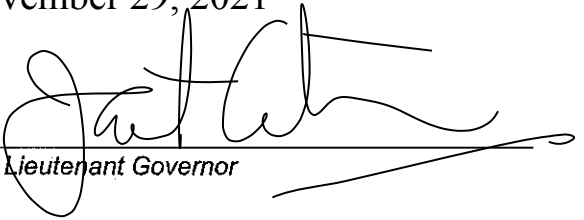


**PROVINCE OF BRITISH COLUMBIA**  
**ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL**

Order in Council No. 655

, Approved and Ordered November 29, 2021

  
Lieutenant Governor

**Executive Council Chambers, Victoria**

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that approval is given to the Minister of Public Safety and Solicitor General and Deputy Premier and the Minister of Finance to enter into, on behalf of the government, an agreement with the Snuneymuxw First Nation that is substantially in the form attached to this order.



Minister of Finance



Minister of Public Safety and Solicitor General and  
Deputy Premier



Presiding Member of the Executive Council

---

*(This part is for administrative purposes only and is not part of the Order.)*

**Authority under which Order is made:**

Act and section: Cannabis Control and Licensing Act, S.B.C. 2018, c. 29, s. 119

Other: \_\_\_\_\_

**THIS AGREEMENT** is dated for reference the 24<sup>th</sup> day of November, 2021

**BETWEEN:**

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA**,  
as represented by the Minister of Public Safety and Solicitor General and Deputy  
Premier and the Minister of Finance ("BC")

**AND**

**SNUNEYMUXW FIRST NATION**, a band within the meaning of the *Indian Act*, as  
represented by its Chief and Council ("Snuneymuxw")

(Collectively, the "Parties", and individually, a "Party")

**WHEREAS:**

- A. Snuneymuxw is an Indigenous nation and has treaty rights and asserted Aboriginal rights and title within its traditional territory which are recognized and affirmed by section 35 of the *Constitution Act*, 1982; and the United Nations Declaration on the Rights of Indigenous Peoples;
- B. Canada enacted the *Cannabis Act*, S.C. 2018, c. 16, and amended the *Criminal Code*, R.S.C. 1985, c. C-46, to provide legal access to cannabis and to control and regulate its production, distribution and sale;
- C. The *Cannabis Act* enables the possession or sale of non-medical cannabis if the person is authorized to sell cannabis under a provincial act that contains legislative measures including that the person authorized to sell cannabis:
  - (i) only sell cannabis that has been produced by a person authorized under the *Cannabis Act* to produce cannabis for commercial purposes;
  - (ii) not sell cannabis to young persons;
  - (iii) keep appropriate records respecting their activities in relation to cannabis possessed for a commercial purpose; and
  - (iv) take adequate measures to reduce the risk of cannabis that they possess for commercial purposes being diverted to an illicit market or activity;
- D. BC enacted the Provincial Cannabis Laws;
- E. Under section 119 of the *Cannabis Control and Licensing Act*, the minister may enter into an agreement with an Indigenous nation relating to the sale of cannabis subject to the requirements in section 119(3) of the *Cannabis Control and Licensing Act*;

- F. Snuneymuxw intends to own and operate one or more cannabis retail stores throughout British Columbia;
- G. Snuneymuxw holds, or intends to hold, a Cultivation Licence for the cultivation of cannabis and will either hold a Processing Licence or contract with an entity that holds a Processing Licence to process the cannabis that it cultivates;
- H. BC is supportive of Snuneymuxw's interest in the cannabis retail market and in cannabis cultivation and is continuing to consider related policy issues;
- I. The Parties have reached agreement on Snuneymuxw's participation in the British Columbia cannabis retail framework based on cooperation and respect and wish to enter into an agreement under section 119 of the *Cannabis Control and Licensing Act*;
- J. The Parties are committed to a government-to-government relationship and have common policy objectives relating to public health and safety, social responsibility, protecting young people, security, deterring illicit activity in relation to cannabis and supporting socio-economic development in the context of cannabis regulation;
- K. The Parties acknowledge that compliance and enforcement activities are an important component relating to the common policy objectives of cannabis regulation and that established practices guide compliance and enforcement activities;
- L. The Parties are committed to working together to optimize timely decision making; and
- M. The Parties have provided information and undertaken research and investigation during the process of negotiating this Agreement to support their common policy objectives and comply with the requirements of the *Cannabis Act* and any applicable Provincial Cannabis Laws.

Therefore, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties mutually covenant and agree as follows:

**1. Interpretation and Definitions**

- 1.1. In this Agreement, including the recitals, the following definitions have the following meanings:

**GENERAL DEFINITIONS**

- (a) **"Administrator"** means the administrator appointed under the *Cannabis Distribution Act*;

- (b) **“Authorization”** means an authorization to sell cannabis at an Authorized Store on Snuneymuxw Land or Reserve Land, issued by the General Manager to a Retail Operating Entity pursuant to this Agreement;
- (c) **“Authorized Store”** means a cannabis retail store operated by a Retail Operating Entity under an Authorization;
- (d) **“Cannabis Store”** means an Authorized Store, a Licensed Store or a Production Retail Store;
- (e) **“Cultivation Entity”** means an entity through which Snuneymuxw (and, if applicable Third Parties) holds, has applied for, or intends to apply for, a Cultivation Licence to cultivate cannabis and will either hold a Processing Licence or contract with an entity that holds a Processing Licence to process the cannabis that it cultivates;
- (f) **“Cultivation Facility”** means the cultivation facility located on Snuneymuxw Land and operated by the Cultivation Entity under a Cultivation Licence;
- (g) **“Cultivation Licence”** means either a micro-cultivation licence, a standard cultivation licence or a nursery licence issued pursuant to the *Cannabis Regulations*, SOR/2018-144;
- (h) **“Designated Official”** means the official designated by a Party to act as that Party’s representative for the purposes of this Agreement, and includes a delegate of the designated official;
- (i) **“General Manager”** means the general manager appointed under the *Cannabis Control and Licensing Act*;
- (j) **“Licence”** means a licence to sell cannabis at a Licensed Store issued by the General Manager to a Retail Operating Entity pursuant to the *Cannabis Control and Licensing Act*, with certain benefits flowing under this Agreement;
- (k) **“Licensed Producer Supply Agreement for Non-Medical Cannabis”** means the standard supply agreement, as may be amended from time to time, entered into by the Administrator and the holder of a Processing Licence;
- (l) **“Licensed Store”** means a cannabis retail store operated by a Retail Operating Entity under a Licence;
- (m) **“Processing Licence”** means a micro-processing licence or a standard processing licence issued pursuant to the *Cannabis Regulations*;

- (n) **“Production Retail Authorization”** means a production retail authorization to sell cannabis cultivated by a Cultivation Entity at a Production Retail Store, issued by the General Manager to a Retail Operating Entity pursuant to this Agreement;
  - (o) **“Production Retail Store”** means a cannabis retail store operated by a Retail Operating Entity under a Production Retail Authorization, which sells cannabis cultivated by the Cultivation Entity;
  - (p) **“Provincial Cannabis Laws”** means the *Cannabis Distribution Act*, S.B.C. 2018, c. 28, the *Cannabis Control and Licensing Act*, S.B.C. 2018, c. 29, and any and all regulations passed under the *Cannabis Distribution Act* and the *Cannabis Control and Licensing Act*;
  - (q) **“Reserve Land”** has the same meaning as under the *Indian Act*, R.S.C 1985, c. I-5, and, for the purposes of this Agreement, excludes Snuneymuxw Land;
  - (r) **“Retail Operating Entity”** means an entity through which Snuneymuxw (and, if applicable Third Parties) holds, has applied for, or intends to apply for, one or more Authorizations, Licences, or Production Retail Authorization and is in the business of, or has the intention of, operating one or more Cannabis Stores;
  - (s) **“Rules”** means the rules adopted by Snuneymuxw and referenced in an Authorization for an Authorized Store located on Snuneymuxw Land;
  - (t) **“Snuneymuxw Land”** means the reserve land held for the benefit of Snuneymuxw; and
  - (u) **“Third Parties”** means one or more third party entities that have entered into a business relationship with Snuneymuxw to form a Retail Operating Entity or a Cultivation Entity.
- 1.2. Words and expressions not otherwise defined in this Agreement have the same meaning as in the Provincial Cannabis Laws.
- 1.3. The inclusion of headings in this Agreement is for convenience only and will not affect the construction or interpretation of this Agreement.
- 1.4. Subject to the terms of this Agreement, the Provincial Cannabis Laws apply in the same manner to:
- (a) an application for an Authorization, a Production Retail Authorization and a Licence;
  - (b) an Authorization, a Production Retail Authorization and a Licence; and
  - (c) Retail Operating Entities and the Cultivation Entity,

as the Provincial Cannabis Laws apply with respect to an application for a cannabis retail store licence, a cannabis retail store licence and a cannabis retail store licensee, including without limitation the payment of fees, charges and other amounts, compliance and enforcement, the keeping of records by the Retail Operating Entities and the Cultivation Entity and government access to those records. In the event a production retail store licence class is established under the *Cannabis Control and Licensing Act*, then the Provincial Cannabis Laws in respect of a production retail store licence will apply in the same manner to a Production Retail Authorization and a Production Retail Store, subject to the terms of this Agreement.

- 1.5. Nothing in this Agreement alters the Provincial Cannabis Laws with respect to medical cannabis or industrial hemp. For certainty, all Cannabis Stores referenced in this Agreement are non-medical cannabis retail stores.
- 1.6. Nothing in this Agreement precludes the Cultivation Entity from acquiring a licence for sale for medical purposes under the *Cannabis Act*.
- 1.7. In this Agreement, unless otherwise specified, a reference to a statute or regulation by name means the statute or regulation of British Columbia or Canada by that name, and each reference to a statute or regulation of British Columbia or Canada means as amended or replaced from time to time.
- 1.8. In this Agreement, a meeting includes a gathering in person, by telephone or other electronic methods.
- 1.9. In this Agreement, unless the context otherwise requires, words expressed in the singular include the plural and vice versa.

## **2. General Acknowledgements, Representations, Warranties and Covenants**

- 2.1 The Parties acknowledge and agree that this Agreement is made under section 119 of the *Cannabis Control and Licensing Act*.
- 2.2 In accordance with section 119(3) of the *Cannabis Control and Licensing Act*:
  - (a) Snuneymuxw will ensure that Retail Operating Entities only sell cannabis that has been produced by a federal licence holder as defined in the *Cannabis Control and Licensing Act* and distributed under the *Cannabis Distribution Act*;
  - (b) Snuneymuxw acknowledges and agrees that nothing in this Agreement or an Authorization, Licence or Production Retail Authorization allows for the sale of cannabis to minors;
  - (c) Snuneymuxw will ensure that the Retail Operating Entities and Cultivation Entity keep appropriate records respecting their activities in relation to cannabis possessed for a commercial purpose; and

- (d) Snuneymuxw will ensure that the Retail Operating Entities and Cultivation Entity take commercially reasonable measures to reduce the risk of cannabis that they possess for commercial purposes being diverted to an illicit market or activity.
- 2.3 Each Party will advise the other of the name, title and contact information of that Party's Designated Official and Snuneymuxw will promptly provide written notice of any change or event that may impact this Agreement from time to time including without limitation:
- (a) requests for, or amendments to, Authorizations (and any authorizations in which Snuneymuxw holds a minority interest) or a Production Retail Authorization, including without limitation the location of each of the Authorized Stores (and any other authorized stores that Snuneymuxw holds a minority interest) and the Production Retail Store;
  - (b) applications for, or amendments to, Licences (and any licences in which Snuneymuxw holds a minority interest) including without limitation the location of each of the Licensed Stores (and any other licensed stores that Snuneymuxw holds a minority interest);
  - (c) material changes relating to the Cultivation Licence, as described in section 10.5 of this Agreement; and
  - (d) material changes to ownership and control of the Retail Operating Entities or Cultivation Entity, as described in section 13.4 of this Agreement.
- 2.4 The Parties acknowledge and agree that the General Manager may issue to Snuneymuxw one or more:
- (a) Authorizations pursuant to this Agreement for Authorized Stores, as described in section 4 of this Agreement;
  - (b) Licences pursuant to the *Cannabis Control and Licensing Act*, with certain benefits flowing under this Agreement, for Licensed Stores, as described in section 5 of this Agreement; and
  - (c) Production Retail Authorization pursuant to this Agreement for a Production Retail Store, as described in section 6 of this Agreement.
- 2.5 The Parties further acknowledge and agree that each Authorization, Licence and Production Retail Authorization issued by the General Manager may be held by separate Retail Operating Entities, or one Retail Operating Entity may hold more than one Authorization, Licence or Production Retail Authorization, subject to the ownership and control requirements of section 3.1 of this Agreement.
- 2.6 Snuneymuxw will ensure that any partnership agreement, shareholder agreement or any other business agreement or arrangement that it enters into with Third Parties to form a

Retail Operating Entity or a Cultivation Entity will include a requirement that at all relevant times the Third Parties, Retail Operating Entity or Cultivation Entity, as applicable, will act, and their business arrangements with Snuneymuxw will be carried out, in accordance with the terms of this Agreement.

### **3. Ownership and Control**

3.1 For each Retail Operating Entity and Cultivation Entity, Snuneymuxw will ensure that directly or indirectly:

- (a) Snuneymuxw holds a minimum of 51% of the beneficial interest in each Retail Operating Entity and Cultivation Entity;
- (b) Snuneymuxw holds a minimum of 51% of the voting rights and control in each Retail Operating Entity and Cultivation Entity and will keep such rights unencumbered during the term of the Agreement;
- (c) Snuneymuxw is entitled to a minimum of 51% of the net profits, dividends or similar distributions from each Retail Operating Entity and Cultivation Entity; and
- (d) upon termination, windup, or dissolution of any one or more of the Retail Operating Entities or Cultivation Entity, Snuneymuxw will be entitled to a minimum of 51% of the net money and assets available for distribution upon such termination, windup or dissolution,

and the Parties acknowledge and agree that this section 3.1 is a condition of this Agreement.

3.2 From time to time, Snuneymuxw may enter into business relationships with Third Parties in connection with this Agreement, provided that such Third Parties:

- (a) publicly affirm the common objectives identified in recitals J and K of this Agreement;
- (b) if applicable, support compliance and enforcement of the Provincial Cannabis Laws on lands subject to its jurisdiction;
- (c) agree to comply with the terms of this Agreement; and
- (d) collectively hold a maximum of 49% of the beneficial interest, voting and control, and other rights described in section 3.1 of this Agreement, in any Retail Operating Entity and Cultivation Entity.

3.3 Prior to submitting a request for an Authorization, Licence or Production Retail Authorization in accordance with this Agreement, Snuneymuxw may consult with the Designated Official for BC to confirm that the ownership and control of the proposed



Retail Operating Entity or Cultivation Entity will meet the ownership and control requirements of section 3.1 of this Agreement.

- 3.4 With respect to each Retail Operating Entity and Cultivation Entity formed as of the date of this Agreement, Snuneymuxw represents and warrants the following:
- (a) Snuneymuxw has provided to BC all relevant information and documentation relating to ownership and control of each of the Retail Operating Entities and the Cultivation Entity reasonably necessary for BC to confirm ownership and control of such Retail Operating Entities and Cultivation Entity; and
  - (b) there have been no material changes to the ownership and control of such Retail Operating Entities and Cultivation Entity since Snuneymuxw provided such information and documentation to BC.

#### **4. Authorizations**

- 4.1 If Snuneymuxw wishes to request an Authorization to operate an Authorized Store, Snuneymuxw will ensure that the applicable Retail Operating Entity provides to the appropriate statutory decision makers all information and documentation required, requested or relevant to licensing and applications for licensing, including information and documentation under section 22 or Division 1.1 of Part 4 of the *Cannabis Control and Licensing Act*.
- 4.2 In considering a request for an Authorization, the General Manager may consider information, investigations and determinations that were previously received or made in respect of the Retail Operating Entity, Snuneymuxw or Third Party, as applicable, to avoid duplication of process and support efficient and timely decision making, provided that such information, investigations and determinations were previously received or made within three years of such request for an Authorization.
- 4.3 After the statutory decision makers have made all appropriate determinations respecting the necessary application assessments, including the fit and proper assessment under the *Cannabis Control and Licensing Act*, and are satisfied with the eligibility of the Retail Operating Entity to be authorized to possess and sell cannabis at an Authorized Store, the General Manager will provide to the Retail Operating Entity confirmation of approval in principle of such Authorization.
- 4.4 Following an approval in principle, the General Manager may then issue the Authorization for the Authorized Store subject to:
- (a) the General Manager being satisfied that the request for the Authorization is consistent with the requirements of this Agreement and the Provincial Cannabis Laws; and
  - (b) payment of the applicable fees set forth in the Provincial Cannabis Laws.

- 4.5 Snuneymuxw will ensure that the document respecting an Authorization is posted in a conspicuous place in the Authorized Store.
- 4.6 The limitations set by the General Manager on when sales of cannabis may take place under section 5(1)(m) of the *Cannabis Licensing Regulation* are not applicable to an Authorized Store.
- 4.7 If a request is for an Authorized Store located on Snuneymuxw Land:
- (a) section 33 of the *Cannabis Control and Licensing Act* will not apply to the decision of the General Manager; and
  - (b) the General Manager may impose as a term and condition of the Authorization a requirement that the Retail Operating Entity comply with Snuneymuxw Rules.
- 4.8 If a request is for an Authorized Store located on Reserve Land:
- (a) the General Manager will notify the Indigenous nation holding the beneficial interest in the Reserve Land of the applicability of this Agreement and provide such Indigenous nation with a copy of this Agreement; and
  - (b) on the request of the Indigenous nation holding the beneficial interest in the Reserve Land, the General Manager may impose as a term and condition of the Authorization a requirement that the Retail Operating Entity comply with the rules adopted by such Indigenous nation,

and, Snuneymuxw acknowledges and agrees to these terms in these circumstances.

## **5. Licences**

- 5.1 If Snuneymuxw wishes to apply for a Licence to operate a Licensed Store in British Columbia, a Retail Operating Entity may apply for and obtain a Licence in accordance with the *Cannabis Control and Licensing Act*.

## **6. Production Retail Authorization**

- 6.1 If Snuneymuxw wishes to request a Production Retail Authorization to operate a Production Retail Store to sell cannabis cultivated by the Cultivation Entity at the Cultivation Facility then, subject to:
- (a) the Cultivation Entity meeting the applicable requirements set out in section 10.1 of this Agreement and complying with, or causing the holder of a Processing Licence to comply with, section 10.2 of this Agreement;
  - (b) the General Manager being satisfied that the request from the Retail Operating Entity for the Production Retail Authorization is consistent with the requirements of this Agreement and the Provincial Cannabis Laws; and

(c) payment of the applicable fees set forth in the Provincial Cannabis laws,

BC intends to permit the Retail Operating Entity that requests a Production Retail Authorization to operate a Production Retail Store.

6.2 The Parties acknowledge and agree that if the Production Retail Store is located on Snuneymuxw Land or Reserve Land, sections 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7 and 4.8 of this Agreement will also apply to a request for a Production Retail Authorization and the operation of such Production Retail Store.

6.3 The Parties acknowledge and agree that the Retail Operating Entity that operates the Production Retail Store and the Cultivation Entity may be the same entity, a separate entity or a related or affiliated entity, subject to the ownership and control requirements of section 3.1 of this Agreement.

6.4 Notwithstanding the terms and conditions issued by the General Manager with respect to section 32(1)(d)(i) of the *Cannabis Control and Licensing Act*, the Retail Operating Entity that operates the Production Retail Store may advertise and brand the Production Retail Store in a manner that indicates an association with the Cultivation Entity and the Cultivation Facility that it is connected to.

6.5 A Retail Operating Entity may, subject to any restrictions the General Manager may impose on the retail sale of cannabis plants and section 53(3) of the *Cannabis Control and Licensing Act*, sell a maximum of four cannabis plants per transaction from the Production Retail Store.

## **7. Arts and Crafts**

7.1 In addition to section 5(1)(a) and (b) of the *Cannabis Licensing Regulation*, but subject to the laws or bylaws of the applicable local government or Indigenous nation, Retail Operating Entities are permitted to sell regionally produced Indigenous arts and crafts from all Cannabis Stores provided that the Retail Operating Entities do not:

(a) sell any edible or consumable arts and crafts; or

(b) barter, trade or provide store credit to artisans whose arts and crafts are sold at Cannabis Stores.

The Parties acknowledge and agree that the purpose of this provision is to provide an opportunity for regional Indigenous artisans to display and sell their arts and crafts at Cannabis Stores and to highlight the artistic skills of regional Indigenous artisans.

For the purpose of determining which goods may qualify as arts and crafts under this section 7.1, as opposed to cannabis accessories or other items included in the *Cannabis Licensing Regulation*, Snuneymuxw or any of the Retail Operating Entities may consult

with the Designated Official for BC to ensure that the spirit and intent of this provision is upheld throughout the term of this Agreement.

7.2 In addition to:

- (a) sections 5(1)(a)(iv) and 5(1)(b)(iv) of the *Cannabis Licensing Regulations*, prepaid purchase cards may be used for payment of such Indigenous arts and crafts; and
- (b) section 24(3) of the *Cannabis Licensing Regulations*, Cannabis Stores will keep sales records respecting such Indigenous arts and crafts including the quantity of Indigenous arts and crafts sold and the prices charged, all contracts with Indigenous artisans and any other records that the General Manager may require from time to time.

7.3 The Parties acknowledge and agree that Indigenous arts and crafts will be sold separately and may not be offered for sale jointly with cannabis or cannabis accessories in a gift package.

7.4 The Parties acknowledge and agree that if an Indigenous art and craft falls under the definition of a cannabis accessory, as defined in section 1 of the *Cannabis Control and Licensing Act*, or is an item identified in section 5(1)(a) and (b) of the *Cannabis Licensing Regulation*, then it will be considered a cannabis accessory, or such other item, as opposed to an Indigenous art and craft for the purposes of this Agreement.

7.5 The Parties further acknowledge and agree that if an Indigenous art and craft promotes cannabis, a cannabis accessory or any service related to cannabis, the promotional laws of the *Cannabis Act* will apply.

## **8. Tied-House Rule and Vertical Integration**

8.1 Subsections 26(4)(b) and (c) of the *Cannabis Control and Licensing Act* do not apply to a decision of the General Manager to:

- (a) issue, renew or amend an Authorization for an Authorized Store;
- (b) issue, renew or amend a Production Retail Authorization for a Production Retail Store; or
- (c) issue, renew or amend a Licence for a Licensed Store.

8.2 If a Cultivation Entity meets the applicable requirements set out in section 10.1 of this Agreement and complies with, or causes the holder of a Processing Licence to comply with, section 10.2 of this Agreement, then notwithstanding:

- (a) section 26(4)(a) of the *Cannabis Control and Licensing Act*, the General Manager may issue to a Retail Operating Entity an Authorization for an Authorized Store, a

Production Retail Authorization for a Production Retail Store or a Licence for a Licensed Store;

- (b) section 50(1) of the *Cannabis Control and Licensing Act*, a Retail Operating Entity operating a Production Retail Store may sell cannabis produced by the Cultivation Entity at such Production Retail Store to the exclusion of cannabis produced by other federal licence holders; and
- (c) any other provision of the *Cannabis Control and Licensing Act* or the regulations thereto, Retail Operating Entities may sell cannabis produced by the Cultivation Entity at Authorized Stores and Licensed Stores provided that the cannabis produced by the Cultivation Entity does not exceed 50% of the total shelf space used to display cannabis products in the retail area of each of the Authorized Stores and Licensed Stores at any time.

## **9. Licence Cap and Moratorium**

9.1 Subject to section 9.2 below, the licence cap of eight cannabis retail store licences referred to in section 26(3.1) of the *Cannabis Control and Licensing Act* and sections 6(4) and 6(5) of the *Cannabis Licensing Regulation* will be the greater of eight cannabis retail store licences and authorizations, including without limitation the Production Retail Authorization, combined and the number of cannabis retail store licences that may be permitted from time to time under the Provincial Cannabis Laws.

9.2 BC may from time to time impose a moratorium on licenses for new cannabis retail stores in all or part of British Columbia. In the event that BC declares a moratorium on licences for new cannabis retail stores in all or part of British Columbia, such moratorium will not fully apply to Snuneymuxw or the Retail Operating Entities until October 17, 2025, and will not at any time apply to:

- (a) a request for an Authorization by a Retail Operating Entity for an Authorized Store located on Snuneymuxw Land; and
- (b) a request for a Production Retail Authorization by a Retail Operating Entity for a Production Retail Store located on Snuneymuxw Land,

provided that if a Retail Operating Entity sells, transfers or assigns any of its cannabis retail store licenses or authorizations located off of Snuneymuxw Land during the moratorium, Snuneymuxw will not be able to replace those licenses or authorizations with new cannabis retail store licenses or authorizations off of Snuneymuxw Land during the moratorium.

## **10. Non-Medical Cannabis Production**

10.1 If a Cultivation Entity:

- (a) obtains a Cultivation Licence;
- (b) if applicable, registers with the Administrator as a direct delivery participant and agrees to standard terms and conditions for cultivators under the direct delivery program; and
- (c) either holds a Processing Licence or has contracted with an entity that holds a Processing Licence to process the cannabis that it cultivates under the *Cannabis Act*,

then, any benefits arising under this Agreement relating to the sale of non-medical cannabis cultivated by the Cultivation Entity will flow in accordance with the terms of this Agreement.

10.2 If a Cultivation Entity meets the requirements set out above in section 10.1 and wishes to sell (through the applicable holder of a Processing Licence if such Cultivation Entity does not hold such a licence) non-medical cannabis that it cultivates to the Administrator for sale through:

- (a) a Production Retail Store operated by a Retail Operating Entity; or
- (b) retail channels other than the Production Retail Store,

then the Administrator may require such Cultivation Entity (or the applicable holder of a Processing Licence if such Cultivation Entity does not hold such a licence) to enter into its Licensed Producer Supply Agreement for Non-Medical Cannabis on its standard terms and conditions, with the exception that the Administrator may amend or include additional terms and conditions to the registration referred to at 10.1(b) above and the Licensed Producer Supply Agreement for Non-Medical Cannabis that it considers necessary to implement this Agreement.

For certainty, the Licensed Producer Supply Agreement for Non-Medical Cannabis will include without limitation the right of the Administrator to set wholesale prices and charge markup, collect any applicable taxes or container deposits, and include terms and conditions to mitigate the risk of cannabis being diverted to an illicit market or activity such as terms related to record keeping and government access to those records.

10.3 If a Cultivation Entity meets the applicable requirements set out above in section 10.1 and complies with, or causes the holder of a Processing Licence to comply with, section 10.2 above, the Administrator will, if reasonably satisfied that the product quality and price fit existing demand, make commercially reasonable efforts to procure such amount of non-medical cannabis as is consistent with wholesale demand for sale through retail channels other than the Production Retail Store.

10.4 If the Administrator implements a broad direct delivery program in British Columbia and eligibility of cannabis cultivators to participate in such direct delivery program is subject

to a yearly production volume cap, such production volume cap will not apply to a Cultivation Entity causing the sale and delivery of product from the Cultivation Facility, through a holder of a Processing Licence, to one or more Cannabis Stores.

- 10.5 In the event that there is a material change relating to the Cultivation Licence held by a Cultivation Entity or such Cultivation Entity obtains a Processing Licence or contracts with a new holder of a Processing Licence to process the cannabis that is cultivated, Snuneymuxw will provide written notice of such material change to the Designated Official for BC within 20 days of such material change.
- 10.6 In the event that there is a material change to the Provincial Cannabis Laws, policies or practices relating to cannabis wholesale, the Province will provide written notice of such material change to the Designated Official for Snuneymuxw within 20 days of such material change.

## **11. Compliance and Enforcement**

- 11.1 Snuneymuxw will support compliance with, and enforcement of, the Provincial Cannabis Laws.

## **12. Periodic Review and Further Discussions**

- 12.1 Unless the Parties agree otherwise, the Designated Officials will meet at least semi-annually during the first two years that this Agreement is in force and effect and thereafter at least annually to review this Agreement, review matters related to the implementation of this Agreement and consider potential amendments including without limitation any request made under section 12.3 of this Agreement.
- 12.2 Nothing in this Agreement affects the ability of Snuneymuxw to participate in or benefit from new or revised policies or opportunities relating to cannabis, non-medical cannabis production or the overall participation of Indigenous nations in the non-medical cannabis industry that may be developed by BC in the future, in accordance with general criteria in effect from time to time.
- 12.3 If, within ten years of the date of this Agreement, BC enters into an agreement with another Indigenous nation pursuant to section 119 of the *Cannabis Control and Licensing Act* that has provisions not addressed in this Agreement, then the Designated Official for Snuneymuxw may request once per calendar year, when reviewing the Agreement in accordance with section 12.1 of this Agreement, that BC:
  - (a) negotiate and attempt to reach agreement with Snuneymuxw to amend this Agreement, taking into account Provincial Cannabis Laws, provisions in this Agreement that are not addressed in the agreement with the other Indigenous nation, and the particular circumstances of the agreement with the other Indigenous nation; and

- (b) discuss the replacement of provisions in this Agreement with provisions that are similar to provisions included in a section 119 agreement with another Indigenous nation.

### **13. Change in Ownership or Control**

13.1 Subject to the ownership and control requirements of section 3.1 of this Agreement, Snuneymuxw and Third Parties may from time-to-time transfer, sell or otherwise dispose of their interest in a Retail Operating Entity or a Cultivation Entity to:

- (a) Snuneymuxw;
- (b) another Third Party;
- (c) another Retail Operating Entity; or
- (d) another Cultivation Entity (if applicable).

13.2 Nothing in this Agreement will prohibit Retail Operating Entities or the Cultivation Entity from making changes to its business structure, capitalizations or share structure, through transactional activities, including but not limited to corporate or partnership reorganizations, amalgamations or capitalization transactions, subject to the ownership and control requirements of section 3.1 of this Agreement and any other applicable terms of this Agreement and the Provincial Cannabis Laws.

13.3 Prior to a change of ownership or control or business reorganization, Snuneymuxw may consult with the Designated Official for BC about the proposed transfer, sale, disposition or reorganization to ensure continued compliance with the ownership and control requirements of section 3.1 of this Agreement.

13.4 In the event that there is a material change in the ownership or control, or a reorganization of any of the Retail Operating Entities or the Cultivation Entity, Snuneymuxw will advise the Designated Official of BC within 10 days of such material change and provide all relevant information and documentation reasonably necessary for the Designated Official for BC to confirm ownership and control of the applicable Retail Operating Entity or Cultivation Entity.

### **14. Term and Termination**

14.1 This Agreement does not come into effect until it is signed by both Parties and approved by Order in Council.

14.2 Either Party may terminate this Agreement at any time during the term by providing written notice to the other Party and this Agreement will terminate on the date set out in such notice.



- 14.3 With respect to each Retail Operating Entity and the Cultivation Entity, if, directly or indirectly:
- (a) Snuneymuxw holds less than 51% of the beneficial interest in any Retail Operating Entity or the Cultivation Entity;
  - (b) Snuneymuxw holds less than 51% of the voting and control rights in any Retail Operating Entity or Cultivation Entity, or has otherwise encumbered or restricted those rights;
  - (c) Snuneymuxw is entitled to less than 51% of the net profits, dividends or similar distributions in any Retail Operating Entity or Cultivation Entity;
  - (d) upon termination, windup, or dissolution of any of the Retail Operating Entities or Cultivation Entity, Snuneymuxw will be entitled to less than 51% of the net money and assets available for distribution upon such termination, windup or dissolution; or
  - (e) if applicable, Third Parties fail to comply with the requirements set out in section 3.2 of this Agreement,

then, BC will provide written notice to Snuneymuxw that such Retail Operating Entity, Cultivation Entity or Third Party is no longer in compliance with this Agreement and will provide Snuneymuxw with 30 days to bring such Retail Operating Entity, Cultivation Entity or Third Party into compliance with sections 3.1 and 3.2 of this Agreement.

- 14.4 In the event that Snuneymuxw fails to bring such Retail Operating Entity, Cultivation Entity or Third Party into compliance with this Agreement within 30 days, then BC will do either, or both:
- (a) provide notice to Snuneymuxw that this Agreement will terminate on the date set out in such notice; or
  - (b) refer the matter to the General Manager to terminate any noncompliant Authorization and Production Retail Authorization and deal with any noncompliant Licence in accordance with the Provincial Cannabis Laws and, any ancillary agreements made pursuant to this Agreement including without limitation the registration referenced in section 10.1(b) of this Agreement and the Licensed Producer Supply Agreement for Non-Medical Cannabis will be dealt with in accordance with the usual registration and contract practices of the applicable branches of government.

For certainty, it is the intention of the Parties that benefits arising under this Agreement will only flow to Retail Operating Entities and the Cultivation Entity that comply with the ownership and control requirements of section 3.1 and the requirements of section 3.2 of this Agreement.

14.5 In the event that this Agreement terminates pursuant to section 14.2 or 14.4(a) of this Agreement, then:

- (a) all of the Authorizations and the Production Retail Authorization issued under this Agreement will terminate;
- (b) the Licences will be dealt with by the General Manager in accordance with Provincial Cannabis Laws; and
- (c) any ancillary agreements or registrations made pursuant to this Agreement including without limitation the registration referenced in section 10.1(b) of this Agreement and the Licensed Producer Supply Agreement for Non-Medical Cannabis will be dealt with in accordance with the usual registration and contract practices of the applicable branches of government,

as of the date set out in the notice of termination.

14.6 The parties agree that section 15 of this Agreement and any other sections of this Agreement which, by their terms or nature are intended to survive the termination of this Agreement, will continue in force indefinitely subject to any applicable limitation period prescribed by law, even after this Agreement terminates.

## **15. Confidentiality**

15.1 The Parties will provide to each other access to information that is necessary for the implementation of this Agreement.

15.2 The Parties acknowledge that some information related to this Agreement may be confidential and sensitive in nature, including relating to business interests.

15.3 If Snuneymuxw or any of the Retail Operating Entities, the Cultivation Entity or Third Parties share confidential information with the Designated Official for BC for the purposes of this Agreement and that information is identified in writing as confidential or sensitive:

- (a) BC will make all reasonable efforts to prevent the disclosure of that information to the public or third parties, subject to the *Freedom of Information and Protection of Privacy Act* or as otherwise required by law; and
- (b) If BC receives a request under the *Freedom of Information and Protection of Privacy Act* for disclosure of confidential information related to this Agreement received from Snuneymuxw or any of the Retail Operating Entities, the Cultivation Entity or Third Parties, BC will provide Snuneymuxw with written notice of the request and the opportunity, and a reasonable time in accordance with the *Freedom of Information and Protection of Privacy Act*, to express any views regarding the requested disclosure.

15.4 If BC shares information with the Designated Official for Snuneymuxw for the purposes of this Agreement and that information is identified in writing as confidential or sensitive:

- (a) BC will assist the Designated Official for Snuneymuxw in determining the use, security, level of sensitivity and interpretation of such information and terms under which that information may be reproduced or shared, in whole or in part, with any other party; and
- (b) Snuneymuxw and the Designated Official for Snuneymuxw will make all reasonable efforts to prevent the unauthorized disclosure of such information.

15.5 This Part 15 does not apply to information that is already in the public domain or provided to BC pursuant to reporting requirements under the Provincial Cannabis Laws.

15.6 For certainty, this Agreement is not an agreement for the disclosure of cannabis records and information under section 14 of the *Cannabis Distribution Act*.

## **16. Amendment of Agreement**

16.1 An amendment to this Agreement must be in writing and is subject to section 119 of the *Cannabis Control and Licensing Act* and will not come into effect until it is signed by both Parties and approved by Order in Council.

## **17. Dispute Resolution**

17.1 The Parties, through their Designated Officials, will endeavour to resolve disputes that may arise about this Agreement or its interpretation in a cooperative, effective and timely manner that fosters an improved, ongoing and respectful government-to-government relationship between the Parties.

17.2 The Parties agree to the following process to resolve disputes:

- (a) if the Parties are unable to resolve a dispute respecting the interpretation or implementation of this Agreement, a Party may provide in writing a full description of the disagreement to the other Party and within 20 days of receipt of the description of the dispute, the Assistant Deputy Minister or the Executive Lead to whom the Designated Official for BC reports, and the Chief Administrative Officer/ General Manager of Snuneymuxw will meet to attempt to resolve the issue;
- (b) if the dispute remains unresolved after the process provided for under section 17.2(a) of this Agreement, the dispute may be referred to the Deputy to whom the Designated Official for BC reports and the Chief of Snuneymuxw for resolution at a meeting held within 30 days of referral; and

- (c) if the dispute remains unresolved after the process provided for under section 17.2(b) of this Agreement, by mutual agreement the parties may undertake non-binding facilitation or mediation, or both, under terms agreeable to both Parties.

17.3 Nothing in this Part 17 prevents a Party from commencing judicial proceedings or the termination of this Agreement under sections 14.2 or 14.4(a) of this Agreement.

## **18. Notice**

18.1 Where in this Agreement written notice is required to be given by either of the Parties, it will be effectively given by:

- (a) delivery to the address of the Party set out below, on the date of delivery;
- (b) pre-paid registered mail to the address of the Party identified in this Agreement, on the date the registered mail is delivered; or
- (c) electronic mail (email) to the email address of the individual identified by each Party to receive email notices under this Agreement with the subject line to state "Snuneymuxw Cannabis Agreement", on the date the email is sent.

18.2 The address and email addresses of the Parties are as follows:

### **SNUNEYMUXW:**

Snuneymuxw First Nation  
Band Office  
668 Centre Street  
Nanaimo, BC V9R 4Z4

Attention: Ian Simpson  
Email: [ians@petroglyphdg.com](mailto:ians@petroglyphdg.com)

### **BC:**

Ministry of Public Safety and Solicitor General  
Cannabis Legalization and Regulation Secretariat  
P.O. Box 9237  
Victoria, BC V8W 9J1

Attention: David Coney  
Email: [David.Coney@gov.bc.ca](mailto:David.Coney@gov.bc.ca)

Either Party may, from time to time, give written or email notice to the other of any change of address or email address of the Party giving such notice, and after the giving of such notice, the address or email address therein specified will, for the purpose of this Agreement, be conclusively deemed to be the address or email address of the Party giving such notice.

## **19. Aboriginal Rights**

- 19.1 This Agreement is not a treaty or land claim agreement within the meaning of sections 25 and 35 of the *Constitution Act, 1982*.
- 19.2 This Agreement does not establish, create, expand, amend, define, affirm, recognize, limit, deny, abrogate, extinguish, replace or derogate from any Aboriginal rights.
- 19.3 Nothing in this Agreement shall be construed so as to abrogate or derogate from the protection provided for existing Aboriginal or treaty rights of the Aboriginal peoples of Canada by the recognition and affirmation of those rights in section 35 of the *Constitution Act, 1982*.
- 19.4 Nothing in this Agreement limits or precludes Snuneymuxw from:
- (a) continuing to negotiate, implement and take steps to enforce any revenue and benefits-sharing agreements with proponents and other governments;
  - (b) accessing economic opportunities and benefits, which may be available to Snuneymuxw;
  - (c) participating in government programs for which Snuneymuxw may be eligible; or
  - (d) seeking recognition of Snuneymuxw's Aboriginal rights in respect of the subject matter hereof, whether through court application or otherwise.
- 19.5 This Agreement is not intended to limit or diminish any present or future fiscal transfer agreements between the Parties unrelated to this Agreement.
- 19.6 Nothing in this Agreement is to be construed as an acceptance of or admission by a Party of the position of the other Party or as an admission of liability and without limiting the foregoing, this Agreement is not to be construed as an admission of:
- (a) the validity of, or any fact or liability in relation to, any claims for compensation for alleged past or future infringements of Aboriginal rights of any kind whatsoever or whensoever arising in relation to such assertions; or
  - (b) an obligation to provide financial or economic benefits, as provided in this Agreement, as part of British Columbia's obligation to consult and, as appropriate, accommodate in relation to any government action.

## **20. General**

- 20.1 This Agreement may be executed in any number of counterparts. Each counterpart when so executed will be deemed to be an original and all of which together will constitute one and the same agreement.

- 20.2 This Agreement does not change or affect the positions either Party has, or may have, regarding its jurisdiction, responsibilities or decision-making authority, nor is it to be interpreted in a manner that would unlawfully interfere with decision-making authority.
- 20.3 This Agreement may not be assigned, in whole or in part, by either Party.
- 20.4 If any provision of this Agreement is declared or held to be void, voidable, invalid, illegal or unenforceable for whatever reason, the provision shall be severed from the remainder of the Agreement but all other provisions of this Agreement will remain in full force and effect and will be construed as if this Agreement had been executed without the invalid, illegal or unenforceable portion.

HER MAJESTY THE QUEEN IN RIGHT OF  
THE PROVINCE OF BRITISH COLUMBIA,  
as represented by:

\_\_\_\_\_  
Honourable Mike Farnworth  
Minister of Public Safety and Solicitor General  
and Deputy Premier

\_\_\_\_\_  
Date

\_\_\_\_\_  
Honourable Selina Robinson  
Minister of Finance

\_\_\_\_\_  
Date

SNUNEYMUXW FIRST NATION, as  
represented by:

\_\_\_\_\_  
Chief Michael Wyse

\_\_\_\_\_  
Date