

BAY MILLS INDIAN COMMUNITY
CANNABIS REGULATORY COMMISSION

1. PURPOSE – It is the purpose of this enactment to create a Tribal regulatory authority, termed the “Cannabis Regulatory Commission” to establish and implement Tribal regulation and control of cannabis activity within the jurisdiction of Bay Mills Indian Community. Tribal oversight and regulation is essential to protect public health and welfare, and to protect the interests of the Tribe and of residents and visitors to the Bay Mills Indian Community lands. Bay Mills Indian Community has the legal authority to license and regulate any cannabis activity within the jurisdiction of the Tribe.

2. ESTABLISHMENT – The Executive Council of Bay Mills Indian Community hereby charters, creates, and establishes the Cannabis Regulatory Commission as a regulatory subdivision of the Tribe.

3. DURATION – the Cannabis Regulatory Commission shall have perpetual existence and succession in its own name, unless dissolved by the Board of Directors pursuant to Tribal law.

4. ATTRIBUTES – As a governmental subdivision of the Tribe, the Cannabis Regulatory Commission has been delegated the right to exercise one or more of the substantial government functions of the Tribe. It is the intent that the operations of the Cannabis Regulatory Commission be conducted on behalf of the Tribe for the sole benefits and interests of the Tribe, its citizens, residents, and visitors. Nothing in this enactment is intended to affect or limit the Tribe’s right to bring suit against any person or entity in its own right, on behalf of the Tribe or on behalf of the Cannabis Regulatory Commission, whenever the Tribe deems it necessary to protect the sovereignty, rights, and interests of the Tribe or the Cannabis Regulatory Commission.

5. SOVEREIGN IMMUNITY OF THE COMMISSION – The Cannabis Regulatory Commission is clothed with all the privileges and immunities of the Tribe, except as specifically limited by this Ordinance, including sovereign immunity from suit in any state, federal, or tribal court. Nothing in this Ordinance shall be deemed or construed to be a waiver of sovereign immunity of the Cannabis Regulatory Commission. Nothing in this Ordinance shall be deemed or construed to be a consent of the Cannabis Regulatory Commission to the jurisdiction of the United States or of any state or of any other tribe with regard to the business affairs of the Cannabis Regulatory Commission.

6. WAIVER OF SOVEREIGN IMMUNITY – Sovereign immunity of the Cannabis Regulatory Commission may be waived only by express resolutions of both the Cannabis Regulatory Commission and the Board of Directors of Bay Mills Business Holdings after consultation with its attorneys. All waivers of sovereign immunity are official records of the Bay Mills Indian Community and must be maintained as such by the Tribe. All waivers of sovereign immunity are disfavored and shall be granted only when necessary to secure a substantial advantage or benefit to the Cannabis Regulatory Commission. Waivers of sovereign immunity shall not be general but shall be specific and limited as to duration, grantee, transaction, property or funds, if any, of the Cannabis Regulatory Commission subject thereto, and shall specify the court having jurisdiction pursuant thereto and the applicable law.
7. SOVEREIGN IMMUNITY OF THE TRIBE – All inherent sovereign rights of the Tribe as a federally-recognized Indian tribe with respect to the existence and activities of the Cannabis Regulatory Commission are hereby expressly reserved, including sovereign immunity from suit in any state, federal or tribal court. Nothing in this Ordinance, nor any action of the Cannabis Regulatory Commission, shall be deemed or construed to be a waiver of sovereign immunity from suit of the Tribe; or to be a consent of the Tribe to the jurisdiction of the United States or of any state or any other tribe with regard to the business or affairs of the Cannabis Regulatory Commission or the Tribe; or to be a consent of the Tribe to any cause of action, case or controversy, or to the levy of any judgment, lien or attachment upon any property of the Tribe; or to be a consent to suit with respect to any land within the exterior boundaries of the Reservation, or to be a consent to the alienation, attachment or encumbrance of any such land.
8. CREDIT OF THE TRIBE - Nothing in this Ordinance nor any activity of the Cannabis Regulatory Commission shall implicate or any way involve the credit of the Tribe.
9. ASSETS OF THE CANNABIS REGULATORY COMMISSION – The Cannabis Regulatory Commission shall have only those assets specifically assigned to it by the Holdings or acquired in its name by the Tribe or by it on its own behalf. No activity of the Cannabis Regulatory Commission nor any indebtedness incurred by it shall implicate or in any way involve any assets of the tribal citizens or the Tribe not assigned in writing to the Cannabis Regulatory Commission.
10. MEMBERSHIP OF THE CANNABIS REGULATORY COMMISSION – The Cannabis Regulatory Commission shall be comprised of five (5) Tribal Cannabis Regulatory Commissioners consisting of tribal members appointed by the Executive Council of Bay Mills Indian Community.
 - A. Exclusion of Commissioners: At the time of appointment a Commissioner shall not:
 1. Be an employee of any entity owned and operated by Northern Light Cannabis Company; or
 2. Be a member of the Cannabis Regulatory Commission staff; or

3. Have a spouse, parent, step-parent, child, step-child, sibling, or other immediate family on the Business Holding Board, Cannabis Regulatory Commission Staff, a Primary Management Official, or employee of the Northern Light Cannabis Company. For purposes of this subsection a “Primary Management Official” is a person operating as the chief executive of Bay Mills Business Holdings and “immediate family” is as identified herein and also includes any individual who resides in the household of the person under consideration.
 4. An applicant who is otherwise prohibited from being considered under this subsection may apply to the Bay Mills Business Holdings Board of Directors for a waiver of conflict.
- B. Conflicts of Interest: No person shall serve as a Commissioner if during their term they are implicated by any exclusion found in Section 10.A above or there is discovered a financial or legal relationship which places them in a conflict of interest, which shall be determined by majority vote of the Commission and forwarded to the Executive Council of Bay Mills Indian Community for consideration.
- C. Background Checks: Prior to the time that any Cannabis Regulatory Commission member takes office on the Cannabis Regulatory Commission, the Tribe shall perform or arrange to have performed a comprehensive background check on each prospective member, the results of which shall be transmitted to the Executive Council. No person shall serve as a Commissioner if:
1. An Applicant has a prior conviction that involved distribution of a controlled substance other than cannabis.
 2. Applicant has a pattern of convictions involving dishonesty, theft, or fraud that indicate the prospective member is unfit to serve.
 3. Applicant has been served with a complaint or other notice filed with any public body regarding payment of any tax required under federal, state, or local law that has been delinquent for 1 or more years.
 4. Applicant has a history of noncompliance with any regulatory requirements, all legal judgments, lawsuits, legal proceedings, charges, or government investigations, whether initiated, pending, or concluded, against the applicant, that are related to business operations, including, but not limited to fraud, environmental, food safety, labor, employment, worker’s compensation, discrimination, and tax laws and regulations, in this state or any other jurisdiction.
 5. Applicant has a member of his/her immediate family employed as a primary management official by any cannabis establishment.

11. TERM OF OFFICE – Each Commissioner shall serve a term of four years, commencing on January 1st, or until a successor Commissioner is appointed. On January 1, 2021 two Commissioners shall be appointed for a term of two years, and three Commissioners shall be appointed for a term of four years. Thereafter, all Commissioners shall serve four-year terms.
12. EX OFFICIO MEMBERS – At the direction of the Executive Council, any member of the Bay Mills Business Holdings Board of Directors or the Executive Council, or any other person may be designated to participate, without vote, in Cannabis Regulatory Commission meetings.
13. MEETINGS – The Cannabis Regulatory Commission shall hold at least one regular meeting, which shall take place the first Thursday of each month. If the meeting date falls on a holiday, it may be rescheduled to another date not in conflict with the regular meetings of the Executive Council on the second and fourth Mondays of each month.
 - A. Special meetings may be called at the request of the Executive Council, the Bay Mills Business Holdings Board of Directors, the Chairperson of the Cannabis Regulatory Commission, or two (2) or more members of the Cannabis Regulatory Commission.
 - B. An honorarium set by the Executive Council may be paid to the Commissioners as compensation.
 - C. A quorum for all meetings shall consist of three (3) members.
 - D. All questions arising with the action of the Cannabis Regulatory Commission shall be decided by a majority vote. The Chairperson of the Cannabis Regulatory Commission shall only be entitled to vote to break a tie.
14. ORGANIZATION – The Cannabis Regulatory Commission shall develop its own operating procedures and shall elect from within itself a Chairperson to direct meetings, a reporter to be responsible for keeping the Cannabis Regulatory Commission minutes and transmitting to the Executive Council a copy of those minutes, handling correspondence and reporting Cannabis Regulatory Commission decisions and such other officers as it deems advisable.
15. REMOVAL – A Commissioner shall be immediately removed by the Board of Directors for any action that may bar eligibility for service as described, or for any serious inefficiency, neglect of duty, malfeasance, misfeasance, nonfeasance, misconduct in office, or for any conduct which threatens the honesty and integrity of the Cannabis Regulatory Commission or otherwise violates the letter or intent of this Ordinance. The decision of the Executive Council upon the removal of a Commissioner shall be final.

- A. Except as provided below, no Commissioner may be removed without notice and an opportunity for a hearing before the Executive Council, and then only after the Commissioner has been given written notice of the specific charges at least ten (10) days prior to such hearing. At any such hearing, the Commissioner shall have the opportunity to be heard in person or by counsel and to present witnesses on their behalf. If the Executive Council determines that immediate removal of a Commissioner is necessary to protect the interests of the Tribe, the Executive Council may immediately remove the Commissioner temporarily, and the question of permanent removal shall be determined thereafter pursuant to Cannabis Regulatory Commission hearing procedures. A written record of all removal proceedings together with the charges and findings thereon shall be kept by the Tribal Secretary.
16. VACANCIES – If any Commissioner shall die, resign, or be removed or for any reason be unable to serve as a Commissioner, the Executive Council shall declare the position vacant and shall appoint another person to fill the position. The terms of office of each person appointed to replace an initial Commissioner shall be for the balance of any unexpired term for such position, provided, however, that any prospective appointee must meet the qualifications established by this Ordinance.
17. POWERS – In furtherance, but no in limitation of the Cannabis Regulatory Commission’s purposes and responsibilities, and subject to any restrictions contained in this Ordinance or other applicable law, the Cannabis Regulatory Commission shall have and is authorized to exercise by majority vote, the following powers in addition to all powers already conferred by this Ordinance:
- A. To authorize wholly owned enterprises of Bay Mills Indian Community to engage in the manufacture, processing, packaging, delivery, distribution, testing, and/or sale of Cannabis, as provided under the laws of the Bay Mills Indian Community.
- B. To regulate all day-to-day Cannabis activity within the jurisdiction of the Tribe.
- C. To enact and enforce such rules and regulations regarding its activities and governing its internal affairs as the Cannabis Regulatory Commission may deem necessary and proper to effectuate the powers granted by this Ordinance and the powers granted and duties imposed by applicable law.
- D. To prepare and submit for the Executive Council approval proposals, including budget and monetary proposals, which could enable the Tribe to better carry forth the policies and intent of this Ordinance.
- E. To work with the staff of any tribal department, program, project, or operation and to cooperate with the Executive Council in regard to cannabis issues.
- F. To arrange for and direct such inspections and investigations as it seems necessary to ensure compliance with this Ordinance and implementing regulations. In undertaking such investigations, the Cannabis Regulatory Commission may request assistance of tribal cannabis employees, tribal law enforcement officials, and tribal legal counsel.

- G. To consider any cannabis matter before it by any person, organization or business, and all matters referred to it by the Executive Council.
 - H. To make recommendations to modify regulations and further the provisions contained in this Ordinance after consultation with the Bay Mills Legal Department.
 - I. To arrange for training of Cannabis Regulatory Commission members, tribal employees, and others in areas relating to the regulation or operation of cannabis businesses.
 - J. To make, or cause to be made by its agents or employees, an examination or investigation of the place of business, equipment, facilities, tangible personal property, and the books, records, papers, vouchers, accounts, documents and financial statements of any cannabis enterprise operating, or suspected to be operating, within the jurisdiction of the Tribe.
 - K. To close permanently, after notice and a hearing, any cannabis facility that is operating in violation of tribal law.
 - L. To exercise all authority delegated to it or conferred upon it by law and to take all action which shall be reasonably necessary and proper for carrying into execution the foregoing powers and all of the powers vested in this Ordinance as permitted by the purposes and powers herein stated and which are deemed to be in the best interests of the Tribe, exercising prudent management and good business judgment, all in compliance with applicable law.
18. ANNUAL BUDGET – The Cannabis Regulatory Commission shall prepare an annual operating budget for all the Cannabis Regulatory Commission activities and present it to the Executive Council by November 15th of each year.
19. CANNABIS REGULATORY COMMISSION REGULATIONS – Cannabis Regulatory Commission regulations necessary to carry out the orderly performance of its duties and powers shall include, but shall not be limited to the following.
- A. Internal operating procedures of the Cannabis Regulatory Commission and its staff;
 - B. Interpretation and application of this Ordinance as may be necessary to carry out the Cannabis Regulatory Commission’s duties and exercise of its powers;
 - C. A regulatory system, attached hereto as an exhibit, for all cannabis activity, including accounting, contracting, management, and supervision;
 - D. The findings of any reports or other information required by or necessary to implement this Ordinance;
 - E. The conduct of inspections, investigations, hearings, enforcement actions and other powers of the Cannabis Regulatory Commission as authorized by this Ordinance.

No regulation of the Cannabis Regulatory Commission shall be of any force or effect unless it is adopted by the Cannabis Regulatory Commission by formal action and subsequently approved by a resolution of the Executive Council and maintained in the official records of the Tribe.

20. RIGHT OF ENTRANCE, MONTHLY INSPECTION – The Cannabis Regulatory Commission and duly authorized officers and employees of the Cannabis Regulatory Commission, during regular business hours, may enter upon any premises of any operator of a cannabis establishment for the purpose of making inspections and examining the accounts, books, papers, and documents, of any such operator or cannabis establishment. Such operator shall facilitate such inspection or examinations by giving every reasonable aid to the Cannabis Regulatory Commission and to any properly authorized officer or employee. A Commissioner or a member of the Cannabis Regulatory Commission's staff shall visit each tribally-owned or tribally-operated cannabis establishment during normal business hours for the purpose of monitoring its operation. Such visits shall be unannounced.
21. INVESTIGATIONS – The Cannabis Regulatory Commission upon complaint or upon its own initiative or whenever it may deem it necessary in the performance of its duties or the exercise of its powers, may investigate and examine the operation and premises of any person who is subject to the provisions of this Ordinance through the Cannabis Regulatory Commission Director. In conducting such investigation, the Cannabis Regulatory Commission may proceed either with or without a hearing as it may deem best, but it shall make no order without affording any affected party notice and an opportunity for a hearing.
22. STAFF OF CANNABIS REGULATORY COMMISSION – Staff of the Cannabis Regulatory Commission are employees of the Bay Mills Indian Community, subject to the governmental personnel policies of the Tribe and supervised by the Cannabis Regulatory Commission and the Executive Council. Any staff position must meet the same requirements of the Commissioners, and no staff member may serve as a Commissioner of the Cannabis Regulatory Commission.
23. QUARTERLY REPORTS – The Cannabis Regulatory Commission shall file a quarterly report to the Board of Directors summarizing reports received from each of the Tribe's Primary Management Officials, and making such comments as it deems necessary to keep the Board of Directors fully informed as to the status of its various cannabis operations.
24. GROSS PROCEEDS FEE – There is hereby levied upon and there shall be collected from all cannabis establishments an annual fee for the purpose of funding the Cannabis Regulatory Commission equal to 0.5 percent of the adjusted gross proceeds thereof. The tax levied by this section shall be a personal obligation of the taxpayer.
 - A. To Cannabis establishments shall, on or before the fifteenth of each quarter make out a return for the preceding month on a form prescribed by the Tribe, showing the entire amount of adjusted gross proceeds of cannabis activities, and the amount of fee for which it is liable, and shall transmit the return together with payment of the amount of fee owed, on or before the fifteenth day of each quarter. The fee imposed by this section

shall accrue to the Tribe on the last day of the month in which the cannabis activity occurred.

- B. In any event that receipts exceed expenses, as determined by an annual audit, the fee will rebate such excess to cannabis establishments accordingly.
- C. In any event the cannabis establishment cannot meet the obligations of the gross proceeds fee, the establishment shall work with the Executive Council to meet the budgetary needs of the Cannabis Regulatory Commission.

25. USE OF NET REVENUES OF TRIBALLY-OWNED AND TRIBALLY-OPERATED CANNABIS ESTABLISHMENTS – All net proceeds of a tribally-owned or tribally-operated cannabis establishment shall be held in the name of Bay Mills Business Holdings. Such net proceeds may only be expended by the Board of Directors or the Executive Council by resolution and for the following purposes:

- A. To reinvest in the businesses of each individual cannabis establishment.
- B. To fund tribal government operations or programs.
- C. To provide for the general welfare of the Tribe and its citizens.
- D. To promote tribal economic development.
- E. To help to fund operations of local government agencies.

26. AUDIT REQUIREMENTS – Each cannabis establishment shall obtain an annual outside audit of such cannabis establishment. A copy of such audit shall be provided to the Cannabis Regulatory Commission, the Executive Council, and the Bay Mills Business Holdings Board of Directors.