



INDUSTRIES

Natick, Massachusetts Select Board Presentation

Proposed Site for Cannabis Retail
42 Worcester Street, Natick, MA 01760

July 26, 2021

Executive Summary

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- C3 Industries (“C3” or the “Company”) is a vertically-integrated operator of licensed cannabis facilities
- C3 is highly experienced in the cannabis industry and operates a portfolio of retail stores and multiple large production facilities
- We believe that C3 is a perfect fit for the Natick community, and we have a track record of working closely with the communities we operate in
- We operate high-quality, compliant and safe cannabis businesses
- After going through the extensive RFI process with the Town of Natick, we placed second (a half point below Cypress Tree) in the scoring process and received strong scores in all three of the areas identified by the Select Board

Natick Process Summary

- 54% of the Town of Natick voters supported adult-use cannabis
- The Town of Natick developed a zoning overlay map for cannabis uses with the input of community members and staff
- In March 2020, the Town approved guidelines and an RFI for interested candidates; applications were due by the May 4, 2020 deadline
- The Town appointed a RFI Review Group to lead the RFI process
- Applicants went through an extensive community meeting and town interview process and the RFI Review Group produced a detailed scoring report based on the RFI criteria mandated by the Select Board
- Results from the scoring were issued in October 2020, and C3 placed second, just behind Cypress Tree

RFI Scoring Summary

Retail Establishment	Address	Score	Experience & Quality of Company	Suitability of Location	Consistency with Town Policies and Goals
Cypress Tree	321 Speen	30.5	10.5	10	10
C3 Industries	42 Worcester	30	12	8	10
Revolutionary Clinics	6 Worcester	28	12	6	10
ReLeaf Alternatives	291 Worcester	23	6	8	9
Revolutionary Clinics	45-61 Worcester	20.5	7.5	8	5

- In the Memorandum dated October 13, 2020, the RFI Review Group noted that Cypress Tree, C3 and Revolutionary Clinics (6 Worcester) were clearly separated from the rest of the applicants based on the scoring criteria
- In the Memorandum, the RFI Review Group formally recommended to the Select Board that these three groups be considered for host agreements

Company Overview / Experience



Founder Biography

- C3 Industries is a family-run and minority-founded business
- Founded by myself and my brother Vishal and our third partner Joel Ruggiero
- The company is headquartered in Ann Arbor, Michigan where I live with my wife and two children
- My mom and dad came to the US from India in 1975 with limited resources and no family in this country
- My dad studied engineering and went on to work in the auto industry at GM and Ford plants in Western New York and Michigan
- Our parents taught us the value of hard work and education and my brother and I both went to school at the University of Michigan
- We both were able to find jobs in finance and went on to build successful careers and reputations

C-Team



Ankur Rungta

CEO

- Accomplished entrepreneur with experience across industries including law, real estate, media & cannabis

MOELIS & COMPANY
SULLIVAN & CROMWELL LLP

Highlights:

- Investment Banker at Moelis & Company specializing in real estate
- Attorney in the NYC Corporate Group of Sullivan & Cromwell



Vishal Rungta

President & CFO

- Accomplished entrepreneur with experience across industries including finance, tech, media and cannabis

Google MOELIS & COMPANY
TPG

Highlights:

- Business Operations and Strategy at Google
- Private Equity Associate at TPG Growth
- Investment Banker at Moelis & Company, focused on restructuring and capital markets



Joel Ruggiero

Chief Horticultural Officer

- Cannabis cultivation expert with years of experience in the industry

THE
(GREEN)
SOLUTION

Highlights:

- Award-winning Head of Cultivation at The Green Solution, a leading cannabis producer in CO
- Managed a 50,000 square foot cultivation facility
- Consulted on design, build out and operations in multiple states



Samip Shah

Chief Operating Officer

- Accomplished middle-market executive formerly leading a high-growth Ontario retail healthcare business

CLEAR
MEDICAL IMAGING

Digitas

Highlights:

- Former CEO of Clear Medical Imaging
- Digital Marketing at Digitas
- Merchant Banking at Next Street (Small- & Middle-Market Advisory)
- Strategy & Operations at Deloitte

Massachusetts Platform

- C3 has spent over two and a half years developing a Massachusetts platform
- We have a host agreement in place with Franklin for cultivation and manufacturing; we have completed construction of a 37,000 square foot facility and are in the final licensing process with CCC
- The Franklin facility will produce high quality cannabis products and will supply our retail locations in Massachusetts
- We also have a host agreement in place for a retail location in the City of Boston for our location in Dorchester; we are starting construction on this site and expect it to open in November 2021
 - The Dorchester store is social equity partnership that is majority owned by the Chavez family of Dorchester
- Our hope is that Natick will be our second retail location in Massachusetts

Deep Industry Experience

- C3 Industries is by far the most experienced of the operators being considered, which was reflected in C3 receiving the highest score in the experience category of the RFI process
- Releaf Alternatives has not previously operated a licensed cannabis facility in any market
- Revolutionary Clinics is active only in Massachusetts and has had previous issues with compliance and litigation with communities
- C3 was founded in 2016 and operates large scale-production facilities and retail stores in four states
- We have an unblemished history of operations and community relations

Community Partnership

Community Partnership

- The Company has a demonstrated track record of working closely with the communities it operates in, including in Massachusetts with Boston, Franklin and Berlin
- The Company's principals are respected and active members in their communities with a history of community service and good corporate citizenship
- C3 will be an active and contributing member of the Natick business community and I will be the primary point of contact for the Town
- C3 will contribute in both financial and other ways to the community
- We have an actual track record of corporate responsibility; it is not hypothetical or aspirational

Positive Impact on Community

- We will enter into a Host Community Agreement that provides for a 3% tax on gross revenues to be paid to the Town of Natick
- We will commit to a minimum annual charitable contribution of \$25,000 to local organizations for at least five years
- We will hire most employees from local area and provide a living wage and comprehensive benefits package
- We will implement positive impact and diversity plans that will be submitted as part of the state licensing application and designed to benefit the local community and disadvantaged groups
- We will host community education event at least once a year

Hiring and Compensation

- The Company will create a significant number of full-time, living wage jobs
- Total payroll for this location will be close to \$1M per year, with additional support from our corporate team
- The Company will seek to employ a majority of its workforce from the local community (specifically candidates that reside within the Town of Natick) and the vast majority of its workforce will be from within the local area
- The Company will encourage applications from, and the recruitment of, women and minority candidates
- The Company offers a living wage and all full-time employees are eligible for health, dental and vision coverage, as well as short-term and long-term disability coverage and participation in our 401(k) program

History of Corporate Responsibility

- C3 has three main pillars of its corporate responsibility platform, (i) clemency / pardon and expungement efforts for those with cannabis convictions, (ii) support of social equity in cannabis and (iii) reducing hunger and homelessness in the communities we operate in
- We recently provided significant support to efforts by Last Prisoner Project and other organizations to free Michael Thompson; we have a formal three year partnership with Last Prisoner Project
- We support a series of food banks in our communities including:
 - Food Gatherer's Ann Arbor
 - Red Bud Ministries
 - The Green Apple Pantry
 - True North Community Services

History of Corporate Responsibility

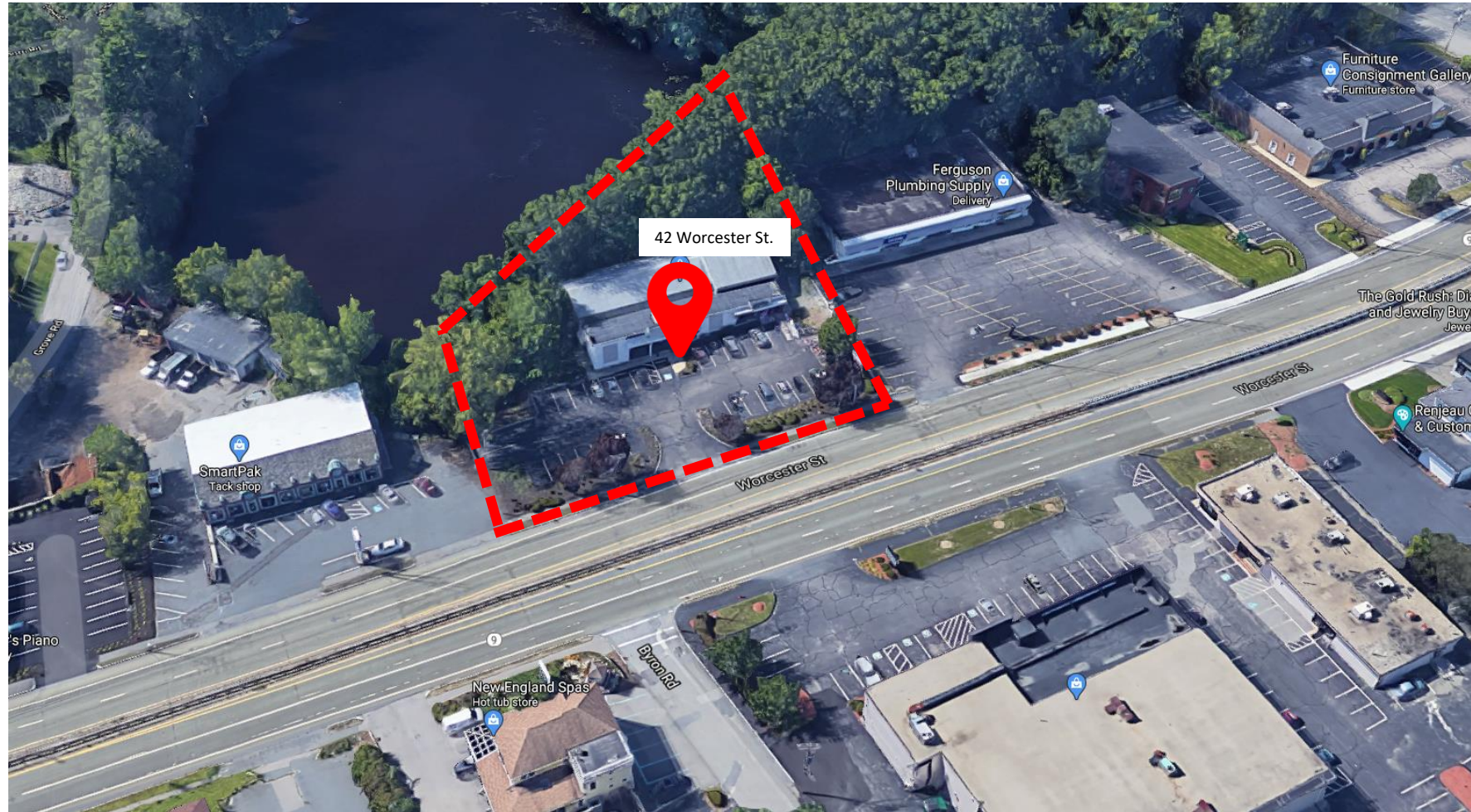
- We have a partnership with Massachusetts charitable organizations including Work Inc. in Dorchester and Nueva Esperanza in Holyoke
- We recently made the largest ever commitment to the Cannabis Community Reinvestment Fund in Grand Rapids, Michigan, which will support ongoing social equity and social justice efforts in the Grand Rapids Community
- We have also made significant charitable and community commitments in Kalamazoo and soon in Detroit
- We are building out further ongoing programs in the areas of expungement and community support

Site Overview

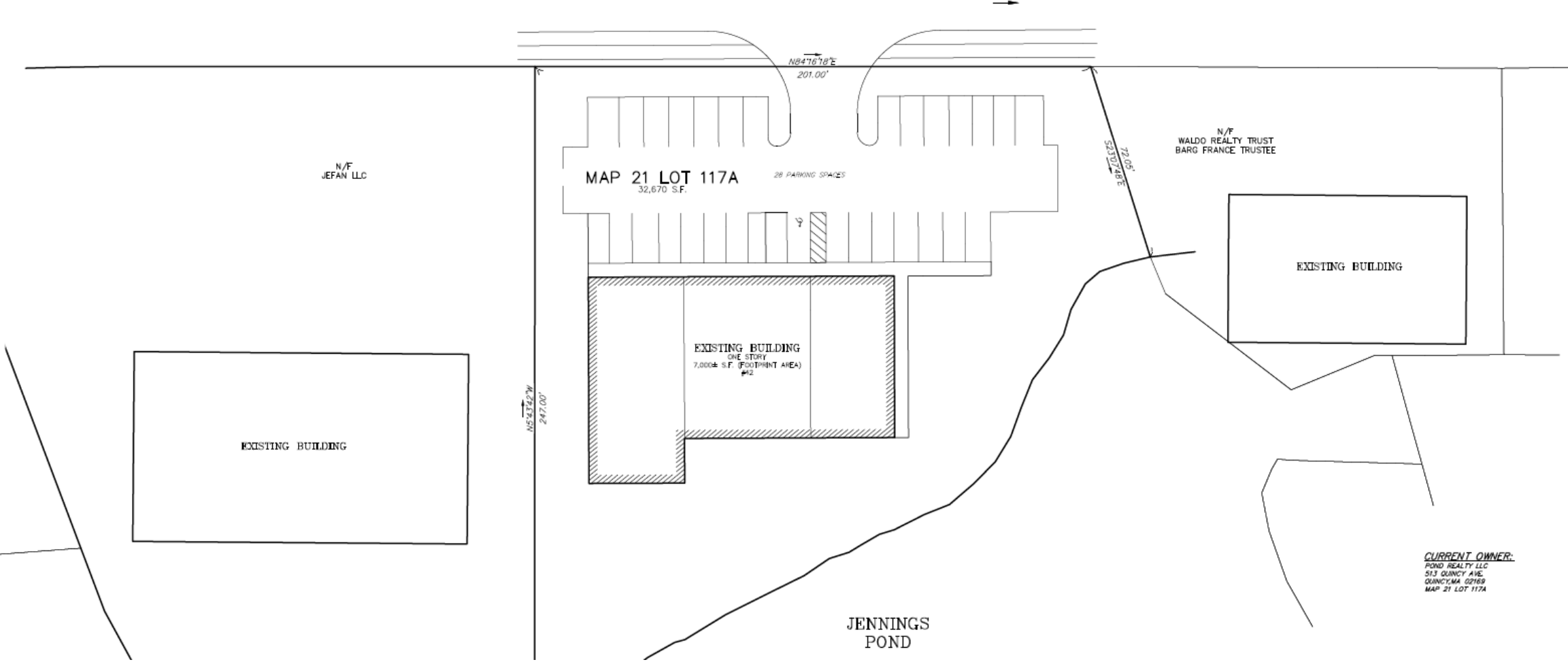


INDUSTRIES

Site Overview



Site Survey



Site Renderings



Site Highlights

- We believe that the site is very well suited for the proposed use based on the zoning by-law and general land-use considerations
- The site is not abutting any sensitive uses specified in the by-law or infringing on any residential uses or neighborhoods
- The site is mid-block, in a highly commercial area and in an easily accessible location and will not cause any material additional traffic on Worcester street or in nearby residential neighborhoods
- The site has ample parking available with 28 shared spaces (which meets local code requirements); store employees will be offered incentives to use alternative forms of transportation to work

Parking and Traffic

- It will likely take us 12+ months from now to open given the timeline for the Natick and state licensing process and building out the space
- There are currently 168 recreational cannabis retail stores open in the state (an increase of 50 in the last 3 months) and another 160 provisional licenses that have been issued for new approved locations, with many more new applications in the queue
- Neighboring communities including Framingham, Newton, Marlborough and others have approved many retail locations
- By the time we open in mid-2022, the area will have many retail options and we will largely be a store for the local community, with normalized levels of customer volume
- We engaged Vanasse & Associates, a highly regard traffic engineering firm based in MA, to conduct a formal trip generation and parking demand study

Trip-Generation Study

- In comparison to the existing traffic flows along the Worcester Street corridor in the vicinity of the site, project-related increases are expected to amount to an approximate **1-2% increase** in traffic during peak hours
- This level of increase is expected to be approximately 1 new vehicle trip per minute or less
- This increase is not expected to result in a notable impact to existing motor vehicle delays or associated queuing within the study area

TRIP-GENERATION SUMMARY

Time Period	Marijuana Dispensary ^a	Office Space ^b	Total
Weekday Daily	516	8	524
<i>Weekday Evening Peak Hour:</i>			
Entering	23	0	23
<u>Exiting</u>	<u>22</u>	<u>1</u>	<u>23</u>
Total	45	1	46
Saturday Daily	528	2	530
<i>Saturday Midday Peak Hour:</i>			
Entering	35	0	35
<u>Exiting</u>	<u>39</u>	<u>0</u>	<u>39</u>
Total	74	0	74

^aITE LUC 882 – Marijuana Dispensary, 2,040 sf

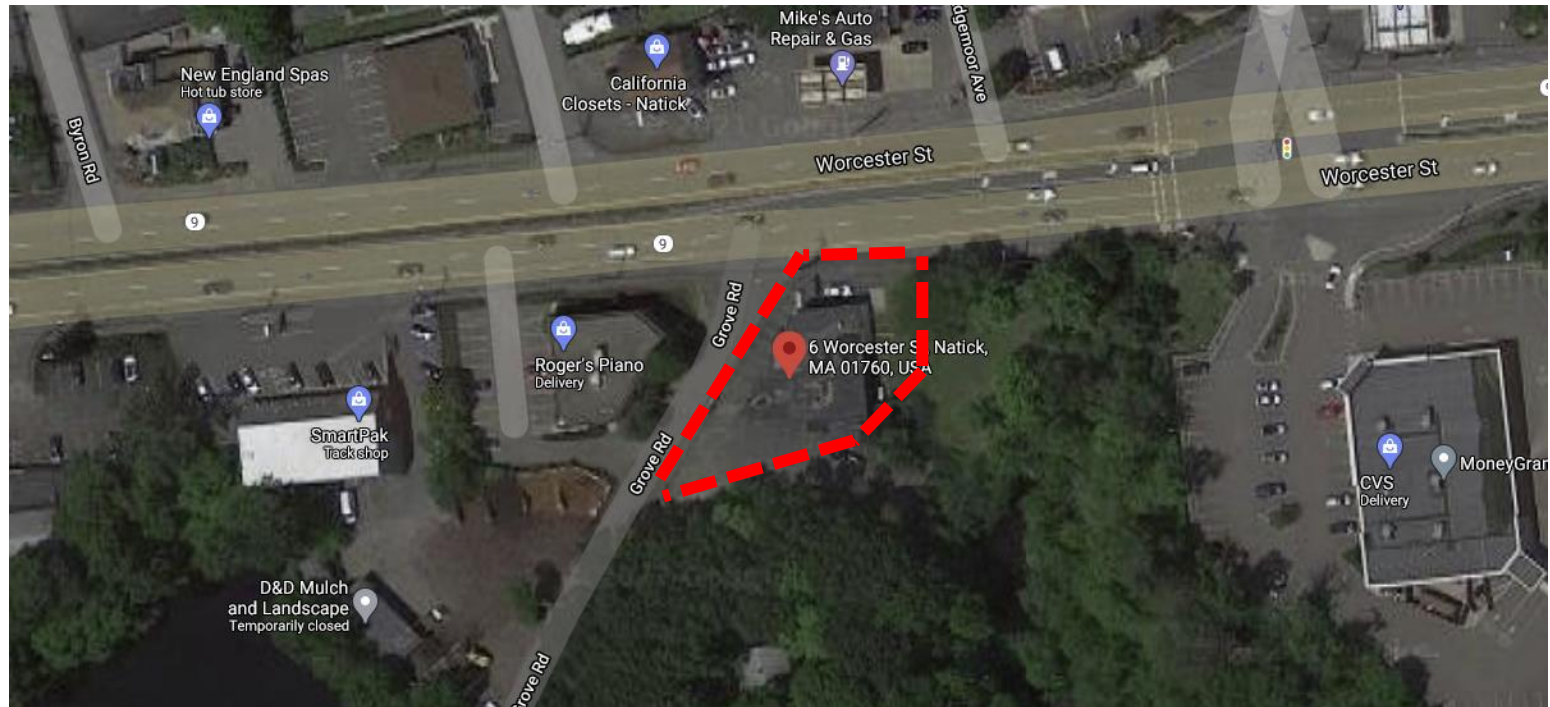
^bITE LUC 710 – General Office Space, 840 sf

Parking Demand Assessment

- A parking demand analysis was performed to identify the existing parking demand at the site and the projected increases associated with the proposed use
- In-field observations were taken both during weekday (4-6pm) and Saturday (11am-2pm) peak periods
- Based on the data, combined peak demand between the current and proposed use will amount to 24 vehicle on a weekday evening and 21 spaces on a Saturday midday
- **There is sufficient available parking to accommodate the proposed use during peak commercial hours, with peak hour surplus parking ranging from 4 to 7 vehicles**

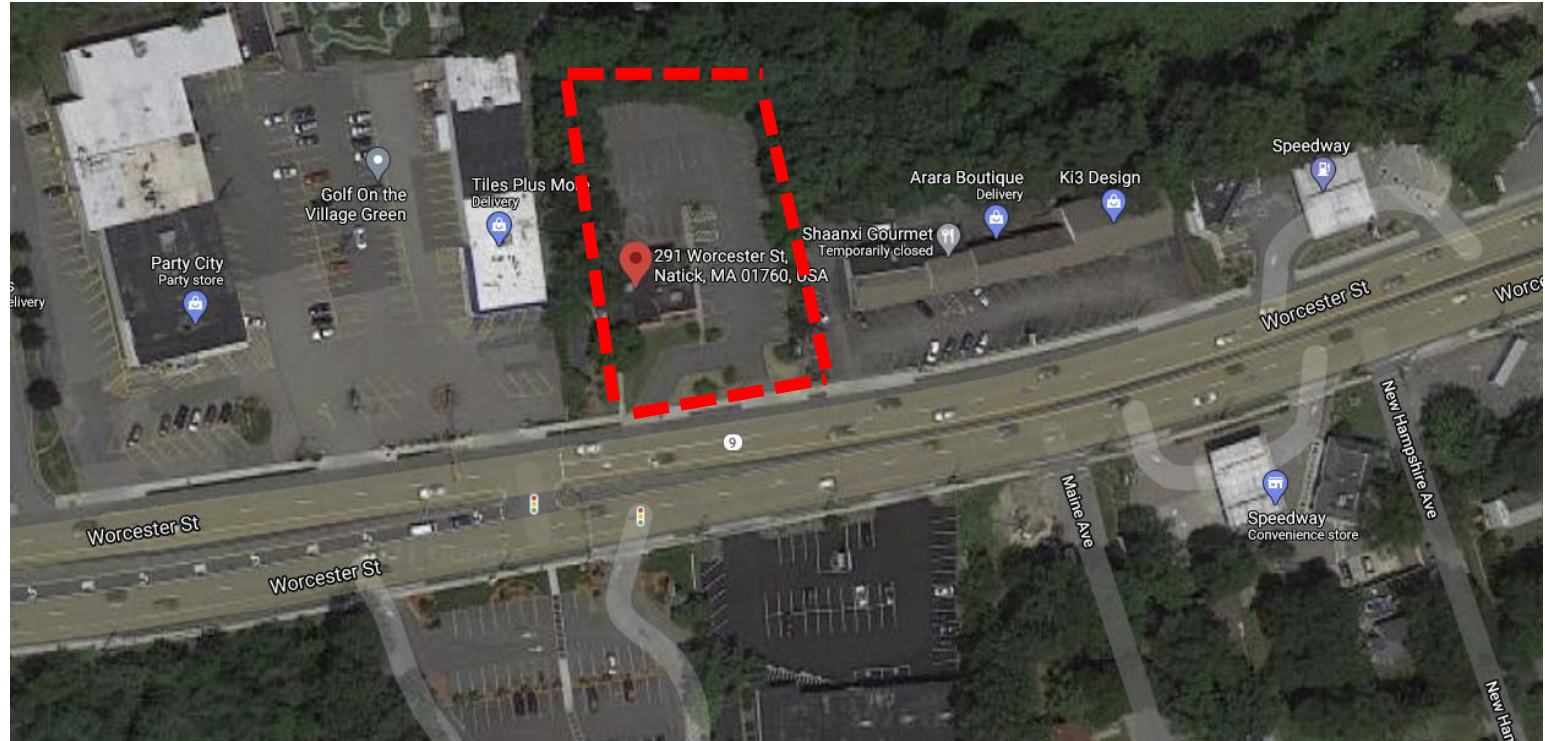
Revolutionary Clinics – 6 Worcester

- This site has many challenges with its location on the corner of Grove Road
- Directly abuts residential properties and will result in cut through traffic
- Limited and non-confirming parking
- Significant risk of accidents on Worcester Street from cars pulling in and out



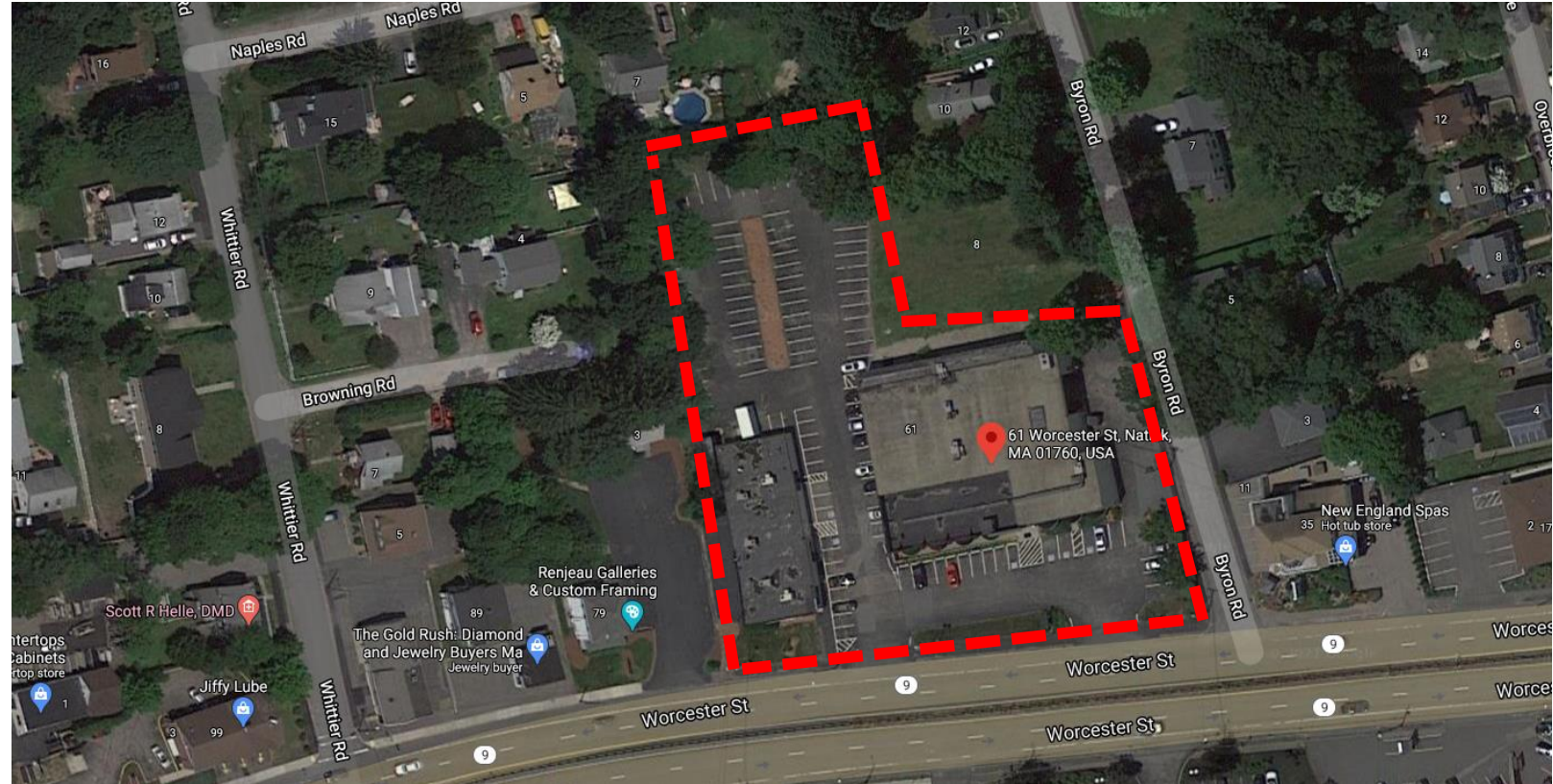
ReLeaf Alternatives – 291 Worcester

- This proposed site contains a building that is only 1,280 square feet in size
- In comparison, our space is 2,900 square feet
- This is far too small of a building for a high-volume marijuana retail store
- Could lead to significant operational and security risks



Revolutionary Clinics – 61 Worcester

- This site has challenges with its location on the corner of Byron Road
- Directly abuts several residential properties
- There have been serious objections raised by the residents of Byron Road, Naples Road and Browning Road



Why C3 Industries?

Real Experience and Strong Leadership

- C3 operates multiple large production facilities and a portfolio of retail stores; it is important to distinguish companies with actual operating assets from those that hold licenses but have limited operations
- Our business has substantial revenue and is profitable, which is uncommon in the cannabis industry
- We have a strong platform in Massachusetts with our production facility in Franklin and our other retail location in Dorchester
- Our leadership team comes from strong backgrounds and has strong ties to the local area with a history of community service
- We have far more experience than the other groups applying and a strong reputation with unblemished track record of operations

Good Fit and Community Partner

- The Company has demonstrated its ability to work with communities like Natick and has an unblemished track record of community relations
- We are offering significant financial contributions with the 3% tax and the minimum \$25,000 per year charitable contributions
- Our Company is private and family-run and our executive team is extremely hands-on
- We will work closely with the Town of Natick leadership and constantly be incorporating feedback to improve our operations
- We have a substantial history of corporate responsibility and no history of litigation or issues with the communities we operate in

Well-Suited Site for Proposed Use

- There are no perfect sites for marijuana retail use; there are always pros and cons to each proposed site
- Of the four remaining competing sites, ours is best suited for this use
- We do not abut any residential parcels, and we are not located on a residential side street
- We have adequate parking as demonstrated by the study conducted by Vanasse and Associates
- At 2,900 square feet, our unit is large enough to accommodate a high-volume marijuana retail use
- It is important not to confuse the vehement community criticism of the 6 Worcester and 61 Worcester sites with our proposed site at 42 Worcester; there has been very little direct objection to our site