

12-04-2025 Medical Cannabis Production Establishment Board Meeting Minutes

Commissioner Kelly Pehrson Calls Meeting To Order - Utah Department of Agriculture and Food

Members in Attendance:

Commissioner Kelly Pehrson

Dr. Edward Walker

Miles Maynes

Brad Winter

Chief Jason Williams

Susan Spiers

Desiree Hennessy

- Susan Spiers moves to approve the 10-09-2025 Medical Cannabis Production Establishment Board Meeting Minutes
 - Motion Seconded - Miles Maynes
 - All Present - YES
- Dr. Edward Walker moves to approve the 11-13-2025 Medical Cannabis Production Establishment Board Meeting Minutes
 - Motion Seconded - Miles Maynes
 - All Present - YES

Commissioner Kelly Pehrson Reads Public Comment Guidelines: "All participants will be muted until asked to speak by the board. If you are a company representative please click Raise Hand when it is your time to speak and one of our admin will unmute you. During the public comment period please type in the chat box or click Raise Hand to be called on by the board, at which point you will be unmuted. Thank you to everyone for working with the department to ensure a professional and efficient meeting."

Medical Cannabis Rural Pharmacy Application License

Commissioner Kelly Pehrson States: "I again want to thank the board. This is not an easy decision. And the time you took to review the applications and to go through the interviews, the last one, that's a lot of work, and I appreciate it. As you remember, in the October 9th meeting, we did vote as a board to bring the top five applicants to be interviewed, and that's what we did. The ranking points, however, were just used to get to the top five. However, as a board, you can choose who you wish. The ranking points have no reason for why you need to motion for them. I just want to make that clear. So for the first few minutes, as the chair, I would love to just, if you guys want to discuss as a board of how you got to where you are going to vote, or if you want to go right to a motion, that's up to you. But I just want to leave that open-ended to you if you guys want to discuss anything before we go into a motion."

Q. Chief Jason Williams: "My two biggest things that I want to consider when making this decision is serviceability to the consumer population in these areas. And what other services are provided in those areas? Are there other existing pharmacies in those areas before selecting a second possible? So is it possible for staff to provide that to us for these remaining applicants?"

A. Cody James: "I think I can answer the majority of your two questions. First, I'll go with your second question, Chief, and that is, where are the closest other pharmacies to the ones that are listed as the top five? As you get out of Utah County, you really start to slow down as far as the amount of pharmacies that are open currently. You would have to go over to Price, Utah, to get a current open pharmacy; you would be in Cedar City for a pharmacy, and St. George for a pharmacy. Other than that, you come up into the Springville and Provo areas. We also have one in Park City. Everything else is going to be further north and along the I-15 corridor for the most part, with the exception of one in Logan. So really, these five locations listed: two in Richfield, two in Moab, and one in Vernal, are very much separate and in different regions from those other currently licensed pharmacies. The second portion, as far as serviceability is concerned. As we all know, the state of Utah, the way that it's built and where population is, as you get farther south, and especially southeast and southwest, and then with the exception of maybe St. George, the population just gets scarcer and scarcer, with the exception of a couple of cities. I think the cities that are listed here are probably some of the most populous, if you can call it that based on the criteria, in Utah, for what that means. Then just taking into account, really, the overall travel time to get to anywhere as you get down into south and southeast of Utah, or even into the east there, so, you know, the state of Utah's number of patients is still just barely over a hundred thousand, and it's dispersed throughout the entire state, right, and so these areas currently, right now, probably don't have the hugest or the largest amount of patients, but as we've seen in Price, that once a pharmacy began there, those numbers did start to, to trend upward, you know, kind of, if you build it, they will come type of situation there, so. But as far as exact numbers, Chief, I don't think I can tell you that right now. We might be able to pull that up through some of DHSS's or Department of Health and Human Services monthly reports for some more exacts in the meantime, and maybe get that answered for you while still in this meeting, though."

Miles Maynes States: "So I believe it's my charge as a member of this board to select a license that will do four things. One, recognize the intent of House Bill 54. Two, stabilize the cannabis industry in Utah. Three, employ rural Utah's. Four, demonstrate an understanding of the patients in Utah."

Brad Winter States: "Just for the record, and for my fellow board members as we approach this decision, I think a lot of us have been considering things like the Chief mentioned, you know, geographic location and how Utah is a very rural state. That said, looking at locations like Richfield being relatively near the I-15 corridor, Moab and Vernal being off of that, I think there's a lot of different considerations. And I would just like to say, from my perspective, you know, kudos to all the applicants. We were choosing from good choices. I can't say that there was any significant negative driver permitting the applicants in the decision. So I really appreciate every one of those decisions and the locations they're trying to serve and help."

Susan Spiers States: "I want to make the same comment. As I re-went through and re-reviewed these, I felt like Busham understood the community and understood the intent of the bill. They all did a great job. I mean, this has been a tough decision, but I really felt like they really took the intent of the bill very seriously and how it applied to the community that they would be serving."

- **Miles Maynes moves to approve the Medical Cannabis Rural Pharmacy Application License for Boojum Med LLC - Moab**
 - **Motion Seconded - Brad Winter**
 - **All Present - YES**
 - *(Desiree Hennessy abstained from the vote)*

Medical Cannabis Cultivation Application Renewal Approval: Beehive Garden

Cody James Introduces Beehive Gardens: "A couple of things that the board should take into account when they're looking at renewals for cultivators is the amount of biomass the licensee produced during the current calendar year—so what they've been producing this year—the amount of biomass the licensee projects to produce in the following year, the current square footage or acreage of growing area that they're using, as well as what they're going to project to use in the near future. All those numbers should be provided to you not only in their application for renewal, but they should be talking about that today as well to you. It won't necessarily come from us. But one thing to keep in mind—and I do believe I mentioned this last year—is on a handful of these licensees, you'll see that their projected numbers over the past couple of years are usually much smaller than what they are actually producing. Some of that is understandable when it's close, but as far as when it starts to double, triple, or be tens of thousands of pounds in differences, it makes it very difficult for the department to fulfill its duties of doing the market analysis to see if we do need to do anything else to help get this industry there. So again, something for you guys maybe to keep in mind as you're taking a look at this, but that it's a little bit of a concern on being able to plan for the future as far as market analysis goes there. But with that being said, I'll jump into the cultivation renewal for Beehive Gardens. Beehive Gardens is located in Weaver County. They only grow indoors. This last year, they had zero failed quality assurance tests from cultivation. I believe their projected and produced for 2024 was 720, and they produced 800. And then last year's renewal, they projected 720 pounds."

- **Commissioner Kelly Pehrson opens the Medical Cannabis Productions Establishment Board Questions;**

Q. Miles Maynes: "Tell me more about the numbers, the projection numbers, actual numbers. Let's go over that."

A. Beehive Gardens: "Yeah, absolutely. So our projections, we try to keep as accurate as possible. We grow roughly 50 finished pounds of flower. So some of the additional gains—like I know we projected 720, but we actually did 780, 80, or 800—that could come from some of our efficiencies that we gained, some genetics that were better. We try to be conservative with our numbers, because as Cody mentioned, the discrepancies can cause problems with the departments. So we are of the "eat what you kill" model, so we try to not produce any excess. So if we say we're going to grow 50, we hope to be within that plus or minus 10%, around 55 or 45 pounds. We do intend to add to our canopy's footprint to allow for additional biomass. At the last production board meeting, we have a conditional approval for additional greenhouse and outdoor footprint. But as we wrap up with local township and get approvals, I'll come back to the board for that. But as it stands right now, we're just going to do indoor production, and we should hit that 750–780 threshold this year."

- **Commissioner Kelly Pehrson open the Public Comments; no Public Comments were submitted and Public Comments were closed**
- **Miles Maynes moves to approve the Medical Cannabis Cultivation Application Renewal for Beehive Gardens**
 - **Motion Seconded - Desiree Hennessy**
 - **All Present - YES**

Medical Cannabis Cultivation Application Renewal Approval: Dragonfly Greenhouse

Cody James Introduces Dragonfly Greenhouse: "So Dragonfly Greenhouse grows in two separate locations, both located in San Pete County. This year, Dragonfly received four warning notices before the changeover to the letters of concern, and they had one failed quality assurance sample, which they were able to remediate by sending that to processing. I think that's probably all I need to say about that. We'll let the licensees speak to the amount to be projected and produced, or what was produced, and then their grow space."

- **Commissioner Kelly Pehrson opens the Medical Cannabis Productions Establishment Board Questions;**

Q. Miles Maynes: "I'd like to hear those numbers."

A. Dragonfly Greenhouse: "I don't have that information with me. I wasn't prepared with those numbers. I can talk to the indoor production numbers. We are closing in on about 7,000 dry bucked pounds, which is how we measure our indoor biomass here at this facility. And I just manage the indoor portion of the operations. I don't manage the greenhouse and the oil field portions. And that is trending towards what we did last year, which is about 7,000 dry bucked pounds."

Q. Miles Maynes: "Did you have more cultivation space come online in 2025?"

A. Dragonfly Greenhouse: "No, we didn't. And actually, we slightly reduced our output just to kind of right-size our operations from an indoor perspective. But to do that, we actually just lowered plant count in the rooms instead of taking any rooms offline."

Q. Miles Maynes: "Can you talk about your four warnings?"

A. Dragonfly Greenhouse: "I don't have the information on those forewarnings, unfortunately. I wasn't prepared for that."

A. Cody James: "So, if that's okay, so just some grow space answers or answer to the questions is, according to their applications, Dragonfly grows with 44,252 square feet of indoor and are using 1.97 acres of outdoor grow to produce that. They're projected, based on their applications here, 16,520 total. So if you take what Cody had mentioned of about 7,000 indoor, you're going to be looking close to 9,500 pounds from the outdoor aspect there. Not knowing exactly what those warnings were off the top of my head either—Greg's looking that up—is that, again, probably not anything too outlandish if they were warnings and that, but they definitely were about the letters of concern aspect that wouldn't be brought to the department's knowledge, but they were the four warnings there. And again, as I mentioned, I don't know if I mentioned this, but there were no quality assurance failures from these folks."

A. Dragonfly Greenhouse: "So it looks like one of them, I believe it was January 19th, 2024, was the day of the audit. That was for visitor logs. So probably, and I can give you more details on that if you would like. The second one, it looks like it was something about tags and MSDS. So I think I remember that one. That one was not having the MSDS sheet readily near it. We had it. It just wasn't there, if I remember correctly. One of them in Fairview, I believe it was plant count. So I don't know how many it was off, but it was off. I don't think it was a significant amount. And then the other one was plant movement at yeah, so I'm guessing what it was some plants were moved to a different room and it just wasn't recorded into the ICS at that time."

Q. Miles Maynes: "I know in the past you had security camera issues. Did you clean that up?"

A. Dragonfly Greenhouse: "As best we can. It's technology, so sometimes there's going to be glitches and stuff like that. We have to keep the system up to date and stuff. So it's an ongoing process to, you know, it's not just like a one and done thing, unfortunately. So we just have to keep on top of it. But yeah, it's been working fine."

Q. Dr. Edward Walker: "It sounds like these were relatively minor infractions. Have they been remediated now?"

A. Dragonfly Greenhouse: "Yes, I believe all of those have been closed. According to my system, they have all been closed."

- **Commissioner Kelly Pehrson open the Public Comments; no Public Comments were submitted and Public Comments were closed**
- **Miles Maynes moves to approve the Medical Cannabis Cultivation Application Renewal for Dragonfly Greenhouse**
 - **Motion Seconded - Susan Spiers**
 - **All Present - YES**

Medical Cannabis Cultivation Application Renewal Approval: Riverside Farm

Cody James Introduces Riverside Farm: "Riverside Farm, as Commissioner Pearson mentioned, is in Box Elder County. They grow both indoor and outdoor. I'll let them talk to their produced versus projected over the last little bit, over the last couple years, or at least this year. I will start there because it doesn't sound like people were prepared, is that they do grow about 48,384 square feet of indoor and 2.4 acres of outdoor. And we have listed for their projected 2026 of 11,000. Again, I'll let them speak to their actual produced versus their projected for 2025."

Riverside Farm States: "I do appreciate the boards and for going for another renewal. And just to speak to the numbers, we had quite a successful summer with our outdoor crop. Like Cody explained, we are one of the few operators with 100% capacity between our indoor and our outdoor

operations. We ended up being just over 19,000 total pounds of produced material for 2025. The biggest reason for the discrepancy there is every year we plan for the worst when it comes to a crop. There might be a crop failure. We never know when growing outdoor when the majority of our weight does come from outdoor. And so that's kind of where we're sitting on those numbers. And we look forward to another 2026."

- **Commissioner Kelly Pehrson opens the Medical Cannabis Productions Establishment Board Questions;**

Q. Miles Maynes: "Are there any compliance corners that are one: outstanding, or two: not sending out into the current market?"

A. Cody James: "There's nothing that we have with them as far as non-compliance issues or quality assurance issues."

Q. Brad Winter: "I'd just like to ask you to describe when you have an overage like that, you said you plan for the worst, but you hope for the best, and you get the best. With the current market, do you have to sit on any of that, or is the market sopping up everything you're producing pretty quickly?"

A. Riverside Farm: "No, I appreciate the question. I think, I mean, as far as the market goes, we know as far as the patient growth and everything, it's not where personally we'd like to see it. So there is material we do sit on, and it's not necessarily expiring or going bad. We still continue to pass our quality of assurance testing on all of our products. And as the market facilitates through patient growth, we'll be introducing additional products that will be available through all the pharmacies."

Q. Miles Maynes: "What would you say the absorption rate is for your product?"

A. Riverside Farm: "When you talk absorption, you're asking what percentage in the marketplace we have?"

Q. Miles Maynes: "Not your market share. When you produce a product, how much of that is going straight to market versus how much are you keeping in storage?"

A. Riverside Farms: "I mean, so currently, I mean, I can give you current numbers. We're sitting on roughly 26,000 pounds of biomass. That does include some material from last year's growth, so 2024. So, I mean, we went the entire year, and we get through it. We had a little bit of an overage, and so we do expect that we'll probably end around the same amount. That's why, you know, you're seeing our numbers go lower than what they had been the year prior."

Q. Miles Maynes: "So are your projections equating to another year similar to what happened last year?"

A. Riverside Farm: "Yes."

- **Commissioner Kelly Pehrson open the Public Comments; no Public Comments were submitted and Public Comments were closed**
- **Dr. Edward Walker moves to approve the Medical Cannabis Cultivation Application Renewal for Riverside Farm**
 - **Motion Seconded - Miles Maynes**
 - **All Present - YES**

Medical Cannabis Cultivation Application Renewal Approval: Standard Wellness

Cody James Introduces Standard Wellness: "Standard Wellness has two cultivation locations, one in Box Elder County and one in Weber County. They grow both indoor and outdoor. They have 1,800 square feet indoor and 1.2 acres outdoor at one of the locations and the second location is approved for up to but not to exceed 30,000 square feet of space for cannabis to be grown. I'll let Standard Wellness talk on their projected and produced aspects of it. I do believe that there's a chance that they want to move to a different second location but it may not be relevant for this license, I don't think."

Standard Wellness States: "We had projected about 4,600 and we ended up at 4,500 pounds of dried material. But outside of that, we're just really excited for the opportunity to serve patients again this upcoming year and we appreciate the department and the board's help on that."

- **Commissioner Kelly Pehrson opens the Medical Cannabis Productions Establishment Board Questions;**

Q. Miles Maynes: "Is there any outstanding cases or anything for diversion?"

A. Cody James: "There are no outstanding cases here. It does look like we did have one notice of non-compliance. It was pretty minor. This goes back to February of 2025. It was regarding an operating plan. Really, their pictures of their location were out of date. They've been making some changes. So their aerial photograph was the issue. It just did not show the actual area where the cannabis was being propagated. It was a fairly easy fix—just updating that photograph. So, again, a notice of non-compliance, it wasn't even a warning."

Q. Miles Maynes: "You mentioned that there's possible growth. Can you explain that, or adding canopy space?"

A. Standard Wellness: "Yes, we are looking at a possible property that we would move into in the middle to end of next year. We would be moving our current location. It would mostly affect processing and cultivation and growing the canopy with some extra rooms, but we will get that all submitted and see you guys in a few months on that one."

Q. Miles Maynes: "And is that in a similar location to where you're currently stationed?"

A. Standard Wellness: "No, currently we're in Corinne and this would be in Ogden."

Q. Miles Maynes: "I know there are some compliance concerns in 2024, nothing of note in 2025. Can you speak to that?"

A. Standard Wellness: "We have very much kept with our recentering of making compliance our number one priority. As Cody said, there hasn't been any letters of citation. We have had a few letters of concern that we have remediated. In my opinion, it's been small fixes that we can fix very easily and have, so I think we should be able to maintain that track record going forward."

Q. Brad Winter: "So it sounds like as you're expanding, one of your peers just commented that after a good year there's a little bit of overage for the market. Is your expansion in response to market demand, or just pushing your opportunity, assuming more market demand?"

A. Standard Wellness: "We are seeing more market demand needed at our own and along with other pharmacies, and so that's what that is for."

- **Commissioner Kelly Pehrson open the Public Comments; no Public Comments were submitted and Public Comments were closed**
- **Miles Maynes moves to approve the Medical Cannabis Cultivation Application Renewal for Standard Wellness**
 - **Motion Seconded - Brad Winter**
 - **All Present - YES**

Medical Cannabis Cultivation Application Renewal Approval: True North

Cody James Introduces True North: "True North is located up in Box Elder County. They grow indoor only. They have a growing area of 42,971 square feet. The concern, if you want to call it that, that the department has on True North is not necessarily any violations, but they have had 13 failed quality assurance samples, all for microbials, from their grow. They all have been approved for remediation by being re-identified as plant byproduct, which means it can go into the processing facility for extraction. We started noticing this towards the end of 2024, and it's continued all the way through now into 2025. To beat Miles to his question there, for the most part, we have sent a couple of notices of concern: hey, what's going on? You've got a lot of failures for microbials within your grow type of thing. We have gotten some answers. They did have to change out their—and they can probably explain more—but they did change out their roof, which caused some issues there, and it seems like they're still having issues getting that under control in that way. Again, we have caught all of those there, and they've been able to be remediated. The other non-compliance issue that we had, this comes back to February of 2025, looks like they weren't following their actual waste disposal plan as they should have been, had some security requirement issues, and then because of those two issues, it looks like their operating plan should have been either updated or changed, or they weren't following those rules. So that has been fixed and is good to go. I haven't had anything other than our concern about the quality assurance failures for microbials coming out of their grow since then."

- **Commissioner Kelly Pehrson opens the Medical Cannabis Productions Establishment Board Questions;**

Q. Miles Maynes: "Do we have a cause?"

A. Cody James: "You know, I could pull up some letters and tell you what they have told us, or we could have them just tell the board."

A. True North: "Yeah, so basically towards the end of 2024, we replaced our entire cover on our greenhouse. We had quite a few environmental challenges through that process. Some of that rolled into 2025, but that's under control. We've got that handled. And I'm not giving an excuse to the board—these are challenges for us to work through right now, but for transparency. We had some manufacturing issues on formulation for our fertilizer, and we nearly clogged our entire greenhouse up with fallout from nutrients. So we had dying plants that we weren't able to get to. We fixed that, and we've seen a big improvement in that. It's our number one priority to make this better. We've got an open-air greenhouse, so we're always going to deal with some form of spores in the air. We appreciate UDAF's help working through our struggles of implementing a chlorine dioxide program that we have—that's Garden Clean, which is excellent. We took our time through that to ensure we had the correct PPE across the board. We didn't have that perfectly done from the get-go, so I'm confident what we have now, but it's definitely been our biggest challenge and frustrating part of what we've got there."

Q. Brad Winter: "Just for more clarification of the board, when we say there was a microbial quality assurance failure, what does that mean as far as what was discovered and how?"

A. Dr. Brandon Forsyth: "Microbial, there's different requirements for microbial, including the total aerobic count, and then for some products, total yeast and mold, and then various PCR tests. So it looks like these ones are primarily Aspergillus that's being detected in the product, and so that's one of the PCR tests that's done."

Q. Miles Maynes: "Is that mostly a storage issue?"

A. Dr. Brandon Forsyth: "Aspergillus is just mold, so if it's left with too much moisture, it tends to grow mold."

Q. Brad Winter: "And this is pre-processed?"

A. Dr. Brandon Forsyth: "Yes, that's correct. And so once it's processed through extraction, they are able to completely remove any toxins that might have been introduced by that Aspergillus. So it's not a concern at that point."

A. True North: "To your question, is that a storage issue? It was starting from our greenhouse. Our storage area, dry rooms, processing is hospital clean, and that's where we're finding areas where we're finding hot spots. We had several local companies come out and do air tests for us, but the results wouldn't come back for a week or two, so it wasn't as applicable as we needed. We now have on-site testing that we've been doing where we can get results within 48 hours, which has helped quite a bit. So we're taking every step to get what we need to because it's an extremely important aspect of what we failed on."

Q. Commissioner Kelly Pehrson: "I appreciate your explanation, but if I look at the data, it looks like you failed everything just recently."

A. True North: "Yeah, I think it was like six of them just recently the past week. And when I say we've almost got it, like the new fertilizer, that run has just come down. And so that's we're probably two to three weeks away from seeing that come to the lab."

Q. Miles Maynes: "So did you have to do a flush on all your lines? How did you clean it?"

A. True North: "Time a 100, right? We did flush for sure. We replaced all the poly. And to be fully transparent, we take every step to be proactive. And no matter what IPM you're using, plant health is the number one factor in being susceptible to these problems. And so when we have fallout of nutrients that create clogging, we're also missing those nutrients that are needed to go to the plants. So overall plant health went down at the same time. It's night and day now, and so that's why I can speak to being a confident about what's going on there."

Q. Miles Maynes: "So you can see what was wrong, and you can see what was better?"

A. True North: "100%"

Q. Miles Maynes: "What's your relationship with Flower Shop? How does that work for your companies?"

A. True North: "That was one change to our operating plan. I'm the new president for True North. Greta Brandt resigned. So the Flower Shop and True North, we do business at the Flower Shop. I think it always just says True North still on these, so it's one and the same."

Q. Miles Maynes: "Okay, so that's your pharmacy?"

A. True North: "Yes."

Q. Desiree Hennessy: "Can you tell me how much of the product that did not pass, how much of it was remediated and how much of it was just disposed of?"

A. True North: "100% would have been extracted."

Q. Desiree Hennessy: "Okay, so you just turned that into gummies or tinctures or something that was processed?"

A. True North: "Correct."

Q. Desiree Hennessy: "Can you tell me a little bit about your waste disposal issue?"

A. True North: "Yeah, we were burning our waste as an initial thing that we had in our first operating plan. And that changed from a Brigham City statute. And so now we're following the SOPs that we've updated and changed of standard waste breakdown to the dump. Pretty much the standard waste disposal."

Q. Desiree Hennessy: "So none of the waste was coming up missing?"

A. True North: "It wasn't. No, absolutely not."

- **Commissioner Kelly Pehrson open the Public Comments; no Public Comments were submitted and Public Comments were closed**
- **Miles Maynes moves to approve the Medical Cannabis Cultivation Application Renewal for True North**
 - **Motion Seconded - Susan Spiers**
 - **All Present - YES**

Medical Cannabis Cultivation Application Renewal Approval: Tryke Companies of Utah

Cody James Introduces Tryke Companies of Utah: "Tryke is located in Tooele County. They grow indoors and have 58,400 square feet of space. This year, Tryke had 10 failed quality assurance samples. Two of those failed for microbials, one failed test for foreign matter, and seven failed for water activities. All these failed samples were remediated and passed further quality assurance testing. They have actually been pretty close on their projected versus actual production, one of the closer ones, almost right on every year within a few things."

Tryke Companies of Utah States: "Again, we're happy to be part of the program and really happy to say I don't believe this license received a single letter of concern in 2025. I believe that six of the quality fails were recently due to moisture control. There was an issue with the water testing. We've fixed that and it's done. And yeah, we're very happy to be part of the program and looking forward to 2026."

- **Commissioner Kelly Pehrson opens the Medical Cannabis Productions Establishment Board Questions;**

Q. Miles Maynes: "This has been a full year cycle having obtained ownership over Tryke and being the new management. What lessons have you learned?"

A. Tryke Companies of Utah: "Ooh, interesting one. Well, it's been a few years now since we've done the acquisition. I think this is our third year with Tryke. On the positive side, I think that the controls that we came in with, as far as attention to detail and as regards compliance and SOPs, have been effective. And I think UDAF can point to the fact that there's a marked difference before and after we took over. We recognize that the market is a bit soft. We tend to grow what is needed. We could be growing more, but we're not, and that's the approach that we're taking. We are fortunate to be vertical. So the few areas that we really had to remediate, we just sent to extraction and put it into product, so it still gets to market, of course, you want to try to avoid all that."

Q. Miles Maynes: "What's your thoughts on the current state of the market in Utah?"

A. Tryke Companies of Utah: "I'm in compliance, so it's not really my forte. I would say this, and especially as we enter the legislative session soon, I think that there's room to expand the market. I believe there's room to bring in more patients. I think there's things that can be done. MCPAB meetings are amazing and so helpful. And I think that the program is moving forward. It's just kind of hit this bump where I think that, given a few small tweaks, the expanded reach to patients could make an enormous difference. I think that's what everybody's really looking to see."

- **Commissioner Kelly Pehrson open the Public Comments; no Public Comments were submitted and Public Comments were closed**
- **Miles Maynes moves to approve the Medical Cannabis Cultivation Application Renewal for Tryke Companies of Utah**
 - **Motion Seconded - Brad Winter**
 - **All Present - YES**

Medical Cannabis Cultivation Application Renewal Approval: Wholesome Ag

Cody James Introduces Wholesome Ag: "Wholesome Ag is a cultivator. They've got two locations, one in Davis County and one in Tooele County. They utilize both indoor and outdoor growing space, have about 12,104 square feet of indoor canopy and about 2.4 acres of outside there. I don't have anything listed as far as any quality assurance issues, but there was just one notice of non-compliance that goes back to January of 2025, where some of their tags for inventory control didn't have all the information, didn't have the date entered, and didn't have some of the facility information on there. Shortly after sending that, we got an email from their former compliance person that they realized there was a glitch in their computer system, which was easily fixed, and that's the only thing that we have had with Wholesome this year and didn't see that come up again."

Wholesome Ag States: "I did want to talk just about the violation. It was a tagging issue. It was fixed pretty quickly. We were experiencing some issues where there were some sizing things that were happening. We were printing things, and so certain information was getting cut off the label, but it was all still tracked in the track and trace system. It just didn't have the appropriate label on it. And very proud to report that that was a decrease from 2024 to have a single violation. While all violations are important, we're very proud of the compliance record. I will address a little bit our projections. Again, with growing outdoor, you face many challenges, right? You have to plan for contingencies and things like that. I think what we would rather do is under-promise and over-deliver. So you will see a discrepancy in our numbers. Our indoor numbers are closer to what we expected versus our outdoor numbers, but we've just been blessed the last two seasons to have really, really good outdoor seasons. And what I would hate to do is tell you all that we're going to do the 18,000 pounds that we ended up doing and then do half of that. You know what I mean? So maybe there's a way in which we can work with UDAF throughout the year to try to help them understand. But again, it's a plant, and when it grows outdoor, you hope you're going to end up with the best, but you have to plan for the worst. And I would hate to tell you something different and set the market in a different way. Indoor, I think, is a little bit easier, but even there, there's going to be some discrepancies. So our grow team does a really, really good job, and I don't want to fault them for that. But maybe if there is a way that the board thinks or that UDAF thinks that we can better track that throughout the year, it's just difficult. You don't know until the season ends exactly what you had. But we had another really good, really good year, and we're looking forward to another good year. While we're not adding any canopy, we are expanding our Davis County location to allow more on the processing side, but it's going to allow for greater space to do certain processes and some things as well. So we think that will only improve what we're doing on the cultivation side. And we also pride ourselves on being a great supplier to the market as well. So that's what some of the growing effort goes towards."

- **Commissioner Kelly Pehrson opens the Medical Cannabis Productions Establishment Board Questions;**

Q. Commissioner Kelly Pehrson: "In the battle that we face with how much water AG uses, I'm just curious how much more water you use in an outdoor grow versus an indoor."

A. Wholesome Ag: "Yeah, quite a bit more. I don't have those exact numbers on me, but I could get those. We are regulated by Tooele County. I know we do have a meter out there and some stuff, but it's quite a bit, but it's well within what our water rights are. We had to purchase water rights from Tooele County and have done so."

Q. Miles Maynes: "When did the merger completely finalize?"

A. Wholesome Ag: "May of this year, the middle of May."

Q. Miles Maynes: "How's that been?"

A. Wholesome Ag: "It's been good. Obviously, I've had the opportunity to take on a position at the corporate level as corporate counsel working under the general counsel, so I've been exposed to some of the other markets and seeing that. But I think there's a lot of positives there. And I think as we get through 2026 into 2027, you'll see even more synergies between the corporate level and below. But it's been good overall for us, and hopefully will help provide greater opportunities for us here as well, as needed."

Q. Miles Maynes: "What's your take on the Utah market?"

A. Wholesome Ag: "I think, as many other people said, we'd obviously love to see more patients. And I know that there's a struggle. We are surrounded by a number of mature adult use markets where there is adult use, and there are a lot more consumers to serve. There are more licensees, but there's also, like I said, a much larger base of people to be able to serve. And so the prices are much lower. But when you look at the prices here in Utah and compare them to other comparable medical markets, we are on par. But I think that's always something that we're working to do, is to try to drive prices down. The best way, in our minds, to be able to do that is to get more patients into the program. Sitting on the policy advisory board, we heard Alan talk about it. You know, it's important to us to try to drive access. One of the things I'm very proud of is that at the last licensing, or the last MCPAB meeting, we voted unanimously to expand qualifying conditions, to remove the compassionate use board process, and allow doctors to be doctors and recommend cannabis for any condition they see fit. Because we know, in talking to patients anecdotally, that people are using cannabis for a host of conditions and they're able to use a variety of different form factors to treat those conditions. Cannabis, I think, makes sense at certain times to treat like all other pharmaceuticals and controlled substances, but in other ways it's very different. That is part of what makes cannabis such a wonderful medicine: it has so many different uses for so many different conditions. But we would like to see more patients in the program. I think helping to increase that access, whether it be through expanding qualifying conditions, allowing telehealth for all new and renewing patients, lowering any of the barriers and costs we can for people, is key, because I think when people are making a decision on whether or not to become a patient or stay a patient, a lot of it has to do with how easy or not it is to access the program, especially when you're surrounded by adult use markets. The hemp-derived market, I understand, is going to be in flux, but also the illicit market is there as well, and there aren't those same requirements to do those things. Obviously, there are legal concerns about purchasing outside of the state or purchasing from the illicit market, but I think that's why a lot of people are making those decisions too. So hopefully, with more patients, it will mean that prices will continue to go down, and I think from a legislative perspective, there are some things we can do to get there."

Q. Miles Maynes: "Is it sustainable with the number of patients as is?"

A. Wholesome Ag: "I think that's probably a different answer you're going to get from different producers, right? I think that's why what we've tried to do as a company, just outside of our cultivation too, is to make sure that we can serve patients through every avenue. We specialize in home delivery and I am very proud of what we have done there. We recently have expanded our drive-through offering at our pharmacy to be able to accommodate more patients more quickly, and we also offer in-store services. I think that's something that people will answer differently. But if you look at cannabis across the country, only about a quarter of cannabis companies are profitable, and that's not always due to demand or lack of demand. A lot of that is to do with the federal tax structure and a lot of what happens with illegality on the federal level. So for right now, yes, but in the long term, I think that's a great question. If you had a crystal ball, I think it might give you a better answer. The 100,000 patients that are in the program, we're grateful for, but we'd like to see more of them shopping in the program on a regular basis. And of course, increase that number, and going back to some of those policy things, we think that can help with it and make it more sustainable."

- **Commissioner Kelly Pehrson open the Public Comments; no Public Comments were submitted and Public Comments were closed**
- **Miles Maynes moves to approve the Medical Cannabis Cultivation Application Renewal for Wholesome Ag**
 - **Motion Seconded - Dr. Edward Walker**
 - **All Present - YES**

Medical Cannabis Cultivation Application Renewal Approval: Zion Cultivars

Cody James Introduces Zion Cultivars: "Zion Cultivars is another one of our licensees that has two locations, one in Sevier County and one in Utah County. They currently grow only indoors and are using about 64,200 square feet. They had no quality assurance failures from their grows this year, and they had no non-compliance issues that I can talk to the board about."

Zion Cultivars States: "It's a list. How long do we want to be here? I appreciate the opportunity to be here, and I am really pleased with how we performed this last year. Just a couple thoughts as we've been sitting here talking with all the cultivation, things that I think might be helpful. I really appreciate UDAF's position on it being hard to do a market analysis in terms of changes versus projected versus actual. I think that's a really hard thing when you're growing anything, whether it's hay, tomatoes, or anything else. One of the things that is probably useful is thinking about actually how much flower is taken to the market and sold based on the number of patients. Currently, based on what we can see from sales within pharmacies and the data that we've gotten from DHHS, it's right around 20,000 pounds sold annually. We have two growth facilities. We produce 456 kilos of flower in our Payson facility, and at our Monroe facility, we produce 937 kilos of flower, together with 1,393 kilos, which ultimately comes out to about 3,065 pounds. If you think about that, that's about 15% of the total amount of flower sales for the entire state of Utah. If every single producer produced that exact same amount, we'd be at 24,000 pounds, which exceeds the amount of flower necessary for the current market that exists. All different growers have different amounts that they produce, and it's much more based on market demand than just trying to meet a production goal, because it doesn't do us a lot of good to produce flower that is ultimately going to sit or not get moved throughout the market. Based on all of that, I would say—and this is a guess, I won't speak for anybody else—but Zion has the capability of producing more flower at almost any given time, knowing that a growth cycle takes a couple of months. I think almost all cultivators probably are in a position to produce more. It just doesn't make a lot of sense to produce if that flower is not going to be used. I also just want to speak towards the no-fail tests and no recalls. Growing is a challenge. It's really, really hard. I've listened to some of the challenges that some of our fellow people in the industry have. That's pretty common for everybody. It's not necessarily an indicator that somebody is not taking their license seriously. It simply means that sometimes you encounter real problems. The bigger challenge is making sure all of us reach out to each other when we have problems to make sure that the demands for patients are being met, so that if there are people who have the capability to help fill in where gaps are, we can do so."

- **Commissioner Kelly Pehrson opens the Medical Cannabis Productions Establishment Board Questions;**

Q. Miles Maynes: "No outstanding cases?"

A. Cody James: "No outstanding cases."

Q. Miles Maynes: "You mentioned 21,000 pounds is the consumption here in Utah on an annual basis. If each of the licensees was producing their share, which would be, I don't know, 12–15%, I mean, we have never stepped in to recommend balance for people to produce. Is that something that would be worthwhile in the future, to pull back something like that? Or is the quasi-free market working and everybody just having fun?"

A. Zion Cultivars: "Those are really good questions. I don't think there's anything in cannabis that's overly fun. I'll just say that, especially in a highly regulated market, market pressures have sort of dictated to us what everyone is producing. In the case of companies that have outlets, they are producing to fulfill what they can require within their own distribution and then supplanting that with other people's material as needed as well. Everybody is trying to help each other do that, but we have a lot of naked processors, so we do have more biomass probably than what would be necessary for the entire market. Some of that gets offloaded into individual processors that don't have grows so they can make their own materials and sell them to the pharmacy network as well. So the market is working, but to JD's comment, and I agree with him, having more patients would actually help stabilize everybody's grow. When I hear people talk about more grows and more grows, I don't think anyone in the market has fully realized what the eight licenses are capable of producing. That's a result of no one having fully maximized all eight of those licenses. If we get to a point where demand goes higher than what all eight producers, cultivators, can produce, then it's probably a discussion for having more licenses at that point. Until we hit that threshold, the market will help determine what we're all producing."

Q. Miles Maynes: "If we're all having excess and nowhere for it to go, then is there any point in having a central message to say, let's fill these quotas or whatever?"

A. Zion Cultivars: "Yeah, I mean, at this point, I don't think a quota is the right way to think about it. I think it's looking at patient demand. I think that's probably, and are we able as producers to meet patient demand? And right now, it is my opinion that we are."

- **Commissioner Kelly Pehrson open the Public Comments; no Public Comments were submitted and Public Comments were closed**
- **Miles Maynes moves to approve the Medical Cannabis Cultivation Application Renewal for Zion Cultivars**
 - **Motion Seconded - Susan Spiers**
 - **All Present - YES**

Medical Cannabis Tier 1 Processing Application Renewal Approval: Dancing Bees Apothecary

Cody James Introduces Dancing Bees Apothecary: "Moving into the Tier 1 processing renewal here, just a couple things to keep in mind that the board should take into consideration when voting on a renewal, and the processor should actually speak to this stuff. The things they need to talk to the board about are the methods and procedures they're using for extraction, their standard operating procedures, and a complete list of the

medical dosage forms that the licensee is producing. Dancing Bees Apothecary, who we're talking about here, as mentioned, is a Tier 1 processor. They're located in Salt Lake County. They have been licensed for just one year. This is their first renewal coming to the board. They've been approved for hydrocarbon extraction, and they have been approved to produce cartridges, pens, flower, concentrates, and infused edibles. They are in compliance at this point with local business licenses, have their bond, and have been certified by the department's regulatory services for good manufacturing programs. I don't have listed that they have any quality assurance failures at this point, and the only violation that I can talk to the board about happened back in March of 2025, where they did not have the correct information on their tags, on their products there. That's the only one that was fixed. They responded, and it's the only one that they've had that falls into that category there. So, as an inventory control issue, again, just based on the information that's supposed to be on the tags and how they tag things."

- **Commissioner Kelly Pehrson opens the Medical Cannabis Productions Establishment Board Questions;**

Q. Miles Maynes: "Cody, you mentioned twice something to the affect of compliance concerns that you can't share with the board. What's that mean?"

A. Cody James: "Yeah, so just this last year in the legislative session, they changed the law to say that the department, unless it meets a certain criteria of violation, can't do citations, warnings, or anything; it's just a letter of concern from here on out. Unless the licensee has three of the same violations over a 24-month period, then it can escalate. It also goes on to say that if the licensees have met it and corrected everything or are working with the department to correct it, then we can't say anything to the board. What I've been saying the way I have this year is because they were written before the change, right? So the things that I have been listing happened before that law went into effect. And with your questions, there was a desire for full disclosure there. So, yeah. So future stuff like that, unless there is a major violation where someone's health was really in jeopardy, or one of the licensees has met that threshold three times in that 24-month period, then more than likely there would be no compliance discussions in the future."

Q. Miles Maynes: "Year one is under your belt, what are your lessons learned?"

A. Dancing Bees Apothecary: "That's a good question. Lots of lessons learned almost every day. I think, as I was saying, being one of the only new processors to come in, and particularly as a small woman-run business, we're a lot smaller, and the hurdles can sometimes be larger because of that. Particularly with limited onboarding with MJ Freeway, we saw a lot of lessons learned in terms of that and being able to stay compliant while also being, again, one of the only processors they've trained in the last five or so years. So there were lots of lessons learned in terms of inventory as well as, you name it, but in terms of being a new processor, I think lots of our lessons have been learned around that and really just navigating the industry as best we can without a whole ton of guidance, but with amazing support from UDAF and from every other processor, cultivator, and pharmacy. So we've been so grateful for all of the support that we've received as being one of those people."

Q. Miles Maynes: "What is the product that you produce that you feel like you're known for?"

A. Dancing Bees Apothecary: "So right now, as we've been getting up and going, we've been working on white-labeling products to get on the shelves. We obviously had planned on white-labeling flower in order to get vapes and everything else. We've started out white-labeling those, focusing on live resin, knowing that it is a medicinal market and the benefits of having live resin products, which we felt were really beneficial for the patients of Utah. In addition to that, we've really focused, in terms of processing—and Spencer could elaborate if he needs to—on being able to figure out the best processes to bring products to the market that aren't necessarily prevalent in Utah, specifically live resin, live liquid diamonds, and liquid diamonds. On the processing side, we feel really excited about the crude oil that we do have in stock right now that will become live liquid diamonds, as well as, obviously, all of the products that are going out as we speak. So again, while we're small, being able to focus on craft cannabis, for lack of a better term, but rather the medicinal benefits of terpenes and being a terpene-centered company, has been really our biggest focus and excitement."

- **Commissioner Kelly Pehrson open the Public Comments; no Public Comments were submitted and Public Comments were closed**
- **Miles Maynes moves to approve the Medical Cannabis Tier 1 Processing Application Renewal for Dancing Bees Apothecary**
 - **Motion Seconded - Desiree Hennessy**
 - **All Present - YES**

Medical Cannabis Pharmacy Application Renewal Approval: Dragonfly Wellness

Cody James Introduces Dragonfly Wellness: "We are on to the rural pharmacy renewal for Dragonfly Price. Yeah, Dragonfly Price, located obviously down in Price, Utah. They're seeking their renewal for the 2025–26 year. They're part of a vertically integrated business, obviously, with Dragonfly being a cultivator, which was renewed today, as well as having a couple of processing licenses. They offer a variety of products from Utah processors. As we mentioned at the very beginning, they are in Price, in a smaller area there, but they offer in-store pickup, home delivery, online ordering, and they also utilize a courier service. Checking before I got up here, there's nothing, in terms of violations, to bring to the board here."

- **Commissioner Kelly Pehrson opens the Medical Cannabis Productions Establishment Board Questions;**

Q. Miles Maynes: "I want to hear more about the challenges that you face in Price."

A. Dragonfly Wellness: "Price is—so as you guys know, we also have a pharmacy here in Salt Lake, and I kind of feel like they're two different animals, obviously. Salt Lake is much busier and stuff like that, and then Price is obviously not as populated, so it's not as busy compared to Salt Lake. Some of the challenges that we've had over there are, you know, just some of those dynamics and things like that. But one of the main things is finding a PIC, for example, in the area. We've gone through a couple of PICs. We're working with a PIC right now. I believe her name is KJ, off the top of my head. She's great. She's really good, and patients love her and stuff like that. She does a really good job on the compliance side as well, so we're really lucky to have her there. But just with staffing and stuff like that, sometimes it's a little hard to keep people motivated when it's not, you know, something going on every single moment. But I feel like the team over there does a really good job of servicing the patients and covering the county."

Q. Miles Maynes: "Are you meeting the 35 hours open operation?"

A. Dragonfly Wellness: "I believe it's 35, so it was a little bit less before. We spoke with UDAF and got permission to do that to try to help with the hours and stuff like that. But I believe we're back up to 35."

- **Commissioner Kelly Pehrson open the Public Comments; no Public Comments were submitted and Public Comments were closed**
- **Miles Maynes moves to approve the Medical Cannabis Pharmacy Application Renewal for Dragonfly Wellness**
 - Motion Seconded - Dr. Edward Walker
 - All Present - YES

Medical Cannabis Tier 1 Processing Application Renewal Approval: Two West Medical

Cody James Introduces Two West: "So Two West Medical has come to the board before. As a matter of fact, they've been coming to the board since 2021. And each year they have received approval from you, and we've given them an Intent to License. They still have not been able to get up and operate. And so, again, every year they've come back and applied for that again. One of the issues that the department has is that after getting through the board and getting that approval, we actually stop hearing from them for almost a year until it almost comes back to this time of year, or it's time to come to the board again. We've never even come close to coming out and doing a final inspection there. So just recently talking about that, again, we've gone four years of this, starting in 2021, and all those years total four. So the program obviously is concerned, especially now that processors, according to statute, are capped. They're one of the capped licenses, or now all licenses are capped pretty much, and they are holding one of those capped spaces there without operating. Furthermore, we actually did not get a full application from Two West there, even though we had reached out in late October stating as such, and everybody would have gotten the notice that, hey, let's get that in in time to get to the board. We did finally receive that today. Obviously, we have not had the time to review that, nor has the board. So again, more concerns on that side. The department really does recommend maybe not renewing this or giving them a Letter of Intent at this point until they can kind of come a little bit closer. I will go on to say that they can reapply. There's nothing stopping them from doing that, right? The cap for processing is at 18 according to statute. We have 16 full licenses. This one holds the place of a 17th right now, so there's still room for more. And I would believe that they would be able to have their application in through maybe the February meeting there. But the department does obviously have concerns about a licensee not being able to get up and running over one year, let alone four or five."

Two West Medical States: "Yes, hi, my name is Jolanda Miller, I am the business development lead for Two West, there has been a process to get here, I am one of the recent changes in the company focused on improving communication and moving things forward, I have been communicating on a near-monthly basis, primarily with Kevin, and I have sent emails updating him on our progress, we are about 45 days from commissioning equipment at our facility and being operational, and we are just waiting on this step, it was also brought to our attention that we needed to complete an intent-to-license application to continue, we submitted the application in the past, it was reviewed and signed off, so we assumed the process was the same and did not attach certain documents, when Braydee notified me today, I attached the required documents and we have confirmation that they were received, nothing has changed on that aspect, the only changes relate to municipal issues with cities regarding building and licensing, we have approval from the City of Spanish Fork, the letters have been forwarded to the state, I am not sure if Kevin currently has them due to a transition in contacts, that has now been completed, we have full support from the City of Spanish Fork, there was a brief delay due to an internal zoning classification error, which has been clarified, we have a certificate of occupancy, and we were informed that the next step required to continue is the intent-to-license."

- **Commissioner Kelly Pehrson opens the Medical Cannabis Productions Establishment Board Questions;**

Q. Commissioner Kelly Pehrson: "Have they paid their fee every year?"

A. Cody James: "I believe they have been paying their application fee."

Q. Commissioner Kelly Pehrson: "And have we ever allowed an applicant to not have a full application in?"

A. Cody James: "No, no. No, the statute's pretty clear on all that stuff about having to get up and running in a full year or they actually lose their license. They've never been able to really get their full license because they haven't been able to get to that point where we've been able to confirm compliance and everything's been met there. So that's why they've been coming up and getting that Letter of Intent to License each year. And then again, us waiting for us to get to that full license there."

Q. Commissioner Kelly Pehrson: "Does the application state that they have to have a location?"

A. Cody James: "Yeah."

Q. Commissioner Kelly Pehrson: "So they have a location?"

A. Cody James: "Yes, they are supposed to have a location in Utah County. I think maybe at the very beginning of this, or maybe a couple of years ago, there were some problems working with that particular city. But I think that's supposed to be taken care of at this point, at least from what we've heard. But again, the communication has been a little lax—or maybe a lot lax, I should say—in the meantime. And so, again, there are concerns, especially with capped licenses at this point. Not too many people are rushing to get into it right now either, because that cap has been in place for a couple of months and we haven't seen much activity. But that being said, they can reapply and probably should. And again, I'll leave it to the board overall, but the department does have concerns, especially with us not being able to review their new application."

Q. Dr. Edward Walker: "You mentioned that if we were to deny, they could reply in February?"

A. Cody James: "Yeah, or at any time after, so maybe some clarifications as well, what Jolanda mentioned about working with Kevin, Kevin is one of our employees but he actually handles change requests, not licensing, they submitted a change request which was probably approved for last year's intent-to-license, but the application for a license was not received until today, so there may have been a misunderstanding about what was submitted, there was communication from Aimee before she left in November regarding that, we have not yet been able to review that license, but yes, long answer to your short question, they can reapply as long as there are licenses still available, and there are at this time."

Q. Chief Jason Williams: "Is this something that we have to vote on today, or is this something that could be tabled until our next meeting to still allow them to have some confidence that they're in the right processes? Or is this something that needs to be either approved or denied today?"

A. Cody James: "Well, I'm getting a headshake from one side, but to think about this quickly, a letter of intent to license, based on statute, says once you get that, you're supposed to have one year to get up and running, so I think it almost means that you either, I mean, I guess you could table it, and they're just not getting their license, and it might mean the same thing anyway, so I don't know if I'm answering your question well, we're definitely not going to be able to count their current intent-to-license for anything because they haven't been licensed yet, so I don't know."

Q. Chief Jason Williams: "I guess what I'm trying to say is currently they have a placeholder and if we deny it today they lose that placeholder."

A. Cody James: "Yeah, I guess you could say that."

Two West Medical States: "When I submitted all the documents, I did follow up with emails, and I have the dates of those, we submitted prior to the deadline, I've asked multiple sources, "Do we have everything that we need?" and I didn't get any correspondence until a couple days before the deadline, so in terms of the financials that we have, we now have about 3 million acquired, and for the next 45 it'll be six, so we are literally ready to be upgraded within about 45 days, our equipment is ready, it just needs to be commissioned because we have the building and we don't want to get it in there prior to the state's approval, so if there's any way we can move that forward, even with a caveat for verifying things, I know the license and everything is there, it just hasn't been verified, Braydee did tell me she received it and that the license was submitted, just not the supporting documentation, so that was submitted prior to the deadline, we were given that deadline October 28th and told the deadline was November 6th, and that was submitted on time."

Cody James States: "Very rarely do I argue up here. I usually say my piece and then let the licensees say whatever they want to. But in this situation, the department, our license, did not have that. It was resubmitted today. We have not reviewed that application again as far as being able to say if there is any concerns from compliance issues or not, which may be the biggest concern from us. To the chief's question, yeah, you guys can table it and come back if you want to, or you can vote to give them a Letter of Intent. And if it doesn't meet compliance in that aspect, then they won't be able to get their license anyway, right? Because we do do follow-up things there. But at this point, there's some aspects that we wouldn't even send an application to the board unless we knew for sure it did meet the compliance issues."

Q. Dr. Edward Walker: "So in the past, recently in the past, we've had new legislation that allows us to do approvals that are not for an entire year, if I'm not mistaken. So they've indicated that they have things in place where they can come online as soon as maybe 45 days or in that neighborhood. It would be possible for this board to give them perhaps a 90-day extension on this. At the end of 90 days, we evaluate it and see if we can really get something done here."

A. Cody James: "I'm not an attorney, although I feel like one after reading JD's letters sometimes. But again, I refer back to the statute that says that once they have the letter of intent to license, they have a year to get operation."

Q. Brad Winter: "Clarify the application. We use the word application, is that the application for the intent to license or is that the license?"

A. Cody James: "Yeah, so both really, and what happens is based on the application, the board votes to allow them to get licensed, and then once that's granted, based on the application and all the information, including their standard operating procedures and how they're going to process all their employees, owners, and so forth, all that is considered by the board to get that, so really you are kind of rewarding them saying, "Yep, you have the right to a license," so we give them that intent, and then what happens is we make sure that they do meet the facility and everything they're doing meets compliance over that year, and then we give them the full license, so really the board is giving that opportunity to be licensed, we just don't want people to spend millions of dollars without having any assurance that they can get licensed, right, type of thing, and in this situation, it's been different for them, they got the letter of intent in 2021 because the board voted on it, but obviously have not been able to fulfill that."

Q. Miles Maynes: "When did you join Two West?"

A. Two West Medical: "I joined Two West about five months ago."

Q. Miles Maynes: "Okay, so you're relatively new to this saga?"

A. Two West Medical: "Correct, I am. Since then, I know the procedure and what has happened on my watch. Prior to that, I know they had two deaths in the family, which delayed things, and then there were some transitional issues with the personnel, and the personnel wasn't communicating with the state correctly. When I came on board, the state would be communicating, and there are emails I sent to Kevin updating him on where we were and if we were having any changes done. Part of my error was that I didn't realize there were two different departments I needed to address; I was only addressing Kevin, and then he finally told me that he wasn't over the THC, so he went ahead and emailed everyone, forwarded the emails, but I didn't hear anything back for a couple of weeks. That's when I was contacting them asking, "Hey, are we good? Do we have everything we need to go before the next meeting?" because I knew that they had told me this was the deadline to renew that intent to license."

Q. Miles Maynes: "Gotcha. So I'm just thinking to clean this up, this has been going on for years now. And it doesn't sound like there's any other people in queue to apply for a license. So if we deny this intent of license and then you just reapply, what are the negatives to that? I don't see any."

A. Two West Medical: "We have acquired a building party to that part of the problem was that we didn't have a building that was willing to work with potential of cannabis in the area. So now we have a building that we acquired. So we have that overhead on that building. We have all the equipment ready to go. We have the personnel, the staff, the scientists. So everybody is just holding on this license so that we can get everything in place and get going. That's what I'd say we're about 45 days out before we can be in production."

Q. Miles Maynes: "Gotcha. So from my perspective, the license is basically yours because there's no one else asking for it. So just as far as this agenda item, we have to prove an intent to license or deny it. We're not approving you a license. If we just deny this and then you just resubmit your application, what's the negative to that? Because you could still be in the timeline."

A. Two West Medical: "Is there any well they told me that the next one would have to go before the next meeting in February, and then so the board would be delaying two more months of all of that and all the cost. And, you know, like I said, everything's ready to go. If it can happen prior to that, if I can just resubmit the received everything on there, according to Braydee, they have never read the quick, but everything has been submitted and received. So if it can happen quickly, and I could just do it again even tomorrow, that if I need to resubmit again, but if I have to wait to go before the meeting, then we're losing another two months. We have timelines now, we have costs, and everything is holding on that. And then I suppose there's a conditional approval that could be done where it's not a full license so you guys can verify everything. And so I don't know what that procedure looks like."

A. Commissioner Kelly Pehrson: "We can call a meeting at any time. As chair, I'd hate to set the precedent that we haven't reviewed an application and approve it."

A. Two West Medical: "And we're happy to do that. If you want to do, like, if you can call a meeting, we're happy to go at any time and review that with you or whatever questions you may have."

Brad Winter States: "I mean, my perspective from the board is I hesitate to approve an application that hasn't been reviewed from my perspective. And maybe, as Dr. Walker mentions, more of an extension on the intent to license on goodwill since we have had a past application. But from my perspective, I hesitate to approve an application that we haven't had an overview of."

Q. Desiree Hennessy: "Have you guys already gotten access to biomass? Have you gotten that far where you're talking to companies?"

A. Two West Medical: "So no, we don't have any of that because we're waiting on the state for it to have this done and that's why the equipment hasn't even come into the building. We have it already and ready to be commissioned, but we are waiting on this and that's what we said about 45 days literally by the scientists ready to go. Everybody's ready to go at this waiting on this date. And we had submitted something prior to that and they said it had to be put to this meeting and so it was already delayed once to this meeting. And that's why my concern is just delaying

it two more months. If we can call a meeting before that, we're happy to do that. We also, if you have any legal questions, we have a legal counsel. He's also on this meeting. He's happy to answer any questions in that regard as well."

Q. Two West Medical: "So can we do a private meeting and say like a once, I don't know how long it takes to get through an application, a week or so, and then do it again? I mean, in terms of having this conversation again and continue?"

A. Commissioner Kelly Pehrson: "Yes, we can, within 24 hours, it would be a public meeting, no private meeting, but we can call another cannabis establishment board meeting. We just have to do it within 24-hour periods. We have to advertise it. So once you have your application ready, we can, and it's been looked at, we can call a meeting and have it within 24 hours."

Q. Miles Maynes: "How long will the department take to review the application?"

A. Cody James: "We can usually do that, depending on time given and what else is going on, within a couple days to get that done. Once we have everything. And I've been getting some messages from my staff that we did get stuff received today, but we can't confirm if it's all there even at this point there. So yeah, it would take a full review to get that through. And so, yeah, we obviously asked for applications, renewal, or anyway, at least 30 days in advance of the board meeting to give us that time today. Obviously, we usually have multiples type of thing, but I think with our short staff and things, you can probably say that we average about three to four days."

Q. Miles Maynes: "And remind me, this letter of intent is good for 12 months?"

A. Cody James: "Correct."

Q. Miles Maynes: "So they have until the end of the year."

A. Cody James: "Yeah, I believe theirs expires December 31st."

- **Commissioner Kelly Pehrson open the Public Comments;**

Blake Smith: "Blake Smith, Zion Pharmaceuticals. We also have a processing license. Here's what I would say. The laws are not easy. It is hard sometimes to make sure everything is dotted and all your T's are crossed. Having said that, every processor has gone through the full application process. Every one of us has had to make sure that we are operational, ready to go. Every one of us has had to meet all the qualifications necessary to set forth by AG and the law. And so that's not to say they can't get it. It just simply means they're going to need at least those 45 days to even get commissioned, to even be able to build relationships with everyone. If they're going to actually produce products and they haven't yet talked to any of the people who produce, that is all going to take time for them to establish anyway. Just my whole point, I guess, is this, is I think there's an underestimation of time necessarily on their part about what it takes to actually get it all going. I don't think a delay hurts them, and I don't think the board should make any decisions that are outside the norm of what we have all been required to do."

Colin Schmutz: "Yes. Hi. This is Colin Schmutz. I've actually just been retained by Two West Medical, so I guess this is not a public comment. I'm representing them as counsel. I've just been involved for about two months now. I will say in the last two months, there has been a significant increase in readiness. Essentially, we're at the point of executing contracts with pharmacists or with chemists, and we are at that point where we are ready to go. Now, there's still obviously a couple of steps we've got to jump through. The harm I see in denying the Intent to License is what happens in the intervening 60 days. If we've got two additional people or companies that apply for licenses, we've invested millions and millions of dollars at this point to get this up and going. We've jumped through hoops with Spanish Fork that have not been easy in order to get a facility that's approved and zoned correctly. My request would be that you do either stay this action right now and allow us to have a new public hearing as we get closer. But we're at that point where we've got investors. We've expended a lot of money, time, and effort. I think there might have been a delay for a couple of years. Again, I don't know. I was not involved prior to this time. But I know in the last two, three months since I've been involved, it's been consistent, steady progress. We've got contracts that have been executed, a couple that are at that point of execution, which if we don't have a license, puts a lot of financial strain and creates additional legal issues for us. So I'd ask that you consider that before you make a determination today."

- **Miles Maynes moves to deny the Medical Cannabis Tier 1 Processing Application Renewal for Two West Medical**

- **Motion Seconded - Desiree Hennessy**
- **All Present - YES**

- **Miles Maynes moves to adjourn the 12-04-2025 Medical Cannabis Production Establishment Board Meeting**

- **All Present - YES**