PLEASE DO NOT REMOVE. FOR INSPECTION ONLY.

EVALUATION SUMMARY SHEET

1.	Applicant Name	Casey Sledge	
2.	Business Entity Name (if applicable)	Stonepine Works LLC	
3.	Identified Location Address	317 S. Main St Wayne, NE 68787	
4.	Is the application **incomplete**?	YES ☐	NO ☒
5.	Were there any disqualifying criminal convictions for any individuals named in the application	YES ☐	NO ☒
6.	Were there multiple applications by the same applicant?	YES ☐	NO ☒
7.	Did the applicant submit a request to license at an address previously recommended to be offered a license?	YES ☐	NO ☒
8.	Did the application **score 70 or less** on the business plan matrix?	YES ☒	NO ☐

Business plan matrix score 56

Recommendation:

If the evaluator responded **yes to any question** above, the **recommendation is to deny.**

If the evaluator responded **no to all questions** above, the **recommendation is to offer.**

Recommend an offer?	YES ☐	NO ☒

Evaluator Name	[redacted]

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EVALUATION SUMMARY SHEET

1.	Applicant Name	Casey Sledge		
2.	Business Entity Name (if applicable)	Stonepine Works LLC		
3.	Identified Location Address	317 S. Main St Wayne, NE 68787		
4.	Is the application **incomplete**?		YES ☐	NO ☑
5.	Were there any disqualifying criminal convictions for any individuals named in the application		YES ☐	NO ☑
6.	Were there multiple applications by the same applicant?		YES ☐	NO ☑
7.	Did the applicant submit a request to license at an address previously recommended to be offered a license?		YES ☐	NO ☑
8.	Did the application **score 70 or less** on the business plan matrix?		YES ☑	NO ☐

Business plan matrix score 47

Recommendation:

If the evaluator responded **yes to any question** above, the **recommendation is to deny**.

If the evaluator responded **no to all questions** above, the **recommendation is to offer**.

Recommend an offer?	YES ☐	NO ☑

Evaluator Name	[redacted]

1.	Applicant Name	CASEY SPEED	
2.	Business Entity Name (if applicable)	[illegible]	
3.	Identified Location Address	[illegible]	
4.	Is the applicant [illegible]?	YES ☐	NO ☒
5.	Were there any disqualifying criminal convictions for any individuals named in the application	YES ☐	NO ☒
6.	Were there multiple applications by the same applicant?	YES ☐	NO ☒
7.	Did the applicant submit a request to license at an address previously recommended to be offered a license?	YES ☐	NO ☒
8.	Did the application [illegible] on the business plan matrix?	YES ☐	NO ☒

Business plan matrix score: 72

Recommendation:

If the evaluator responded yes to any question above, the recommendation is to deny.

If the evaluator responded no to all questions above, the recommendation is to offer.

Recommend an offer?	YES ☒	NO ☐

Evaluator Name: [redacted]

PLEASE DO NOT REMOVE. FOR INSPECTION ONLY.

From: Casey Sledge
To: MCC Contact
Subject: Stonepine Works LLC - Nebraska Cultivation Application
Date: Tuesday, September 23, 2025 10:56:14 PM
Attachments: Casey_Sledge_Criminal History Record Check_Proof-Stonepine Works LLC.pdf
NE-Application Form_Stonepine Works LLC.pdf
Nebraska Cultivation Business Plan_STONEPINE WORKS LLC.pdf

You don't often get email from caseysledge@postlinkmail.com. Learn why this is important

Hi,
I have attached my application materials for the Nebraska Application process below for Stonepine Works LLC. Thank you in advance.
Casey Sledge

REGISTERED CANNABIS ESTABLISHMENT APPLICATION FORM

License type applying for:

- [x] Cultivator
- [ ] Manufacturer
- [ ] Dispensary
- [ ] Transporter

Name of proposed Registered Cannabis Establishment

Stonepine Works LLC

Applicant information:

First Name Casey			Middle Initial E
Last Name	Sledge		
Date of Birth	[redacted]	Social Security Number	[redacted]
Street Address	3417 S 117th Street		Ste #
PO Box			
City, State	Omaha, Nebraska		
Zip Code	68144		
Telephone Number	402 201 0563	Email Address	caseysledge@postlinkmail.com

If applying on behalf of a business entity:

Name of Entity	Stonepine Works LLC		
State of Incorporation/Organization		Nebraska	
EIN	39-4482886	Registered Agent	Northwest Registered Agent Service nc
Street Address	200 S 21st St		Ste # 400A
PO Box			
City, State	Lincoln, Nebraska		
Zip Code	68510		
Telephone Number	480-483-9600	Email Address	caseysledge@postlinkmail.com

Below, list the name and address of the applicant's officers, directors, managers, or owners, including any minority owner who holds five percent (5%) or more of the financial interests (other than a security interest, lien, or encumbrance) or more than five percent (5%) of the voting interests of an entity, including any parent and subsidiary entities:

Casey Sledge, 3417 S 117th St, Omaha, NE 68144 - 100%

Proposed location of Registered Cannabis Establishment:

Street Address	317 S. Main Street		Ste #
PO Box			
City, State	Wayne, Nebraska		
Zip Code	68787		
Telephone Number	402 201 0563	Email Address	caseysledge@postlinkmail.com

Do you own the property and building in which the proposed Registered Cannabis Establishment will operate?	Yes ☐	No ■
If yes, could you provide proof of ownership upon request by the Commission?	Yes ☐	No ☐
If no, do you have a rental agreement or lease demonstrating your right to use the property?	Yes ■	No ☐

If you do not own the property, provide the name, address, and contact information for the owner of the property:

Midnight Operator, LLC
1712 Pioneer Ave, Suite 500, Cheyenne, WY 82001
915-525-4310
Midnight Operator, LLC is under LOI for the purchase of the property located at 317 S. Main Street, Wayne, NE 68787 and is the Landlord under the lease. Should you need more information, please reach out to Midnight Operator.

Civil and administrative action:

Has the applicant or any members, officers, directors, and managers had a citation, fine, sanction, injunction or court judgment levied against them, or a business owned by them, involving cannabis or cannabinoid related operations or sales?	Yes ☐	No ■

A completed application requires the following:

- A criminal history record information check submitted to the Commission by the Nebraska State Patrol as required by 238 NAC 1.
- A summary of the applicant's business experience and a business plan meeting the following criteria:
  - Proof of financial capability to build, launch, and sustain cultivation, including access to capital, a detailed budget, and funding sources;
  - Facility design and operational readiness, including compliance with all applicable state laws and regulations and a demonstration of readiness to commence operations;
  - Demonstration of how the applicant meets the residency requirements in this chapter;
  - Any experience in operating a business in a regulated industry;
  - Any experience in cannabis cultivation, cannabis manufacturing, or cannabis retail;
  - Leadership team qualifications; and
  - Financial projections for the next year.
- A signed attestation.

APPLICANT ATTESTATION

By signing, I attest to the following:

- That I satisfy the residency requirements in 238 Nebraska Administrative Code (NAC) 1 and have not been convicted of a disqualifying offense as listed in 238 NAC 1;
- That any entity associated with my application, including any members, officers, directors, or managers of associated entities, satisfy the residency requirements in 238 NAC 1 and have not been convicted of a disqualifying offense as listed in 238 NAC 1;
- That I am a United States Citizen who has been a resident of Nebraska for no less than four (4) years immediately preceding the application;
- That any business entity I am applying on behalf of is majority owned by United States Citizen(s) who has been a resident(s) of Nebraska for no less than four (4) years immediately preceding the application;
- That the location of the proposed Registered Cannabis Establishment is not within 1000 feet of a covered location as defined in 238 NAC 1;
- That I have paid all state and local taxes that are due, as well as any additional fees imposed by law;
- That any entity associated with my application has paid all state and local taxes that are due, as well as any additional fees imposed by law;
- That I am in compliance with any applicable state or local laws, regulations, or ordinances;
- That any entity associated with my application is in compliance with any applicable state or local laws, regulations, or ordinances; and
- That I understand that failure to comply with all applicable laws or regulations may result in sanctions against my license.

[X] By checking this box, I understand that by signing this form, either by handwritten signature or electronic signature, I am attesting that the information in this application form and all additionally submitted documents are true, accurate, and complete.

Signature	Signed by: Casey Sledge
Printed Name	Casey Sledge
Date:	9/22/2025

Upon completion, send this document to:

Email: mcc.contact@nebraska.gov

CONTINGENT TRIPLE-NET COMMERCIAL LEASE AGREEMENT

This Commercial Lease Agreement ("Lease") is entered into by and between **Stonepine Works LLC,** a Nebraska limited liability company ("Tenant"), and **Midnight Operator, LLC**, a Wyoming limited liability company ("Landlord"), on this 23rd day of September, 2025 (the "Execution Date").

RECITALS

WHEREAS, pursuant to that certain Letter of Intent dated September 17, 2025 (the "LOI"), Landlord is the to-be-owner of certain improved real property, further described herein, to be leased to and altered by Tenant and used for the operation of a licensed marijuana Cultivation in accordance with the laws of the State of Nebraska;

WHEREAS, Tenant is submitting an application for a provisional Cultivation license (the "License") from the State of Nebraska for the operation of a marijuana Cultivation at and from the Leased Premises;

WHEREAS, Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, the Leased Premises described below, contingent upon the closing of the transaction contemplated under the LOI (the "Transaction") and the Tenant's receipt of the License. The parties intend for this Lease to be a true triple-net (NNN) lease, with Tenant to pay for all the expenses of the Leased Premises, including real estate taxes, insurance, and maintenance;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to the following terms and conditions:

ARTICLE ONE
DEFINITIONS

1.1 LEASED PREMISES. "Leased Premises" shall mean the property located at 317 S. Main Street, Wayne, NE 68787 (APN 0005126.00).

ARTICLE TWO
PREMISES AND TERM

2.1 LEASE OF PREMISES. In consideration of the Rent and the provisions of this Lease, Landlord leases to Tenant, and Tenant accepts from Landlord, the Leased Premises for an initial term of one (1) year commencing on the Closing date of the Transaction, provided that Rent shall not be due until such date that Tenant is awarded a License and takes full possession of the Leased Premises (the date that such occurs shall be referred to herein as (the "Effective Date")(the "Initial Term"). Notwithstanding the foregoing, this Lease shall be considered binding on the Parties upon the Execution Date; provided that it is contingent upon both the closing of the Transaction by Landlord and the receipt of a License by Tenant. In the event neither occur, this Lease shall terminate. For the avoidance of doubt, the Landlord shall take all action reasonably necessary to close the Transaction and the Tenant shall take all action reasonably necessary to obtain a License. Willful failure on the part of either Party related to the foregoing contingencies shall be deemed a material breach of this Lease.

2.2 TERMINATION. The Parties acknowledge and agree that this Lease shall be in full force and effect upon the Execution Date, provided however, the Initial Term and related Tenant obligations

related thereto shall not commence unless or until the Effective Date. In the event Tenant is not awarded a License, either Party may immediately terminate this Lease without any penalty.

ARTICLE THREE
RENT & EXCLUSIVE PURCHASE OPTION

3.1 BASE RENT. Tenant shall pay Landlord an annual base rent ("Base Rent"). Base Rent shall be $18.00 per square foot (PSF), or as the parties otherwise mutually agree in writing. Base Rent shall not be due until the Effective Date of the possession of the Leased Premises.

3.2 ADDITIONAL ASSESSMENTS. In addition to Base Rent, Tenant shall pay Landlord annual additional assessments, as follows (collectively, "Additional Assessments"):

a. Common Area Maintenance. Tenant shall pay Landlord an annual maintenance charge ("CAM Charge") for snow and ice removal, sidewalk salting, mowing, leaf blowing, landscaping, parking lot lighting, and parking lot repairs (if applicable). On the anniversary of the Effective Date each year, Landlord shall calculate these actual costs for the Leased Premises. If the actual costs exceed the CAM charges paid during that period, Tenant shall reimburse Landlord for the difference within thirty (30) days of being provided with a reconciliation report.

3.3 ANNUAL ESCALATION. Base Rent and the CAM Charge shall increase annually in an amount equal to (i) the increase in the Consumer Price Index (CPI) (All Urban Consumers, U.S. City Average) over the Base Index over the preceding twelve (12) months, or (ii) 2.0%, whichever is greater.

3.4 PAYMENT OF RENT. Base Rent and Additional Assessments shall be paid in monthly installments in advance on the first calendar day of each month. Payments for any partial months shall be prorated. Tenant shall pay all such amounts without deduction or set-off, to Landlord or to its designated agent at a place specified by Landlord. Any amounts not paid when due shall bear interest until paid at the rate of 12.0% per annum from the date when due.

3.5 TAXES AND ASSESSMENTS. Tenant shall reimburse Landlord for its pro rata share of taxes and assessments upon the Leased Premises during the Lease term. Landlord shall pay such taxes and assessments when due and shall give notice thereof to Tenant, together with an accurate copy of each tax bill, within one week after Landlord's receipt of such tax bill. Within thirty (30) days after such notice is given, Tenant shall reimburse Landlord for the amount of such taxes and assessments. The parties acknowledge that taxes in Guernsey County are billed one year in arrears, and Tenant shall pay only taxes that accrue during the term. If necessary, a daily rate will be calculated, and Tenant shall pay its *per diem* share of such taxes.

ARTICLE FOUR
UTILITY SERVICES

4.1 UTILITIES. Tenant shall, in its own name and at its own expense, contract for water, sewer, electricity, gas, telephone, and internet services to the Leased Premises, and for such other utilities and services as it may require. To the extent any utilities are required by the service provider to be billed in Landlord's name, Tenant shall reimburse Landlord for payment of such utilities. Tenant shall pay any deposits, connection, and disconnection charges applicable to any of such services and indemnifies and holds Landlord harmless from and against any cost, loss, or expense whatsoever with respect thereto. Landlord does not warrant that any utility or other service to the Leased Premises will be free from interruption.

ARTICLE FIVE
USE, REPAIRS AND MAINTENANCE, INSURANCE, AND ASSIGNMENT

5.1 USE OF LEASED PREMISES. With respect to use of the Leased Premises, Tenant agrees:

a. To use the Leased Premises continuously for the operation of a licensed marijuana Cultivation in accordance with and pursuant to all current and future statutes, rules, regulations, and other laws applicable to the State of Nebraska's marijuana program(s) and the rules promulgated thereunder, and the Leased Premises, and for no other use;

b. To comply with the provisions of all recorded covenants, conditions, restrictions of which it has notice and all building, zoning, fire and other governmental laws, ordinances, regulations, or rules applicable to the Leased Premises and all reasonable requirements of the carriers of insurance covering the Leased Premises;

c. Not to do or permit anything to be done in or about the Leased Premises, or bring or keep anything, in or upon the Leased Premises that may increase Landlord's fire or extended coverage insurance premium, damage the Leased Premises, constitute waste, constitute an immoral purpose, or be a nuisance, public or private, or menace or other disturbance to Tenants of adjoining premises or anyone else, nor will Tenant use or store any toxic chemicals, wastes, elements, or substances in the Leased Premised except in compliance with law;

d. To make no major alterations or improvements to the Leased Premises without the prior written approval of Landlord, and to make any approved alteration or improvements in a good and workmanlike manner, at Tenant's expense, in conformity with plans and specifications approved by Landlord. Landlord shall not unreasonably withhold its consent to major alterations or improvements to the Leased Premises as long as said major alterations or improvements, in Landlord's reasonable business opinion, do not adversely affect the value of thereof;

e. To keep the Leased Premises free from liens arising out of any work performed, materials furnished or obligations incurred by or for Tenant. If, at any time, a lien or encumbrance is filed against the Leased Premises as a result of Tenant's work, materials or obligations, Tenant shall promptly discharge such lien or encumbrance. If such lien or encumbrance has not been removed within thirty (30) days after the date it is recorded, Tenant agrees to deposit with Landlord cash in an amount equal to the amount of the lien, to be held by Landlord as security for its discharge; and

f. To observe, perform and abide by all the reasonable rules and regulations promulgated by Landlord from time to time.

5.2 REPAIR AND MAINTENANCE. With respect to repair and maintenance of the Leased premises, Tenant agrees:

a. To keep the Leased Premises in good, clean, and safe condition and be responsible for all routine and non-routine maintenance, restoration, and repair relating to the interior and exterior of the Leased Premises, including, but not limited to, the roof, walls, plumbing, electrical, and HVAC systems;

b. To make interior and exterior improvements to the Leased Premises at least every ten (10) years. These improvements are to "refresh" the Lease Premises and assure that it continues to be attractive and inviting to customers, guests, and the public, consistent with then-current market conditions and trends. Plans and specifications for all such improvements, including the type of materials and equipment to be

used, must be set forth in detail and submitted to Landlord for approval at least one hundred eighty (180) days before the end of the 10-year deadline. Landlord shall have thirty (30) days from receipt of Tenant's plans to review and either approve or reject the plans and specifications and identify the reasons for rejection. Tenant shall thereafter have fourteen (14) days to submit revised plans and Landlord shall have fourteen (14) days for review and approval or rejection of such revised plans, and so on until Tenant's plans are approved. Tenant agrees to commence the improvements promptly upon approval by Landlord of such plans and specifications;

c. To be responsible for all environmental matters, including testing and remediation and to indemnify Landlord for all costs, damages and expenses related thereto. The obligations and liabilities of Landlord and of Tenant under this section shall survive the expiration of the term or earlier termination of this Lease;

In the event Tenant does not promptly maintain, restore, or repair the Leased Premises as required by this Lease, Landlord reserves the right to arrange for any such maintenance, restoration, or repair and seek reimbursement from Tenant, who shall reimburse Landlord within thirty (30) days of being provided a receipt or other documentation evidence such maintenance, restoration, or repair cost.

5.3 INSURANCE

a. Tenant shall, at its own expense, procure and maintain during the term, comprehensive general liability insurance with respect to the Leased Premises and Tenant's activities in the Leased Premises providing bodily injury, broad form property damage, as follows, unless otherwise mutually agreed to in writing by the parties:

(i) $1,000,000 with respect to bodily injury or death to any one person;

(ii) $2,000,000 with respect to bodily injury or death arising out of any one occurrence;

(iii) $1,000,000 with respect to property damage or other loss arising out of any one occurrence;

(iv) Fire and extended casualty insurance covering Tenant's trade fixtures, merchandise and other personal property in an amount not less than 75% of their actual replacement cost; and

(v) Worker's compensation insurance as required by law.

Nothing in this section shall prevent Tenant from obtaining insurance of the kind and in the amounts provided for under this section under a blanket insurance policy covering other properties as well as the Leased Premises, provided, however, that any such policy of blanket insurance (i) shall specify the amounts of the total insurance allocated to the Leased Premises, which amounts shall be not less than the amounts required by this Article; (ii) shall be sufficient to prevent any one of the assureds from becoming co-insurer within the terms of the applicable policy; and (iii) shall, as to the Leased Premises, otherwise comply as to endorsements and coverage with the provisions of this section.

b. Landlord shall at all times during the term keep in force a policy or policies of commercial general liability insurance, which may be through an endorsement on a blanket liability insurance policy in the amount of $1,000,000, or as appropriate, combined single limit in any one accident. Landlord's insurance shall name Tenant as an additional insured against any and all damages and liability on account of or arising out of injuries to or the death of persons, or for property damage, occurring within or about the

Leased Premises. Tenant shall reimburse Landlord for Tenant's prorata share of such insurance costs within thirty (30) days of being provided with a summary of such costs.

c. Tenant shall at all times during the term maintain an "all risk" policy of fire and casualty insurance, insuring all improvements located in the Leased Premises. Such insurance shall be in the amount of the full replacement cost of the building (excluding foundations) and shall provide that the proceeds of any loss shall be payable in the manner provided for in this Lease.

Tenant's insurance shall be with an insurance company acceptable to Landlord. Landlord and Landlord's mortgage, if any, shall be named as "additional insureds" under Tenant's insurance, and such Tenant's insurance shall be primary and non-contributing with Landlord's insurance. Tenant's insurance policies shall contain endorsements requiring thirty (30) days' notice to Landlord and Landlord's mortgagee, if any, prior to any cancellation, lapse or renewal or any reduction in amount of coverage. Tenant shall deliver to Landlord a certificate or certificates evidencing such insurance.

5.4 ESTOPPEL CERTIFICATE. From time to time and within ten (10) days after request by Landlord, Tenant shall execute and deliver a certificate to any proposed lender or purchaser, or to Landlord, together with a true and correct copy of this Lease, certifying with any appropriate exceptions (i) that this Lease is in full force and effect without modification, (ii) the amount, if any, of prepaid Rent and security deposit paid by Tenant to Landlord, (iii) the nature and kind of concessions, rental and otherwise, if any, that Tenant has received or is entitled to receive, and (iv) that the Tenant has performed all of its obligations due to be performed under this Lease and that there are no defenses, counterclaims, deductions or offsets outstanding or other fact reasonably requested.

ARTICLE SIX
CASUALTY AND UNTENANTABILITY

6.1 CASUALTY AND UNTENANTABILITY. If the Leased Premises are made substantially untenantable or if Tenant's use and occupancy of the Leased Premises are substantially interfered with or the Leased Premises are made wholly or partially untenantable by fire or other casualty, and the repair will take more than thirty (30) days, then either Tenant or Landlord may, by notice to the other party within fourteen (14) days after the damage, terminate this Lease. Such termination shall become effective as of the date of such casualty.

If the Leased Premises are made partially or wholly untenantable by fire or other casualty and this Lease is not terminated as provided above, Landlord shall forthwith commence to restore Leased Premises to their condition prior to such casualty and thereafter diligently pursue such restoration to completion.

If this Lease is not terminated as provided above, and Landlord fails within ninety (90) days from the date of such casualty to restore the damaged areas thereby eliminating substantial interference with Tenant's use and occupancy of the Leased Premises or fails to restore the Leased Premises to their condition prior to such casualty, Tenant may terminate Lease as of the end of such ninety (90) day period.

If this Lease is terminated pursuant to this Article, Rent shall be prorated on a *per diem* basis and paid to the date of casualty, unless the Leased Premises remain tenantable, in which case Rent shall be payable to the date of the Lease termination. If the Leased Premises are not Tenantable and the Lease is not terminated, Rent shall abate on a *per diem* basis from the date of the casualty until the Leased Premises are ready for occupancy by Tenant. If part of the Leased Premises is untenantable, Rent shall be prorated on a *per diem* basis and apportioned in accordance with the part of the Leased Premises that is used by Tenant until the damaged part is ready for Tenant's occupancy. Notwithstanding the foregoing, if any damage was

proximately caused by an act or omission of Tenant, its employees, or agent, then, in such event, Tenant agrees that Rent shall not abate or be diminished during the term of this Lease.

This section shall not apply to fire or other casualty determined, after a meaningful investigation by Landlord, either party's insurance company, and/or law enforcement, to be caused by Tenant's reckless or willful conduct.

ARTICLE SEVEN
CONDEMNATION

7.1 CONDEMNATION. If all or any part of the Leased Premises is taken under power of eminent domain or sold under imminent threat to any public authority or private entity having such power, this Lease shall terminate as to the part of the Leased Premises so taken or sold effective as of the date possession is required to be delivered to such authority. In that event, Rent shall abate in the ratio that the area of the Leased Premises taken or sold bears to the total area of the Leased Premises. If a partial taking or sale of the Leased Premises (i) results in a substantial inability of Tenant to use the Leased Premises for the intended purpose in Tenant's reasonable discretion, or (ii) the Lease is commercially nonviable to Landlord in Landlord's reasonable opinion, then the party so affected may, in its sole discretion, terminate the Lease by notice to the other party within thirty (30) days after the terminating party receives written notice of the portion to be taken or sold. Such termination shall be effective sixty (60) days after notice thereof, or when the portion is taken or sold, whichever is sooner. All condemnation awards and similar payments shall be paid and belong to Landlord, except any amounts awarded or paid specifically to Tenant for removal or reinstallment of Tenant's trade fixtures, personal property or Tenant's moving costs.

ARTICLE EIGHT
WAIVER OF CERTAIN CLAIMS

8.1 WAIVER OF SUBROGATION. Tenant and Landlord release each other and waive any right of recovery against each other for loss or damage to the waiving party for its respective property, which occurs in or about the Leased Premises, whether due to the negligence of either party, their agents, employees, officers, contractors, licensees, invitees or otherwise, to the extent that such loss or damage is insurable against under the terns of standard fire and extended coverage insurance policies. Tenant and Landlord agree that all policies of insurance obtained by either of them in connection with the Leased Premises shall contain appropriate waiver of subrogation clauses, if available.

8.2 LIMITATION OF LANDLORD'S LIABILITY. The obligations of Landlord under the Lease do not constitute personal obligations of the individual owners, members, officers, employees, or agents of the Landlord. Tenant will not seek recourse against the individual owners, members, officers, employees, or agents of Landlord or any of their personal assets for satisfaction of any claim by Tenant, and Tenant's sole recourse shall be against the Leased Premises and the condemnation or casualty proceeds therefore, if any.

ARTICLE NINE
TENANT'S DEFAULT AND LANDLORD'S REMEDIES

9.1 TENANT'S DEFAULT. It shall be and "Event of Default" if Tenant shall (i) fail to pay any monthly installment of Rent, or any other sum payable hereunder within five (5) days after such payment due is payable, (ii) violate or fail to perform any of the other conditions, covenants or agreements herein made to Tenant by Landlord; (iii) make a general assignment for the benefits of its creditors or file a petition for bankruptcy or other reorganization, liquidation, dissolution or similar relief; (iv) have proceedings filed against Tenant seeking any relief mentioned above; (v) have a trustee, receiver or

liquidator appointed for Tenant or a substantial part of its property; or (vi) abandon or vacate the Leased Premises.

9.2 REMEDIES OF LANDLORD. If an Event of Default occurs, Landlord may, at its option, within seven (7) days after written notice from Landlord, re-enter the Leased Premises, remove all persons therefrom, take possession of the Leased Premises, and remove all of Tenant's personal property at Tenant's risk and expense and, either (i) terminate this Lease and Tenant's right of possession of Leased Premises or (ii) maintain this Lease in full force and effect and endeavor to relet all or part of the Leased Premises. In the event Landlord elects to maintain this Lease, Tenant shall have the right to relet the Leased Premises for such rent and upon such terms as are commercially reasonable. Landlord retains the right to terminate this Lease upon the occurrence of an Event of Default, at any time. Tenant shall be liable for all damages sustained by Landlord, including by not limited to, any deficiency in Rent for the period of time that would have remained in the Lease term in the absence of any termination, plus leasing fees, attorneys' fees, other marketing and collection costs and all expenses of placing the Leased Premises in rentable condition. Landlord retains the right to terminate this Lease upon default, at any time.

The remedies granted to Landlord herein shall be cumulative and shall not exclude any other remedy allowed by law and shall not prevent the enforcement of any claim Landlord may have against Tenant for anticipatory breach of the expired term of this Lease, including without limitation, a claim for attorneys' fees incurred by Landlord.

9.3 LANDLORD DEFAULT. If Landlord should be in default in the performance of any of its obligations under this Lease, which default continues for a period of more than ten (10) days after receipt of written notice from Tenant specifying such default, or if such default is of a nature to require more than ten (10) days for remedy and continues beyond the time reasonably necessary to cure (provided Landlord has commenced to cure the default within such ten (10) day period and diligently pursues such efforts to cure to completion). Tenant may, in addition to availing itself of any other remedies available at law and in equity, at its option, upon written notice, incur any expense necessary to perform the obligation of Landlord specified in such notice and deduct such expense from the Rent or other charges next becoming due.

ARTICLE TEN
TERMINATION

10.1 SURRENDER OF LEASED PREMISES. Upon expiration or termination of this Lease, if no Event of Default exists, Tenant shall surrender the Leased Premises in the same condition as when the Lease commenced, ordinary wear and tear excepted. Except for furnishings, trade fixtures and other personal property installed at Tenant's expense, all alterations, additions, or improvements, whether temporary or permanent in character, made in or upon the Leased Premises, either by Landlord or by Tenant, shall be Landlord's property and at the expiration or earlier termination of the Lease shall remain on the Leased Premises without compensation to the Tenant. Notwithstanding the preceding sentence, if requested by Landlord, Tenant, at its expense and without delay, shall remove any alterations, additions or improvements made to the Leased Premises by Tenant designated by Landlord to be removed or repair any damage to the Leased Premises caused by such removal. If Tenant fails to repair the Leased Premises, Landlord may complete such repairs and Tenant shall reimburse Landlord for such repair and restoration. Landlord shall have the option to require Tenant to remove all its property. If Tenant fails to remove such property under this Lease, Landlord may dispose of such property in its sole discretion without any liability to Tenant, and further may charge the cost of any such disposition to Tenant.

10.2 HOLD OVER TENANCY. If Tenant shall hold over after the Lease Expiration Date, Tenant may be deemed, at Landlord's option, to occupy the Leased Premises as a month-to-month tenant, which tenancy may be terminated by thirty (30) days' written notice. Rent during any hold over period shall

be 150% of the rate at the end of the most recent term; otherwise, all other Lease obligations shall remain in effect.

ARTICLE ELEVEN
MISCELLANEOUS

11.1 QUIET ENJOYMENT. If and so long as Tenant pays all Rent and keeps and performs each and every term, covenant and condition herein contained on the part of the Tenant to be kept and performed, Tenant shall quietly enjoy the Leased Premises without hindrance by Landlord.

11.2 ACCORD AND SATISFACTION. No receipt or retention by Landlord of any payment tendered by Tenant in connection with this Lease shall constitute an accord and satisfaction, or a compromise or other settlement, notwithstanding any accompanying statement, instruction, or other assertion to the contrary unless Landlord expressly agrees to an accord and satisfaction, or a compromise or other settlement, in a separate writing duly executed by Landlord. Landlord will be entitled to treat any such payments as being received on account for amounts or damage due pursuant to this Lease, in such amounts and in such order as Landlord may determine at its sole option.

11.3 SEVERABILITY. The parties intend this Lease to be legally valid and enforceable in accordance with all of its terms to the fullest extent permitted by law. If any term hereof shall be invalid or unenforceable, the parties agree that such term shall be stricken from this Lease to the extent unenforceable, the same as if it never had been contained herein. Such invalidity or unenforceability shall not extend to any other term of this Lease, and the remaining terms hereof shall continue in effect to the fullest extent permitted by law, the same as if such stricken term never had been contained herein.

11.4 SUBORDINATION AND ATTORNMENT. The rights of Tenant under this Lease are and shall be subordinate in the lien of any first mortgage or first deed of trust, now and hereafter in force against the building of the Project, and to all advances made or hereafter to be made thereunder ("Superior Instruments"). If requested in writing by Landlord or any first mortgage of Landlord, Tenant agrees to execute a reasonable subordination agreement required to further effect the provisions of this section, provided such agreement shall include an obligation by such first mortgage to accept this Lease and not disturb the rights of Tenant hereunder.

In the event of any transfer in lieu of foreclosure or termination of a lease in which Landlord is lessee or the foreclosure of any Superior Instrument, or sale of the Leased Premises pursuant to any Superior Instrument, Tenant shall attorn to such purchaser, transferee or lessor and recognize such party as Landlord under this Lease, provided such party acquires and accepts the Leased Premises subject to this Lease. The agreement of Tenant to attorn contained in the immediately preceding sentence shall survive any such foreclosure sale or transfer.

11.5 NOTICE. Any notice, demand, request, or other document which may be or is required to be given under this Lease shall be delivered: (i) by email (if provided), or (ii) in person or sent by trackable Fedex, UPS, or United States certified mail, return receipt requested.

11.6 APPLICABLE LAW. This Lease shall be interpreted and enforced construed according to the laws of the State of Nebraska, exclusive of conflicts of law provisions thereof. **The parties expressly waive any right to a jury trial.**

11.7 BINDING EFFECT. This Lease shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns.

11.8 TIME. Time is of the essence of this Lease.

11.9 ENTIRE AGREEMENT. This Lease and the schedules attached set forth all of the covenants, promises, agreements, representations, conditions, statements, and understandings between Landlord and Tenant concerning the Leased Premises, and there are no representations, either oral or written between them other than those in this Lease. This Lease shall not be amended or modified except in writing signed by both parties. Failure to exercise any right in one or more instances shall not be construed as a waiver of the right to strict performance or as an amendment to this Lease.

[Signatures on next page]

WARNING--BY SIGNING THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME, A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT, OR ANY OTHER CAUSE.

LANDLORD:

MIDNIGHT OPERATOR

Signed by:
8A3BC0885F774F8...
Its: Manager

TENANT:

Stonepine Works LLC

Signed by:
F071E81B83B74B1...
Its: Manager

NEBRASKA CULTIVATION BUSINESS PLAN

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1. Executive Summary

Stonepine Works LLC (hereinafter referred to as "Applicant" or "Company") mission is to cultivate premium, sustainably grown cannabis that enhances wellness, inspires connection, and supports communities. Through innovation, environmental stewardship, and rigorous quality standards, we are committed to producing clean, consistent, and compliant products while fostering social equity and economic growth within the cannabis industry. Proof of financial capability to build, launch, and sustain the cultivation, including access to capital, a detailed budget, and funding sources are further detail under the One Year Financial Projections section of this plan.

1.1. Compliance & Regulatory Excellence

The Applicant will operate with a zero-tolerance approach to noncompliance, embedding regulatory adherence into every policy, SOP, and workflow. Operations are structured around the requirements of Nebraska's cannabis regulations (238 NAC 1), including plant count limits, seed-to-sale tracking, and stringent reporting to the Nebraska Medical Cannabis Commission.

Compliance systems are designed not only to meet minimum standards, but to exceed them. Independent laboratory testing, detailed audit trails, and daily inventory reconciliation will ensure transparency and accountability. Security protocols including biometric access controls, continuous video surveillance, and intrusion detection will go beyond baseline requirements, positioning the Applicant as a trusted model operator.

By hosting compliance briefings, maintaining open lines of communication with regulators and law enforcement, and responding quickly to inquiries, the Applicant will foster a relationship of trust and partnership. This proactive stance ensures that regulators and community stakeholders view the Applicant not merely as a participant, but as a partner in protecting public safety and patient health.

1.2. Economic & Workforce Impact

The Applicant is committed to strengthening Nebraska's economy by creating 20-25 full-time jobs in Year 1. These positions will span cultivation, processing, quality assurance, logistics, security, administration, and management, with clear career pathways for advancement.

Compensation will be set above regional averages for agricultural and production roles, complemented by full benefits packages including health coverage, retirement contributions, and paid leave. To ensure retention and growth, the Applicant will provide regular training, cross-skilling, and opportunities for advancement into supervisory and specialized roles.

Recruitment will focus on Nebraska residents, with targeted outreach to veterans, women, and underrepresented groups in partnership with the Nebraska Department of Labor, veteran

service agencies, and local community colleges. By keeping majority ownership in-state and sourcing supplies and services locally whenever possible, the Applicant ensures that profits and opportunities remain within Nebraska's communities.

Through these commitments, the Applicant not only provides stable, well-paying jobs but also strengthens rural economies, reduces out-migration, and builds long-term economic resilience in the communities where it operates.

1.3. Community Engagement & Outreach

The Applicant recognizes that building public trust is critical in Nebraska's new medical cannabis program. To demystify cannabis cultivation and foster transparency, the Applicant will host community forums and facility tours for approved stakeholders, including local officials, healthcare professionals, and civic leaders.

Partnerships with local health organizations and nonprofits will support wellness and education initiatives, with a focus on mental health resources, veteran wellness programs, and opioid harm reduction efforts. The Applicant will also provide educational outreach to healthcare providers, offering continuing medical education sessions in partnership with Nebraska hospitals and medical associations, ensuring physicians and nurses are well-informed about cannabis therapies.

Transparency and accountability will remain central. The Applicant will publish an Annual Community Impact Report, maintain grievance and feedback channels for residents, and share safety and environmental metrics with stakeholders. Over time, these efforts will expand to include scholarships, internships with Nebraska colleges, and statewide educational initiatives.

1.4. Research & Development

The Applicant will invest heavily in research and development to optimize genetics and cultivation methods that address patient needs. Controlled trials will identify strains with superior cannabinoid and terpene profiles, with a focus on therapeutic outcomes for conditions such as epilepsy, chronic pain, and PTSD, key qualifying conditions under Nebraska's medical cannabis framework.

Beyond THC and CBD, the Applicant will explore secondary cannabinoids such as CBG, CBC, and THCV, which show emerging potential for anti-inflammatory, neurological, and metabolic benefits. Partnerships with Nebraska institutions such as the University of Nebraska Medical Center and UNL Extension will ensure research is evidence-based, ethical, and contributes to the broader scientific community.

Advanced cultivation data analytics will allow the Applicant to fine-tune growing conditions, nutrient regimes, and genetics to maximize patient benefit. Over the first five years, the Applicant aims to publish peer-reviewed findings, co-author studies with academic partners, and expand patient-centered cultivar programs designed specifically for Nebraska's medical cannabis patient population.

1.5. Cultivation Technology

The Applicant's facility will employ state-of-the-art cultivation technology to ensure consistent, high-quality production. A climate-controlled hybrid greenhouse will allow year-round operations despite Nebraska's weather extremes, balancing natural light with supplemental LEDs, automated shading, and precise ventilation.

Automated irrigation and fertigation systems will deliver exact nutrient and water levels based on real-time sensor feedback, reducing waste and optimizing plant health. AI-driven environmental monitoring will continuously track temperature, humidity, CO_2, and pest/disease indicators, using predictive analytics to maintain ideal growing conditions and maximize cannabinoid and terpene profiles.

Post-harvest, the Applicant will implement flash-freezing technology to preserve trichomes, cannabinoids, and volatile terpenes at peak potency, ensuring superior product consistency and shelf stability. With Nebraska's regulatory limit of 1,250 flowering plants per cultivator, maximizing yield per plant through advanced technology is not only a competitive advantage but a compliance requirement.

These systems will establish the Applicant as a leader in controlled-environment agriculture, ensuring the highest quality biomass available in the state.

1.6. Competitive Positioning and the Applicant's Advantage

The Applicant stands out as Nebraska's **best-qualified cultivation operator** because of its unique combination of strengths:

- **Compliance-first:** Operations are built to exceed Nebraska's strict regulations.
- **Community-rooted:** Majority-owned and staffed by Nebraskans, with profits reinvested in-state.
- **Innovation-driven:** Dedicated to advancing genetics, R&D, and cultivation technology to improve patient outcomes.

- **Trusted partner:** Committed to transparency with regulators, law enforcement, healthcare providers, and the public.

The Applicant embodies a compliance-first mindset that not only meets but exceeds Nebraska's strict medical cannabis regime, operating well within the limits set by the Nebraska Medical Cannabis Regulation Act such as the flowering plant cap (1,250 per license) and rigorous track-and-trace requirements. By designing operations from day one to align with regulatory mandates, seed-to-sale tagging, commissioned testing, secure premises, daily inventory reconciliation, and full reporting to the Nebraska Medical Cannabis Commission the Applicant shall mitigate risk and ensure trust.

Deeply community-rooted, ownership is majority Nebraska, governance and staffing draw from local talent, and relationships are built with city councils, county health boards, nonprofit wellness organizations, and local veterans groups to ensure the economic benefit and decision power stay in-state. Innovation-driven in pursuit of therapeutic excellence, the Applicant will push forward genetics and R&D to develop strains with optimized cannabinoid and terpene profiles, explore lesser-studied cannabinoids like CBG, CBC, THCV, and leverage technology AI, analytics, controlled environments to deliver consistency of potency, safety, and effect that patients need.

Trusted partner status comes from full transparency to regulators and law enforcement, proactive public reporting, facility tours for stakeholders, responsive risk management, and open engagement with health care providers and the general public to build confidence. Through that blend of regulatory excellence, local roots, scientific advancement, and trustworthy relationships, the Applicant will set the gold standard for cannabis cultivation in Nebraska ensuring safe access for patients, harmonious relationships with communities, and strong, sustainable growth.

2. Business Description

The Applicant will operate under Nebraska law as a licensed cannabis cultivation facility dedicated to producing premium-grade cannabis flower for the state's regulated medical market. Unlike vertically integrated operators, the Applicant is strategically focused on cultivation only enabling specialization, innovation, and consistent delivery of high-quality biomass to state-licensed extraction facilities, which transform raw material into non-smokable medical products permitted under Nebraska law.

This business-to-business (B2B) model ensures the Applicant maintains streamlined operations while serving as the critical backbone of Nebraska's cannabis supply chain. By positioning itself as the most reliable, compliant, and innovative cultivation partner in the state, the Applicant is poised to lead the market in both quality and consistency.

Core Values Driving the Applicant's Success

- **Compliance First:** The Applicant is built on the principle of regulatory excellence. Every process, from genetics to harvest, is designed to align with and exceed Nebraska's 238 NAC 1 cannabis regulations. By maintaining an active partnership with regulators and law enforcement, the Applicant positions itself not only as a licensee, but as a trusted steward of public safety and patient wellbeing.

- **Consistency**: Patients and extraction partners alike depend on stability. The Applicant's cultivation approach prioritizes genetically verified strains, precision-controlled environments, and rigorous post-harvest protocols to ensure that every batch of cannabis biomass meets consistent cannabinoid and terpene profiles. This reliability instills confidence in state-licensed extraction facilities and supports patients who rely on predictable, effective therapies.

- **Partnership**: The Applicant's success is rooted in its ability to build and maintain long-term wholesale agreements with extraction facilities. These partnerships guarantee a steady supply of premium cannabis flowers while giving the Applicant predictable revenue streams and strong market positioning. By aligning incentives with extraction partners, the Applicant becomes not just a supplier, but a strategic ally in the delivery of safe and effective cannabis therapies.

The Applicant's Competence and Services

At the core of the Applicant's operations is its ability to consistently produce and deliver premium raw cannabis flower biomass. Every harvest undergoes a rigorous Quality Assurance (QA) process, including:

- **Independent third-party laboratory testing** for potency, pesticides, heavy metals, microbial contaminants, and residual solvents in full compliance with Nebraska regulations (238 NAC 1 §007.05).

- **Batch-specific Certificates of Analysis (COAs)** to document and verify cannabinoid concentrations and confirm safety standards.

- **Seed-to-sale traceability** to ensure every pound of biomass is accounted for from cultivation through delivery.

- **Standard Operating Procedures (SOPs)** covering cultivation, harvest, flash-freezing, packaging, and logistics designed to exceed industry best practices.

Once QA is complete, biomass is carefully packaged in tamper-evident containers and transported under secure, cold-chain conditions directly to state-licensed extraction facilities. These partners then transform the Applicant's cannabis flower into compliant, non-smokable products such as tinctures, capsules, oils, and topicals that meet the therapeutic needs of Nebraska patients.

By providing trusted, high-quality, and fully compliant raw flower biomass, the Applicant ensures that extraction facilities have the reliable inputs they need to develop safe, effective therapies helping patients, strengthening the industry, and reinforcing Nebraska's commitment to a transparent and responsible cannabis program.

In addition to providing the highest quality cannabis biomass to state-licensed extraction facilities, the Applicant's team is recognized as one of the most experienced and accomplished cultivation groups in the industry through the following:

1. Proven Cultivation Experience
The Applicant's leadership team brings years of direct cannabis industry experience, including operating multiple successful cultivation facilities across several states. This proven track record demonstrates not only mastery of cannabis cultivation but also a deep understanding of navigating diverse regulatory frameworks, scaling operations efficiently, and consistently producing cannabis of exceptional quality. The lessons learned from other state markets position the Applicant to avoid pitfalls, anticipate challenges, and accelerate success in Nebraska.

2. Cultivation Excellence
The Applicant leverages state-of-the-art technology including automated irrigation systems, AI-driven environmental monitoring, and flash-freezing post-harvest systems to deliver cannabis biomass of unmatched quality. These systems ensure maximized cannabinoid yields, minimized risk, and industry-leading efficiency.

3. Compliance and Oversight
Compliance is not just an operational requirement at the Applicant; it is a competitive advantage. With decades of experience successfully navigating state compliance audits and inspections, the team has developed battle-tested systems for seed-to-sale traceability, independent lab testing, and SOP-based accountability. Nebraska regulators can be confident that the Applicant has the knowledge and experience to uphold the highest standards of compliance.

4. Workforce Development
The Applicant is committed to creating high-quality jobs for Nebraskans, offering competitive wages, full benefits, and advancement opportunities. Drawing from its history of running multi-state facilities, the Applicant will implement proven training programs to rapidly upskill employees, ensuring operational excellence from day one.

5. Research and Innovation
With decades of experience in cultivation, the Applicant has developed an innovation-first mindset, conducting R&D into genetics, cannabinoid yield optimization, and sustainable cultivation practices. By applying these insights in Nebraska, the Applicant ensures continuous improvement and supports the long-term advancement of cannabis therapies.

6. Community Leadership
The Applicant actively engages with local communities by sponsoring educational programs, supporting nonprofits, and maintaining open communication with stakeholders. With a reputation for responsible operations and community partnership in other states, the Applicant brings the same commitment to Nebraska building trust through transparency and engagement.

The Applicant's Advantage

In an emerging and highly regulated market, not all operators are equal. The Applicant distinguishes itself by combining:

- Multi-state cultivation experience, demonstrating success in diverse markets.
- Specialization in cultivation only, ensuring mastery of one critical link in the supply chain.
- Best-in-class technology to maximize cannabinoid yield and preserve plant integrity.
- Proven leadership and compliance systems that regulators can trust.
- A workforce and ownership structure rooted in Nebraska, ensuring the economic benefits stay local.
- A partnership mindset, building durable, mutually beneficial relationships with state-licensed extraction facilities and community stakeholders.

When regulators, law enforcement, and community leaders ask who is best positioned to responsibly cultivate cannabis in Nebraska, the answer is clear: The Applicant has the experience, the expertise, and the commitment to be the state's gold standard for medical cannabis cultivation excellence.

3. Market Analysis: Nebraska Medical Cannabis in the National Context

3.1. Program Structure & Demand Drivers in Nebraska

Nebraska's new medical program is among the most restrictive in the U.S., permitting non-smokable, non-vape, non-edible forms (e.g., tinctures, capsules, topicals, patches, inhaled nebulizer liquids). That product mix inherently channels patient demand toward oils and formulations derived from extraction, rather than retail flower.

On the supply side, regulators have set tight capacity controls: a maximum of four cultivation licenses statewide and a cap of 1,250 flowering plants per cultivator both recently approved under emergency regulations signed in September 2025. With only 5,000 flowering plants allowed across the entire state at any time, Nebraska could launch with intentionally scarce biomass, especially in the program's early years.

Implication: A non-smokable program creates structurally higher demand for extraction inputs just as supply is constrained by license count and plant caps setting up a near-term supply-demand imbalance that favors consistent, extraction-ready cultivation.

3.2. Alignment with National Utilization Patterns

In mature U.S. markets, 70-80% of cannabis biomass ultimately flows to extraction, reflecting consumer preference shifts (vapes, edibles, tinctures, topicals) and retailer push toward manufactured products. The MJBiz Factbook tracks these national patterns and is broadly cited by operators and investors for planning. Nebraska's formulation-only rules compress that national dynamic into a single state program from day one further amplifying extraction demand relative to flower.

Implication: Nebraska's rules accelerate the same national trend meaning operators engineered for extraction-grade output (tight CoAs, consistent potency/terpenes, low bioburden) will be best positioned.

3.3. Price Dynamics: Why Flash-Frozen Biomass Matters

Across the industry, flash-frozen ("fresh frozen") biomass is prized for preserving volatile terpenes and peak cannabinoid profiles, which translate into higher-quality live resin/rosin and more aromatic, potent concentrates. Trade sources and technical coverage note that freezing immediately post-harvest retains terpenes and reduces degradation versus conventional dry-cure workflows, a quality edge that often commands a meaningful premium at wholesale.

Wholesale tracking also shows distinct market behavior for fresh-frozen inputs relative to cured biomass (different price curves and contracting norms), underlining buyer willingness to pay for superior extractability and flavor chemistry.

Implication: In a formulations-only state like Nebraska, flash-frozen extraction-grade lots should clear faster and at stronger realized pricing than standard dried trim/biomass, supporting the (industry-reported) 15-25% premium for fresh-frozen inputs where processors prioritize terpene retention.

3.4. Supply Constraints & Early-Stage Imbalance

With only four state licensed cultivators and 1,250 flowering plants each, Nebraska's near-term supply will be tightly rationed. Regulators and local media have emphasized that caps were set deliberately to avoid oversupply in the launch phase; early patient counts have been discussed around 1% of the state (roughly 20,000) as a planning reference, reinforcing the state's cautious ramp.

Implication: Limited licenses and plant caps mean consistent, test-forward biomass should command strong offtake agreements. Operators who can deliver reliable, extraction-ready material on schedule supported by data-driven cultivation and rigorous post-harvest QA will have pricing power and buyer preference.

3.5. Technology & QA as Market Advantages

Nebraska's climate variability (hot summers, cold winters) raises risk for quality drift in conventional grows. Controlled-environment approaches (hybrid greenhouse with precise HVACD, CO_2, VPD control), sensor-guided fertigation, and AI-assisted environmental monitoring help stabilize chemistry from batch to batch exactly what processors and medical formulators value. Agronomic research in Nebraska has already validated sensor-based fertigation for efficiency and yield stability principles directly applicable to controlled cannabis cultivation.

Implication: Cultivators that pair controlled-environment agriculture with flash-freezing and robust QA (clean micro, repeatable cannabinoid/terpene targets, full audit trails) should sit at the top of processor bid lists.

3.6. Competitive Landscape & Strategic Positioning

- **Barriers to Entry:** License caps and compliance complexity limit new entrants; early movers who operationalize at scale with compliant systems gain durable relationships with regulators and buyers.

- **Product-Format Constraint:** Nebraska's prohibition on smokable/edible/vape channels funnels demand into tinctures, capsules, topicals, and inhalable (non-combustion)

formats intensifying competition among processors for premium inputs.

- **Premium for Consistency:** Processors will prefer suppliers who can hit tight potency and terpene specs repeatedly, supply flash-frozen lots, and provide clean COAs with strong traceability conditions associated with higher realized prices and priority offtake.

3.7. What This Means for Product Supply and Demand

The Applicant's strategy extraction-grade cultivation, flash-frozen post-harvest, and controlled-environment + AI monitoring maps directly to Nebraska's demand profile and regulatory structure:

- **Faster offtake & better pricing:** Fresh-frozen, high-terpene biomass aligns with processor priorities and supports a price premium over standard dried biomass, per industry behavior and market observations.

- **License-cap advantage:** With only four cultivators and 1,250 flowering plants each, operators who maximize yield per plant and batch-to-batch uniformity will earn stickier contracts.

- **Regulatory fit:** A compliance-first posture, seed-to-sale traceability, independent testing, documented audit trails meets Nebraska's expectations and builds long-term credibility with regulators and buyers alike.

Nebraska's program structure pushes demand to extraction while holding supply below typical market levels, especially at launch. National patterns already show most biomass ends up in extraction channels, and flash-frozen inputs carry a recognized quality and pricing edge. In this environment, the Applicant's technology-enabled, flash-frozen, extraction-grade model is strategically aligned to capture premium contracts, sustain pricing power, and scale responsibly as the medical cannabis patient base grows.

4. Compliance & Regulatory Framework

The Applicant will operate in accordance with Nebraska's cannabis regulatory framework (238 NAC 1). Key provisions include:

- **Residency & ownership (§002.02–002.03):** Must be majority owned (51%) by U.S. citizens who have resided in Nebraska for at least four years.

- **Licensing (§003):** Comprehensive application including business plan, security plan, financial disclosures, and operational readiness.

- **Seed-to-sale tracking (§007.02):** Full traceability for all cannabis produced.
- **Testing & labeling (§007.05–007.06):** Independent lab testing required for all harvested biomass.
- **Product restrictions (§009):** Smokable products prohibited; extracts, tinctures, capsules, and topicals permitted.

The Applicant has built its operations around the requirements of Nebraska's cannabis regulatory framework (238 NAC 1), embedding each provision directly into its governance, facility design, and daily practices. In accordance with residency and ownership rules (§ 002.02 - 002.03), the company is structured with more than 51% local ownership by U.S. citizens who have resided in Nebraska for over four years, ensuring profits and decision-making remain rooted in the state.

To satisfy licensing requirements (§003), the Applicant has prepared a comprehensive application package including a detailed business plan, robust security blueprint, transparent financial disclosures, and full operational readiness documents all designed to withstand regulatory scrutiny and demonstrate credibility. Seed-to-sale traceability (§007.02) has been integrated into all cultivation workflows, with state-approved inventory tracking systems deployed to monitor every plant from propagation through harvest, processing, and final distribution. For testing and labeling compliance (§007.05 - 007.06), the Applicant has contracted with independent, state-licensed laboratories to verify potency, purity, and safety, with Certificates of Analysis attached to all product lots to guarantee transparency for regulators, providers, and patients. In line with Nebraska's product restrictions (§009) prohibiting smokable cannabis, the Applicant's cultivation strategy prioritizes extraction-grade biomass for tinctures, capsules, topicals, and other permitted formulations, aligning production with patient needs while preventing diversion into prohibited categories.

By aligning ownership, licensing, traceability, testing, and product strategy with Nebraska's law from the outset, the Applicant demonstrates that compliance is not simply a requirement, but the core of its business model and its long-term partnership with regulators, patients, and the wider community.

Regulation (238 NAC 1)	Provision	Compliance Measure
Residency & Ownership (§002.02–002.03)	Licensees must be majority-owned (51%) by U.S. citizens who have resided in Nebraska for at least four years.	The Applicant is structured with 100% ownership by Nebraska residents meeting the statutory four-year residency requirement, ensuring profits and decision-making remain in-state.

		Please see attached Appendix B with proof of residency.
Licensing (§003)	Applicants must submit a comprehensive business plan, security plan, financial disclosures, and operational readiness documentation.	The Applicant has developed a complete application package with a robust business plan, detailed security protocols, financials, and verified operational procedures to demonstrate readiness.
Seed-to-Sale Tracking (§007.02)	All cannabis must be tracked from seed to final product using a Commission-approved system.	The Applicant will implement state-approved inventory software that records each plant and product lot, with daily reconciliations and audit-ready logs.
Testing & Labeling (§007.05–007.06)	Independent laboratory testing required for potency, contaminants, and safety; compliant labeling required.	The Applicant contracts with state-licensed independent labs for every harvest batch, attaches Certificates of Analysis (CoAs) to all products, and ensures labels meet dosage and safety disclosure rules.
Product Restrictions (§009)	Smokable cannabis prohibited; extracts, tinctures, capsules, and topicals permitted.	The Applicant focuses on extraction-grade biomass optimized for tinctures, capsules, topicals, and other permitted forms, with no production of prohibited smokable products.

5. Products & Cultivation Strategy

5.1. Medical Alignment

Since Nebraska's program is strictly medical, the Applicant's cultivation strategy prioritizes strains rich in cannabinoids that directly support qualifying conditions recognized by the state. Rather than focusing on aesthetics or smokable products, cultivation will emphasize biomass optimized for extraction into compliant medical formulations.

- **Pain Management:** Cultivars high in THC and secondary cannabinoids such as CBG and CBC, known for analgesic effects.

- **HIV/AIDS & Cachexia:** Strains that enhance appetite and support immune balance, including THC-forward genetics with supportive terpenes like limonene.

- **Cancer Therapy Support:** Balanced THC:CBD strains that help with nausea, pain, and inflammation, improving quality of life during treatment.

- **PTSD & Mental Health:** High-CBD and CBD:THC ratio cultivars, rich in anxiolytic terpenes like linalool and myrcene, specifically targeted to veterans in Nebraska.

This focus ensures that licensed extraction facilities have reliable, cannabinoid-rich biomass to manufacture compliant oils, tinctures, capsules, and topicals tailored to patient needs.

5.2. Genetic Innovation & Partnerships

The Applicant will advise with David Polley, Founder and Cultivator of Preferred Gardens (www.Preferredgardens.com), an industry-leading genetics and cultivation company headquartered in California. Preferred Gardens is recognized for its commitment to quality genetics, operational discipline, and cultivation innovation.

With David Polley as Applicant's Advisor:

- **World-Class Genetics:** The Applicant will access Preferred Gardens' genetic library and expertise in selecting cultivars optimized for both cannabinoid content and medical utility.
- **IP Licensing:** Proprietary strains developed by Preferred Gardens will be licensed exclusively to the Applicant in Nebraska, creating a differentiated market entry.
- **Breeding Support:** Collaborative breeding programs will focus on high-yield, disease-resistant plants that maintain maximum cannabinoid output.
- **Quality Assurance:** Preferred Gardens' proven track record of cultivation excellence ensures consistency, reliability, and compliance with Good Agricultural and Collection Practices (GACP). By collaborating with Preferred Gardens, the Applicant gains access to elite phenotype libraries and proprietary IP that can be tailored to these therapeutic profiles. Preferred Gardens' expertise in phenotype hunting and strain development ensures that the Applicant can cultivate cultivars not only high in targeted cannabinoids but also optimized for consistency and yield in Nebraska's climate.

This strategy allows the Applicant to offer condition-specific biomass to licensed extraction facilities, enabling them to manufacture compliant, patient-centered products for Nebraska's medical cannabis program.

5.3. Demographic-Focused Patient Care

Nebraska's patient population presents unique needs, and the Applicant's cultivation strategy is designed to address them directly. The state has a significant veteran community, many of whom struggle with PTSD, chronic pain, and service-related conditions. By prioritizing strains that emphasize CBD-rich chemotypes, anxiolytic terpenes, and calming cannabinoid ratios, the Applicant ensures veterans have access to formulations that support mental health, sleep regulation, and long-term wellness.

To maximize impact, the Applicant will actively engage with the local VA system and veteran advocacy groups to explore opportunities for education, patient outreach, and collaboration. While direct cannabis distribution through federal VA hospitals may be restricted, the Applicant can create partnerships in the form of clinical education seminars, patient support programs, and research initiatives with affiliated medical providers.

Beyond veterans, the Applicant will seek partnerships with Omaha-based hospitals, university research clinics, and nonprofit medical organizations. These collaborations will allow the Applicant to supply biomass for research into cannabinoids' therapeutic potential, advancing science while demonstrating leadership in evidence-based medicine.

In the long term, the Applicant envisions partnerships with progressive insurance providers and affordable care programs to advocate for partial or full coverage of cannabis-based treatments. This vision aligns with national healthcare trends, where insurers are beginning to recognize the cost savings of replacing or supplementing opioid-based treatments with cannabis therapies.

By anchoring cultivation to specific patient needs within Nebraska's communities, the Applicant shows regulators and stakeholders that its mission is not profit alone, but delivering tangible improvements in quality of life for approved medical cannabis patients across the state.

5.4. Market Differentiation

Nebraska's cannabis program is medical-only, and competition will be defined not by branding or recreational appeal but by the ability to consistently deliver therapeutic-grade cannabis biomass tailored to patient conditions. The Applicant differentiates itself in several ways:

1. **Condition-Specific Cultivation:** By focusing on genetics designed to maximize cannabinoid content relevant to Nebraska's qualifying conditions including cancer support, HIV/AIDS, epilepsy, multiple sclerosis, and PTSD the Applicant positions itself as a reliable, condition-driven supplier.

2. **Operations Advisor:** Leveraging the expertise of David Polley, Founder and Cultivator at Preferred Gardens, the Applicant gains exclusive access to elite strains, phenotype development, and intellectual property licensing. This creates a unique entry point into Nebraska's market with cultivars that extraction facilities cannot obtain elsewhere.

Preferred Gardens' track record of phenotype hunting and terpene preservation ensures biomass of the highest quality, supporting premium medical formulations.

3. **Integration with Local Healthcare Institutions:** By working with hospitals, research clinics, and patient advocacy groups, the Applicant embeds itself in the medical ecosystem of Omaha and the wider state, creating a reputation not only as a grower but as a partner in patient wellness and clinical research.

4. **Veteran-Centric Outreach:** The Applicant's intentional focus on veteran health through partnerships with veteran organizations and PTSD-focused strain development creates goodwill, community alignment, and a unique positioning in the Nebraska market.

5. **Insurance and Affordability Strategy:** By pursuing long-term partnerships with regional and national insurance providers and advocating for coverage of medical cannabis therapies, the Applicant demonstrates a forward-looking approach that appeals to regulators, patients, and extraction facility partners.

Together, these strategies create a market moat: while other cultivators may focus broadly on biomass yield, the Applicant builds its identity around patient-focused outcomes, genetic exclusivity, and integration with Nebraska's healthcare infrastructure. This holistic approach positions the Applicant as not only a licensee but also as a leader in the state's medical cannabis ecosystem.

6. Genetics & Strain Strategy: What we're optimizing for

The Applicant will cultivate varieties ("strains") chosen to deliver the highest possible cannabinoid output per square foot, not pretty, shelf-ready buds, but potent, clean biomass tailored for medical extraction. We focus our library in three lanes:

1. **High-THC cultivars (target 20-28% potential)** to support pain relief, appetite stimulation, and chemotherapy-related nausea conditions where THC has the most clinical utility.

2. **High-CBD cultivars (target 15-20% potential)** for epilepsy, anxiety, and inflammation, with CBD's anti-seizure efficacy established in randomized trials and FDA approval of a purified CBD medicine.

3. **Minor-cannabinoid cultivars (CBG, CBC, THCV)** for emerging therapies analgesia and anti-inflammatory effects (CBG/CBC) and appetite/glycemic modulation (THCV). These give extractors differentiated inputs for compliant medical products.

Target Condition	Primary Cannabinoids/Terpenes	Therapeutic Rationale	Candidate Strains (Examples)
Chronic Pain & Neuropathy	THC, CBG, CBC; terpenes: β-caryophyllene, myrcene	THC and CBG provide analgesia; CBC shows promise in anti-inflammatory activity; β-caryophyllene modulates pain pathways.	*Critical Mass*, *Kosher Kush*, *Harlequin (balanced THC/CBD)*
Cancer Support (Nausea, Appetite, Pain)	THC, CBD, THCV; terpenes: limonene, humulene	THC reduces nausea and improves appetite; CBD provides neuroprotective support; THCV studied for appetite modulation.	*Cannatonic (CBD-rich)*, *Blue Dream*, *Chemo*
HIV/AIDS (Cachexia & Appetite Loss)	THC, CBG; terpenes: limonene, ocimene	THC and limonene enhance appetite; CBG supports gut health and immune function.	*OG Kush*, *Jack Herer*, *Mango*
PTSD (esp. Veterans)	CBD, CBN; terpenes: linalool, myrcene, pinene	CBD reduces anxiety; CBN promotes sleep; linalool and myrcene enhance calming effects.	*ACDC (high CBD)*, *Granddaddy Purple*, *Northern Lights*
Multiple Sclerosis (Spasticity, Pain)	THC, CBD; terpenes: β-caryophyllene, linalool	THC/CBD synergy reduces muscle spasticity; β-caryophyllene provides anti-inflammatory support.	*White Widow*, *Cannatonic*, *Charlotte's Web*

Epilepsy & Seizure Disorders	CBD, THCA; terpenes: linalool	High CBD reduces seizure frequency; THCA shows anticonvulsant properties.	*Charlotte's Web*, *Ringo's Gift*, *Harle-Tsu*

6.1. How we'll reach high cannabinoid output consistently

1) Genetics first (the biggest driver)

- **Choose chemotypes with proven ceilings.** In cannabis, variety selection is one of the strongest predictors of both yield and cannabinoids. We prioritize genetics with demonstrated high total cannabinoids in formal trials and internal pilot runs.

- **Stability & reproducibility via clonal propagation.** We propagate elite "mother" plants clonally so each production batch is genetically identical this tightens potency ranges for extractors. (We also manage clonal drift and track mother age, because micro propagated lines can accumulate somatic mutations over time.

- **Where appropriate, deploy modern seeds.** For certain rooms/greenhouse bays, feminized F1 hybrids can deliver uniform plants and high yields comparable to clonal runs; we treat these as separate SKUs with their own COAs.

2) Grow environment tuned for cannabinoids (not just biomass)

- **Light intensity is king.** Multiple controlled studies show higher light intensity increases cannabis inflorescence yield and total cannabinoids; spectrum (blue:red) also influences cannabinoid profiles. The Applicant shall design bay-specific PPFD/DLI "recipes" around those findings.

- **CO_2 enrichment for higher output.** Within safe ranges, elevating CO_2 boosts growth and can raise yield materially (reported 10 - 25%), giving extractors more activity per square foot.

- **Right harvest window = peak activities.** Cannabinoids concentrate in capitate trichomes; we harvest on trichome maturity, when heads are mostly cloudy with some amber, which aligns with peak THC/CBD in several horticultural studies.

- **Post-cut protection of activities.** For extraction-destined biomass, we flash-freeze within one hour to lock in trichomes and prevent degradation prior to transfer this dovetails with your cold-chain SOPs described elsewhere (and with Nebraska's testing/COA workflow before release).

3) A condition-driven cultivar menu (examples)

- **Pain, nausea, appetite (oncology/CINV, chronic pain):** THC-forward lines (20–28% potential) with supportive terpenes (β-caryophyllene, limonene, myrcene). Evidence supports cannabinoids for CINV and patient-reported pain/appetite outcomes.

- **Epilepsy & seizure disorders:** CBD-dominant lines (15–20% potential) prioritized for extractors producing non-smokable compliant products; efficacy in LGS/Dravet is supported by Phase 3 data and FDA approval.

- **PTSD/anxiety (veterans focus):** CBD-rich chemotypes (± small THC) with calming terpenes (linalool, myrcene, pinene) for formulated tinctures/capsules. (CBD shows anxiolytic/anti-inflammatory properties; product design is the extractor's domain.)

- **Inflammation/neuropathic profiles:** CBG/CBC-expressing cultivars for anti-inflammatory and analgesic exploration gives extract partners inputs for differentiated SKUs (e.g., CBD/CBG ratios).

- **Metabolic/appetite modulation:** THCV-expressing lines for research-friendly extracts addressing appetite/glycemic pathways (noting the early-stage nature of data).

Why this matters to extractors: Standardized chemotypes + high cannabinoid density = fewer lots, fewer blending steps, more predictable formulations and faster COA release, all under Nebraska's required testing regime before transfer.

6.2. How we'll build and defend this genetics library

Partnership-driven pipeline (IP + phenohunts)

- **Curate + create:** Start with best-in-class THC/CBD/CBG/CBC/THCV parents; run structured phenohunts to identify lines with superior total cannabinoids per square foot (not just %).

- **Lock it in:** Once a winner is selected, clone-lock it and create a genetic dossier (COAs, cannabinoid/terpene means & variance, room recipe, harvest timing window, expected extraction yield).

- **IP & exclusivity:** Where possible, license proprietary lines to create Nebraska-only offerings for our extractor partners.

QC checkpoints that keep the numbers high

- **Room "recipes"** (PPFD/DLI, VPD, CO_2, airflow) stored in BMS; deviations alarm to duty manager. (These environmental levers are the ones repeatedly shown to move

yield/actives.)

- **Mother management** to avoid drift: mother rotation, periodic re-selections, and genetic checks help mitigate somatic mutations that can erode cannabinoid output over time.

- **Harvest timing validation**: per-cultivar trichome maturity curves (clear→cloudy→amber) tied to lab spot-checks so we consistently cut at peak activities.

6.3. Why the targets given make sense (and how the Applicant will meet them)

- **THC 20–28% potential:** Achievable with high-intensity lighting and proper fertigation/CO_2; several studies show light intensity has a strong positive relationship with cannabinoid yield and inflorescence mass.

- **CBD 15–20% potential:** Select CBD-dominant chemotypes; spectrum management can increase CBDA concentrations, improving extraction feedstock quality.

- **Minor cannabinoids (CBG/CBC/THCV):** Prioritize lines with naturally higher precursor flux (e.g., CBGA), then preserve those activities via fast harvest-to-freeze and validated cold chain to the extractor. (Emerging science supports anti-inflammatory/analgesic roles for CBG/CBC and metabolic effects for THCV.)

6.4. Packaging this for Nebraska's medical cannabis patients (and regulators)

- **Medical use cases, not claims.** We align cultivar lanes to conditions where cannabinoids have the best current evidence (e.g., CBD for certain epilepsies; cannabinoids for CINV; THC-forward for appetite/pain) and leave finished-product claims to licensed manufacturers and their COAs.

- **Compliance-first inputs.** Every lot undergoes Nebraska-required testing (potency + contaminants) before transfer; COAs retained as part of our QMS.

- **Non-smokable orientation.** Our biomass is produced specifically for extraction into non-smokable, compliant medical formats (tinctures, capsules, topicals), matching Nebraska's medical model and packaging requirements to distribute to licensed authorized extraction facilities in the state of Nebraska.

6.5. Cultivation Approach — Optimizing for Extraction Yield

Nebraska's medical cannabis program is unique. It does *not* allow smokable retail flower; it demands consistency, safety, high purity, and reliable cannabinoid levels. Every gram of raw flower must pass rigorous testing of potency, microbial limits, pesticides, and heavy metals before extraction partners can turn it into compliant medical products. In this context, a cultivation model that emphasizes cannabinoid yield, reproducibility, and operational resilience serves patients, regulators, and extractors far better than a model optimized for flower aesthetics or purely indoor shows. Below are the facts, case studies, and reasoning that show this was not just a good choice—but the *right* choice.

Research & Case Studies: What the Literature Shows

1. **Variety, Light Intensity, and Fertilization Matter**
   A meta-analysis ("Closing the Yield Gap for Cannabis: A Meta-Analysis" by R. Backer et al., 2019) found strong correlations between *genetic variety, plant density, light intensity,* and *fertilization* with both total yield and cannabinoid content. That is, selecting correct genetics and optimizing the growing environment moves both yield and potency up together.

2. **Greenhouse vs Indoor vs Outdoor Trade-offs**
   Multiple expert resources note that while indoor cultivation gives the most control (highest peak THC/CBD potentials), it is also energy-intensive and costly. Greenhouse systems provide a "sweet spot" combining many of the environmental controls of indoor grows with the cost savings of natural light exposure. Outdoor cultivation, when well done, adds large volumes and beneficial terpene diversity, though typically with lower cannabinoid concentrations. Critics of outdoor cultivation point out that environmental fluctuations can reduce consistency, but with proper soil, pest management, and harvest timing, the output can be highly valuable.

3. **Extraction Tools & Post-Harvest Handling Strengthen Final Product**
   Studies of extraction techniques (e.g. supercritical CO_2, green solvent systems) show that yield and extract quality are highly sensitive to **biomass quality**, *harvest timing*, *drying/freezing methods*, and *genetics*. For example, one study optimizing supercritical CO_2 conditions showed that decarboxylation, temperature, pressure etc., impact extractable THC/CBD, and that higher biomass quality drives more efficient extraction.

4. **Cost Efficiencies & Environmental Footprint**
   Energy assessments (e.g., by Evan Mills) show indoor cultivation can lead to significant carbon footprint; greenhouse and outdoor cultivation, when optimized, have far lower emissions per gram of biomass. Thus combining greenhouse and outdoor space helps reduce both cost and environmental compliance risk.

How the Applicant's Model Leverages These Insights

Here is how the Applicant's proposed model *integrates* those research-backed insights, and why it's superior for Nebraska.

Component	How it leverages research / advantage	Why it's important for Nebraska's medical extraction focus
Indoor operations for genetics & vegetative staging	Enables controlled propagation of elite genetics; ensures stable mother plants; prevents pests/disease before major investment	Minimizes risk, ensures uniform cannabinoids; supports compliance and consistency which extraction labs require
Greenhouse for perpetual flowering	Combines supplemental light & environmental control to raise cannabinoid output, reduce electricity cost vs full indoor; supports staggered harvest cycles for steady supply	Allows year-round output; avoids seasonal dips; keeps extraction partners supplied without interruption
Outdoor plot in summer/fall	Uses living soil, beneficial microbes, natural sunlight to produce bulk biomass at lower cost; soil biology can enhance resin/secondary metabolite content; outdoor terpene profiles can complement indoor/greenhouse profiles	Permits scale, lowers cost per gram; increases supplier resilience; builds capacity so extractors get more product for less

6.5.1. Integrated Cultivation Model — Indoor, Greenhouse, and Outdoor

This schematic illustrates how the Applicant's cultivation strategy integrates three components — Indoor, Greenhouse, and Outdoor — into a complementary system designed for consistency, efficiency, and scalability.

<table>
<tr><td colspan="3">Integrated Cultivation Model</td></tr>
<tr><td>Indoor Operations

- Genetics preservation & propagation
- Clonal propagation for stability
- Vegetative growth under precise controls
- QA/QC labs, seed-to-sale tracking
- Admin hub & supply chain management</td><td>Greenhouse Operations

- Perpetual flowering cycles
- Quadrant design for staggered harvests
- Supplemental lighting & CO_2 controls
- Resin-focused fertigation program
- Year-round production model</td><td>Outdoor Operations

- Long-season planting (summer–fall)
- Living soil enriched with microbes
- Organic nutrient & compost tea program
- IPM with beneficial insects
- High-yield, cost-efficient biomass</td></tr>
<tr><td colspan="3">Integration & Complementarity

Indoor ensures genetic stability, compliance, and vegetative staging → Greenhouse provides perpetual flowering and continuous biomass output → Outdoor boosts seasonal capacity with high-volume, low-cost biomass.

Together, these systems form a diversified, resilient model.</td></tr>
<tr><td colspan="3">Benefits to Nebraska Market

- Reliable, compliant supply chain
- Cannabinoid-rich flower optimized for extraction
- Continuous year-round availability
- Seasonal boosts for peak demand
- Cost-efficient & scalable operations</td></tr>
</table>

6.5.2. Indoor Operations: Genetics, Vegetative Growth & Supply Chain Management

The indoor facilities serve as the nerve center of the operation, ensuring stability, compliance, and precision. Key functions include:

- **Genetics & Propagation:** Indoor mother rooms house elite cultivars, propagated through clonal methods to ensure genetic consistency. Controlled indoor environments with HEPA filtration and positive pressure zones prevent contamination and protect genetic integrity.

- **Vegetative Growth:** Early growth phases are staged indoors, where precise control of temperature, humidity, and CO_2 supports vigorous plant development. By moving plants into the greenhouse only after strong root and stem development, risks of loss and variability are reduced.

- **Supply Chain & Admin Hub:** Administrative offices, QA/QC laboratories, and seed-to-sale recordkeeping systems are housed indoors, integrating compliance and logistics with daily operations. This ensures real-time tracking, security monitoring, and regulatory readiness.

6.5.3. Greenhouse Production: Perpetual Flowering & Year-Round Yield

The **greenhouse complex** provides the backbone of continuous production, balancing efficiency with precision controls.

- **Perpetual Flowering Cycles:** Greenhouses are segmented into quadrants, allowing staggered flowering and weekly harvests. This ensures a predictable cadence of cannabinoid-rich biomass for extraction partners.

- **Environmental Controls:** Supplemental lighting, light deprivation curtains, and automated climate systems (HVAC, CO_2, VPD control) allow for precise regulation of flowering conditions.

- **Sustainability & Cost Savings:** By leveraging natural sunlight, the Applicant reduces energy usage while maintaining medical-grade control over environmental variables.

- **Cannabinoid Maximization:** Fertigation and nutrient programs emphasize resin and trichome production, optimizing cannabinoid output for extraction, not visual appeal.

6.5.4. Outdoor Cultivation: Seasonal Yield Maximization

Complementing the indoor and greenhouse operations, the Applicant will cultivate an outdoor plot during Nebraska's optimal growing months (late spring through early fall). While outdoor crops yield larger volumes with slightly lower cannabinoid concentration, this approach maximizes overall output and creates strategic supply diversity.

- **Living Soil Approach:** Outdoor plants are grown in biologically active "living soil," enriched with compost, worm castings, and beneficial microbes, creating a resilient soil food web that enhances nutrient cycling, water retention, and cannabinoid expression.

- **Nutrient & Care Program:** Outdoor crops receive a tailored nutrient program with organic amendments, supplemented by microbial inoculants and compost teas to support root health and resin production.

- **Pest & Disease Management:** Outdoor crops follow an IPM protocol emphasizing biological controls (e.g., predatory mites, lady beetles) and beneficial soil microbes to suppress pathogens naturally.

- **Environmental Stewardship:** Mulching, shading, and soil moisture management protect plants from Nebraska's variable climate. Harvests are timed to trichome maturity, with rapid post-harvest handling (shade-drying, flash freezing when applicable) to preserve cannabinoid integrity.

- **Strategic Role:** Outdoor yields provide bulk biomass at lower cost, allowing the Applicant to buffer supply in peak demand cycles and offer extraction partners cost-effective inputs without compromising compliance.

6.5.5. Complementary Model: A Balanced System

- **Indoors** ensures precision and control for propagation, vegetative growth, compliance, and logistics.

- **Greenhouse** drives perpetual flowering and year-round biomass flow, balancing cost efficiency with cannabinoid optimization.

- **Outdoor** expands overall capacity with seasonal, high-yield biomass grown in living soils, providing strategic supply resilience and cost-effective production.

This tiered cultivation system ensures that the Applicant can consistently deliver clean, cannabinoid-rich biomass tailored for medical extraction, while diversifying risk across production environments. The model balances efficiency, scalability, and compliance, positioning the Applicant as Nebraska's most reliable cultivation partner.

6.5.6. Integrated Pest Management (IPM)

Pests pose a risk to both crop health and final product purity. The Applicant's IPM system emphasizes prevention and natural solutions over chemical interventions.

- **Prevention:** Sanitation protocols, screened intakes, and positive air pressure zones keep pests from entering.

- **Biological controls:** Beneficial insects (e.g., lady beetles for aphids, predatory mites for spider mites) reduce reliance on pesticides.

- **Compliance:** When pesticides are required, only EPA-approved, label-compliant products permitted under 238 NAC 1 are used, applied exclusively by licensed applicators.

- **Result:** Cleaner biomass, free from chemical residues, ensuring a superior substrate for extraction.

6.5.7. Nutrient Optimization for Resin Production

Unlike retail-focused cultivation where emphasis is placed on aesthetic traits like bud density or bag appeal, the Applicant's nutrient program is engineered to maximize trichome and resin production.

- **Tailored feeding programs:** Nutrient regimes adjusted to increase cannabinoid and terpene synthesis rather than visual appearance.

- **Data-driven fertigation:** Continuous monitoring of EC, pH, and nutrient runoff ensures plants receive optimal levels at each growth stage.

- **Outcome:** Plants consistently produce potent, resin-rich flowers, maximizing cannabinoid recovery during extraction.

6.5.8. Automated Fertigation & Monitoring Systems

Consistency is critical for medical cannabis. The Applicant integrates automation technologies to minimize human error and maximize reproducibility.

- **Automated fertigation:** Centralized irrigation and nutrient delivery systems ensure precise feeding and hydration across all quadrants.

- **Environmental sensors:** Real-time monitoring of temperature, humidity, CO_2, and VPD (vapor pressure deficit) allows immediate adjustments.
- **AI-assisted analytics:** Historical data trends identify stress points, enabling preventive corrections and yield optimization.

- **Scalability:** These systems allow expansion without sacrificing product consistency, ensuring the Applicant can meet future increases in patient demand.

6.5.9. Competitive Advantage

By adopting a cultivation model purpose-built for extraction, the Applicant positions itself as the most reliable and compliant supplier of high-quality biomass to Nebraska's licensed extraction facilities. This approach:

- Guarantees predictable yields and cannabinoid concentrations, which simplifies extraction formulation.
- Reduces risk of contamination, ensuring fast regulatory approvals on COAs.
- Creates a cost-efficient, scalable production model that strengthens long-term market positioning.

7. Post-Harvest Handling & Flash-Freezing Program (Extraction-Ready Biomass)

7.1. Why flash-freeze?

The Applicant's post-harvest philosophy is simple: capture the plant at its biochemical peak and keep it there until it reaches a state-licensed extraction facility. Immediately after harvest, cannabinoids and terpenes begin to volatilize or degrade; conventional drying and room-temperature handling accelerate those losses.

Flash-freezing within minutes stabilizes trichomes, retains volatile terpenes, and curbs microbial growth delivering cleaner, more potent biomass to extractors and helping finished products pass Nebraska's mandatory testing with fewer reworks. Peer-reviewed and industry literature support that rapid freezing/freeze-drying preserves terpenes and cannabinoids better than conventional drying and storage, improving extract quality. Target standard: Flower is flash-frozen within 60 minutes of harvest at −40 °F, then held in validated cold storage until transfer. (See "Cold-chain logistics & monitoring," below.)

7.2. Step-by-step: Post-harvest flow inside the indoor facility

- **Harvest & cut verification (greenhouse/outdoor → indoor)**

a. Dual-custody teams cut plants room-by-room, verify lot IDs, and weigh biomass on calibrated scales.
b. Trichome maturity is confirmed at harvest (lot "recipes" define the target window) to ensure peak cannabinoid content. Immediate movement to post-harvest staging prevents warm-room dwell.
c. All material movements are entered into the Commission-approved seed-to-sale/inventory system, aligning with Nebraska emergency rules on inventory and chain-of-custody.

- **Clean transfer to the Flash-Freeze Suite (≤ 60 minutes from cut)**
  a. Sanitized, food-grade totes are loaded and sealed; a sally-port separates cultivation areas from post-harvest clean corridors.
  b. Staff PPE, tool control, and unidirectional flow reduce contamination risks before freezing.

- **Flash-freezing at −40 °F**
  a. Blast freezers or ultra-low freezers push product temperature down rapidly; this locks trichomes in place, stabilizes terpenes, and inhibits microbial proliferation documented during conventional drying.
  b. Units are fitted with indicating thermometers & dataloggers; temperatures are continuously recorded and alarmed (see cGMP/holding requirements below).

- **Quarantine vault & QA sampling**
  a. Once frozen, lots move to a lockable frozen vault (−20 to −40 °C) with 24/7 temperature logging. QA performs representative sampling under chain-of-custody for third-party lab testing required by Nebraska (potency, water activity, microbials/foreign matter, pesticides, heavy metals; residual solvents if applicable)
  b. COAs are retained on site in accordance with recordkeeping rules.

- **Cold-chain pick/pack & manifesting**
  a. Upon COA acceptance and QA release, biomass is portioned into validated, tamper-evident containers, labeled with lot/weight/freeze date, and staged in a secure, monitored shipping freezer.
  b. Transfer manifests are generated from the seed-to-sale system; custody forms accompany each outbound load to state-licensed extraction facilities.

7.3. Cold-chain logistics & monitoring (freezer → extractor)

- **Temperature integrity, end to end.** The Applicant uses calibrated dataloggers inside each outbound pallet/shipper and maintains a continuous temperature record (−20 to −40 °C target) until receipt is confirmed by the extractor. This follows widely recognized cold-chain practices (validated lanes, monitoring, and deviation management) used in regulated health-sector logistics.

- **Deviation handling.** Any excursion (e.g., sensor spike during loading) triggers CAPA: isolate the lot, assess impact (time/temperature exposure model), notify the receiving partner if needed, and re-test if required by QA.

- **Transport security.** Vehicles are GPS-tracked; seals and custody signatures are verified at both origin and destination, consistent with Nebraska emergency rules on inventory tracking and transport documentation.

7.4. Compliance backbone for Flash Frozen Operations

- **Nebraska emergency rules (238 NAC 1).**
  • Testing, COAs, and sampling/chain-of-custody requirements apply to all transferred lots; the Applicant's flash-frozen workflow is designed to pass required safety and potency testing and to document custody in the state inventory system. Records are retained as specified.
- **Security & access control.** Frozen vaults, camera coverage, alarmed doors, transport manifests, and dual-custody handling support the program's diversion-prevention objectives across §012–§017.
- **FDA cGMP for botanicals (analogous controls).**
  While cannabis remains a state-regulated product, the FDA's 21 CFR Part 111 (dietary supplement cGMP) provides a well-accepted framework for holding components under appropriate conditions of temperature, humidity, and light, and for equipping freezers with indicating thermometers/monitoring devices controls the Applicant mirrors in its frozen-vault SOPs.
- **Cold-chain guidance (temperature-sensitive goods).**
  Industry and regulatory cold-chain guidance emphasize lane qualification, temperature

mapping, and real-time monitoring practices the Applicant applies to frozen cannabis biomass shipments.

- **OSHA & refrigeration safety.**
  For any cryogenic or industrial refrigeration operations (e.g., CO_2 or liquid nitrogen assistance in flash-freezing), OSHA highlights specific hazards and controls; the Applicant's EHS program aligns with these expectations (training, ventilation, oxygen monitoring, PPE).

7.5. Security & supply-chain assurance (from cut through outbound dock)

- **Zoned access + surveillance.** Post-harvest corridors, the Flash-Freeze Suite, and the frozen vault are restricted-access areas with unique badges, 24/7 HD video, and door alarms; footage is retained per program requirements. (Supports Nebraska's diversion-prevention and inspection readiness.)

- **Dual-custody & audit trails.** Every weight, tote seal, freezer move, and manifest is co-signed by two authorized employees and stamped in the inventory system; exception reports trigger QA review.

- **Inspection-ready documentation.** The "Cold-Chain & Post-Harvest Binder" (and mirrored digital portal) contains freezer calibration certificates, temperature logs, COAs, cleaning logs, deviation/CAPA reports, and training records organized for immediate Commission review.

7.6. Commercial impact: Why extractors prefer flash-frozen inputs

- **Preserved actives = higher recovery.** Literature indicates that rapid freezing/freeze-drying better retains terpenes and acidic cannabinoids (e.g., CBGA/CBDA) compared with conventional drying, which translates into more faithful chemoprofiles and can improve extraction performance.

- **Flavor & formulation advantages.** Trade analyses and operator interviews report richer terpene profiles and fewer off-notes in concentrates made from frozen inputs.

- **Value premium.** Based on internal benchmarking and trade-press reporting on "live" inputs, the Applicant anticipates a 15-25% value premium versus comparable dried biomass, driven by higher terpene retention and extraction yields.

7.7. The operating standard (what partners and regulators can expect)

- **Time to freeze: ≤ 60 minutes** from cut to −40 °F chamber.
- **Vault storage:** −20 to −40 °C, continuous temp logging with auditable alarms.
- **QA status: Quarantine** until COA review and QA release; **Hold** if any temperature excursion pending CAPA.
- **Outbound shipping:** Validated shippers + **embedded dataloggers**; seal integrity and manifest verification at both ends; temperature trace included in the batch file.

7.7.1. Time-to-Freeze & Post-Harvest Cold Chain Assurance

When the plant is cut, the clock starts ticking. Every minute matters in preserving the fragile chemistry that makes cannabis medically effective. That's why the Applicant's standard is uncompromising: all harvested flowers are frozen within 60 minutes at −40 °F. This benchmark is not arbitrary; it is the precise window in which trichomes retain their full cannabinoid and terpene profile before enzymatic breakdown begins. By acting decisively in this short time frame, the Applicant ensures that patients downstream receive products crafted from biomass at its biochemical peak.

7.7.2. Vault Storage Integrity: Protecting Cannabinoids in Cryogenic Silence

Once flash-frozen, biomass moves into vault storage maintained at −20 to −40 °C, monitored by continuous digital temperature logging with auditable alarms. This isn't just storage; it's an environment engineered for chemical preservation, security, and compliance. Each vault is validated, mapped, and equipped with alarms tied to the facility's Building Management System (BMS). If a deviation occurs, it is flagged instantly, protecting the integrity of every gram of biomass.

This standard echoes eCFR requirements for food and botanical handling, where holding conditions must ensure identity, strength, quality, and purity. By exceeding those expectations, the Applicant demonstrates a deep commitment to both regulatory alignment and patient safety.

7.7.3. QA Status: Quarantine Until Proven Safe

No material leaves the vault unchecked. Every lot is held in Quarantine until a Certificate of Analysis (COA) is reviewed and approved by Quality Assurance (QA). Only then does biomass move to Release status. If any temperature excursion or deviation is detected, the lot is automatically placed on Hold, pending a Corrective and Preventive Action (CAPA) investigation.

This rigorous checkpoint directly aligns with Nebraska's emergency rules (238 NAC 1, §§007–009), which require potency, water activity, microbial, and contaminant testing prior to sale or transfer. The Applicant's workflow ensures that *no* biomass is released without verifiable safety and potency data, creating trust for regulators, extraction partners, and ultimately, patients.

7.7.4. Outbound Shipping: The Cold-Chain Promise

When biomass is cleared for release, the Applicant ensures it travels under the same strict conditions it was stored in. Outbound shipments are staged in validated cold shippers—containers tested for thermal performance and equipped with embedded dataloggers that capture a complete temperature trace from vault to extractor.

- **Seal integrity:** Each container is tamper-evident sealed, with seal numbers recorded in both the manifest and the state's inventory tracking system.
- **Manifest verification:** Signatures at both origin and destination confirm custody, while real-time GPS monitoring ensures secure routing.
- **Temperature trace:** Each shipment file includes the datalogger report, providing regulators and extraction partners with auditable proof that the cold chain was never broken.

These practices mirror FDA and USDA cold-chain standards for perishable foods and botanicals and align with industry leaders like Cole-Parmer, who emphasize validated transport and data integrity as the gold standard for cold-chain logistics.

7.8. Why This Matters

Imagine holding a frozen vial of medicine in your hand, knowing it has been preserved in perfect condition from the moment it left the plant. That is the assurance this system delivers. For regulators, it means confidence in compliance. For extraction facilities, it means consistency in every batch. For patients, it means trust in the safety and effectiveness of the medicine they rely on. By embedding time-to-freeze precision, vault integrity, QA quarantine, and auditable cold-chain logistics into its operational DNA, the Applicant ensures not just compliance—but

excellence. This is more than a workflow; it is a promise of reliability, safety, and leadership in Nebraska's medical cannabis market. By flash-freezing at biochemical peak, validating a true cold chain, and wrapping both in Nebraska-aligned security and recordkeeping, the Applicant delivers extraction-ready biomass that is purer, more potent, and easier to formulate—and that sails through the state's COA checkpoints with fewer delays. It's better science, better compliance, and better value for Nebraska's medical market.

8. Quality Assurance, Testing & Traceability: End-to-End Process Flow

From the moment a crop is planted until the finished raw flower biomass is delivered to licensed extraction facilities, the Applicant's supply chain is designed for full traceability, rigorous testing, and enforceable corrective action. Below is a detailed description of each step, the roles of internal and external actors, and how QA is embedded throughout.

This diagram illustrates the Applicant's end-to-end QA and traceability process, from cultivation to delivery at extraction facilities. QA checkpoints are embedded at each stage.

Cultivation	Harvest & Storage	Testing & COA	Release	Shipping & Recall
• Lot assignment & seed-to-sale tracking • Environmental monitoring • IPM inspections (QA oversight)	• Dual custody weights • Flash-freeze ≤60 min • Vault storage w/ logging • QA sampling	• Independent lab sampling • Potency, microbials, pesticides, heavy metals • COA generated • Results in tracking system	• QA review of COA • Quarantine until approved • CAPA/remediation if failure • Cleared lots only	• Cold-chain validated shippers • Embedded dataloggers • Tamper seals + GPS • Manifest verification • Recall SOP active

8.1. Supply Chain & QA Process Flow

1. **Cultivation & Lot Tracking (Seed-to-Harvest)**
    - **Lot / Batch Assignment**: Each planted crop or propagation group is assigned a lot number as soon as genetics are planted or cloned. Mother plants, clones, and

seed lots are all tracked.

- **Seed-to-Sale Tracking System**: Every growth stage (propagation, vegetative, flowering) is logged in a centralized digital system that integrates with the state's inventory control scheme. Movements, weight, inputs (nutrients / pesticides), environmental data are all linked to the lot. The Applicant commits to using whatever software the State designates once a vendor is chosen, and until then will use a Commission-approved system that fully satisfies the rules.

- **Internal QA During Growth**: Regular inspections for pests, disease, nutrient deficiencies, using SOPs for Integrated Pest Management (IPM), environmental control, and corrective actions when deviations are noted.

2. **Harvest & Post-Harvest Handling**

   - At harvest, lot verification, dual custody, and weight capture on calibrated scales. Maintain chain-of-custody entries.

   - Flash-freezing (if applicable) or other rapid preservation steps happen within defined timelines (e.g., ≤ 60 min to −40 °F as described).

   - Post-harvest staging, clean processing rooms, and storage with strict temperature control and security (vaults). QA samples are taken for each lot.

3. **Testing & Certificate of Analysis (COA)**

   - As required under Nebraska's emergency regulations (238 NAC 1), every lot must be tested for a suite of metrics before transfer to extraction facilities. These include potency (THC, CBD, etc.), water activity/moisture, microbial contamination / foreign matter, pesticides, heavy metals, residual solvents (if applicable).
   - Sample collection must follow the required standards: representative sampling, using sterile gloves/instruments, tamper-evident and properly labeled containers, and independent laboratory work. The sampling technician should be unaffiliated with the cultivar owner to avoid conflicts.
   - The independent lab provides a COA for each lot; these results are fed back into the QA system and associated with the lot in the seed-to-sale/tracking system.

4. **Release & Traceability to Delivery**

   - QA Review: No lot is released until COA is reviewed. If any result fails Nebraska's testing thresholds, the lot is held (quarantine) until remediated or destroyed per regulatory rules. §016 in NAC 1 addresses remediation/

destruction if a lot fails standards.

- Inventory reconciliation: before shipping, biomass weights, lot IDs, and manifests are reconciled with internal records and the seed-to-sale system.

- Cold-chain / security during outbound shipping: validated containers, seal integrity, temperature tracking, dual custody sign-offs, manifest documentation.

5. **Third-Parties & External Validation**

   - **Independent Testing Laboratories**: Labs licensed under Nebraska rules, meeting ISO / accreditation standards, responsible only for testing and generating COAs.

   - **Software Vendors / LIMS (Laboratory Information Management Systems)**: To manage test data, link lab results with lot tracking, maintain audit trails, handle deviations and CAPA workflows. Best practices in the cannabis lab industry recommend LIMS for regulatory compliance and QA oversight.

   - **Regulatory Oversight & Audits**: Nebraska Medical Cannabis Commission regularly reviews data and conducts inspections; seed-to-sale tracking systems must be accessible to them for audits.

6. **Deviation Management, CAPA & Recall Protocols**

   - **Deviation Logs**: Whenever any process doesn't follow SOP (e.g., environmental drift, test result near threshold, delay in freezing, temperature excursion), a deviation record is logged.

   - **Corrective Action / Preventive Action (CAPA)**: Root cause investigations, SOP adjustments, retraining, environmental corrections. Documentation stored and outcomes reviewed.

   - **Recall Procedure**: If after transfer to an extraction facility a COA or secondary test reveals contaminant or safety issues, recall procedures are in place. Manifests, batch IDs, and seed-to-sale traceability allow quick identification and retrieval of affected products.

8.2. Where QA Is Implemented & Responsibility

Stage	QA Elements	Responsible Parties

Growing / Cultivation	Environmental monitoring; pest/disease control; lot assignment; data logging	Cultivation Manager; Grow Techs; QA Team
Harvest / Flash-Freeze / Storage	Lot verification; cut to freeze timing; temperature control; vault storage; sample retention	Post-Harvest Lead; QA; Security Team
Lab Testing	Sample chain-of-custody; independent lab accreditation; LIMS management; COA production	QA; External Testing Lab; LIMS Provider
Release / Shipping	Manifest verification; cold-chain integrity; shipping containers; seal integrity; tracking	QA; Logistics Manager; Transporters
Fault / Failure Response	Deviation reporting; CAPA workflow; possible remediation or destruction; recall if needed	QA; Compliance Officer; Operations Leadership

8.3. Regulatory & Best Practice Foundations

- **Nebraska Emergency Regulations (238 NAC 1, especially §016)** specify the required tests, the sampling procedures (including representative sampling and lab independence), test result retention, remediation or destruction if test fails, and linkage of test results with inventories.
- **Seed-to-Sale Tracking Requirements**: Nebraska requires inventory tracking for all plantings, harvests, transfers, and waste. The chain-of-custody must be documented, with COAs retained on premises.
- **Third-party Lab Standards & LIMS Tools**: Industry best practice recommends ISO 17025 accreditation, use of LIMS for tracking results, audit logs, calibration records. These practices are frequently cited across multiple states' cannabis QA programs.

Imagine this: a hospital pharmacist receives biomass for extraction, and the COA shows results that match exactly what was promised not because of luck but because upstream processes were designed to guarantee that outcome. Think of the extraction facility, instead of worrying "Did this batch lose potency during storage or transport?", being able to trust the Applicant's chain of custody, COA, and cold-chain documentation. The supply chain with the Applicant's

implemented procedures, from seed to extraction, becomes an unbroken chain of accountability. QA isn't just performed, it's embedded. Testing isn't a hurdle, it's a shield protecting quality and trust.

8.4. Statement of Applicant's Commitment

The Applicant is unwavering in its commitment to maintaining full regulatory compliance and operational transparency. From day one, the Applicant will adopt the state-designated seed-to-sale vendor's platform as soon as the Nebraska Cannabis Commission finalizes its selection. Until that point, the Applicant will implement a Commission-approved inventory system that captures all required data fields and exceeds the minimum reporting thresholds outlined in Nebraska's emergency regulations (238 NAC 1, §020).

The Applicant views seed-to-sale tracking not as a regulatory burden but as a strategic advantage. Each entry whether recording plant movements, environmental inputs, lab results, or transfers is treated as an auditable data point that protects the business, reinforces compliance, and provides regulators with instant clarity. This philosophy ensures that the Applicant is always inspection-ready, with both physical binders and a digital portal available for Commission review at any time.

By going beyond the minimum regulatory requirements, the Applicant demonstrates to regulators that compliance is not just an obligation but a core value. For extraction facility partners, accurate and transparent records mean predictable, high-quality supply without disruptions. For patients, it translates into greater confidence that the medicines they receive are safe, consistent, and effective.

In short, the Applicant commits to embedding full traceability, rigorous logging, integration with Nebraska's future tracking system, and robust QA oversight at every step of operations. This commitment transforms compliance into a competitive differentiator, ensuring reliable data, streamlined audits, fewer operational risks, and long-term trust across the state's medical cannabis ecosystem.

9. B2B Wholesale Sales to Licensed Processors

The Applicant will operate exclusively as a business-to-business (B2B) supplier, selling only to state-licensed Nebraska extraction facilities. This model is fully compliant with Nebraska's emergency cannabis regulations (238 NAC 1), which prohibit direct sales from cultivators to patients or retail outlets (§012.01, §012.08). By focusing on wholesale transactions, the Applicant builds a specialized, tightly controlled supply chain that protects product integrity, ensures transparency, and supports Nebraska's vertically integrated framework.

This diagram outlines the Applicant's secure and compliant B2B transaction workflow with licensed Nebraska extraction facilities. Each stage includes embedded QA checkpoints, recordkeeping, and compliance with Nebraska emergency rules (238 NAC 1).

Secure Storage	QA Release	Manifest Generation	Secure Transport	Delivery Verification	Recordkeeping & Audit
• Flash-frozen biomass in −20 to −40 °C vaults • Continuous monitoring & alarms • Daily reconciliation (§020)	• COA reviewed (§007.05) • Quarantine until approved • CAPA if failure • QA sign-off	• Seed-to-sale manifest created (§020.06) • Lot ID, COA, weights, destination • Dual custody verification	• Locked, GPS-tracked vehicles (§016.01) • Tamper seals, security escort as needed • Embedded dataloggers	• Extraction facility verifies seals & weights • Manifests signed at both ends (§020.09) • Temp trace uploaded to lot file	• All manifests, COAs, GPS logs, datalogger reports retained ≥5 years • Inspection binder + digital portal (§012.08)

9.1. Transaction Workflow & Logistics

The Applicant has developed a secure and transparent transaction workflow for the wholesale transfer of cannabis biomass to licensed extraction facilities. Every step of the process from flash-freezing and vault storage through manifest generation, transport, and delivery verification is governed by strict SOPs to ensure compliance with 238 NAC 1.

Transactions are executed under dual custody, documented through the Commission-approved seed-to-sale system, and reinforced with GPS-tracked transport and tamper-evident packaging. This structured workflow not only safeguards against diversion but also provides extraction partners with confidence in the integrity, quality, and reliability of each shipment.

9.1.1. Secure Storage Prior to Transfer

- All finished biomass will be flash-frozen and stored in a secure, access-controlled vault maintained at −20 to −40 °C, with continuous temperature monitoring and alarms.
- Inventory records are logged daily, reconciled monthly, and subject to inspection (§020, Nebraska emergency rules).

- QA status remains "Quarantine" until a Certificate of Analysis (COA) is approved (§007.05).

9.1.2. Vehicle Standards

- Outbound products will be transported in dedicated, lockable, temperature-controlled vehicles equipped with GPS tracking.
- Each vehicle will have tamper-evident compartments and dual custody between driver and onboard security.
- Vehicles will meet U.S. DOT requirements for controlled cargo and follow cannabis-specific transport mandates (§016.01, Nebraska emergency rules).

9.1.3. Chain of Custody & Manifests

- Every transfer must be accompanied by a transport manifest generated in the state's seed-to-sale system (§020.06).
- Manifests include lot number, COA, weight, destination, and transporter details.
- Copies are kept by the Applicant, the transporter, and the receiving facility for a minimum of one year (§020.09).

9.1.4. QA Integration Within Transactions

- **Pre-Shipment QA Review**: Before release, QA verifies:
    - COA linked to lot (§007.05).
    - Lot remains within validated frozen storage parameters.
    - Inventory reconciliation matches the state tracking system.
- **During Transport**:
    - Embedded dataloggers travel with each shipment to record continuous temperature integrity (best practice from FDA 21 CFR Part 111 for botanical

holding, and USDA cold-chain guidance).

- GPS tracking ensures route integrity; deviations trigger alerts to security HQ.

- **Receiving Facility Verification**:

  - Extraction facilities sign manifests, check tamper seals, and validate shipment weights against COA and seed-to-sale records.

  - QA retains the temperature trace and signed manifests as part of the permanent lot file.

9.1.5. Security & Law Enforcement Coordination

- **Escorted Transport**: For high-value or large-volume transfers, the Applicant may coordinate with local law enforcement to provide escort vehicles or rapid response in case of diversion attempts.

- **Emergency Protocols**: In the event of a vehicle breakdown, accident, or security breach:

  1. Vehicle operator notifies both law enforcement and Applicant Security HQ immediately.

  2. The nearest pre-cleared secure facility is used as a temporary hold.

  3. QA evaluates whether product integrity was compromised before release.

- **Intrusion & Diversion Prevention**: Compliance aligns with § 016.01 --§016.05, which mandate that cannabis be transported only by licensed individuals with manifests and security procedures.

9.1.6. Cash Handling & Financial Transactions

- **No On-Site Cash Exchanges**: To reduce diversion risk, sales are processed via electronic transfer, ACH, or escrow. If cash transactions are unavoidable:

- They occur at licensed financial institutions or secure locations with dual custody and armored car services.
- Transaction records are linked to lot numbers and manifests, ensuring every financial transaction maps directly to product movement.

- **Recordkeeping**: All sales and payments are reconciled in both the Applicant's ERP and the seed-to-sale system. Nebraska emergency rules require full transparency of all transfers and transactions (§020.08).

9.1.7. Recordkeeping & Audit Readiness

- **Logs Maintained**:
  - Transport manifests
  - GPS route logs
  - Temperature datalogger reports
  - COAs
  - Financial transaction receipts
  - Chain-of-custody signatures
- **Retention Period**: All documents are retained for no less than five years, exceeding Nebraska's one-year minimum, to demonstrate best-in-class audit readiness.
- **Inspection Access**: The Applicant maintains a physical inspection binder and digital QA portal to provide regulators with immediate access during audits, per §012.08 and §020.09.

9.1.8. Third-Party Involvement

- **Independent Labs**: Accredited labs conduct required batch testing and issue COAs (§007.05).

- **Licensed Transport Vendors**: If contracted, they must be registered with the Commission and follow all rules (§016.03).

- **Financial Institutions & Armored Transport**: Where needed, to ensure compliance with federal banking guidance (FinCEN) and prevent diversion.

By embedding QA checkpoints at every stage—from storage and transport, through chain-of-custody, to financial reconciliation—the Applicant ensures that wholesale transactions are secure, compliant, and transparent. This system exceeds Nebraska's emergency rules (238 NAC 1) and aligns with federal best practices for controlled-substance distribution, giving regulators, partners, and patients confidence in the safety and reliability of the supply chain.

> *See Appendix A for a draft sample of wholesale contract terms.*

10. Risk Management Specific to Biomass Supply

The Applicant recognizes that risk management is not a separate activity but a core part of operational readiness. Given the regulated, high-value, and perishable nature of cannabis biomass, the Applicant integrates redundancy, compliance oversight, client diversification, and security protocols across every stage of its supply chain to protect patients, partners, and investors.

10.1. Genetic Redundancy to Mitigate Drift

- **Risk:** Over time, cannabis genetics can suffer from drift, leading to cannabinoid inconsistency, reduced yields, or susceptibility to pests and disease.

- **Mitigation Strategy:**

    - Maintain **d**uplicate mother plants of each strain across multiple rooms, ensuring one loss does not compromise continuity.

    - Schedule regular genetic refreshes by partnering with world-class breeders, re-indexing plants through genotyping and COA dossiers.

    - Implement a mother retirement schedule every 12–18 months, ensuring younger, more vigorous stock maintains cannabinoid consistency.

- **Outcome:** Reliable cannabinoid profiles across all lots, reducing risk of failed COAs or client dissatisfaction.

10.2. Cold Storage Redundancy with Backup Generators

- **Risk:** Loss of frozen vault capacity or power outages could compromise biomass integrity, leading to microbial growth or cannabinoid degradation.
- **Mitigation Strategy:**
    - All flash-frozen biomass stored in redundant ultra-low temperature vaults (−20 to −40 °C) with dual compressors and alarms.
    - Facility powered by backup diesel generators sized to maintain full cold-chain operations during outages (aligned with FDA food storage guidance in 21 CFR Part 111 for botanicals).
    - Continuous datalogger monitoring with automated escalation protocols (phone, SMS, email) to QA and Security teams if thresholds are breached.
- **Outcome:** Biomass integrity protected under all conditions, ensuring patient safety and uninterrupted supply to extractors.

10.3. Compliance Monitoring & Regulatory Adaptability

- **Risk:** Non-compliance with Nebraska's evolving cannabis regulations (238 NAC 1) could lead to fines, product recalls, or license revocation.
- **Mitigation Strategy:**
    - Establish a dedicated Compliance Monitoring Team reporting directly to executive leadership.
    - Conduct weekly internal audits of seed-to-sale records, COAs, manifests, and security logs, aligned with §020 (inventory tracking) and §007.05 (testing).
    - Subscribe to regulatory update services and maintain active communication with the Nebraska Cannabis Commission and local law enforcement.

- Train staff quarterly on rule changes, using updated SOPs and sign-off training records.

- **Outcome:** Zero-tolerance for non-compliance, ensuring the Applicant remains inspection-ready at all times.

10.4. Diversified Client Portfolio to Reduce Single-Buyer Dependency

- **Risk:** Over-reliance on one or two processors creates financial and operational vulnerability if a buyer defaults or demand decreases.

- **Mitigation Strategy:**

  - Pursue multi-year contracts (6–24 months) with a diversified base of licensed extraction facilities, ensuring no single client represents more than 30% of total biomass sales.

  - Index pricing to cannabinoid concentration (mg THC/CBD), protecting revenue from market fluctuations and rewarding quality.

  - Develop contingency markets by pre-qualifying additional Nebraska extraction facilities as alternate buyers.

- **Outcome:** Revenue stability, reduced concentration risk, and stronger negotiating position.

10.5. Security & Transport Risk Controls

- **Risk:** Diversion or theft during transport of biomass to extraction facilities.

- **Mitigation Strategy:**

  - All transfers logged in seed-to-sale software (§020.06), with manifests showing lot ID, COA, and weight.

  - Transport in GPS-tracked, locked, and temperature-controlled vehicles, escorted by licensed security if required (§016.01–016.05).

- Emergency protocols coordinated with local law enforcement and first responders, ensuring rapid intervention if an incident occurs.

- **Outcome:** Supply chain integrity maintained, ensuring regulators and clients trust every transfer.

10.6. QA Oversight & Third-Party Integration

- **Risk:** QA gaps could allow contaminated or substandard biomass into the supply chain.
- **Mitigation Strategy:**
  - QA checkpoints at harvest, post-harvest flash-freezing, COA review, and pre-shipment release.
  - All testing performed by independent ISO 17025-accredited laboratories, as required by Nebraska (§007.05).
  - QA reviews temperature traces, manifests, and chain-of-custody logs before release.
- **Outcome:** Assurance that only compliant, high-quality biomass enters the Nebraska medical cannabis market.

10.7. Emergency Response & Business Continuity

- **Risk:** Natural disasters, equipment failure, or cyberattacks could disrupt operations.
- **Mitigation Strategy:**
  - Maintain a Business Continuity Plan (BCP) covering greenhouse, indoor, and outdoor operations.
  - Disaster recovery contracts in place for backup cold storage and emergency power suppliers.
  - Cybersecurity protections for seed-to-sale systems, including multi-factor authentication and data backups.

- **Outcome:** Operations resilient against unexpected disruptions, preserving continuity of supply to processors.

By embedding genetic redundancy, cold-chain safeguards, compliance monitoring, client diversification, and robust security measures, the Applicant establishes a risk-resilient biomass supply chain. This not only satisfies Nebraska's emergency rules (238 NAC 1) but also demonstrates leadership in aligning with federal botanical handling standards (21 CFR Part 111), cold-chain logistics best practices (FDA/USDA), and ISO 17025 testing requirements. The result is a cultivation operation that is resilient, compliant, and trusted by regulators, processors, and patients alike.

11. Business Outcomes & Market Positioning

Nebraska's medical, non-smokable market rewards reliability, compliance, and cannabinoid density, not "bag appeal." The Applicant's hybrid cultivation + flash-frozen post-harvest model is engineered to deliver repeatable, extraction-ready biomass with first-pass COA success and tight potency bands—exactly what licensed extraction facilities need to keep formulation lines running on time.

11.1. Premium Wholesale Pricing for Processors (Target: $700/lb)

Positioning: The Applicant will price top-tier, extraction-optimized biomass at **$700 per pound**, justified by value elements that processors can monetize:

- **Potency-indexed contracts:** Price security tied to *mg of total cannabinoids* (THC/CBD) rather than only pounds aligning cost with yield per batch. This is a widely recommended wholesale tactic for aligning incentives and defending margin in volatile markets.

- **Cold-chain premium:** Flash-freeze 60 minutes post-harvest and validated −20 to −40 °C storage preserve terpenes and acidic cannabinoids that improve extraction performance and concentrate quality (documented advantages vs conventional drying). Processors pay for fewer reworks and higher recovery. (See flash-freeze section.)

- **QA & paperwork that speed releases:** Fully linked COAs → seed-to-sale → manifests reduce intake time and compliance friction for processors—worth a real premium when

labs and line time are constrained.

- **Market reality:** Wholesale markets remain volatile and state-specific; operators that deliver consistent quality and terms outperform through the cycle.

- **Comparative context:** National wholesale trends show wide ranges by product type and market maturity; outdoor transactions frequently cluster in mid-price buckets (e.g., large shares between $401–$600/lb). A documented value gap exists for premium, reliability-backed inputs precisely the space the Applicant will occupy.

Offer structure:

- Base price $700/lb for qualified "A-grade extraction biomass" (potency & QA thresholds defined in the MSA).

- **Potency escalators** (e.g., +$/lb for >X% total cannabinoids) and volume tiers for 50, 100, 250+ lb orders.

- **Service-level credits** if on-time delivery or temperature-trace KPIs are missed—building trust and long-term lock-in.

11.2. Defensible Competitive Position: Nebraska's Most Reliable Biomass Supplier

Offer #1 – Consistency at scale:

- **Genetics & clonal propagation** deliver narrow potency variance; environmental "room recipes" (PPFD/CO_2/VPD) and COA trend reviews keep batches inside spec.

- **Greenhouse cost advantage** vs. pure indoor: lower energy per gram improves unit economics without sacrificing control critical in dynamic pricing cycles. Independent energy studies and regional analyses consistently show greenhouses can save 60–75% energy compared with indoor, supporting durable margin even if prices tighten.

Offer #2 – Supply assurance through design:

- **Perpetual greenhouse flowering** + **seasonal outdoor** = predictable weekly outputs with strategic seasonal capacity (lower COGS, higher resilience).

- **Flash-freeze and cold-chain logistics** deliver stable chemistry and faster QA releases, reducing processor downtime.

Offer #3 – Contracts that align incentives:

- **6–24 month supply agreements** with potency-indexed pricing, minimum purchase commitments, and tiered volume best-practice levers in wholesale B2B to reduce churn and reinforce cash-flow visibility.

11.3. Sustainable Growth Trajectory Aligned with Regulatory Expansion

- **Phase 1 (Year 1):** Fill Nebraska processor demand with high-reliability supply. KPI focus: 95%+ on-time fill rate, <1% temperature excursions, 98% first-pass COA rate, ≤48-hour intake-to-release at processors (complete paperwork & clean data).
- **Phase 2 (Years 2–3):** Expand SKUs (THC-forward, CBD-rich, CBG/CBC/THCV lines) and negotiate co-development MOUs with top processors for condition-oriented formulations (PTSD, oncology support, HIV cachexia)—deepening stickiness.
- **Phase 3 (Regulatory evolution):** If Nebraska broadens qualifying conditions or product forms, leverage genetics/IP pipeline and cost-efficient greenhouse capacity to scale without breaking unit economics.

11.4. Go-to-Market Playbook

1. **Processor discovery & fit:** Map each extractor's demand curve (potency bands, terpene targets, batch sizes).

2. **Pilot + guarantee:** 2–4 pilot lots with potency-indexed pricing and intake-time guarantee (COA + manifest + temperature trace delivered as a single "e-lot file").

3. **Lock-in:** Offer contract menu—12-month base, 24-month preferred (discount + strain exclusivity by county), floor/ceiling bands to share risk in volatile periods. (Wholesale guidance emphasizes long-term, volume-tiered deals to stabilize both sides.)

4. **SLA optics:** Publish SLA scorecards monthly (fill rate, COA first-pass, temp-trace integrity, complaint rate).

5. **Relationship moat:** Quarterly business reviews; joint R&D on minor-cannabinoid inputs; priority scheduling during peak seasons.

11.5 Metrics That Prove Superiority (What We'll Report)

- **Economics:** COGS per mg cannabinoid; gross margin at $700/lb; energy per lb (kWh/lb) trending down quarter-over-quarter. (Greenhouse efficiency supports defensible margins.)
- **Reliability:** On-time in-full (OTIF), lot-level temperature-trace integrity, first-pass COA rate, deviation/CAPA cycle times.
- **Quality:** Cannabinoid variance (SD) within contracted band; micro/mold failure rate <0.5%; recall rate **0**.
- **Customer success:** Repeat purchase rate, contract renewal %, and share of wallet at top 5 processors.
- **Market agility:** Days to stand-up a new cannabinoid SKU; % revenue from minor-cannabinoid lines by Year 2.

11.6 Why This Positioning Works in a Dynamic Market

- **Volatility is the norm.** National trade press notes rapid price swings and state-by-state divergence; firms with cost discipline (greenhouse), contract discipline (indexed/tiered), and QA discipline outperform through cycles.
- **Differentiation beats commoditization.** Many suppliers still sell on pounds alone. The Applicant sells assurance chemistry preserved, paperwork perfect, delivery dependable.
- **Efficiency scales trust.** Lower energy and robust process control allow the Applicant to hold its price when others chase the bottom, or invest in service (temp-trace, SLAs) that competitors can't match profitably.

By anchoring to $700/lb and proving the value with potency-indexed contracts, greenhouse-enabled cost efficiency, and QA/cold-chain assurance, the Applicant creates a premium, defensible niche. The result is a supplier processors *prefer*—not just for chemistry, but for predictability, paperwork, and partnership and a model built to win no matter how the market moves.

12. Facility Design & Operational Readiness Plan

12.1. Overview

The Applicant is committed to achieving full operational readiness within 12 months of licensure by the Nebraska Cannabis Commission. This readiness depends on coordinated progress in zoning approvals, facility construction, infrastructure development, and regulatory compliance. The planned facility footprint encompasses 25,000 square feet, integrating three distinct but complementary operations:

- A **greenhouse complex** designed for controlled, perpetual cultivation.
- **Indoor facilities** for supply chain management, post-harvest processing, QA/QC, secure storage, and administrative offices.
- A designated **outdoor cultivation area** that maximizes seasonal output and complements greenhouse production.

This diversified design ensures year-round supply stability, efficient logistics, and the ability to scale with Nebraska's evolving patient and market demand.

12.2. Zoning and Local Approvals

Operating within the Omaha, Nebraska area requires compliance with both city and county zoning ordinances. Prior to breaking ground, the Applicant will:

- Confirm zoning designations with Omaha's Planning Department to ensure cannabis cultivation is permitted on the chosen parcel.
- Obtain all conditional use permits or special exceptions required for agricultural greenhouse operations in a commercial zone.
- Conduct public hearings if required, presenting security plans, odor mitigation systems, and traffic impact studies to local boards.
- Coordinate with the Douglas County Building Department for land use and construction approvals.

- Secure environmental and utility clearances, including water rights, electrical upgrades, and stormwater management approvals.

By integrating municipal, county, and Commission oversight into early planning, the Applicant ensures a seamless path to operational approval.

12.3. Facility Build-Out

The Applicant has strategically designed the 25,000 sq. ft. cultivation facility to balance operational efficiency with strict regulatory compliance under 238 NAC 1, while aligning with financial assumptions and yield forecasts.

Greenhouse Complex (12,000 sq. ft.)

- **Hybrid mixed-light design** with LED supplementation, automated fertigation, and climate controls to maximize year-round output.
- **Environmental resilience** engineered to withstand Nebraska's seasonal extremes, including snow loads, wind, and temperature fluctuations.
- **Pest management** supported by screened intakes, air pressure controls, and sanitation SOPs consistent with GACP and AHPA guidelines.
- **Primary driver of biomass yield**, projected to support perpetual harvests that account for ~2,000 lbs annually (as reflected in Year One financials).

Outdoor Cultivation (2,000 sq. ft.)

- **Seasonal soil-based cultivation plots**, zoned, fenced, and monitored by CCTV and alarms.
- Designed for **long-season genetics** to diversify yield and hedge against supply volatility.
- Integrated into the overall facility workflow with secure entry/exit points and traceability tied to the seed-to-sale platform.
- Expected to contribute ~1,100 lbs annually (September harvest), consistent with Year One revenue modeling.

Indoor Operations & Support Areas (13,000 sq. ft.)

- **Supply chain hub** housing receiving, secure storage vaults, and administrative offices.
- **Dedicated QA/QC laboratories** for chain-of-custody sampling, potency/microbial testing coordination, and Commission inspection readiness.
- **Post-harvest processing suites** designed for trimming (for QA purposes), flash-freezing biomass to −40 °F, packaging, and state inventory reconciliation.
- **Seed-to-sale tracking and compliance office** ensuring all activities are logged in real time, in alignment with Nebraska emergency rules (§012.08, §020).

Harvesting & Drying (2,500 sq. ft.)

- **Purpose:** Dedicated space for staging, bucking, trimming (for QA samples only), and controlled drying of any biomass not immediately flash-frozen.
- **Design Features:**
    - Segregated bays with humidity control (50–60% RH) and temperature regulation (~60 °F).
    - HEPA filtration and negative pressure to prevent cross-contamination.
    - Ergonomic tables and dust/allergen controls per **NIOSH standards**.
- **Workflow:** Biomass moves directly from greenhouse/outdoor harvest to drying, then either to QA sampling or flash-freeze storage.

Cryogenic Storage & Cold Chain (2,000 sq. ft.)

- **Purpose:** Secure cryo vaults for flash-frozen biomass, maintaining −20 °C to −40 °C, aligned with SOPs for preservation.
- **Design Features:**

- Blast freezers for rapid cooling (within ≤60 minutes of harvest).
- Insulated vault rooms with continuous temperature datalogging.
- Dual-access security (two-person integrity rule).

- **Compliance:** Chain-of-custody tagging and COA "quarantine" status until QA release, in accordance with **238 NAC 1 §016**.

Administrative Offices (1,500 sq. ft.)

- **Purpose:** Housing management, compliance, HR, and finance functions.
- **Design Features:**
  - Conference and compliance audit room for Commission inspections.
  - Secure records storage (physical + digital backup portal).
  - IT/network hub with seed-to-sale system access and surveillance servers.
- **Staffing:** General manager, compliance officer, HR/admin staff.

Supply Chain & Logistics Hub (1,000 sq. ft.)

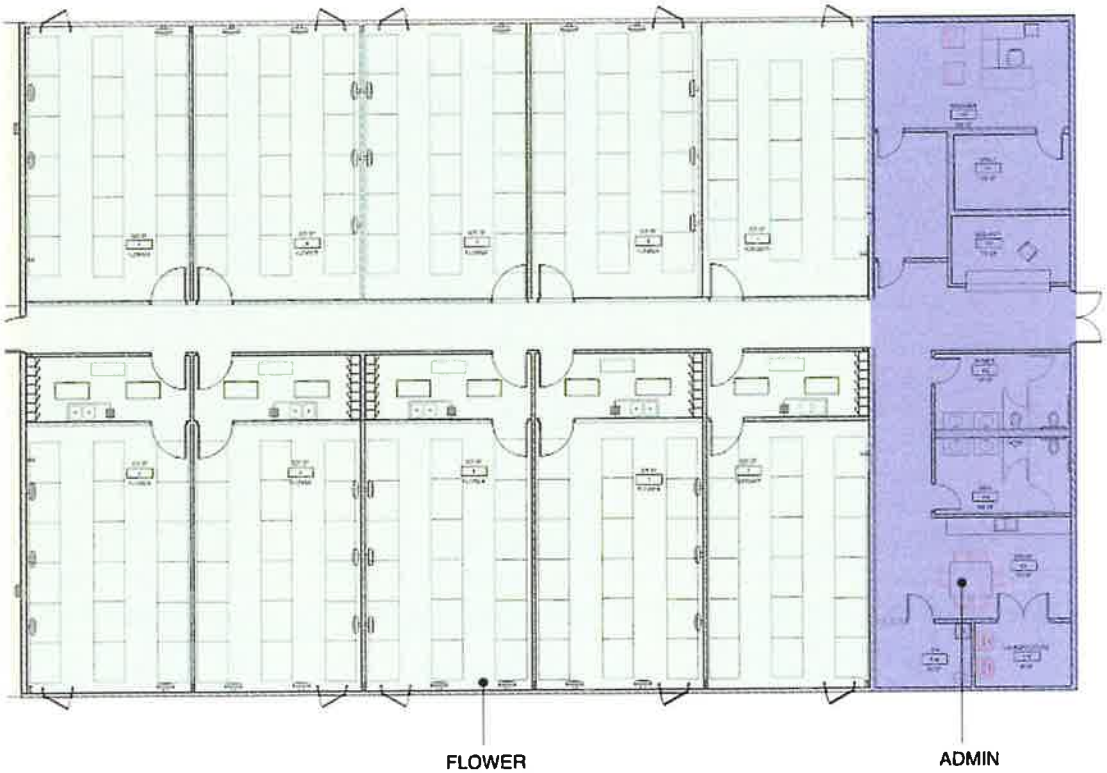
- **Purpose:** Staging and control area for packaging, manifests, shipping, and inbound materials.
- **Design Features:**
  - **Sally-port loading bay** with dual-door interlocks and manifest stations.
  - Secure inbound storage for fertilizers, soil amendments, PPE, and cleaning agents.
  - Outbound secure cage for COA-cleared biomass prior to transport.
- **Compliance:** Outbound manifests recorded in **seed-to-sale system (238 NAC 1 §020)**; inbound supplies logged for supplier qualification.

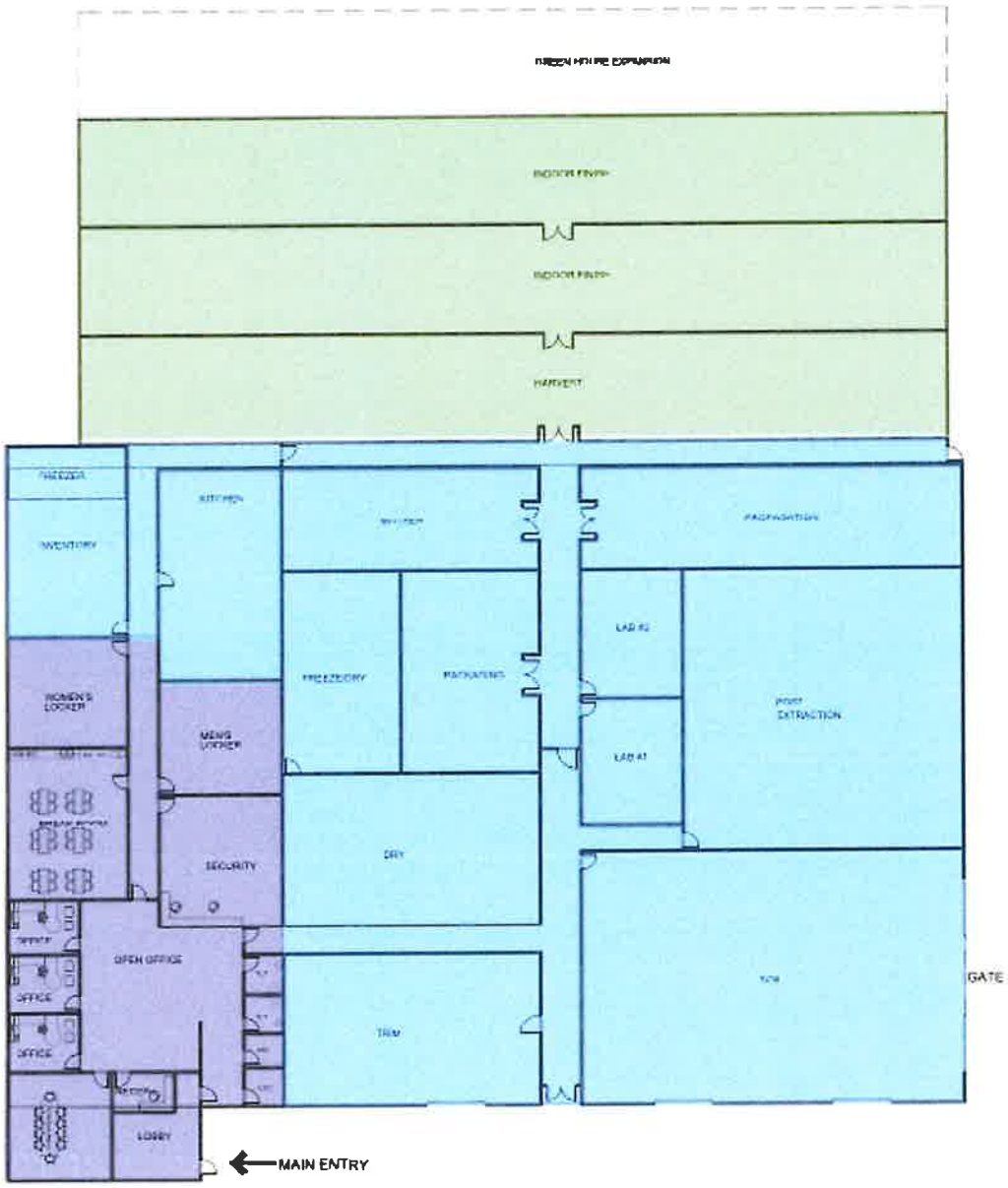
Summary

- **Total Capacity:** 20,000 sq. ft. footprint optimized to produce ~3,100 lbs annually, aligning with revenue forecasts of ~$2.17M at $700/lb.
- **Capital Costs:** Construction, environmental controls, and equipment remain within the $4M budget, scaled appropriately to footprint.
- **Operating Costs:** Payroll, utilities, compliance, and supplies are balanced within the $2M annual OPEX assumption, with payroll (~66% of budget) remaining the largest expense category.
- **Job Creation:** 20–25 FTEs supported across cultivation, QA, security, and administration, consistent with earlier staffing models.

Construction contracts will specify compliance with commercial building codes, OSHA workplace standards, and NFPA fire codes, while maintaining Nebraska Commission-mandated security infrastructure.

As outlined above, Applicant is prepared for greenhouse, indoor and/or outdoor cultivation, please see example floor plans below which will be customized to Applicant's site if license is granted to Applicant.





① Sample Greenhouse Facility

12.4. Regulatory Integration

From day one, operational readiness is tied to Nebraska Cannabis Commission approvals and inspections.

- Submission of a Security Plan (§012–§015) covering surveillance, intrusion alarms, access controls, waste storage, and transport.
- Integration with the Commission-approved seed-to-sale system (§020), ensuring every planting, harvest, transfer, and destruction event is documented.
- Development of SOPs covering cultivation, pest management, waste handling, QA/QC testing, and emergency response.
- QA systems aligned with ASTM D37.02, HACCP-style hazard controls, and state-mandated testing for potency, pesticides, heavy metals, microbial contaminants, and water activity (§016).

12.5. Timeline for Operational Readiness (12 Months)

Months 1–3: Pre-Construction & Permitting

- **Activities:** Zoning approvals, permitting, design finalization.
- **Financial Impact:** Capital expenditures dominate (land, permits, design/architecture). Limited operating costs (legal, consulting). No revenue yet.
- **Projection Tie-In:** Matches early negative cash flow as startup funds are deployed.

Months 4–6: Construction & Procurement

- **Activities:** Greenhouse and facility construction, perimeter fencing, equipment ordered.
- **Financial Impact:** Major CAPEX drawdown ($3.8M projected for construction/equipment).
- **Projection Tie-In:** Still no revenue; operating costs mostly administrative and payroll for leadership hires.

Months 7–9: Systems & Staffing

- **Activities:** Install environmental controls, seed-to-sale integration, security system, staff hiring and training.
- **Financial Impact:** OPEX begins to rise (payroll, training, utilities for system testing). Still no cultivation revenue.
- **Projection Tie-In:** Matches first payroll/benefits outflow (~$1.3M annualized) beginning to show.

Months 10–12: Planting & QA Validation

- **Activities:** Planting of genetics, QA/QC validations, Commission inspections.
- **Financial Impact:** Cultivation supply costs (soil, nutrients, IPM). Operating costs steady at ~$166K/month. Still no product sales until harvest matures.
- **Projection Tie-In:** Revenue begins post-month 12, which matches our financials where greenhouse harvest starts in March of Year 1 (assuming approvals complete by prior winter). Outdoor crop yield aligns with September harvest.

End of Month 12: Facility Readiness

- Facility is fully capable of perpetual greenhouse harvests and seasonal outdoor cultivation.
- **Financial Impact:** Transition from pure expenditure to revenue generation. Aligns with Year One projections that show $2.17M revenue based on 2,000 lbs greenhouse + 1,100 lbs outdoor, at $700/lb.

12.6. Readiness Assurance

The Applicant's facility design and operational readiness will include compliance with all applicable state and city laws and regulations and will be ready to commence operations. The

Applicant's approach to operational readiness combines regulatory compliance, zoning and permitting approvals, construction milestones, and staff training. By building flexibility into the schedule, extending the readiness horizon from 9 to 12 months, the Applicant reduces risks associated with regulatory delays, adverse weather, or construction bottlenecks. This readiness framework ensures that once licensed, the Applicant can move swiftly to cultivation, achieve sustainable output, and establish itself as a trusted, compliant supplier in Nebraska's cannabis market.

Operational Readiness (12-month Plan)

Milestone	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Zoning & Permitting	■■	■■	■■									
Utility & Environmental Approvals		■■	■■									
Architectural Design & Planning	■■	■■	■■									
Construction: Greenhouse				■■	■■	■■						
Construction: Indoor Ops				■■	■■	■■						
Perimeter Fencing & Security Install						■■	■■	■■				
Systems Integration (HVAC, BMS, Seed-to-Sale)							■■	■■	■■			
Recruitment & Training							■■	■■	■■			
QA/QC Validation & SOP Implementation									■■	■■	■■	
Commission Inspections & Approvals										■■	■■	
Genetics Propagation & Planting											■■	■■
First Harvest Readiness												■■

13. Experience & Leadership Team Qualifications

The Applicant is owned by a local business leader with years of experience operating businesses. Furthermore, Applicant will consult with David Polley, Founder and Cultivator for Preferred Gardens with 20 years of experience in the cannabis.

Through Preferred Gardens, Applicant will have excess to horticultural scientists, plant pathologists, and cannabis cultivation experts who provide strategic guidance on genetics, crop optimization, and technology adoption.

David Polley is the founder and cultivator of Preferred Gardens, a California cannabis company recognized for its commitment to quality genetics, operational discipline, and cultivation innovation. Regarded as one of the leading cultivation experts in the industry, having designed and built over 1 million square feet of cultivation space across several markets, Polley has earned his reputation through hands-on experience, technical precision, and a dedication to raising standards across every stage of cannabis production.

From his primary base in California, Polley oversees multistage cultivation systems that include propagation, flower production, harvest, post-processing, and distribution. His ability to design and manage these interconnected systems allows Preferred Gardens to maintain consistency, efficiency, and compliance, benchmarks that define successful cannabis enterprises in regulated markets.

Polley also operates as a Multi-State Operator, bringing his cultivation philosophy and systems to diverse markets outside California. His adaptability in meeting varying regulatory requirements and environmental conditions has made him a trusted partner for established companies and new operators alike.

In addition to his own operations, Polley is a sought after consultant, guiding cultivation teams, license holders, and investors on facility buildouts, workflow optimization, environmental controls, and operational efficiency. His practical, results-driven approach translates complex cultivation challenges into scalable business solutions.

Polley's expertise also extends into breeding and genetics, where he has developed exclusive strains that define the Preferred Gardens portfolio. These proprietary cultivars, recognized for their distinct terpene expression and reliability, highlight his role as both a cultivator and a breeder pushing the industry forward.

What distinguishes Polley is his ability to combine cultivation mastery with business acumen. He understands that success in cannabis requires more than strong harvests. It demands operational discipline, regulatory awareness, and a clear commitment to product integrity. Under his leadership, Preferred Gardens has built a reputation as a transparent and forward-thinking operator with genetics and cultivation practices that resonate across markets.

Through Preferred Gardens and his consulting work, David Polley continues to shape the future of cannabis cultivation, breeding, and operations. His career reflects a commitment to quality, innovation, and integrity that has established him as a grower, breeder, and operator at the forefront of the modern cannabis industry.

14. Residency & Ownership Compliance

Per Nebraska statute (§002.02–002.03):

- The Applicant is **majority-owned (>51%) by U.S. citizens who have resided in Nebraska for at least four consecutive years** prior to application. Please see Appendix B for proof of residency.
- Ownership structure ensures full compliance with **state residency requirements**, including financial and voting interests.
- All parent and subsidiary entities comply with Nebraska's regulatory framework for cannabis ownership.

15. Marketing & Sales Strategy

The Applicant's marketing strategy is built around legality, value, and relationship strength. Because the product is highly regulated (cannabis biomass for extraction), every outreach effort is compliant, targeted, and purpose-driven. The goal is not mass advertising but high-trust, high-value engagement with licensed extraction partners across Nebraska.

15.1. Regulatory Environment for Marketing

- Nebraska's **Emergency Regulations (238 NAC 1)** govern labeling, security, inventory, testing, and product types, including prohibitions on smokable or inhalable forms (§012.07) and mandates on compliance, tracking, and secure transfers.
- Marketing directly to consumers, especially via public mediums that could reach minors or non-licensed individuals, is either restricted or illegal under Nebraska's rules (and subject to enforcement from both the Commission and the Attorney General's Office).

The Applicant is applying to be a licensed cultivator and will only use B2B marketing channels only, avoid promoting consumer smoking or recreational use, and avoid channels likely to reach minors. Below is a chart showing the Applicant's proposed marketing strategies:

Channel / Tactic	How the Applicant Will Use It	Compliance Safeguards
Direct Outreach to Licensed Extraction Facilities	Personalized contact: phone, email, meetings. Provide product data (potency, biomass yield, cold-chain integrity), samples, contract terms. Set up in-person tours of cultivation facilities for serious potential clients.	Maintain a record of outreach. Only contact licensed entities (verified via NMCC license database). No promotion of illegal product types. All marketing materials must reflect COA data and must not claim unapproved medical claims.
Educational Marketing & Content Sharing	Whitepapers, webinars, case studies, datasheets highlighting benefits of flash-frozen, cannabinoid-optimized biomass (for extraction yield, reduced processing cost). Publish to industry publications, trade journals, B2B newsletters. "Content marketing" rather than consumer advertising.	Review all educational content for accuracy. Avoid claims that stray into suggesting therapy or efficacy beyond what's supported by labels/testing/co-published medical research. Must cite COAs & lab data. Keep both content and distribution records.
Partnerships and Industry Association Events	Join or present at Nebraska Cannabis Business Association (or equivalent), industry symposiums, trade shows (for medical cannabis). Sponsor panels or educational tracks about extraction-ready biomass. Partner with industry associations to host seminars for extractors.	Ensure all event materials are B2B focused. Avoid general consumer stands or promotions. Confirm each association/event adheres to state guidelines on attendance and marketing content. Maintain transparency in sponsorship agreements.

Reputation & Thought Leadership	Publish performance metrics (COA first-pass rate, reliability, cold-chain integrity), supply chain transparency, traceability. Garner testimonials from extraction facilities. Maintain high service levels (reliability, speed, QA) to build references.	Only publish verified data. Testimonials only from licensed processors. Materials should not mislead or overstate outcomes. Ensure legal review of all public claims.
Digital B2B Channels	Targeted LinkedIn outreach, trade-focused online directories, email campaigns using industry contact lists. Use digital brochures or client portals showing batch portfolios.	Use opt-in lists only. No false or misleading claims. Ensure networks are secured and content is age-restricted or targeted only to licensed entities. All content locally legal and up to date with emergency rule language.

15.2. Messaging & Positioning Themes

To stand out, the Applicant's messaging will emphasize:

- **"Extraction-ready" quality**: flash-frozen, lab-tested, potency verified biomass that saves processors time and money.
- **Reliability & predictability**: supply cadence, cold chain security, first-pass COA, transparent reporting.
- **Compliance & traceability**: seed-to-sale tracking, manifest integrity, regulatory alignment.
- **Value vs "commodity biomass"**: showing how premium input leads to higher extraction yield, lower risk of QC failures, less wastage.

15.3. Legal & Ethical Boundaries

- The Applicant will not advertise raw plant material for smoking or vaping. Emergency rule 012.07 prohibits products by smoking, combustion, or vaping.
- Marketing shall avoid medical claims not approved by regulators. Only describe products in terms of lab-verified potency, extraction readiness, and safety, not as cures or treatments.
- Strict verification of license status for all extraction clients before outreach on public campaigns to non-licensed parties. Adherence to labeling, packaging, and security disclosures as required under 238 NAC 1.

15.4. Marketing & Sales Process Flow

Here's how the Applicant will roll out its B2B marketing, aligned with sales:

1. **Client Mapping & Qualification**
    - Build a database of all state-licensed extraction facilities.
    - Evaluate each facility's needs (volume, potency bands, lead time) via survey or initial meetings.
2. **Pilot Collaboration Offers**
    - Offer sample lots with full transparency (COA, temp-trace, lot history) to demonstrate value.
    - Negotiate pilot contracts to prove ROI and build trust.
3. **Long-Term Contracts & Pricing Structures**
    - Use supply agreements with 6-24 month duration. Include potency indexing, minimum volumes.
    - Offer incentives: reduced delivery cost, better scheduling, priority allocations for recurring clients.
4. **Ongoing Client Communication & Feedback Loops**

- Monthly performance reports to clients (deliveries, COA pass rate, cold chain deviations, etc.)
- Quarterly partnership reviews to adjust volumes, genetics, or service expectations.

5. **Content & Educational Outreach**
   - Produce whitepapers / technical briefs about flash-freeze benefits, potency preservation, etc.
   - Host or participate in workshops / webinars for extraction facilities.
6. **Public Reputation & Brand Building (B2B audience)**
   - Maintain case studies and testimonials (with licensed extractors/processors).
   - Maintain high online professional presence (LinkedIn, trade journals).
   - Demonstrate compliance via transparent QA documentation, traceability dashboards (redacted public release where allowed).

15.5. Metrics to Track Success

- Number of extraction facilities under contract
- Average contract length (months)
- Average price achieved per pound (especially for top-grade biomass)
- First-pass COA success rate for clients
- Customer satisfaction / Net Promoter Score among processors
- Cycle time: sample to delivery to COA / payment

Because the Applicant's marketing strategy is grounded in compliance, education, and authenticity, it builds trust faster than competitors who may depend on aggressive consumer-facing advertising. In a highly regulated market like Nebraska, having credentials, verified quality, and dependable performance is the most persuasive message. Extraction facilities will

contract with the supplier they can rely on not just for price, but for risk mitigation, speed, and certainty.

16. Operations Plan

The Applicant's cultivation program is designed around four pillars: **Compliance, Quality, Worker Safety, and Operational Efficiency.** To institutionalize these pillars, the facility uses a documented Quality Management System (QMS) (policies, SOPs, work instructions, logs, records) aligned to ASTM D37 (QMS and horticulture), AHPA cultivation guidance, WHO/EMA GACP for medicinal plants, OSHA/NIOSH occupational safety, and EPA Worker Protection Standard (WPS) for pesticide handling. Nebraska's 238 NAC 1 requirements (security, tracking, testing, inspection authority) are embedded into daily workflows and system design.

16.1. Legend of Abbreviations & Standards

- **AHPA** – *American Herbal Products Association*: Industry trade group that publishes cannabis cultivation and manufacturing guidance, widely recognized by regulators for best practices.
- **ASTM D37** – *American Society for Testing and Materials, Committee D37 on Cannabis*: International standards body that develops consensus standards for cannabis cultivation, quality management, and testing (e.g., D37.02 for Quality Management Systems).
- **CAPA** – *Corrective and Preventive Action*: A structured approach to identifying root causes of deviations or non-conformances and implementing solutions to prevent recurrence.
- **COA** – *Certificate of Analysis*: Independent laboratory report verifying potency and contaminant results for each cannabis lot. Required under Nebraska 238 NAC 1.
- **EPA WPS** – *Environmental Protection Agency, Worker Protection Standard (40 CFR 170)*: Federal regulation that governs pesticide handling, worker training, re-entry intervals (REIs), and decontamination provisions for agricultural workers.
- **ESG** – *Environmental, Social, and Governance*: A framework for reporting on sustainability and social responsibility practices.
- **GACP** – *Good Agricultural and Collection Practices*: International guidelines (WHO/EMA) for medicinal plant cultivation, covering traceability, hygiene,

documentation, and patient-oriented quality standards.

- **HACCP** – *Hazard Analysis and Critical Control Points*: Risk-based system for identifying, monitoring, and controlling hazards in production. Adapted from food and pharma into cannabis cultivation and processing.

- **IQ/OQ/PQ** – *Installation Qualification / Operational Qualification / Performance Qualification*: Validation steps used in regulated industries to ensure equipment and systems work as intended.

- **NIOSH** – *National Institute for Occupational Safety and Health*: U.S. federal agency providing research and recommendations on workplace hazards, including cannabis-specific bioaerosol and dust exposures.

- **OSHA** – *Occupational Safety and Health Administration*: U.S. federal agency that sets and enforces workplace safety and health standards.

- **PPE** – *Personal Protective Equipment*: Safety gear required for cultivation operations, including gloves, respirators, and eye protection.

- **QMS** – *Quality Management System*: Formalized system of SOPs, training, audits, CAPA, and documentation designed to ensure consistent compliance and product quality.

- **REI** – *Restricted Entry Interval*: The minimum time workers must wait after pesticide application before entering a treated area, as defined by EPA WPS.

- **SOP** – *Standard Operating Procedure*: Written instructions that define how a specific task or operation is performed to ensure consistency, compliance, and quality.

- **TRIR** – *Total Recordable Incident Rate*: An OSHA metric measuring workplace injury frequency per 100 full-time employees.

- **VPD** – *Vapor Pressure Deficit*: Cultivation metric measuring the relationship between temperature and humidity to optimize plant transpiration and health.

Why these frameworks? (briefly)

- **Nebraska 238 NAC 1:** sets the **floor**—security, inventory tracking, testing, inspections, signage and conduct; we design to meet/exceed.

- **ASTM D37:** adds professional QMS structure (SOPs, CAPA, HACCP, supplier qualification, audits) and horticulture specifics regulators respect.

- **AHPA & GACP:** make our cultivation look like medicinal-plant agriculture—traceable, hygienic, repeatable.
- **OSHA/NIOSH & EPA WPS:** keep workers safe from dust/bioaerosols, chemicals, and pesticide exposures.

16.2 Facility Overview, Flow & Zoning

The Applicant's cultivation facility will occupy an estimated 25,000–30,000 square feet in a purpose-built hybrid indoor/greenhouse structure. This footprint has been intentionally designed to balance scale, efficiency, and environmental sustainability. Hybrid construction allows the Applicant to combine the precision control of indoor environments with the energy efficiency of greenhouse design, resulting in both predictable crop performance and lower long-term operating costs.

Footprint: 25–30k sq ft hybrid indoor/greenhouse.

Hygienic zoning (unidirectional flow):

Genetics & Mothers → Cloning → Vegetative → Flowering → Harvest → Flash-Freeze (−40 °F) → Frozen Vault → QA Sampling → Secure Shipping (sally-port) to state-licensed extraction facilities.

Controlled areas & design intents

- **Genetics/Mothers/Cloning:** HEPA-filtered positive pressure; bench sanitation; mother retirement/rotation schedule; genotyping/COA dossiers. (GACP/AHPA)
- **Veg/Flower Pods:** Independent HVAC/VPD/CO_2 control with BMS alarms; differential pressure; condensate capture. (ASTM D37 horticulture)
- **Post-Harvest Suite:** Segregated harvest staging, trimming (if used for sampling), flash-freeze room (blast freezers to −40 °F), lockable frozen vault with continuous temperature logging.
- **QA Bench:** Clean bench for chain-of-custody sampling and packaging verification.
- **Shipping Sally-Port:** Dual-door interlock, CCTV, access control, manifest station.

Security by design: 24/7 interior/exterior video, intrusion detection, access control with one-year log retention; on-site licensed security; secure waste areas conforming to 238 NAC 1 security program requirements.

At the heart of the facility's design is a hygienic zoning strategy with a unidirectional product flow. This approach ensures that cannabis plants and biomass move in a single, controlled direction through the production cycle:

Genetics & Mothers → Cloning → Vegetative → Flowering → Harvest → Flash-Freeze (−40 °F) → Frozen Vault → QA Sampling → Secure Shipping (sally-port)

This linear flow minimizes the risk of cross-contamination, enhances biosecurity, and provides clarity for both staff and regulators during audits and inspections. Each zone is separated with physical barriers, independent climate controls, and access restrictions that reinforce strict compliance with 238 NAC 1 and recognized agricultural standards such as AHPA and GACP.

16.3. Cultivation Program (Perpetual Harvest)

The Applicant's cultivation program is designed with a single, clear objective: to produce consistent, high-cannabinoid biomass optimized for extraction, rather than smokable retail aesthetics. Every operational step from cloning to harvest and storage has been engineered to maximize cannabinoid output, preserve plant integrity, and deliver high-quality biomass to Nebraska's state-licensed extraction facilities.

Objective: Consistent, high-cannabinoid biomass optimized for extraction, not smokable retail aesthetics.

Propagation & Genetics

- Clonal propagation from indexed mothers; pathogen screening; media water-activity checks.
- Clone ID creation at cut; immediate entry into seed-to-sale; upgrade to state inventory tracking once live (per Commission requirements).

Vegetative (3–4 weeks)

- AI-assisted fertigation; daily EC/pH trend logging; IPM scouting forms; WPS compliance before any pesticide application if required or re-entry.

Flowering (8–10 weeks)

- Room "recipes" (VPD, light DLI, CO_2 setpoints, airflow) locked in BMS; deviations alarm to duty manager; weekly tissue/leaf analytics to fine-tune nutrition.

Harvest

- Dual-custody lotting & weights; ergonomic work tables; respiratory/dust controls per NIOSH to mitigate allergen/bioaerosol exposure during buck/trim.

Flash-Freezing & Storage

- Transfer to −40 °F within 60 minutes of cut; place in validated, tagged totes; vault at −20 to −40 °C; continuous temperature dataloggers. Cold-chain SOP validated (OQ/PQ). Lot status "Quarantine" until COA review.

Throughput cadence: Weekly harvests from staggered flower rooms, supporting predictable supply and cash flow.

16.3.1. Propagation & Genetics

The cultivation process begins in the genetics wing, where clonal propagation from indexed mother plants ensures uniformity and consistency across all production batches. Each mother is carefully genotyped, pathogen-screened, and supported by Certificates of Analysis (COAs) to verify cannabinoid potential.

Clones are cut in sanitized conditions, with media water-activity levels checked to prevent microbial growth. At the moment of cutting, each clone receives a unique identifier, immediately entered into the Commission-approved seed-to-sale tracking system. Once Nebraska's state inventory tracking system is live, all records will be upgraded to comply with real-time or per-transaction reporting requirements, ensuring full traceability throughout the plant's lifecycle.

16.3.2. Vegetative Stage (3–4 Weeks)

Following propagation, plants enter the vegetative phase, lasting approximately three to four weeks. During this stage, the Applicant employs AI-assisted fertigation systems to deliver precise nutrient formulations, optimized by strain. Environmental data including electrical conductivity (EC) and pH are logged daily, creating a detailed growth profile for each batch.

An Integrated Pest Management (IPM) program governs this phase, supported by scouting forms and photographic documentation. If pesticide application becomes necessary, strict compliance with the EPA Worker Protection Standard (WPS) is observed, including handler training, restricted entry intervals (REIs), and decontamination protocols.

16.3.3. Flowering Stage (8–10 Weeks)

The flowering stage, typically eight to ten weeks, is managed under a series of environmental "recipes" tailored to each cultivar. These recipes define target vapor pressure deficit (VPD), daily light integral (DLI), CO_2 setpoints, and airflow rates all programmed and monitored through a centralized Building Management System (BMS).

Deviations in climate, lighting, or CO_2 are automatically flagged by the BMS and escalated to the duty manager for immediate correction. Weekly tissue and leaf analyses provide data-driven insights into nutrient uptake, allowing the cultivation team to fine-tune feeding programs and maximize cannabinoid yields.

16.3.4. Harvest

Harvest is a critical control point in the Applicant's workflow. To maintain accuracy and prevent diversion, all harvest weights are verified under a dual-custody protocol requiring two staff members to sign off on lot creation and weight reconciliation.

Recognizing that cannabis harvests present occupational hazards, the Applicant incorporates ergonomic work tables and NIOSH-recommended respiratory and dust controls. These safeguards mitigate exposure to allergens, bioaerosols, and repetitive strain injuries, ensuring worker safety while maintaining throughput.

16.3.5. Flash-Freezing & Storage

Immediately after harvest, all biomass is transferred to the flash-freeze room, where material is frozen to −40 °F within 60 minutes of cutting. This rapid freezing preserves trichomes, cannabinoids, and terpene integrity, preventing degradation that can occur in ambient drying. Frozen biomass is placed in validated, tagged totes and stored in a secure vault maintained between −20 and −40 °C. Continuous dataloggers track storage temperatures, and the entire cold-chain process is validated through operational qualification (OQ) and performance qualification (PQ) studies. Until a batch has passed independent laboratory testing and received a clean Certificate of Analysis (COA), its status in the seed-to-sale system is marked as "Quarantine." Only after QA review and COA verification is material cleared for release to extraction partners.

16.4. Throughput Cadence

The Applicant employs a staggered, perpetual harvest model. Flowering rooms are offset in schedule, allowing weekly harvests that provide a predictable and steady supply of biomass. This system not only stabilizes revenue but also ensures extraction facilities can rely on the Applicant for continuous input material, strengthening long-term wholesale relationships and supporting Nebraska's patient community with consistent therapeutic product availability

17. Integrated Pest Management (IPM) Policies and Procedures

Greenhouse soil cultivation provides robust plant growth but also creates a living ecosystem where pests and pathogens thrive if not proactively managed. The Applicant recognizes that soil is a natural breeding ground for fungus gnats, root aphids, nematodes, and soil-borne pathogens such as *Pythium* and *Fusarium*. In addition, greenhouse environments are susceptible to spider mites, aphids, thrips, whiteflies, and powdery mildew, all of which can damage crops, reduce cannabinoid yields, and lead to non-compliance with Nebraska's mandatory testing requirements (238 NAC 1 §016).

The Applicant's Integrated Pest Management (IPM) program is built around a prevention-first philosophy, continuous monitoring, and layered responses that prioritize biological and cultural controls. Chemical pesticides are used only when absolutely necessary, under strict compliance with the EPA Worker Protection Standard (40 CFR 170) and Nebraska pesticide applicator licensing laws. This ensures safe, compliant harvests while minimizing risks to workers, patients, and the environment.

17.1. Prevention

Prevention is the cornerstone of any pest management program, especially in a greenhouse with soil quadrants. Unlike sealed indoor facilities, greenhouses are more vulnerable to environmental variables, outdoor pest migration, and soil-borne organisms. Once pests become established, eradication is difficult and costly both in yield losses and compliance risks. Therefore, the Applicant emphasizes biosecurity, sanitation, and environmental controls to create a hostile environment for pests before they can establish themselves. Policies include:

- **Sanitation & Soil Management:** Quadrants cleaned daily; soil amended or pasteurized between cycles. Plant debris removed promptly.
- **Physical Barriers:** Fine mesh screens on intakes; vestibules at entrances; sticky traps near doors.
- **Air Pressure Management:** Positive airflow maintained to discourage pest ingress.
- **Hygiene Protocols:** Mandatory disinfectant foot baths, gloves, lab coats, and quadrant-specific tools to prevent cross-contamination.

17.2. Monitoring & Scouting

Even with the best prevention, pests may still infiltrate the greenhouse. Early detection is therefore critical. A robust monitoring system ensures that small pest populations are identified before they become widespread. The Applicant's scouting system combines daily physical inspections, digital documentation, and defined thresholds that trigger rapid responses.

- **Daily Scouting:** Trained staff inspect each quadrant for signs of pests or disease.
- **Sticky Traps:** Yellow/blue cards deployed for flying pests such as fungus gnats, thrips, and whiteflies.
- **Photo Documentation:** Digital photos uploaded to a central database to track pest trends.
- **Thresholds:**
    - Spider mites: 5% plants with visible mites or webbing.
    - Aphids: 2 colonies per 20 shoots or visible honeydew.
    - Fungus gnats: 10 adults per sticky trap per week.
    - Powdery mildew: 3% incidence.

Exceeding thresholds automatically triggers intervention.

17.3. Biological Controls (First-Line Response)

Consistent with Good Agricultural and Collection Practices (GACP) and AHPA standards, the Applicant prioritizes non-chemical methods. Biological controls reduce pest populations naturally, while cultural practices make the environment less conducive to infestation. This strategy not only supports sustainability but also reduces the likelihood of pesticide residues showing up in mandatory Nebraska cannabis testing (238 NAC 1 §016). Biological and cultural practices are always prioritized:

- **Spider mites:** Predatory mites (*Phytoseiulus persimilis, Neoseiulus californicus*).
- **Aphids:** Parasitic wasps (*Aphidius colemani*), lacewings (*Chrysoperla sp.*).

- **Fungus gnats/soil pests:** Beneficial nematodes (*Steinernema feltiae*), predatory mites (*Stratiolaelaps scimitus*).

- **Cultural Adjustments:** Reducing overwatering, ensuring drainage, maintaining humidity to discourage mite outbreaks.

- **Powdery mildew:** Sulfur burners (preventive), biological fungicides (Trichoderma spp., Bacillus spp.).

17.4. Pesticide Stewardship

While prevention and biological controls handle most pest pressure, there may be times when pesticides are necessary. Because cannabis is a highly regulated product, any use of pesticides must strictly comply with EPA Worker Protection Standards (40 CFR 170) and Nebraska's pesticide applicator requirements. The Applicant's policy is to use only program-approved, label-compliant products applied by licensed applicators, ensuring full regulatory alignment and patient safety. When biological measures are insufficient, chemical interventions may be used but only under strict policies:

- **Licensing & Certification:**
    - All pesticide applications performed by licensed applicators holding a Nebraska Commercial Pesticide Applicator License (issued by NDA).
    - Certifications renewed every 3 years, with continuing education credits as required.
    - Categories include Agricultural Plant (01A) for greenhouse soil pest control.
- **Application Procedures:**
    - Only state-permitted, label-compliant products applied. Off-label use is prohibited under federal law.
    - PPE and safety measures followed per label and WPS.
    - Restricted Entry Intervals (REIs): posted and enforced; staff prohibited from entry until expiration.
    - Applications logged with date, applicator name, product, EPA reg. number, rate, area, and REI.

- **Storage & Handling:**
    - Pesticides stored in a locked, ventilated room separate from cultivation.
    - Spill containment and chemical-resistant flooring installed.
    - Safety Data Sheets (SDS) posted; emergency eyewash stations nearby.
    - Quarterly inventory reconciliations conducted by QA.
- **Recordkeeping:**
    - Application logs retained for 5 years.
    - Records available to inspectors per 238 NAC 1 §020 (inventory and recordkeeping).

17.5. Oversight & Continuous Improvement

Effective pest management requires constant evaluation and adaptation. The Applicant's oversight program ensures accountability, regulatory alignment, and ongoing improvement. This system integrates compliance reviews, data-driven decision-making, and staff training, positioning the Applicant as a model operator in Nebraska's cannabis industry.

- **Quarterly Reviews:** Compliance Officer and Cultivation Manager evaluate pest data, interventions, and thresholds.
- **Annual Audit:** Effectiveness of biological controls, pesticide frequency, and threshold adherence reassessed.
- **Corrective & Preventive Actions (CAPA):** Any outbreak beyond thresholds triggers root-cause analysis (e.g., soil prep, irrigation, sanitation) and SOP revisions.
- **Training:** All employees trained annually on WPS, sanitation, scouting protocols, and emergency pesticide procedures.

The Applicant's pest management strategy is designed to exceed regulatory expectations by combining AHPA/GACP best practices, ASTM horticultural standards, and Nebraska's 238 NAC 1 requirements for testing, recordkeeping, and safe operations. Licensed applicators, secure pesticide storage, and documented REIs ensure full compliance with both state and federal

agricultural law. This comprehensive approach ensures that every harvest is safe, compliant, and of consistent quality for transfer to state-licensed extraction facilities.

17.6. Post-Harvest, QA Sampling & Release

The Applicant's operations are built on a foundation of compliance, safety, and quality assurance. Every batch of cannabis biomass must pass Nebraska's emergency cannabis regulations (238 NAC 1), which require rigorous testing, record retention, and strict chain-of-custody (§016 and §020). Because the Applicant's biomass is destined for state-licensed extraction facilities where it will be transformed into patient-facing products, quality assurance is both a regulatory requirement and a moral obligation.

To meet this standard, the Applicant has developed a comprehensive Quality Assurance Program that integrates:

- Sampling protocols and chain-of-custody for third-party lab testing.
- A Quality Management System (QMS) aligned with ASTM D37.02 and HACCP-style hazard analysis.
- Lot release procedures tied to COA review and state inventory tracking.
- Staff training, equipment calibration, documentation, and audits that ensure consistency and continuous improvement.

This system guarantees that no biomass leaves the facility until it has been verified as compliant, safe, and fit for extraction.

17.6.1. Sampling & Testing Framework

Sampling and testing are the foundation of product quality verification. Because cannabis is destined for therapeutic use, every lot must be tested for potency, purity, and contaminants to ensure it is safe and effective for patients. Nebraska's emergency regulations (§016) mandate that sampling is representative, handled under chain-of-custody, and tested by licensed labs. This process ensures accuracy, traceability, and compliance with state standards.

Procedures:

- Representative sampling per SOP.
- Chain-of-custody transfer to licensed labs.

- Testing includes potency, water activity, microbial contamination, pesticides, heavy metals, and residual solvents (if applicable).
- COAs retained 5 years (§020.03).

17.6.2. QMS Backbone (ASTM D37.02)

A Quality Management System (QMS) provides the operational backbone for compliance and consistency. By aligning with ASTM D37.02 and incorporating HACCP principles, the Applicant ensures all processes are controlled, documented, and continuously improved. This system integrates SOPs, change control, deviation logs, and supplier qualifications, creating a transparent and auditable framework.

Procedures:

- SOPs govern all critical operations.
- Change control requires QA approval.
- Deviations logged and reviewed.
- CAPA program addresses non-conformances.
- Supplier qualification audits conducted.
- Quarterly internal audits for compliance.

17.6.3. Non-Conforming Lot Procedures

Despite robust controls, there may be instances where a lot fails testing. The Applicant has developed clear procedures for handling non-conforming lots to ensure compliance, minimize risk, and protect patients. Nebraska rules (§016.07) allow for remediation within a defined window, or destruction if remediation is unsuccessful. This framework ensures accountability and corrective action.

Procedures:

- Remediation attempted within permitted timeframe.

- If remediation fails, dual-verified destruction occurs.
- CAPA cycle initiated to identify root cause.

17.6.4. Release Procedures

Product release is a controlled step where only compliant, tested biomass is approved for transfer to extraction facilities. By requiring QA sign-off and matching COAs with state seed-to-sale tracking, the Applicant ensures that only verified and compliant products leave the facility. This process is critical for preventing diversion, errors, and compliance risks.

Procedures:

- QA verifies COAs and lot IDs.
- Labels and manifests checked.
- State tracking system updated (§020.02).
- Chain-of-custody confirmed at shipping.

17.6.5. Staff Training & Competency

A QA program is only as strong as the people executing it. The Applicant invests in ongoing staff training to ensure all employees understand SOPs, compliance requirements, and safety standards. From pesticide applicators maintaining Nebraska Commercial Applicator licenses to cultivation staff following sanitation protocols, training ensures consistency and accountability.

Procedures:

- New staff receive QA and SOP training.
- Annual refreshers required.
- Licensed applicators maintain certification with CE credits.
- Cross-training ensures QA continuity.

17.6.6. Equipment & Calibration

Accurate equipment is essential for reliable testing and compliant recordkeeping. Calibration and validation ensure that scales, pH meters, dataloggers, and freezers provide precise data that regulators and partners can trust. By adopting IQ/OQ/PQ validation protocols, the Applicant ensures equipment operates as intended throughout its lifecycle.

Procedures:

- Scheduled calibration of all critical instruments.
- Validation performed at installation, operation, and performance stages.
- Calibration records retained 5 years.

17.6.7. Documentation & Recordkeeping

In regulated industries, documentation is as important as the product itself. Nebraska's emergency rules (§020.03) require COAs and records to be retained and available for inspection. By maintaining both paper and electronic records, the Applicant ensures redundancy, accessibility, and transparency while protecting sensitive business and patient information.

Procedures:

- Hybrid system of paper and digital records.
- Retention period: minimum 5 years.
- Records accessible for inspections.
- Access controls protect confidentiality.

17.6.8. Audit & Continuous Improvement

Auditing and continuous improvement are the mechanisms that keep the QA program dynamic and effective. Through scheduled audits, management reviews, and CAPA-driven refinements, the Applicant ensures compliance not only with today's rules but with evolving industry standards. This commitment positions the Applicant as a leader in Nebraska's cannabis sector.

Procedures:

- Quarterly internal audits.
- Annual third-party audit against ASTM/AHPA standards.
- Management reviews QA reports quarterly.
- COA trends, pest logs, and audit data drive SOP updates.

The Applicant's Quality Assurance Program integrates regulatory compliance, international standards, and operational discipline into a seamless framework. By combining rigorous testing, staff competency, equipment validation, and continuous improvement, the Applicant ensures each lot of cannabis biomass is safe, consistent, and compliant. This program not only satisfies the requirements of 238 NAC 1 but also sets a benchmark for excellence in Nebraska's emerging cannabis industry.

17.7 Inventory, Seed-to-Sale & Nebraska State Tracking

Accurate and transparent recordkeeping is one of the most critical components of a compliant cannabis cultivation operation. Nebraska's emergency cannabis regulations (238 NAC 1 §020) require that every cannabis business maintain a secure, auditable, and real-time system of record for plantings, harvests, transfers, testing, and waste disposal. This ensures seed-to-sale traceability, prevents diversion, and provides regulators with confidence in the integrity of the supply chain.

The Applicant has developed a robust system of record and inventory tracking framework that not only complies with state requirements but also incorporates best practices from regulated industries such as pharmaceuticals, food safety, and biotechnology. This system ensures that every plant, every gram of biomass, and every transfer is accounted for, verified, and fully auditable.

17.7.1. Commission-Approved Seed-to-Sale System

- **Interim Use:** Until Nebraska's state inventory tracking system is fully live, the Applicant will use a Commission-approved seed-to-sale platform (per 238 NAC 1 §020.01).
- **Transition:** Once the state system becomes mandatory, all data will migrate seamlessly, ensuring continuity of records.
- **Scope of Tracking:** The following activities will be logged in real-time or post-transaction, as required by regulation:
    - Plantings and propagation events.
    - Harvests and batch creation.
    - Post-harvest processes (flash-freeze, vault entry).
    - Laboratory sampling and testing submissions.
    - Waste handling and destruction (§017).
    - Transfers to state-licensed extraction facilities.
    - Chain-of-custody verifications.

17.7.2. Daily Reconciliation

- **System-to-Physical Verification:** At the end of each business day, QA and compliance staff reconcile the digital seed-to-sale records against actual physical inventory.
- **Variance Detection:** Any discrepancies trigger immediate investigation and corrective action.
- **Documentation:** All reconciliations logged, signed, and retained in QA files for 5 years (§020.03).

17.7.3. Monthly Physical Counts

- **Audit Procedure:** A complete physical count of plants, biomass, and packaged lots is conducted monthly.
- **Dual Verification:** Counts verified by two employees under supervision of the Compliance Officer.
- **Variance CAPA:** Any variances between physical and digital records initiate a Corrective and Preventive Action (CAPA) process — root cause analysis, corrective measures, and updated SOPs.
- **Regulatory Reporting:** Material discrepancies reported to the Cannabis Commission as required by law.

17.7.4. User Account Controls

- **Unique Logins:** Every employee accessing the seed-to-sale system must use an individual, role-based account. Shared logins are strictly prohibited.
- **Role Permissions:** Access rights restricted by job function (e.g., cultivation, QA, compliance, security).
- **Termination Policy:** Accounts deactivated within 3 business days of employee separation, per internal SOP.
- **Audit Trail:** System maintains a log of all account activities (additions, edits, transfers) for 1 year.

17.7.5. Oversight & Compliance Assurance

- **Internal Audits:** Quarterly audits of digital vs. physical inventory performed by QA.
- **Regulator Engagement:** System remains open to Cannabis Commission auditors for inspections at any time.
- **Security:** System data backed up daily, stored redundantly in secure servers.

- **Chain-of-Custody Integrity:** All transfers accompanied by manifests and verified at both origin and destination points.

The Applicant's System of Record and Inventory Tracking exceeds minimum regulatory expectations by combining Nebraska's emergency rule requirements with international best practices for auditability, accountability, and security. This system ensures that every gram of cannabis biomass is traceable from seed to extraction, providing regulators, extraction partners, and patients with confidence in the Applicant's integrity and compliance.

17.8 Security Program & Diversion Control

Security is the backbone of cannabis compliance. Nebraska's emergency cannabis regulations (**238 NAC 1 §012–§017**) mandate that every licensed facility implement a comprehensive security system to protect against theft, diversion, and unauthorized access. These rules recognize that cannabis is a controlled substance, and any lapse in security undermines both public safety and regulatory integrity.

The Applicant has designed a multi-layered security and emergency management program that integrates physical protections, visitor controls, inspection readiness, and emergency response planning. By weaving together Commission requirements with OSHA (29 CFR 1910.38) emergency preparedness standards, NFPA fire codes, and best practices from regulated industries such as pharmaceuticals and banking, the Applicant ensures that the facility remains secure, auditable, and prepared for any contingency.

17.8.1. Minimum Security Program

The Applicant's baseline security measures align directly with 238 NAC 1 requirements. These measures form the foundation of a defense-in-depth strategy designed to deter, detect, and respond to potential breaches or diversion events.

Policies & Procedures:

- **Written Security Plan:** Maintained, reviewed annually, and updated after material changes (§012).
- **24/7 Video Surveillance:** High-definition cameras cover all interior and exterior areas; feeds retained 90 days.
- **Intrusion Detection:** Perimeter alarms, motion sensors, and glass break detectors monitored continuously.

- **On-Site Security Personnel:** Licensed guards present during operating hours, with after-hours patrols.
- **Secure Transport Plan:** All shipments escorted by licensed personnel with manifests verified at both origin and destination (§015).
- **Locked Waste Storage:** Cannabis waste secured until destruction, with logs retained per §017.

17.8.2. Visitor Policy

Visitor access represents a high-risk vector for diversion. To maintain compliance and operational integrity, visitor management is tightly controlled, balancing transparency with strict security protocols.

Policies & Procedures:

- **Pre-Cleared Lists:** Visitors approved 24 hours in advance.
- **Escorted Access:** Visitors accompanied at all times by authorized staff.
- **Badging & Identification:** Temporary badges issued; must be worn visibly.
- **Prohibited Devices:** No cameras or recording devices unless explicitly authorized.
- **Visitor Logs:** All entries/exits logged, retained for at least one year (§020.03).

17.8.3. Inspection Readiness

Nebraska law (§020.05) grants the Cannabis Commission authority to inspect premises and records with or without notice. The Applicant embraces inspection readiness as an ongoing operational standard, not an occasional exercise.

Policies & Procedures:

- **Inspection Binder:** Hard copy of licenses, SOPs, security plan, and last three months of records kept at facility entrance.

- **Digital Portal:** Secure electronic system provides regulators with immediate access to COAs, pesticide logs, and inventory tracking.
- **Staff Training:** Employees instructed in inspection protocols, including escorting inspectors and document provision.
- **Audit Trail:** All inspections documented and reviewed by QA, with follow-up CAPA as needed.

17.8.4. Emergency Response & Incident Management

Even with strong security, emergencies such as fires, theft attempts, natural disasters, or workplace injuries can occur. The Applicant's Emergency Response Plan ensures the facility can respond quickly, protect employees, and maintain compliance under all conditions.

Policies & Procedures:

- **Fire & Natural Disasters:**
    - NFPA-compliant alarms, sprinklers, and smoke detectors.
    - Evacuation maps posted; staff trained during onboarding and annually.
    - Tornado/flood contingency plans; backup generators protect frozen vaults.
    - Local fire/police provided with updated facility blueprints.
- **Theft, Diversion & Break-Ins:**
    - Intrusion alarms and 24/7 CCTV monitoring (§012.03).
    - Immediate lockdown and police notification for any incident.
    - Manifests verified to detect transport diversion attempts (§015).
    - Mandatory reporting to Commission per (§020.04).
- **Medical & Worker Safety:**
    - First aid kits and AEDs placed throughout the facility.

- OSHA-compliant training on evacuation and injury protocols.
- All workplace injuries recorded and reported (29 CFR 1904).

- **Waste Management Emergencies:**
  - Cannabis waste locked until destruction (§017).
  - SOPs for spill containment and chemical neutralization.
  - Vault locks remain engaged until regulators approve alternate disposal.

- **Incident Documentation & Reporting:**
  - All events logged with time, personnel, and corrective measures.
  - Notifications to Commission per (§020.04).
  - CAPA initiated for each incident to improve future response.

- **Drills & Training:**
  - Annual fire and evacuation drills coordinated with first responders.
  - Quarterly break-in/theft simulations for staff readiness.
  - Emergency response refreshers documented in training files.

17.8.5. Worker Safety & Training

- **OSHA/NIOSH program:** Hazard Communication (SDS, labeling), PPE, respiratory protection if exposure assessments warrant; electrical/fire safety; heat stress management; ergonomics in trim/harvest; bioaerosol/dust mitigation per NIOSH HHE findings for indoor cultivation.

- **EPA WPS:** Handler/worker training before any pesticide handling and re-entry; REIs; decontamination supplies; trainer qualifications; bilingual training where needed.

- **Training matrix:** Role-based competencies; onboarding, annual refreshers, drill schedule (evacuation, spill, medical response). **KPIs:** TRIR, training completion %, near-miss reporting rate.

17.8.6. Sanitation, Hygiene & Environmental Controls

- **Sanitation Master Schedule:** Daily/weekly/monthly cleaning by zone; validated disinfectants; environmental swabbing trend logs. (ASTM D37 horticulture; AHPA hygiene)
- **Water systems:** Closed-loop fertigation; backflow prevention; periodic microbiology; condensate reuse with filtration/UV as validated.
- **Air handling:** Filter maintenance; pressure differentials; airflow mapping; seasonal setpoint review.
- **Allergen/dust controls:** Localized capture at buck/trim; housekeeping SOPs; respiratory protection thresholds. (NIOSH)

17.8.7. Equipment Qualification, Calibration & Maintenance

- **Validation lifecycle:** IQ/OQ/PQ for critical systems (HVAC/BMS, fertigation, blast freezers, scales).
- **Calibration:** NIST-traceable calibration of scales, sensors, and dataloggers on schedule; out-of-tolerance triggers product impact review (quarantine if needed).
- **PM program:** CMMS-driven preventive maintenance (compressors, dehumidifiers, CO_2 systems, generators); mean-time-between-failure tracking; spare-parts minimums.

17.8.8. Supply Chain, Procurement & Cold-Chain Logistics

- **Approved Supplier List (ASL):** Qualification questionnaires, COA review, corrective actions; re-qualification annually. (ASTM D37.02)
- **Packaging:** Tamper-evident bulk containers suitable for frozen transport; labels include lot ID, weight, storage temp, and COA reference.
- **Cold-chain validation:** Shipping totes pre-conditioned; lane studies (summer/winter) document hold-time; continuous temperature loggers in each load; manifest + chain-of-custody captured in the state tracking system. All inter-license transfers to state-licensed extraction facilities.

17.8.9. Waste Management & Environmental Stewardship

- **Cannabis waste:** Tagged in inventory; locked storage; rendered unusable (e.g., mixed with inert material) and documented with date/time, method, personnel; manifests for any third-party transfer. (238 NAC 1 program expectations)
- **ESG:** LEDs, high-efficiency HVAC, sub-metering (kWh/lb), water recapture, nutrient optimization; annual ESG snapshot shared with local stakeholders.

17.8.10. Cash Handling & Financial Controls

- **Vault & access:** UL-rated safes; dual custody; CCTV coverage of counts; surprise counts by finance; variance threshold triggers CAPA.
- **Banking:** Cannabis-compliant institution; armored transport for large deposits.
- **Audit:** Independent annual financial audit; segregation of duties; anti-diversion analytics cross-checking inventory & sales.

17.8.11. Data Integrity, IT & Privacy

- **Access control:** Unique credentials for seed-to-sale/state tracking; least-privilege; 2FA; terminate access within 3 business days of separation (mirrors Nebraska tracking expectations).
- **Backups & retention:** Daily encrypted backups; COAs, manifests, training, and maintenance records retained per policy (5 years).

17.8.12. Community Standards & Conduct

- **On-site rules:** No consumption; no minors; required signage and restricted-area placards per Nebraska rules.

- **Engagement:** Law-enforcement liaison; regulator briefings; community open houses (approved stakeholders); charitable partnerships

17.8.13. Governance, Audits & Continuous Improvement

- **QMS governance:** Monthly Quality Council (COO, Compliance, QA, Cultivation, Security, Safety).
- **Audit cadence:** Daily inventory checks; weekly room walkthroughs; monthly internal audits; quarterly management review; annual third-party QMS audit against ASTM D37.02.
- **CAPA:** Deviations logged within 24 hours; root-cause analysis; effectiveness checks in 30–60 days.
- **Change control:** Any change to genetics, recipes, sanitation agents, PPE, equipment, or labels assessed for risk and regulatory impact before implementation.

17.8.14. KPIs & Management Dashboards

- **Compliance:** Inventory reconciliation rate, on-time COA rate, audit findings closed on time.
- **Quality:** Lot pass rate, cannabinoid mg/lb, water activity pass %, micro fail rate.
- **Safety:** TRIR, near-misses per 10,000 hours, respirator fit-test compliance, WPS training completion.
- **Operations:** Lbs/week, kWh/lb, water gal/lb, unplanned downtime hours.
- **Cold-chain:** % Shipments within temperature spec, % manifest errors (target 0).

Dashboards are reviewed weekly; adverse trends trigger CAPA.

17.8.15. Implementation Timeline (Readiness)

- **Months 0–3:** finalize SOPs; hire & train core staff (OSHA/WPS); commission seed-to-sale; room IQ/OQ.

- **Months 3–6:** mother/clone start; environmental tuning; first flower rooms online; OSHA/NIOSH hazard review completed.
- **Months 6–9:** first harvests; flash-freeze validation; COAs; first compliant shipments logged in the state inventory tracking.
- **Year 1 close:** internal audit vs Nebraska emergency rules + external audit vs ASTM D37.02; GACP gap-assessment documented.

18. One-Year Financial Projections

The Applicant projects operations for its 25,000 sq. ft. cannabis cultivation facility. The facility combines a mixed-light greenhouse with LED supplementation, an outdoor flowering area using living soil, and an indoor operations wing housing supply chain management, mother plants, genetics, and vegetative processes. The **startup budget of $4 million** has been allocated for land purchase, construction, equipment, and regulatory readiness. Applicant secured a line of credit with TBO bank for $4 million, please see attached letter below.

Stonepine Works LLC

200 S. 21st St

Suite 400A

Lincoln, NE 68510

September 23, 2025

Re: Line of Credit intent for Stonepine Works LLC

To Whom It May Concern,

I am the undersigned, John Grossnickle, Senior Lender, representing TBO Bank. TBO Bank is a financial institution headquartered in Missouri, FDIC-insured, and a member of the Federal Reserve System. TBO Bank has the authority and capacity to issue this line of credit intent.

In support of Stonepine Works LLC and their business endeavors, including but not limited to any applications for state licensure and licensed activity, TBO Bank aims to extend a line of credit of at least four million dollars ($4,000,000 USD) to Stonepine Works LLC.

Funds under this intent will be disbursed upon written request and execution of loan documents from Stonepine Works LLC specifying the amount requested and final underwriting approval from TBO Bank. These funds are to be used exclusively for Stonepine Works LLC business operations in Nebraska, including real estate acquisition and improvement costs, equipment acquisition, and the working capital necessary for the Nebraska business.

This letter is intended solely for the benefit of Stonepine Works LLC, and does not confer any legal or equitable rights, benefits, or remedies upon any other person or entity. The extension of credit described herein is not a loan commitment and is subject to final underwriting metrics meeting bank policy, receipt of all necessary financial and collateral information (including appraisals), and the negotiation and execution of rate/term/fees and final transaction documentation.

Please feel free to contact me should you have any questions or require further information.

Sincerely,

John Grossnickle

John Grossnickle

Senior Lender

John@tbo.bank

113 E. South Front St, Orrick, MO 64077

18.1. Year One Yield & Revenue Forecast

The Applicant anticipates revenue exclusively from B2B wholesale sales of biomass to **state-licensed extraction facilities**. Production reflects a mix of greenhouse perpetual harvests and one full outdoor cycle.

Cultivation Area	Annual Yield (lbs)	Price per Pound (USD)	Revenue (USD)
Greenhouse (mixed-light)	2,000	$700	$1,400,000
Outdoor (soil-based)	1,100	$700	$770,000
Total	**3,100**	**$700**	**$2,170,000**

Summary:

- Greenhouse allows year-round perpetual harvests with consistent cannabinoid profiles.
- Outdoor cycle leverages Nebraska's long-season sunlight for high-volume biomass.
- Conservative pricing at $700/lb ensures alignment with processor-driven wholesale rates.

18.2. Job Creation & Payroll

The facility will employ 20–25 full-time equivalents (FTEs) in Year One. Payroll and benefits represent the largest share of operating costs, consistent with industry benchmarks.

Position	Headcount	Avg. Salary	Total Cost
Master Grower / Cultivation Director	1	$95,000	$95,000
Assistant Growers / Cultivation Techs	10	$45,000	$450,000
QA / Compliance Officers	2	$70,000	$140,000

Security Personnel	4	$40,000	$160,000
Administrative / Finance	2	$55,000	$110,000
Facility / Maintenance	2	$50,000	$100,000
Payroll Subtotal	**21**	–	**$1,055,000**
Benefits, Payroll Taxes (~25%)	–	–	$270,000
Total Payroll & Benefits	–	–	**$1,325,000**

18.3. Operating Cost Breakdown (Year One)

Category	Annual Cost (USD)	% of Total OPEX	Purpose
Payroll & Benefits	$1,325,000	66%	Staffing across cultivation, compliance, security, admin.
Facility Lease/Mortgage & Utilities	$250,000	12.5%	Land mortgage, energy, HVAC, water, irrigation.
Compliance, Licensing & Testing	$120,000	6%	Commission licensing, lab COAs, audits, legal.
Cultivation Supplies & Consumables	$150,000	7.5%	Soil, nutrients, pest/IPM, PPE, grow media.

Security & Technology	$80,000	4%	CCTV, alarms, access control, seed-to-sale software.
Insurance & Risk Management	$50,000	2.5%	Crop, liability, disaster coverage.
Marketing, Community & R&D	$75,000	3.5%	Processor outreach, community engagement, genetics trials.
Total Operating Costs	$2,050,000	100%	Includes small contingency above $2M base.

18.4. Projected Income Statement (Year One)

Category	Amount (USD)
Revenue	2,170,000
Cost of Goods Sold (labor portion, utilities, inputs)	1,300,000
Gross Profit	**870,000**
Operating Expenses (compliance, security, admin, marketing)	750,000
EBITDA	**120,000**
Depreciation & Amortization	100,000

Interest Expense	50,000
Net Income (Pre-Tax)	**(30,000)**

18.5. Projected Balance Sheet (End of Year One)

Assets

- Current Assets: Cash $420,000; A/R $90,000; Inventory $100,000 → **610,000**
- Fixed Assets: Land & Facility $2,800,000; Equipment $600,000 → **3,400,000**
- **Total Assets: 4,010,000**

Liabilities

- Current Liabilities: A/P $150,000; Short-Term Debt $100,000 → **250,000**
- Long-Term Liabilities: Loan Payable $1,200,000 → **1,200,000**
- **Total Liabilities: 1,450,000**

Equity

- Owner's Equity: $2,560,000
- Retained Earnings (Year One Net): ($30,000)
- **Total Equity: 2,530,000**

Liabilities + Equity = 4,010,000

18.5. Projected Cash Flow Statement (Year One)

Operating Activities

- Net Income (Pre-Tax): (30,000)
- Depreciation: +100,000
- Δ Working Capital: A/R (90,000); A/P +150,000; Inventory (100,000)
- **Net Operating Cash Flow: +30,000**

Investing Activities

- Capital Expenditures (facility, equipment): (3,800,000)

Financing Activities

- Equity Raised: +2,500,000
- Debt Financing: +1,500,000
- Debt Service (principal + interest): (110,000)
- **Net Financing Cash Flow: +3,890,000**

Net Cash Position (Year-End): 420,000

Summary

The Applicant's Year One pro forma demonstrates a disciplined financial model:

- Revenue of **$2.17M** from wholesale biomass at $700/lb.
- Creation of **20- 25 full-time jobs**, with payroll as the largest investment in community and operational capacity.
- Operating expenses of **$2.05M**, carefully allocated to compliance, inputs, utilities, security, and R&D.

- A near-breakeven year with **$120k EBITDA**, positioning the Applicant for profitability from Year Two onward.

The Applicant's one-year projections demonstrate a balanced financial model that prioritizes compliance, job creation, and sustainable operations. By integrating hybrid cultivation methods with disciplined cost controls and securing exclusive B2B wholesale agreements, the Applicant demonstrates both financial prudence and operational readiness.

This approach positions the Applicant as a trusted, compliant, and strategically aligned partner for Nebraska's licensed extraction facilities. Beyond meeting market demand, the Applicant underscores a firm commitment to regulatory compliance, job creation, and long-term financial sustainability, reinforcing its role as a responsible leader within Nebraska's regulated cannabis industry.

Appendix A: Draft Sample of Wholesale Contract Terms

(Example: subject to modification)

1. **Parties:** (Company Name), LLC ("Supplier") and Licensed Processing Facility ("Buyer").
2. **Product:** Flash-frozen cannabis biomass, compliant with Nebraska law.
3. **Supply Commitment:** Supplier delivers X lbs/month; Buyer agrees to purchase minimum Y lbs/month.
4. **Pricing:** $___ per pound, indexed to cannabinoid concentration (mg THC/CBD).
5. **Testing & Compliance:** Each batch accompanied by independent COA; Supplier ensures compliance with Nebraska 238 NAC 1.
6. **Payment Terms:** Net 30 days.
7. **Delivery & Cold Chain:** Supplier maintains frozen storage and transport; Buyer verifies at receipt.
8. **Term & Renewal:** Initial 12 months; renewable by mutual consent.
9. **Force Majeure:** Covers regulatory change, natural disasters, supply interruptions.
10. **Termination:** Allowed for breach, nonpayment, or regulatory ineligibility.

Appendix B: Proof of Residency

Form **1040** Department of the Treasury—Internal Revenue Service (99) **U.S. Individual Income Tax Return** **2020** OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space

Filing Status Check only one box. ☐ Single ☒ Married filing jointly ☐ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying widow(er) (QW)
If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶

Your first name and middle initial	Last name	[redacted]
Casey E	Sledge	
[redacted]		

Home address (number and street). If you have a P.O. box, see instructions.	Apt. no.	Presidential Election Campaign
3417 S 117th St		Check here if you, or your spouse if filing jointly, want $3 to go to this fund. Checking a box below will not change your tax or refund. ☐ You ☐ Spouse

City, town, or post office. If you have a foreign address, also complete spaces below.	State	ZIP code
Omaha	NE	68144

Foreign country name	Foreign province/state/county	Foreign postal code

At any time during 2020, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? ☐ Yes ☒ No

Standard Deduction **Someone can claim:** ☐ You as a dependent ☐ Your spouse as a dependent
☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness **You:** ☐ Were born before January 2, 1956 ☐ Are blind **Spouse:** ☐ Was born before January 2, 1956 ☐ Is blind

Dependents (see instructions): If more than four dependents, see instructions and check here ▶ ☐

(1) First name Last name	(2) Social security number	(3) Relationship to you	(4) ✔ if qualifies for (see instructions): Child tax credit	Credit for other dependents
[redacted]			☐	☐
			☐	☐
			☐	☐
			☐	☐

Attach Sch. B if required.

1	Wages, salaries, tips, etc. Attach Form(s) W-2			
2a	Tax-exempt interest	2a	b Taxable interest	
3a	Qualified dividends	3a	b Ordinary dividends	
4a	IRA distributions	4a	b Taxable amount	
5a	Pensions and annuities	5a	b Taxable amount	
6a	Social security benefits	6a	b Taxable amount	
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here			
8	Other income from Schedule 1, line 9			
9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your **total income**			
10	Adjustments to income:			
a	From Schedule 1, line 22	10a		
b	Charitable contributions if you take the standard deduction. See instructions	10b		
c	Add lines 10a and 10b. These are your **total adjustments to income**			
11	Subtract line 10c from line 9. This is your **adjusted gross income**			
12	**Standard deduction or itemized deductions** (from Schedule A)			
13	Qualified business income deduction. Attach Form 8995 or Form 8995-A			
14	Add lines 12 and 13			
15	**Taxable income.** Subtract line 14 from line 11. If zero or less, enter -0-			

Standard Deduction for—
- Single or Married filing separately, $12,400
- Married filing jointly or Qualifying widow(er), $24,800
- Head of household, $18,650
- If you checked any box under *Standard Deduction*, see instructions.

[redacted]

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Form **1040** (2020)

Form **1040** Department of the Treasury—Internal Revenue Service (99) **U.S. Individual Income Tax Return** **2021** OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

Filing Status Check only one box. ☐ Single ☒ Married filing jointly ☐ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying widow(er) (QW)
If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶

Your first name and middle initial	Last name	[redacted]
Casey E	Sledge	
[redacted]		

Home address (number and street). If you have a P.O. box, see instructions. Apt. no.
3417 S 117th St

City, town, or post office. If you have a foreign address, also complete spaces below. State: NE ZIP code: 68144
Omaha

Foreign country name | Foreign province/state/county | Foreign postal code

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want $3 to go to this fund. Checking a box below will not change your tax or refund. ☐ You ☐ Spouse

At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency? ☐ Yes ☒ No

Standard Deduction **Someone can claim:** ☐ You as a dependent ☐ Your spouse as a dependent
☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness **You:** ☐ Were born before January 2, 1957 ☐ Are blind **Spouse:** ☐ Was born before January 2, 1957 ☐ Is blind

Dependents (see instructions): If more than four dependents, see instructions and check here ▶ ☐

(1) First name Last name	(2) Social security number	(3) Relationship to you	(4) ✔ if qualifies for (see instructions): Child tax credit	Credit for other dependents
[redacted]			☐	☐
			☐	☐
			☐	☐
			☐	☐

Attach Sch. B if required.

1	Wages, salaries, tips, etc. Attach Form(s) W-2			
2a	Tax-exempt interest	2a	b Taxable interest	
3a	Qualified dividends	3a	b Ordinary dividends	
4a	IRA distributions	4a	b Taxable amount	
5a	Pensions and annuities	5a	b Taxable amount	
6a	Social security benefits	6a	b Taxable amount	
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here			
8	Other income from Schedule 1, line 10			
9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your **total income**			
10	Adjustments to income from Schedule 1, line 26			
11	Subtract line 10 from line 9. This is your **adjusted gross income**			
12a	**Standard deduction or itemized deductions** (from Schedule A)		12a	
b	Charitable contributions if you take the standard deduction (see instructions)		12b	
c	Add lines 12a and 12b			
13	Qualified business income deduction from Form 8995 or Form 8995-A			
14	Add lines 12c and 13			
15	**Taxable income.** Subtract line 14 from line 11. If zero or less, enter -0-			

Standard Deduction for—
- Single or Married filing separately, $12,550
- Married filing jointly or Qualifying widow(er), $25,100
- Head of household, $18,800
- If you checked any box under *Standard Deduction*, see instructions

[redacted]

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate Instructions.

Form **1040** Department of the Treasury—Internal Revenue Service **U.S. Individual Income Tax Return** **2022** OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

Filing Status Check only one box. ☐ Single ☒ Married filing jointly ☐ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying surviving spouse (QSS)

If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent:

Your first name and middle initial	Last name	
Casey E	Sledge	[redacted]
[redacted]		

Home address (number and street). If you have a P.O. box, see instructions.	Apt. no.	Presidential Election Campaign
3417 S 117th St		Check here if you, or your spouse if filing jointly, want $3 to go to this fund. Checking a box below will not change your tax or refund. ☐ You ☐ Spouse

City, town, or post office. If you have a foreign address, also complete spaces below.	State	ZIP code
Omaha	NE	68144

Foreign country name	Foreign province/state/county	Foreign postal code

Digital Assets At any time during 2022, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, gift, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) ☐ Yes ☒ No

Standard Deduction **Someone can claim:** ☐ You as a dependent ☐ Your spouse as a dependent

☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness **You:** ☐ Were born before January 2, 1958 ☐ Are blind **Spouse:** ☐ Was born before January 2, 1958 ☐ Is blind

Dependents (see instructions): If more than four dependents, see instructions and check here . . ☐

(1) First name Last name	(2) Social security number	(3) Relationship to you	(4) Check the box if qualifies for (see instructions): Child tax credit	Credit for other dependents
[redacted]			☐	☐
			☐	☐
			☐	☐
			☐	☐

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a Form W-2, see instructions.

1a	Total amount from Form(s) W-2, box 1 (see instructions)			
b	Household employee wages not reported on Form(s) W-2			
c	Tip income not reported on line 1a (see instructions)			
d	Medicaid waiver payments not reported on Form(s) W-2 (see instructions)			
e	Taxable dependent care benefits from Form 2441, line 26			
f	Employer-provided adoption benefits from Form 8839, line 29			
g	Wages from Form 8919, line 6			
h	Other earned income (see instructions)			
i	Nontaxable combat pay election (see instructions)	1i		
z	Add lines 1a through 1h			
2a	Tax-exempt interest	2a	b Taxable interest	
3a	Qualified dividends	3a	b Ordinary dividends	
4a	IRA distributions	4a	b Taxable amount	
5a	Pensions and annuities	5a	b Taxable amount	
6a	Social security benefits	6a	b Taxable amount	
c	If you elect to use the lump-sum election method, check here (see instructions)			☐
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here			☐
8	Other income from Schedule 1, line 10			
9	Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your **total income**			
10	Adjustments to income from Schedule 1, line 26			
11	Subtract line 10 from line 9. This is your **adjusted gross income**			
12	**Standard deduction or itemized deductions** (from Schedule A)			
13	Qualified business income deduction from Form 8995 or Form 8995-A			
14	Add lines 12 and 13			
15	Subtract line 14 from line 11. If zero or less, enter -0-. This is your **taxable income**			

Attach Sch. B if required.

Standard Deduction for—
- Single or Married filing separately, $12,950
- Married filing jointly or Qualifying surviving spouse, $25,900
- Head of household, $19,400
- If you checked any box under *Standard Deduction*, see instructions.

[redacted]

Form **1040** Department of the Treasury—Internal Revenue Service **U.S. Individual Income Tax Return** **2023** OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2023, or other tax year beginning , 2023, ending , 20 See separate instructions.

Your first name and middle initial	Last name	
Casey E	Sledge	[redacted]
[redacted]		
Home address (number and street). If you have a P.O. box, see instructions.		Apt. no.
3417 S 117th St		
City, town, or post office. If you have a foreign address, also complete spaces below.	State	ZIP code
Omaha	NE	68144
Foreign country name	Foreign province/state/county	Foreign postal code

Presidential Election Campaign
Check here if you, or your spouse if filing jointly, want $3 to go to this fund. Checking a box below will not change your tax or refund. ☐ You ☐ Spouse

Filing Status Check only one box.
☐ Single ☐ Head of household (HOH)
☒ Married filing jointly (even if only one had income)
☐ Married filing separately (MFS) ☐ Qualifying surviving spouse (QSS)
If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent:

Digital Assets At any time during 2023, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) ☐ Yes ☒ No

Standard Deduction **Someone can claim:** ☐ You as a dependent ☐ Your spouse as a dependent
☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness **You:** ☐ Were born before January 2, 1959 ☐ Are blind **Spouse:** ☐ Was born before January 2, 1959 ☐ Is blind

Dependents (see instructions): If more than four dependents, see instructions and check here ☐

(1) First name Last name	(2) Social security number	(3) Relationship to you	(4) Check the box if qualifies for (see instructions): Child tax credit	Credit for other dependents
[redacted]			☐	☐
				☐
				☐
				☐

Income Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld. If you did not get a Form W-2, see instructions.

1a	Total amount from Form(s) W-2, box 1 (see instructions)		1a
b	Household employee wages not reported on Form(s) W-2		1b
c	Tip income not reported on line 1a (see instructions)		1c
d	Medicaid waiver payments not reported on Form(s) W-2 (see instructions)		1d
e	Taxable dependent care benefits from Form 2441, line 26		1e
f	Employer-provided adoption benefits from Form 8839, line 29		1f
g	Wages from Form 8919, line 6		1g
h	Other earned income (see instructions)		1h
i	Nontaxable combat pay election (see instructions)	1i	
z	Add lines 1a through 1h		1z
2a	Tax-exempt interest 2a	b Taxable interest	2b
3a	Qualified dividends 3a	b Ordinary dividends	3b
4a	IRA distributions 4a	b Taxable amount	4b
5a	Pensions and annuities 5a	b Taxable amount	5b
6a	Social security benefits 6a	b Taxable amount	6b
c	If you elect to use the lump-sum election method, check here (see instructions) ☐		
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here ☐		7
8	Additional income from Schedule 1, line 10		8
9	Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your **total income**		9
10	Adjustments to income from Schedule 1, line 26		10
11	Subtract line 10 from line 9. This is your **adjusted gross income**		11
12	**Standard deduction or itemized deductions** (from Schedule A)		12
13	Qualified business income deduction from Form 8995 or Form 8995-A		13
14	Add lines 12 and 13		14
15	Subtract line 14 from line 11. If zero or less, enter -0-. This is your **taxable income**		15

Attach Sch. B if required.

Standard Deduction for—
- Single or Married filing separately, $13,850
- Married filing jointly or Qualifying surviving spouse, $27,700
- Head of household, $20,800
- If you checked any box under *Standard Deduction*, see instructions.

[redacted]

Form 1040 U.S. Individual Income Tax Return 2024

Department of the Treasury – Internal Revenue Service | OMB No. 1545-0074 | IRS Use Only – Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2024, or other tax year beginning , 2024, ending , 20 | See separate instructions.

Your first name and middle initial	Last name
Casey E	Sledge

[redacted]

Home address (number and street). If you have a P.O. box, see instructions. | Apt. no.
3417 S 117th St

City, town, or post office. If you have a foreign address, also complete spaces below. | State | ZIP code
Omaha | NE | 68144

Foreign country name | Foreign province/state/county | Foreign postal code

Presidential Election Campaign
Check here if you, or your spouse if filing jointly, want $3 to go to this fund. Checking a box below will not change your tax or refund. ☐ You ☐ Spouse

Filing Status Check only one box.
- ☐ Single
- ☐ Head of household (HOH)
- ☒ Married filing jointly (even if only one had income)
- ☐ Married filing separately (MFS)
- ☐ Qualifying surviving spouse (QSS)

If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent:

☐ If treating a nonresident alien or dual-status alien spouse as a U.S. resident for the entire tax year, check the box and enter their name (see instructions and attach statement if required):

Digital Assets At any time during 2024, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) ☐ Yes ☒ No

Standard Deduction **Someone can claim:** ☐ You as a dependent ☐ Your spouse as a dependent
☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness **You:** ☐ Were born before January 2, 1960 ☐ Are blind **Spouse:** ☐ Was born before January 2, 1960 ☐ Is blind

Dependents (see instructions): If more than four dependents, see instructions and check here . . ☐

(1) First name Last name	(2) Social security number	(3) Relationship to you	(4) Check the box if qualifies for (see instructions): Child tax credit	Credit for other dependents
[redacted]			☐	☐

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a Form W-2, see instructions.

1a	Total amount from Form(s) W-2, box 1 (see instructions)			1a
b	Household employee wages not reported on Form(s) W-2			1b
c	Tip income not reported on line 1a (see instructions)			1c
d	Medicaid waiver payments not reported on Form(s) W-2 (see instructions)			1d
e	Taxable dependent care benefits from Form 2441, line 26			1e
f	Employer-provided adoption benefits from Form 8839, line 29			1f
g	Wages from Form 8919, line 6			1g
h	Other earned income (see instructions)			1h
i	Nontaxable combat pay election (see instructions)	1i		
z	Add lines 1a through 1h			1z
2a	Tax-exempt interest	2a	b Taxable interest	2b
3a	Qualified dividends	3a	b Ordinary dividends	3b
4a	IRA distributions	4a	b Taxable amount	4b
5a	Pensions and annuities	5a	b Taxable amount	5b
6a	Social security benefits	6a	b Taxable amount	6b
c	If you elect to use the lump-sum election method, check here (see instructions)			☐
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here			☐ 7
8	Additional income from Schedule 1, line 10			8
9	Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your **total income**			9
10	Adjustments to income from Schedule 1, line 26			10
11	Subtract line 10 from line 9. This is your **adjusted gross income**			11
12	**Standard deduction or itemized deductions** (from Schedule A)			12
13	Qualified business income deduction from Form 8995 or Form 8995-A			13
14	Add lines 12 and 13			14
15	Subtract line 14 from line 11. If zero or less, enter -0-. This is your **taxable income**			15

Attach Sch. B if required.

Standard Deduction for—
- Single or Married filing separately, $14,600
- Married filing jointly or Qualifying surviving spouse, $29,200
- Head of household, $21,900
- If you checked any box under *Standard Deduction*, see instructions.

[redacted]

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Form 1040 (2024)

NEBRASKA.GOV

Fingerprinting Appointment

NEBRASKA STATE PATROL

Thank You - Please keep this receipt for your records

Order ID 94552498

Order Date/Time 09/22/2025 08:46:08 CDT

Payment Summary

NE.gov Fee $2.50

Fingerprint Fee $30.00

NE.gov Total Paid $32.50

Additional Information

Full Legal Name
Casey Sledge

Appointment Type
Name Check with Fingerprints (Nebraska Only)

Appointment Date/Time
09/22/2025 8:40 AM

Appointment Location
4411 S 108th St, Omaha, NE 68127

Please note: Fingerprint fees can be made online via credit/debit card or electronic check within 6 days of any scheduled appointment. Reminder, payments are authorized only, and will not complete until appointment arrival and check- in with the Nebraska State Patrol. For any appointment that is rescheduled and no longer within the 6 day window, the payment authorization will be released, and payment option will be available again within 6 days of the new appointment. You will receive a reminder email 24 hours in advance of appointment.

You can view, update, reschedule, cancel or pay for your appointment

For your **Name Check with Fingerprints (Nebraska Only)** Fingerprinting appointment, please bring the following information to your appointment:

- Criminal History Record Request Form

Results will be fingerprint based arrests for the state of Nebraska.

We would love to hear your thoughts!

Nebraska State Patrol strives to provide you with the best experience possible.

Please follow the link below and take part in our survey and provide input on how we can optimize our services.

Nebraska State Patrol Fingerprint Appointment Survey

We appreciate your feedback. Your voice counts!

Privacy Act Statement

This privacy act statement is located on the back of the FD-258 fingerprint card.

Authority: The FBI's acquisition, preservation, and exchange of fingerprints and associated information is generally authorized under 28 U.S.C. 534. Depending on the nature of your application, supplemental authorities include Federal statutes, State statutes pursuant to Pub. L. 92-544, Presidential Executive Orders, and federal regulations. Providing your fingerprints and associated information is voluntary; however, failure to do so may affect completion or approval of your application.

Principal Purpose: Certain determinations, such as employment, licensing, and security clearances, may be predicated on fingerprint-based background checks. Your fingerprints and associated information/biometrics may be provided to the employing, investigating, or otherwise responsible agency, and/or the FBI for the purpose of comparing your fingerprints to other fingerprints in the FBI's Next Generation Identification (NGI) system or its successor systems (including civil, criminal, and latent fingerprint repositories) or other available records of the employing, investigating, or otherwise responsible agency. The FBI may retain your fingerprints and associated information/biometrics in NGI after the completion of this application and, while retained, your fingerprints may continue to be compared against other fingerprints submitted to or retained by NGI.

Routine Uses: During the processing of this application and for as long thereafter as your fingerprints and associated information/biometrics are retained in NGI, your information may be disclosed pursuant to your consent, and may be disclosed without your consent as permitted by the Privacy Act of 1974 and all applicable Routine Uses as may be published at any time in the Federal Register, including the Routine Uses for the NGI system and the FBI's Blanket Routine Uses. Routine uses include, but are not limited to, disclosures to: employing, governmental or authorized non-governmental agencies responsible for employment, contracting, licensing, security clearances, and other suitability determinations; local, state, tribal, or federal law enforcement agencies; criminal justice agencies; and agencies responsible for national security or public safety.
As of 03/30/2018 the FBI Privacy Act Statement can be found at https://www.fbi.gov/services/cjis/compact-council/privacy-act-statement

Applicant Notification of Procedures for Obtaining an Amendment to an FBI Record

Your fingerprints will be used to check the criminal history records of the FBI. You have the opportunity to complete or challenge the accuracy of the information contained in the FBI identification record. The procedure for obtaining a change, correction, or update of an FBI criminal history record are set forth at 28 CFR 16.34. Information regarding this process may be found at https://www.fbi.gov/services/cjis/identity-history-summary-checks and https://www.edo.cjis.gov.

NEBRASKA STATE PATROL
CRIMINAL HISTORY RECORD CHECK RECEIPT

SEND TO:

MEDICAL CANNABIS COMMISSION
MCC
PO BOX 95046
LINCOLN, NE 68509

REQUESTED BY:

MEDICAL CANNABIS COMMISSION
MCC
PO BOX 95046
LINCOLN, NE 68509

RECEIPT NUMBER : 2025NF508449

RECEIPT DATE : 9/22/2025

PAYMENT INFORMATION:

PAYMENT TYPE	REFERENCE NUMBER	PAYMENT AMOUNT
INTERNET	94552498	$30.00
	TOTAL :	$30.00

REFERENCE :

LAST NAME	FIRST NAME	MIDDLE	SUFFIX
SLEDGE	CASEY	ELIZABETH	

CRIMINAL IDENTIFICATION DIVISION
NEBRASKA STATE PATROL
4600 Innovation Dr.
LINCOLN, NEBRASKA 68521
PHONE: (402) 479-4971
SECURE FAX: (402) 479-4321