement by itself for any action.

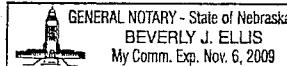
Port Starboard, LLC,  
a Nebraska limited liability company

By:   
Tucker B. Magid  
Managing Member

By: Starboard South, LLC,  
a Nebraska limited liability company,  
Managing Member

By:   
Trenton B. Magid, Managing Member

STATE OF NEBRASKA )  
 )  
COUNTY OF DOUGLAS )

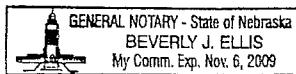


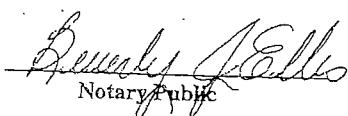
The foregoing instrument was acknowledged before me on September 27, 2006 by Tucker B. Magid, Managing Member of Port Starboard, LLC, a Nebraska limited liability company, on behalf of the Limited Liability Company. Tucker B. Magid personally appeared before me, a General Notary Public for the State of Nebraska, and is either personally known to me or was identified by me through satisfactory evidence.

STATE OF NEBRASKA )  
 )  
COUNTY OF DOUGLAS )

  
Notary Public

The foregoing instrument was acknowledged before me on September 27, 2006 by Trenton B. Magid, Managing Member of Starboard South, LLC, a Nebraska limited liability company, which is a managing member of Port Starboard, LLC, a Nebraska limited liability company, on behalf of the Limited Liability Company. Trenton B. Magid personally appeared before me, a General Notary Public for the State of Nebraska, and is either personally known to me or was identified by me through satisfactory evidence.

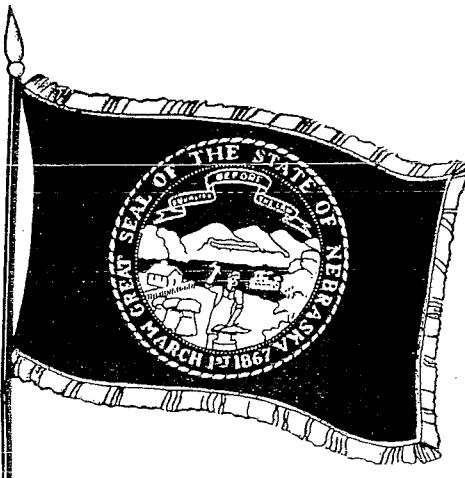


  
Notary Public

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JUL 13 2006  
NEBRASKA LIQUOR  
CONTROL COMMISSION

STATE OF

United States of America,      }  
State of Nebraska      } ss.



NEBRASKA

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NEBRASKA LIQUOR  
CONTROL COMMISSION

Department of State

I, Allen J. Beermann, Secretary of State of the  
State of Nebraska do hereby certify that  
the attached is a true and correct copy of  
the Articles of Incorporation of

FANTASIES, INC.

with its registered office located in Omaha,  
Nebraska, as filed and recorded in this  
office on March 8, 1989.

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

In Testimony Whereof,

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

Done at Lincoln this

eighth

day of March  
in the year of our Lord, one thou-  
sand nine hundred and eighty-nine.

Allen J. Beermann

SECRETARY OF STATE

DEPUTY

SEARCHED  
INDEXED  
FILED  
APR 11 1989  
FANTASIES, INC.

BOOK 328 PAGE 162

MAR 8 1989 6201

SEARCHED AND INDEXED  
FILED AND MAILED  
APR 11 1989-4  
FANTASIES, INC.  
1029

SEARCHED AND INDEXED  
FILED AND MAILED  
APR 11 1989-4  
FANTASIES, INC.  
1029

BY BL BL 759.00

ARTICLE I.  
ARTICLES OF INCORPORATION  
OF  
FANTASIES, INC.

We, the undersigned natural persons of the age of twenty-one years or more, acting as incorporators of a corporation under the Nebraska Business Corporation Act, adopt the following Articles of Incorporation for such corporation.

ARTICLE I.  
NAME

The name of the corporation is Fantasies, Inc.

ARTICLE II.  
DURATION

The period of duration of the corporation is perpetual.

ARTICLE III.  
PURPOSE

The purpose for which the corporation is organized is the transaction of any or all lawful business for which corporations may be incorporated under the Nebraska Business Corporation Act.

ARTICLE IV.  
AUTHORIZED SHARES

The aggregate number of shares which the corporation shall have authority to issue is 10,000 shares of common stock, and the par value of each of such shares shall be \$1.00.

ARTICLE V.  
INITIAL REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the corporation is 8712 West Dodge Road, Suite 300, Omaha, Douglas County, Nebraska, 68114; and the name of its initial registered agent at such address is Paul R. Elofson.

ARTICLE VI.  
NAMES AND ADDRESSES OF INCORPORATORS

The name and street address of each incorporator of the corporation are as follows:

6.00

<u>Name</u>	<u>Street Address</u>
Paul R. Elofson	8712 West Dodge Road, Suite 300 Omaha, NE 68114
Christine A. Phillips	8712 West Dodge Road, Suite 300 Omaha, NE 68114

ARTICLE VII.  
DIRECTORS' LIABILITY

An outside director of the corporation shall have no personal liability to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director; however, unless and except to the extent otherwise permitted from time to time by applicable law, the foregoing provision of this Article VII shall not eliminate or limit the personal liability of an outside director of the corporation for (a) any act or omission not in good faith which involves intentional misconduct or a knowing violation of the law, (b) any transaction from which the outside director derived an improper direct or indirect financial benefit, (c) paying a dividend or approving a stock repurchase which was in violation of the Nebraska Business Corporation Act, or (d) any act or omission which violates a declaratory or injunctive order obtained by the corporation or its shareholders. For purposes of this Article VII, "outside director" shall mean a member of the board of directors of the corporation who is not an officer or a person who may control the conduct of the corporation through management agreements, voting trusts, directorships in related corporations, or any other device or relationship. If the Nebraska Business Corporation Act hereafter is amended to authorize further limitations on or eliminations of the personal liability of directors of a corporation incorporated under the Nebraska Business Corporation Act, then the personal liability of each director of the corporation shall be limited or eliminated to the fullest extent permitted by the Nebraska Business Corporation Act as so amended from time to time.

IN WITNESS WHEREOF, the undersigned incorporators have executed these Articles of Incorporation this 6th day of March, 1989.

Mark P. Pock  
Christine A. Lippie

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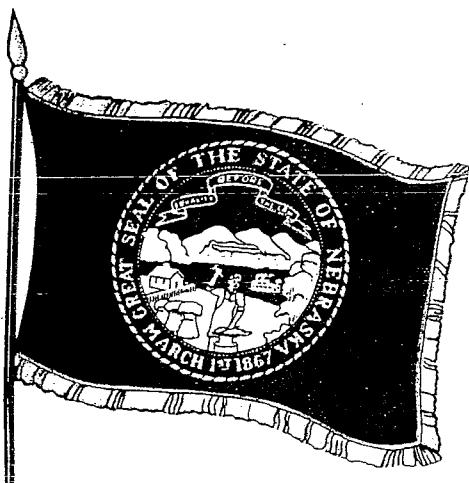
JUL 13 2007

NEBRASKA LIQUOR  
CONTROL COMMISSION

STATE OF

NEBRASKA

United States of America,      }  
State of Nebraska      } SR.



Department of State

I, Allen J. Beermann, Secretary of State of the  
State of Nebraska do hereby certify that  
the attached is a true and correct copy of  
Articles of Amendment to the Articles of  
Incorporation of  
FANTASIES, INC.

with registered office located in Omaha,  
Nebraska, changing the corporate name to  
FANTASY'S, INC.

as filed and recorded in this office on  
March 10, 1989.

In Testimony Whereof,

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

Done at Lincoln this

tenth

day of March

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

*Allen J. Beermann*  
SECRETARY OF STATE

DEPUTY

STATE OF NEBRASKA  
DEPARTMENT OF CORPORATIONS  
DIVISION OF CORPORATIONS  
CONTRIBUTORY CLERK  
OMAHA, NEBR.

BOOK 328 PAGE 165 MAR 10 1989

REC'D MAR 15 9 12 AM '89

ARTICLES OF AMENDMENT TO THE  
ARTICLES OF INCORPORATION OF  
FANTASIES, INC.,  
a Nebraska corporation

I.

The name of the corporation filing these Articles of Amendment to the Articles of Incorporation is Fantasies, Inc.

II.

The following amendment was adopted:

Article I of the Articles of Incorporation is amended to provide that the name of the corporation shall be changed to FANTASY'S, INC.

III.

At the time of the adoption of the amendment, there were no shares of stock issued and outstanding.

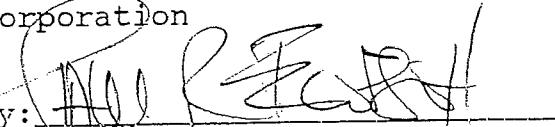
IV.

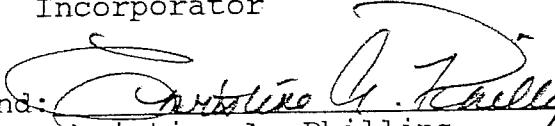
These Articles of Amendment to the Articles of Incorporation have been approved and adopted by each of the incorporators of the corporation.

V.

The effective date of the amendment is the 9th day of March, 1989.

FANTASIES, INC., a Nebraska corporation

By:   
Paul R. Elofson,  
Incorporator

And:   
Christine A. Phillips,  
Incorporator

5.00