

SAINT REGIS MOHAWK TRIBE

ADULT USE CANNABIS CULTIVATION REGULATION

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SECTION 1.0 PURPOSE

The Saint Regis Mohawk Tribe (The “Tribe”) is responsible for the health, safety, education and welfare of all community members. With respect to the non-medical use of cannabis by persons 21 years of age and older (“adult use”), it has the authority, responsibility and jurisdiction to exercise sovereign rights in governing cannabis cultivation on the Saint Regis Mohawk Reservation (Reservation).

SECTION 2.0 AUTHORITY

The authority of the Tribe to enact the Adult Use Cannabis Regulation lies in the inherent sovereign authority of the Saint Regis Mohawk Tribe the Tribal Procedures Act section IV (C) (1), (2), (10) and (13) (TCR 2013-32); and the Tribal Court and Judiciary Code Section V and VI (TCR 2008- 22). The Tribe has adopted an Adult Use Cannabis Ordinance (the “Ordinance”) authorizing the Cannabis Control Board (“CCB”) and Cannabis Compliance Office (“CCO”) to adopt regulations governing cannabis cultivation, processing, sale and use by persons 21 years of age and older for non-medical purposes.

SECTION 3.0 TERMS AND DEFINITIONS

This Regulation incorporates all definitions in Chapter One of the Saint Regis Tribe Adult Use Cannabis Ordinance.

“Allocation” means a process in which the Tribal Cannabis Exchange sets prices for bulk and pre-packaged cannabis, determines demand by Processors and Retail Stores, and sets amounts to be transferred by Cultivators who have not opted out to individual Processors and Retail Stores.

“Cannabis waste” means cannabis, cannabis plants, and cannabis products that are not usable due to crop failure, spoilage, contamination or other reasons.

“Child-resistant” means difficult to open, in alliance with standards established by the United States Consumer Product Safety Commission in 16 CFR part 1700 (2020).

“Detectable level” means the concentration of a particular contaminant that can reliably be measured by testing measures available to a licensee, as determined by the CCB and CCO in consultation with testing facilities.

“Diversion” means transferring cannabis plants or cannabis to anyone not authorized under the Ordinance to receive such a transfer.

“Immature plant” means a nonflowering cannabis plant that measures 24 inches or more from the base of the main plant to the most distant point of the plant’s leaf or branches.

“Inversion” means accepting a transfer of mature cannabis plants or cannabis from a source not authorized in the Ordinance.

“Licensee” means a Cultivator, Processor, Retail Store, or other type of adult use cannabis business recognized by the CCB and CCO.

“Nursery cultivator” means a licensee that is authorized to grow and sell seedlings.

“Opt out” means to decline participation in allocation by the Tribal Cannabis Exchange, either in the first year of operation or for good cause thereafter.

“Per-gram fees” means the fees imposed by Section 6.02 of the Ordinance on all cannabis transferred to the premises of a Retail Store.

“Tamper-evident” means sealed using a method that provides clear, lasting evidence that a packaged has previously been opened.

“Transport Manifest” means a triplicate document accompanying all transports of cannabis plants, cannabis or cannabis products by a licensee.

SECTION 4.0 PROVISIONS APPLICABLE TO ALL LICENSEES

SECTION 4.1 SAFETY OF CANNABIS

Residual Pesticides: It is a violation of the Ordinance to transfer cannabis or cannabis seedlings with detectable levels of residual pesticides, unless the pesticide is both approved by the CCB and within the tolerance levels established by the United States Environmental Protection Agency in 40 CFR part 180. The CCO may order a licensee to hold or destroy cannabis containing impermissible pesticide residues.

Mold, Yeast and Mycotoxins: It is a violation of the Ordinance to package for sale or transfer to a Retail Store or consumer any cannabis or cannabis seedlings containing detectable levels of mold, yeast or mycotoxins. The CCO may, after providing the licensee the opportunity to mitigate the cannabis, order a licensee to hold or destroy cannabis containing mold or yeast, and may immediately order a licensee to hold or destroy any cannabis containing mycotoxins.

Bacteria: It is a violation of the Ordinance to package for sale or transfer to a Retail Store or consumer any cannabis or cannabis seedlings containing detectable levels of coliform bacteria, enterobacteriaceae, e. coli or salmonella. The CCO may order a licensee to hold or destroy cannabis with impermissible bacterial contamination.

Metals: It is a violation of the Ordinance to transfer or process cannabis or cannabis seedlings with detectable levels of cadmium, lead, arsenic or mercury. The CCO may order a licensee to hold or destroy cannabis containing impermissible metals.

SECTION 4.2 PESTICIDES AND OTHER AGRICULTURAL CHEMICALS

Limitations on Pesticide Use: No licensee may possess on its premises any Restricted Use Pesticide, as defined in the Saint Regis Mohawk Tribal Pesticide Regulation, nor may the licensee apply to cannabis plants any pesticide or agricultural chemical not listed in the licensee's operating plan, nor may the licensee apply any pesticide containing an active ingredient not listed as approved in this section, nor may the licensee apply any pesticide or other agricultural chemical in a manner inconsistent with the product's label.

Synthetic Chemical Agents: The following synthetic chemical agents are approved as active ingredients in pesticides when used in a manner consistent with the label: auxin, azadirachtin, capric acid, caprylic acid, citric acid, copper octoanoate, cytokinins, diatomaceous earth, gibberellic acid, horticultural oils, hydrogen peroxide, indole-3-butyric acid, insecticidal soaps, iron phosphate, methoprene, peroxyacetic acid, petroleum oils, phosphorous acid (including salts thereof), potassium bicarbonate, potassium silicate, potassium sorbate, sodium bicarbonate, sodium ferric EDTA, sodium laurel sulfate and sulfur.

Bacterial or Fungal Agents: The following bacterial or fungal agents are approved as active ingredients in pesticides when used in a manner consistent with the label: bacillus amyloliquefaciens strain D747, bacillus subtilis QST, bacillus thuringiensis, beauveria bassiana, burkholderia spp. Strain A396, gliocladium virens, harpin alpha beta, isaria fumosorosea, myrothecium verrucaria, reynoutria sachalinensis, trichoderma asperellum strain T34 and trichoderma harzianum.

Plant Extracts: The following plant extracts are approved as active ingredients in pesticides when used in a manner consistent with the product label: capsaicin, castor oil, cinnamon oil, clove oil, corn oil, cottonseed oil; garlic oil, geraniol, geranium oil, lemongrass oil, linseed oil, neem oil, olive oil, peppermint oil, pyrethrins, rosemary oil, sesame oil, soybean oil, and thyme oil.

Tribal Pesticide Regulation Remains in Force: Nothing in this Section is intended to waive or limit any requirement of the Saint Regis Mohawk Tribal Pesticide Regulation or limit the Tribe's Environment Compliance Officer to enforce violations of the Regulation. Licensees must comply with all requirements relating to pesticide application, including registration requirements, training requirements, protection of the environment, notice and reporting.

SECTION 4.3 EMPLOYEES, VISITORS AND CONTRACTORS

Qualifications of Employees: The licensee must ensure that any employee receives adequate training to perform all job duties.

Contents of Training: Prior to allowing an employee to handle cannabis or cannabis plants, a licensee shall provide adequate training on pesticide regulations, ventilation and spacing to prevent mold, maintaining security to prevent theft or diversion, safe operation of equipment and, if applicable, tagging of plants for inclusion in the inventory tracking system.

Documentation of Training: The licensee shall document the training provided to each employee, including the date, number of hours and topic. The licensee shall document a minimum of four hours of training before the employee is allowed to handle cannabis plants or cannabis and shall document additional training whenever necessary to perform additional job duties or implement changes to the Ordinance or this Regulation.

Registered Pesticide Applicators: Training required under the Saint Regis Mohawk Tribal Pesticide Regulation does not count toward fulfillment of this Regulation, except that pesticide applicators registered with the Tribal Environmental Division shall require only three hours of initial training.

Employee Identification Badges: All employees of licensees must wear a photographic identification badge whenever the employee is on the premises of the licensee or is transporting cannabis. The badge shall contain the full name of the employee and the name and license number of the licensee. The licensee and key participants of a licensee are subject to this requirement. The CCO may require employees to wear CCO-issued badges if it determines that standardization of employee identification is necessary.

SECTION 4.4 RESTRICTED ACCESS

Restricted Areas: A Cultivator's premises are restricted to employees of the licensee, employees and agents of the CCO, members of the CCB, law enforcement agents, and other Tribal officials designated by the CCO. No other person may be admitted except by following procedures for visitors.

Visitors: Visitors must be at least 21 years of age; must present photographic identification; must sign a visitor log collecting name, contact information and purpose of visit; and must be supervised by an employee of the licensee at all times.

Use of Contractors: Licensees may hire contractors to perform work onsite that does not involve handling cannabis, including but not limited to carpentry, plumbing, electrical or alarm work. However, such contractors are considered visitors and may not be left unattended in areas where cannabis plants or cannabis are present.

SECTION 4.5 WASTE AND WASTEWATER

Preparation of Cannabis Waste: Prior to disposing cannabis waste, the licensee must render the waste unusable by grinding it and mixing it with an equal or greater volume of food waste, grass clippings, wood chips, yard waste or other material that renders it unusable and unrecoverable, consistent with the licensee's waste disposal plan.

Classification: Cannabis waste that has been rendered unusable shall not be considered hazardous waste unless it contains other components considered hazardous waste.

Non-cannabis Waste: Soil, other growing media, root balls, stalks of mature cannabis plants, and leaves and branches that do not contain visible trichomes are not considered cannabis waste.

Waste Collection: After rendering cannabis waste unusable and unrecoverable, the licensee shall store the cannabis waste in an area inaccessible to the public until it is collected or disposed of in accordance with the Saint Regis Mohawk Tribe Solid Waste Management Code.

Composting of Cannabis Waste. The unusable waste may be composted onsite; may be taken, with permission, to the Saint Regis Mohawk Tribe Composting Program; or may be taken, with the permission of the CCO, to a farm located within Tribal Territory for composting. No person shall burn cannabis waste. No person shall transport cannabis waste off Tribal Land without a determination from the CCO.

Wastewater. Wastewater generated by cannabis cultivation or processing must be recycled on the premises whenever possible, may not be diverted into waterways, and must be disposed of in compliance with Tribal and federal laws and regulations.

SECTION 4.6 STORAGE OF CANNABIS

Security. Outside normal hours of operation, licensees must secure cannabis flower and trim in a commercial quality safe or vault or a closet protected by a seismic sensor connected to the alarm system. During normal operation, licensees must secure cannabis flower and trim in secure containers to the extent practicable.

Environmental Conditions. Licensees must store cannabis under conditions that will protect products against physical, chemical and microbial contamination, as well as against deterioration of any container.

Storage Prior to Testing. Licensees must store, in sealed containers labeled with a batch number, any batch of cannabis from which samples have been taken for laboratory testing until the laboratory returns a certificate of analysis to the licensee.

SECTION 4.7 SANITARY REQUIREMENTS

Employee Illness. No person may perform work duties when suffering from an open or draining skin lesion, fever, respiratory infection, diarrhea or vomiting. Cuts must be covered with bandages and, if on the hand, disposable gloves.

Hand Washing. Each licensee must provide hand-washing facilities with warm running water, soap or detergent and paper towels or drying device. All persons must wash their hands before starting work; after eating, drinking or smoking; and when hands become soiled or contaminated.

Litter Removal. Each licensee must provide receptacles and regularly remove any litter or waste to avoid contamination of cannabis.

Toilet Facilities. Each licensee must provide employees with adequate and readily accessible toilet facilities in good repair and sanitary conditions.

Surfaces and Equipment. All counters, other surfaces, and equipment must be constructed of food grade materials that do not react with cannabis or any substance used in cultivating cannabis. All surfaces and equipment must be cleaned and sanitized regularly.

SECTION 4.8 TRANSPORTATION OF CANNABIS

Transportation Limited to Employees of Licensees: Any person transporting cannabis plants or cannabis for commercial purposes must be an employee of a licensee wearing an identification badge.

Vehicle Requirements: Licensees must provide, in advance, the make, model and license plate number of any vehicle used to transport cannabis plants or cannabis. The vehicle must be insured, in good working order and equipped with an alarm and a locking compartment for securing cargo.

Transport Manifest: A licensee must create a transport manifest in advance each time the licensee transports cannabis plants or cannabis. The transport manifest must include the name, address, phone number and license number of the licensee originating the shipment and the licensee receiving the shipment, description and quantities of each item in the shipment, date and time of shipment, vehicle make and model, license plate number, name and signature of the driver and any other employee in the vehicle and name and signature of the employee of the licensee receiving the shipment. A licensee shall use the tracking system to create the transport manifest, unless use of the tracking system is waived by the CCO.

Other Laws Remain in Effect. Nothing in this section is intended to supersede or diminish state or federal laws and regulations applicable to transportation of cannabis or cannabis products off Tribal territory.

SECTION 4.9 DUTY TO REPORT INFORMATION TO CCO

Change in Management or Ownership: A licensee must report any change in management personnel or structure or ownership of the business. No person may assume a role meeting the definition of key participant in the Ordinance before the individual has obtained pre-clearance from the CCO and the CCO has determined that the change in management or ownership is consistent with limits on participation by non-Tribal Members.

Theft or Other Loss of Cannabis: A licensee must report to the CCO and law enforcement, within 24 hours, the suspected theft of cannabis, including plants. A licensee must report any other loss of cannabis to the CCO within 24 hours.

Other Unlawful Activity: A licensee must report to the CCO within 48 hours any suspected diversion, inversion, attempt to avoid paying per-gram fees or to other violations of the Ordinance or this Regulation.

Failure of Security System: A licensee must report to the CCO within 48 hours any failure of the licensee's security system, including video cameras, lasting more than 120 minutes.

Traffic and Other Incidents: A licensee must report to the CCO as soon as possible, and within 24 hours, any accident involving a motor vehicle transporting cannabis, any traffic citation involving a vehicle transporting cannabis or any stop or arrest by law enforcement while performing duties related to the operation of the licensee.

SECTION 4.10 RESTRICTIONS ON USE OF RESIDENTIAL PROPERTY

General Limitations on Shared Occupancy: No structure used as a residence may be used for the cultivation, processing or retail of cannabis, except as permitted by Chapter 18 of the Tribal Cannabis Ordinance, exempted from licensing by Section 6.1 of the Adult Use Cannabis Cultivation Regulation or if all following requirements are met:

- The cultivation, processing or retail area is separated from the occupied dwelling unit by a firewall complying with Tribal building code;
- The property contains only one occupied dwelling unit;
- An occupant of that unit is licensed to cultivate, process or sell cannabis on the property;
- The dwelling unit and the cultivation, processing or retail area have separate entrances to the outdoors;
- The dwelling unit does not contain direct indoor access to the cultivation, processing or retail area; and
- No person under 21 years of age resides at the property.

Limitations on Use of Residential Property: Outdoor cultivation or cultivation, processing or retail of cannabis in a freestanding structure is prohibited at a property also containing a residence, except as permitted by Chapter 18 of the Tribal Cannabis Ordinance, exempted from licensing by Section 6.1 of the Adult Use Cannabis Cultivation Regulation or if all following requirements are met:

- The property contains no more than one occupied dwelling unit;
- An occupant of that unit is licensed to cultivate, process or sell cannabis on the property;
- The dwelling unit does not contain access to the cultivation, processing or retail area except through a lockable entrance; and
- No person under 21 years of age resides at the property.

Limitations on Extraction in a Structure Used as a Residence: Extraction using inherently hazardous substances, compressed gas or ethanol is prohibited in any structure containing a dwelling unit.

Limitations on Pesticide Use in a Structure Used as a Residence: The application of any pesticide other than bacterial or fungal agents and plant extracts listed in Section 4.2 of the Adult Use Cannabis Cultivation Regulation is prohibited in any structure containing a dwelling unit.

No Use of Apartments or Townhouses: The cultivation, processing or retail of cannabis indoors or outdoors at any multifamily dwelling (apartment building) or single-family attached dwelling (townhouse) is prohibited.

Tribal License Required: Nothing in this section exempts a person from any other requirement of the Tribal Cannabis Ordinance, Adult Use Cannabis Cultivation Regulation, Adult Use Cannabis Processing Regulation, or Adult Use Cannabis Retail Regulation.

SECTION 5.0 PROVISIONS APPLICABLE TO CULTIVATORS

SECTION 5.1 CONTENTS OF APPLICATION

Pre-clearance Required: An applicant for a Cultivator license must obtain pre-clearance pursuant to Section 4.01 of the Ordinance.

Complete Application: A complete application for a Cultivator license includes an application on a form supplied by the CCO, an operating plan consistent with the Ordinance and this Regulation, and any required fees.

Commitment to Allocation of Cannabis by Exchange: An applicant for a Cultivator license must agree to participate in the Tribal Cannabis Exchange allocation process unless it provides good cause for opting out of participation. The applicant shall identify in its operating plan the percentage of its harvested flower and trim (up to 30 percent) that it will make available through the Exchange on a quarterly basis. The applicant may state its intention to opt out of allocation during its first 12 months of operation.

Contents of Operating Plan: In addition to all information required by the Ordinance, an operating plan shall include: information on the staffing of the cultivation operation, including the number of employees, hours of shifts, names of key employees and any specialized training they have received, including training in the safe application of pesticides; proposed days and hours of operation; plans to abate noise and odors prevent cannabis plant odors from significantly altering the environmental odor outside; plans for disposal of cannabis waste, chemical waste and wastewater; a list of any pesticides or other agricultural chemicals to be used in cultivation; certification that any equipment to be used is listed by Underwriters Laboratory or another nationally recognized testing laboratory; plans for providing electricity, water and other utilities, as applicable; plans for ventilation of indoor or greenhouse cultivation to reduce possibility of mold; and plans for compliance with relevant building, electrical, and workplace safety codes.

Onsite Inspection: As a condition of approval, the Cannabis Control Board may require an onsite inspection to confirm compliance with the operating plan, this Regulation and the Tribal Cannabis Ordinance.

SECTION 5.2 CULTIVATOR PARTICIPATION IN TRIBAL CANNABIS EXCHANGE

Payment of Per-Gram Fees: A Cultivator shall remit per-gram fees required by the Ordinance on any cannabis transferred to the premises of a Retail Store, regardless of whether the Cultivator is currently participating in the allocation process.

Estimation of Demand: The Exchange shall periodically provide each Cultivator with an estimate of anticipated demand for bulk cannabis flower and trim, cannabis prepackaged for retail sale, and pre-rolled cannabis cigarettes. However, the Exchange retains discretion to allocate up to the amount of cannabis identified as available in the Cultivator's operating plan to Processors and Retail Stores if the Cultivator has not opted out of the allocation process.

Estimation of Supply: If the use of the tracking system is waived by the CCO, then a Cultivator must provide the Exchange with monthly totals of the cannabis that it has produced, expressed in dry weight.

Allocation of Cannabis: The Exchange shall notify the Cultivator each time it wishes to allocate cannabis to a Processor or Retail Store. The Exchange shall specify the weight of bulk cannabis flower and trim to be transferred to one or more Processors; the net weight and number of packages of cannabis flower packaged and labeled according to this regulation to be transferred to one or more Retail Stores; and the net weight and number of packages of pre-rolled cannabis cigarettes to be transferred to one or more Retail Stores. This allocation shall be based on the amount of cannabis requested by Processors and Retail Stores. If demand for cannabis through the Exchange drops by at least 10 percent in four consecutive quarters, the Exchange may discontinue allocations and release Cultivators from their obligation to participate in the Exchange.

Protest of Allocations: A Cultivator may protest any allocation by demonstrating that the allocation exceeds the amount identified in its operating plan on a quarterly basis. Upon verification, the Exchange shall reduce its allotment to a level consistent with the Ordinance.

Setting of Prices: The Exchange shall publish at least annually its prices for bulk cannabis, prepackaged cannabis, and pre-rolled cannabis cigarettes based on the objective standards included in the Ordinance. The Exchange does not purchase any cannabis from Cultivators but facilitates the sale to Processors and Retail Stores. The price excludes the per-gram fee, which the Cultivator may bill to the licensee in addition to the price set by the Exchange.

Quality of Cannabis Supplied Through Exchange: The Exchange shall have discretion to monitor the strains and quality of cannabis supplied through the exchange and may require the Cultivator to equitably allocate higher quality product. Nothing in the Ordinance or this regulation requires a Cultivator to cultivate any strain that it does not ordinarily cultivate, nor to require the Cultivator to produce packaging or labeling not otherwise produced, nor to produce pre-rolls if not otherwise produced.

Allocations Counted for Purposes of Tier III Application: The CCO shall count cannabis allocated by the Exchange as "sold" for the purposes of determining whether a Cultivator has sold 90 percent of its harvested flower under Section 4.02 of the Ordinance.

SECTION 5.3 FENCES AND GREENHOUSES

Fencing Required for Outdoor Cultivation: Any licensee cultivating, processing or storing cannabis outdoors or in greenhouses or other structures that do not meet all security requirements under Section 5.8 must secure such cultivation areas with fencing and lighting.

Fencing Specifications: Fencing and all gates must be secure, at least six feet high and obscure, or have a cover that obscures, regulated activities from being readily viewed from outside of the fenced in area. Each entry point, including a gate or a door, must have monitored alarm sensors and security cameras meeting the specifications of Section 5.8.

Lighting Specifications: Lighting shall be designed to illuminate any area within 10 feet of an entry point in the fence, including gates or entrances from buildings. A motion sensor may be used to conserve electricity and minimize disruption to surrounding areas.

SECTION 5.4 TRACKING SYSTEM

Adoption of Inventory Tracking System: The Ordinance authorizes the CCB to adopt an inventory tracking system to monitor cannabis activities from the planting of cannabis to its sale in final form. The CCO will provide each licensee a reasonable timeframe in which it must implement the inventory tracking system that the CCB has selected.

Implementation of Inventory Tracking System: Within the timeframe specified by the CCO, each licensee shall establish an inventory tracking system account, install the necessary software, and identify an administrator. The administrator shall complete all necessary training requirements specified by the CCO within the timeframe specified by the CCO. The administrator shall then train each employee in proper use of the system before the employee is issued a system account or accesses the system. Both the administrator and all employees with accounts may be required to attend ongoing training in effective use of the system, if required by the CCO.

Use of Inventory Tracking System: Upon implementation, all licensees shall be required to use any inventory tracking system adopted by the CCB to maintain accurate inventory of all plants being cultivated, all plants that are flowering and any cannabis that has been harvested. Prior to transferring cannabis to the premises of a Processor or Retail Store, a Cultivator shall enter the amounts of cannabis to be transferred into the inventory tracking system.

Fees: A licensee is responsible for reasonable fees charged by the software vendor for system accounts, as well as expenses, if any, involved in linking the inventory tracking system to the licensee's other software.

Prior to Implementation: Until an inventory tracking system is adopted by the CCB and implemented by the Cultivator, the Cultivator shall maintain detailed inventory records of all plants being cultivated, all plants that are flowering and all cannabis that has been harvested. The Cultivator shall make such records available to the CCO upon request. Prior to transferring cannabis to the premises of a Processor or Retail Store, a Cultivator shall inform the CCO in

writing of the amounts of cannabis to be transferred for the purposes of determining per-gram fees.

SECTION 5.5 MANDATORY TESTING OF CANNABIS

Upon notification that the CCB has identified an independent testing laboratory capable of performing tests for cannabinoid potency and contaminants, all licensees are required to submit to mandatory testing before transferring cannabis to the premises of Processor or Retail Store.

SECTION 5.6 PACKAGING

General Packaging Specifications: All cannabis must be packaged for transfer or sale in containers are fully enclosable; are resealable; protect the contents from contamination; and do not impart any toxic or deleterious substance to the packaged item.

Packaging Required Before Transfer to Retail Store Premises: A Cultivator must package cannabis for retail sale, in compliance with this Section and the labeling requirements of Section 5.7, prior to transferring the cannabis to a Retail Store. Retail packaging must be child-resistant, tamper-evident, and resealable. If the container is soft sided, it must be four mil or greater in thickness, and if it has rigid sides, it must have a lid or enclosure that can be placed tightly and securely on the container. Licensees operating as a Retail Store and a Cultivator must comply with this requirement before transferring any cannabis to the premises used as a Retail Store.

Packaging by Cultivators: A Cultivator may package and label for retail sale in packages of three ounces or less cannabis flower, cannabis trim and pre-rolled cannabis cigarettes, containing only cannabis flower or trim, an unflavored paper wrapper and, if chosen, an unflavored filter.

SECTION 5.7 LABELING

Labeling Required Prior to Transfer to Retail Store: A Cultivator must label all cannabis in accordance with this Section prior to transfer to the premises of a Retail Store. The required information may be printed directly on, or printed on a sticker attached to, the outermost packaging layer of the cannabis. If necessary, an extendable, accordion-style, label, layered label or multiple labels may be used. All required information shall be printed clearly in type no smaller than 6-point font (1/12 inch).

Labeling of Contents: The label of any cannabis shall list any pesticides used in cultivation.

Warnings and Disclaimers: All cannabis shall be labeled with the following warnings: “CONTAINS CANNABIS. There may be health risks associated with the use of this product. There may be additional health risks associated with the use of this product for women who are pregnant, breastfeeding or planning on becoming pregnant. Do not drive a motor vehicle or operate heavy machinery while using this product.”

Label Claims Regarding Testing: No label shall contain claims regarding cannabinoid potency or the absence of microbials, metals, solvents or pesticides except to list the results of analytical tests performed in accordance with the Ordinance and Regulations adopted by the CCB. Unless mandatory testing is currently waived by the CCO, the results of mandatory tests shall be included on the label of any cannabis.

Labeling Prohibitions: No cannabis shall be labeled with claims of health or physical benefits to the consumer; false or misleading statements; trademarks, unless authorized; depictions of a human, animal, creature, vehicle, fruit, cartoon character, toy, emoji or other artwork likely or intended to appeal to anyone under 21 years of age; the word “candy” or “candies”; or references to products typically marketed to anyone under 21 years of age.

Traceability: Labels shall include information to facilitate emergency recalls when necessary, including the registration number of the Cultivator, the cultivation date and batch numbers of cannabis.

Net Contents: The label’s statement of net contents shall identify the net weight in grams and ounces of cannabis.

SECTION 5.8 SECURITY

Security Plan: Each licensee shall maintain a security plan that includes a floor plan of any indoor facilities and a diagram of outdoor cultivation spaces and indicates all doors, windows, gates, fences, exterior lights, alarm sensors, alarm panels, video cameras and video storage devices. The security plan shall explain how alarms and video are monitored and backed up in case of loss of power.

Video Monitoring: Cameras shall record, 24 hours per day and 7 days per week, the area around any gate or exterior door or door, as well as any area where cannabis is cultivated, stored, destroyed, disposed or prepared for transfer, sale or testing. The recordings shall be a minimum of 720 pixels, 15 frames per second, Internet Protocol compatible and accurately stamped with date and time. Cameras shall have a backup power source that allows uninterrupted operation for 120 minutes.

Video Storage: The licensee shall store video footage for 45 days, either in a locked cabinet or closet that prevents employee tampering or theft or on a secure third-party server. The licensee shall limit access to video footage and maintain a list of all individuals who have access to the footage. The licensee shall permit the CCO to access the video footage during normal operating hours.

Windows and Doors: All windows and doors shall be commercial grade and lockable to prevent theft. Each window or door shall have a monitored alarm sensor.

Alarm Systems: All licensees must have an alarm system that is remotely monitored by the licensee or an alarm company that can alert law enforcement of any breeches. The alarm system shall include perimeter sensors, motion sensors and vibration sensors.

SECTION 6.0 PROVISIONS APPLICABLE TO NURSERY CULTIVATORS

SECTION 6.1 SCOPE OF LICENSE

Requirement for License: A Nursery Cultivator license is required for any person or entity who sells seedlings to licensees; sells seedlings to people who are not Tribal Members; or sells seedlings from a fixed location with a sign visible to the public or website advertising the location.

Activities Not Requiring a License: A Tribal Member may cultivate an unlimited number of seedlings and may sell up to 12 seedlings per month to a Tribal Member who is 21 years of age and older from the Tribal Member's home, at a farmer's market at which other vendors are selling non-cannabis agricultural products or by delivering the seedlings to the Tribal Member's home. The sale of immature cannabis plants or flowering cannabis plants is prohibited.

Sale of Seedlings: A Nursery Cultivator license allows the sale of seedlings to Tribally licensed cannabis businesses and the sale of up to 12 cannabis seedlings per month to any person who is 21 years of age and older.

Other Sales Not Authorized: A Nursery Cultivator license does not authorize the sale of immature cannabis plants, flowering cannabis plants or the cultivation of cannabis for the purposes of harvesting flower or trim. Any cannabis flower or trim must be given away or disposed of in compliance with the ordinance.

Tribal Cannabis Exchange: Participation in the Tribal Cannabis Exchange is not a requirement of the Nursery Cultivator license.

Compliance with Ordinance Required: Nothing in this Section shall be interpreted as waiving or diminishing the requirements of Chapter 18 of the Ordinance.

SECTION 6.2 CONTENTS OF APPLICATION

Pre-clearance Required: An applicant for a Nursery Cultivator license must obtain pre-clearance pursuant to Section 4.01 of the Ordinance.

Complete Application: A complete application for a Nursery Cultivator license includes an application on a form supplied by the CCO, an operating plan consistent with the Ordinance and this Regulation, and any required fees.

Contents of Operating Plan: An operating plan shall include: a legible diagram of the cultivation area, including lights, ventilation and irrigation; identification as to whether the cultivation area is attached to a residence; the number of seedlings to be grown at any one time; the number of employees; proposed days and hours of operation; plans to prevent cannabis plant odors from significantly altering the environmental odor outside; plans for disposal of cannabis waste, chemical waste and wastewater; a list of any pesticides or other agricultural chemicals to be used in cultivation; proof of Pesticide Applicator Certification, if applicable; and a signed

statement that any equipment to be used is listed by Underwriters Laboratory or another nationally recognized testing laboratory.

Fees: The initial application fee is \$100. Thereafter, the fee shall be \$100 annually.

SECTION 6.3 OPERATING REQUIREMENTS

Inventory Tracking System: Participation in the Inventory Tracking System is not a requirement of the Nursery Cultivator license, except that a person or business operating both a Nursery Cultivator and a Cultivator at the same location is required to use the Inventory Tracking System for the entire operation.

Security Requirements: Any area used for cultivation or sale of cannabis seedlings must be self-contained and lockable. All doors and windows must be commercial grade and protected with monitored alarm sensors.

Age Verification: Prior to any sale of cannabis seedlings, the licensee shall verify that the individual is 21 years of age or older by means of an approved form of government-issued photographic identification containing a date of birth.

SECTION 7.0 PENALTIES

SECTION 7.1 MAJOR LICENSE VIOLATIONS

Monetary Penalties in Addition to Revocation or Suspension: The CCO may impose monetary penalties in addition to revoking or suspending the licenses of any Cultivator committing violations of the Ordinance affecting public health and safety.

Diversion of Cannabis: The CCO may impose monetary penalties for any transfers of cannabis not permissible under the Ordinance, including a minimum penalty of \$500 and a maximum penalty not to exceed an additional \$500 per pound of cannabis.

Inversion of Cannabis: The CCO may impose monetary penalties for accepting mature cannabis plants, cannabis flower, or cannabis trim from a source not authorized by the Ordinance, not to exceed \$50 per plant or \$500 per pound of cannabis.

False Statements to CCB, CCO or Law Enforcement: The CCO may impose monetary penalties up to \$10,000 for knowingly making false statements to the CCB, the CCO or Law Enforcement in an effort to conceal violations of this Regulation or the Ordinance.

Using Prohibited Pesticides: The CCO may impose monetary penalties up to \$100 per plant for applying Pesticides in violation of this regulation, the Ordinance or the Saint Regis Mohawk Tribe Pesticide Regulation.

Transferring Contaminated Cannabis: The CCO may impose monetary penalties up to \$250 per pound for the knowing transfer of any cannabis with detectable levels of pesticides, mold, mildew, yeast, harmful bacteria or heavy metals.

Other Violations Affecting Public Health or Safety: The CCO may impose monetary penalties up to \$5,000 for any other violation affecting public health or safety.

SECTION 7.2 MINOR LICENSE VIOLATIONS

Failure to Pay Per-Gram Fees: The CCO may impose monetary penalties on Cultivators who transfer cannabis without paying required per-gram fees, in an amount equal to three times the unpaid fees.

Failure to Provide Required Notifications: The CCO may impose monetary penalties up to \$250 per instance on Cultivators who fail to provide required notifications to the CCO or CCB.

Other Violations Not Affecting Public Health or Safety: The CCO may impose monetary penalties up to \$500 for any other violation not affecting public health or safety.