

CANNABIS SUB TEAM

Update

6.25.24

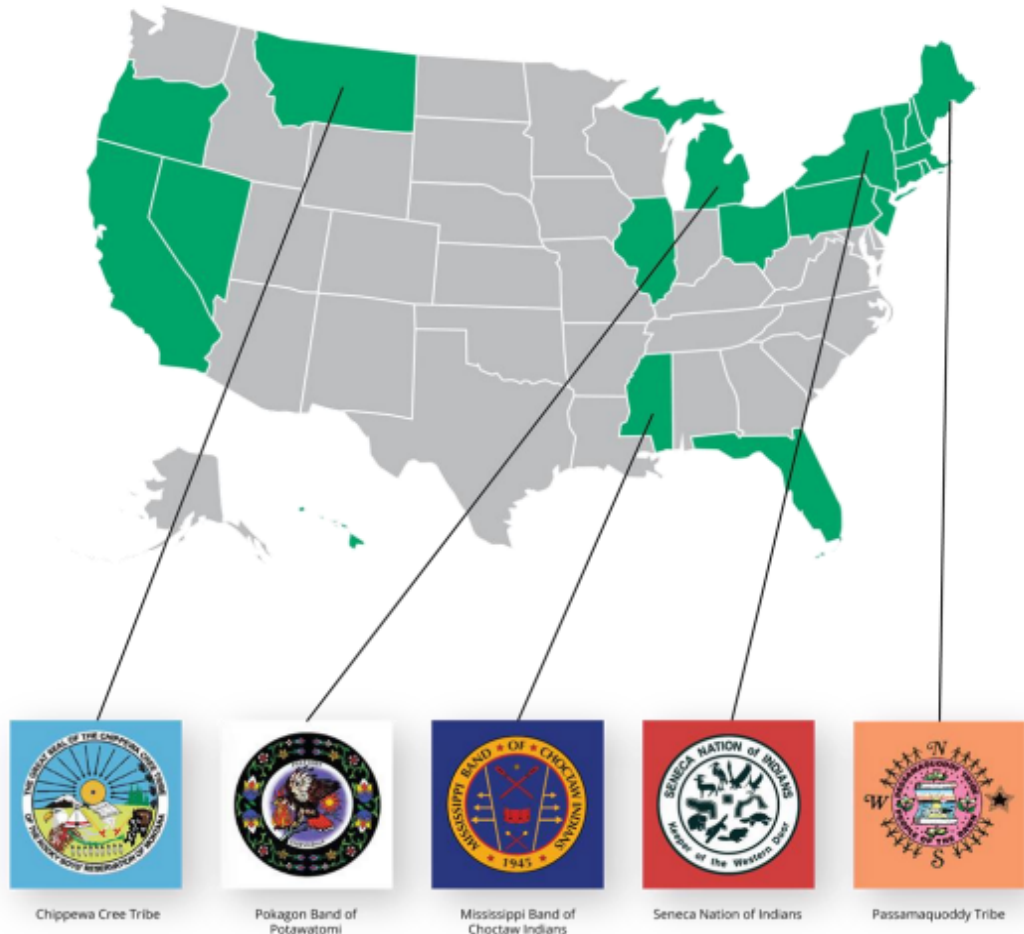
Where are we?

- Operational considerations
 - Engaged consultant Opus Consulting
 - Business and budget development
 - Guidance for retail and production direction
 - Site selection and facility sizing
 - Confirmed by TCR
 - Recommendations in place for retail and production facility footprints
 - Setting a Budget
 - Proposed budget received from Opus
 - Will finalize with RFP process
 - Branding and marketing
 - Internal team identified to work on proposed concepts
 - RFP for design and construction services
 - Launching in next few weeks
 - Timetable
 - Permanent retail facility – 16-18 mo.
 - Permanent production facility – 24-27 mo.
- Legal considerations
 - MPTN Cannabis Regulatory Law enacted, 49 M.P.T.L.
 - Regulations to be issued by Cannabis Regulatory Commission created under tribal law
 - Tribal-State compacting
 - NOT REQUIRED
 - Vertical integration and compacting can work IN PARALLEL
 - Is there value? How does it impact timing?

Opus Consulting – based in Portland, ME

Native Nation

- Chippewa Cree in Montana
 - Hemp and Cannabis Feasibility
- Pokagon Band of Potawatomi in Michigan
 - Cannabis feasibility
 - Project execution
- Mississippi Band of Choctaw in Mississippi
 - Cannabis feasibility
- Seneca Nation in New York
 - Cannabis feasibility
 - Project execution
- Passamaquoddy in Maine
 - Non-cannabis agricultural management advisory



Retail site approved by TCR102623-01 of 05

Lot 10 is the best location for a cannabis retail store

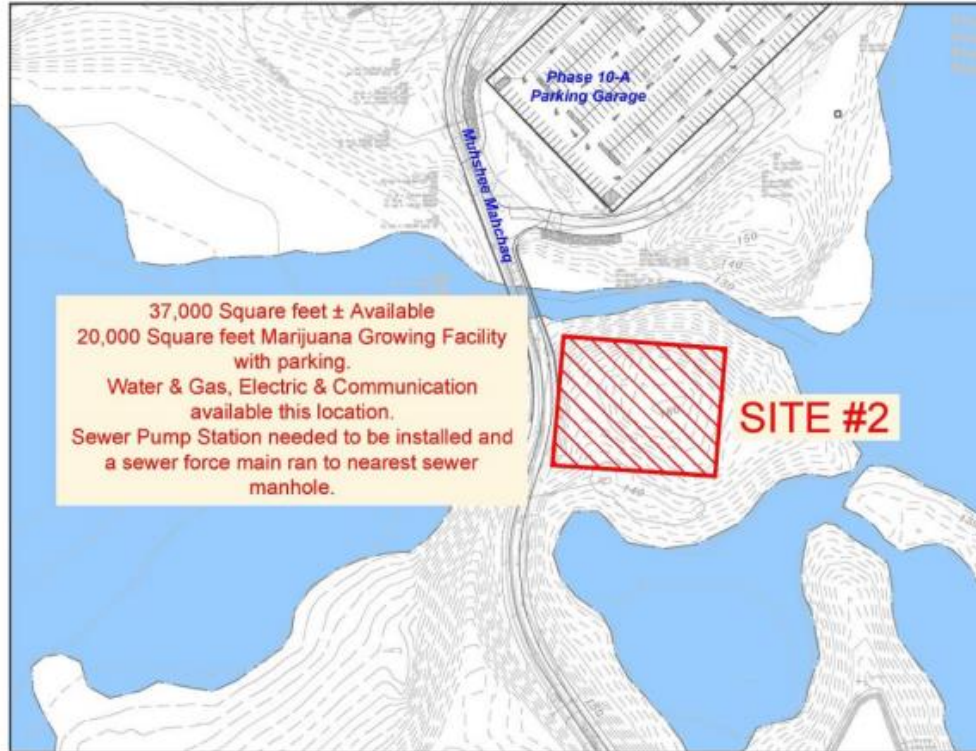
Reasonings

- On-territory
 - Tax benefits
 - Ease of licensing
 - Ease of permitting/etc
- Ample room
- Minimal site work
- Speed to market
- High visibility
- Proximity to Foxwoods



Production site approved by TCR102623-01 of 05

SITE



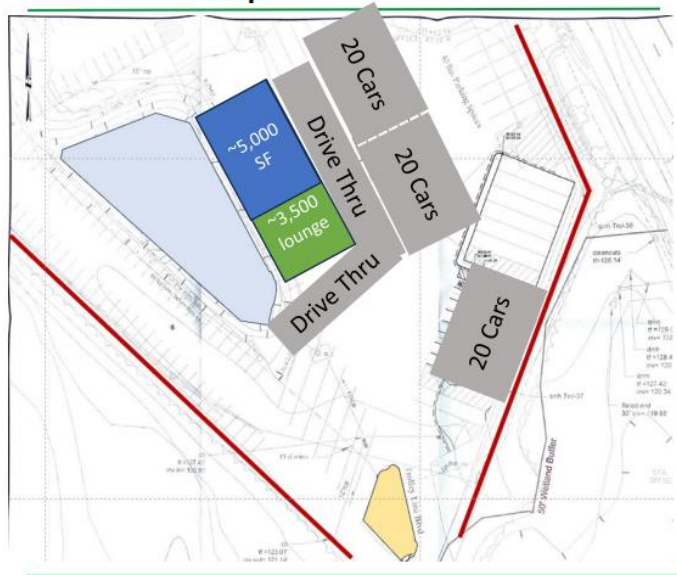
CONSIDERATIONS

- General size of parcel and expandability
- Potential wetlands
- Existing power
- Existing water
- Expand up, not out due to site location

Budget and Site Specs

- Total estimated investment ~\$23.5M
 - ~\$4M retail facility construction investment
 - ~\$15M cultivation and production facility construction investment
 - ~\$4.5M equipment purchases and operating expenses
- Estimated annual return ~\$4M-10M (incl. tax revenue)
- Approximate payback period ~4.5 years
- Production facility ~20,000 sq ft footprint
 - Multilevel flexibility (up to 40,000 sq ft)
 - Potential for specialized manufacturing
 - 6,500 sq ft flower canopy
 - Space for admin, post processing, shipping/receiving, manufacturing
- Retail facility ~5,000 sq ft
 - 12 points of sale
 - Drive thru lane(s)
 - 50-60 parking spots
 - Additional ~3,500 sq ft indoor/outdoor consumption lounge space

Retail site layout ideas



Branding – Retail concept

Modern Industrial Luxury: Examples



Considerations

- Flex-use industrial building shell
 - industrial flooring, walls, windows,
 - incorporate interior luxury finishes: cabinets, built-ins, seating, wall paneling
- Mixes well with interior/exterior lounge concept or additional activities such as pool, ping pong, outdoor sports
- Allows for high customer traffic, kiosk or mobile floorplan, and lounge incorporation
- Budget depends on level of finishes
- Incorporate design elements to complement other business enterprises
- Cost per sq. foot varies, depending on design choices and level of customization/ finishes
 - Recent examples of dispensaries range from \$600-\$800/sq. foot (all in CapEx, not just construction costs)

Branding – Retail concept

Design Inspiration: Mother Earth



Upscale Industrial Modern



Branding – indoor/outdoor lounge concept

Example Design Imagery



Decisions / Assignments

- Indoor-outdoor concept; offering progressive flow with partial cover
- Explore technical door between interior and exterior seating area
- Build overhanging roof to protect transitional space with seating area and ability to weather proof (with temporary rain or cold barrier)
- Remaining outdoor area to be setup “patio-style” with landscaping and fencing, but minimal built-ins.
 - Opportunity to ‘build up’ with further concept refinement in future
- Outdoor lounge concepts to be confirmed, possibilities include:
 - Tailgate games, picnic style/beer garden, fire pit, landscaping options

Marketing – What do we know about CT market?

MUNICIPAL APPROVALS IN CONNECTICUT

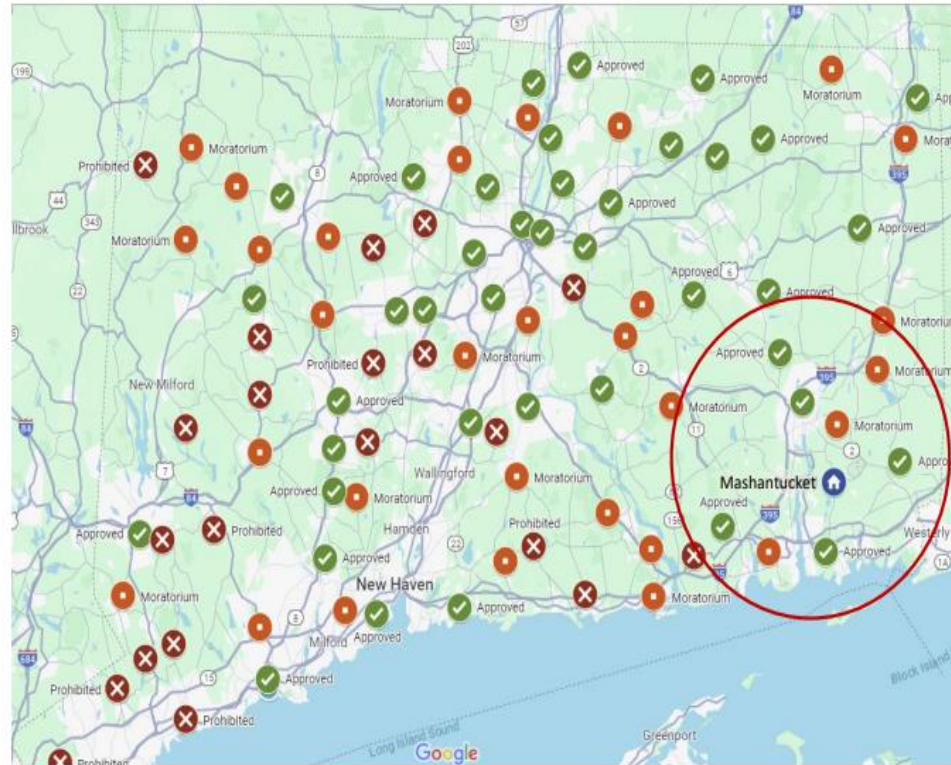
Municipality Approval Status

- **Approved:** 41
- **Moratorium:** 31
- **Prohibited:** 21
- Of the 11 municipalities nearby (~15mi radius), 5 approve adult-use, 5 have moratoriums, and 1 prohibits retail

MSOs in CT:

- **Curaleaf** (same name)
- **Green Thumb** (RISE dispensaries)
- **Verano** (Zenleaf & MUV dispensaries)
- **Trulieve** (same name)
- **Acreage** (The Botanist)

Approved Dispensaries: **41** (medical, hybrid, adult-use)



- 4 dispensaries within 15 min drive
 - Zen Leaf (Norwich)
 - The Botanist (Montville)
 - Curaleaf (Groton)
 - Higher Collective (New London)

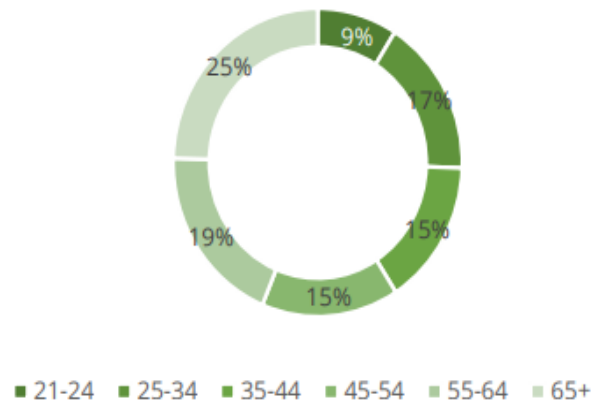
Marketing – area visitors are crucial to dispensary success

Local Market Data

- Population within a 5-mile radius: 32,826
- Households: 12,020
- New London County population: 268,595 with ~73% of population addressable
- Projected to represent a smaller percentage of dispensary customers

New London County Demographics

% of addressable Population



Casino Customer Demographics

- Casino draws about 20,000 people/day
- Estimate capturing roughly 2% of Casino Customers, ~600/day
- Customers from CT represent 32% of total casino goers; 68% are from out of state
- 59% of out of state customers are from other states wherein cannabis is legal

Projected Customer Demographics	
Avg Daily Customers	600
Annual Customers	219,000
CT customers	70,080
Out of State Customers	148,920

- Top M-Th casino customers are 65+, from CT/MA/NY
- Top Weekend customers are from CT, MA, NY, RI with increased representation in 45-54, 55-64 age groups
- Non-top 5 weekend groups include greater representation from younger customers

Other Branding/Marketing Considerations

- Consumption lounge likely to be a novelty in state and regional market
- Price pressures
 - Local customers will price and product shop across competitors
 - Area visitors will be accustomed to lower pricing in more mature MA and RI markets
- Next steps – refining brand approach and developing logo
 - Team approach for branding development
 - Will bring final concepts to MPTN membership for approval

The logo for 'Cookies' is written in a blue, rounded, sans-serif font.The logo for 'MedMen' features a red cannabis leaf icon to the left of the word 'MedMen' in a bold, red, sans-serif font.The logo for 'ayr' consists of a blue sunburst icon above the lowercase letters 'ayr' in a blue, sans-serif font.The logo for 'RISE' features the word 'RISE' in a bold, blue, sans-serif font inside a blue rectangular border.The logo for 'Acreage Holdings' includes a square icon with a diagonal line pattern to the left of the word 'Acreage' in a gold, serif font, with 'HOLDINGS' in a smaller, gold, sans-serif font below it.The logo for 'Agate Dreams' features the words 'Agate Dreams' in a blue, cursive font, with a green cannabis leaf icon and several red stars above the text, and 'SUQUAMISH WA' in a blue, sans-serif font below.

Compacting

- Currently working on a potential compact with the state in addition to developing our own seed-to-sale operations
 - Tribal operation will exist with OR without compact
 - Council will only enter compact if it is beneficial to MPTN
 - Washington and Nevada models are helpful guide
- Compact opens door to
 - tribally-licensed operator accessing state products for sale on reservation
 - state-licensed operator accessing tribal products for sale outside tribal lands
- Potential benefits
 - provides earlier access to products than MPTN having to grow and manufacture products on its own
 - may delay or decrease needed investment (~\$15M+) in production facility
 - compact could open door to temporary/pop-up retail facility while permanent facility constructed
- Critical – what are key terms of compact?
 - Taxes (NV/WA model)
 - Regulatory standards
 - Product tracking
- Other issue – delivery by state licenses on reservation
 - DCP agrees that state licensees may not deliver “out of state” (including reservation)
 - July 1 – CT moves to delivery by separate licensees only, i.e. no retailers
 - DCP is issuing notice to licensees to confirm no permission re tribal lands
 - MPTN notice to non-registered entities and DCP

Timeline

(projections with compact)

Production Facility

Proj. Start Date:
7/1/2024

Stage	Task	Est. Duration (months)	Est. End Date
RFP 1	Issue Architect RFP	1	8/1/2024
RFP 1	Review Proposals	0.5	8/16/2024
RFP 1	Select & Engage Architect	1	9/16/2024
Design	Initiate Arch. Design Phase	0.5	10/1/2024
Design	Review Drafted Arch. Design	0.5	10/16/2024
Design	Comments/ Edits	0.5	10/31/2024
Design	Initiate MEP Design	0.5	11/15/2024
Design	Review MEP Design	1	12/16/2024
Design	Final Review / Q&A	0.5	12/31/2024
RFP 2	Issue Construction RFP	1	1/31/2025
RFP 2	Review Proposals	0.5	2/15/2025
RFP 2	Select & Engage Construction Firm	1	3/17/2025
Preconstruction	Permitting	0.5	4/1/2025
Preconstruction	Subcontractor Awarding	0.5	4/16/2025
Preconstruction	Sitework & Material Sourcing	1	5/17/2025
Construction	General Buildout	12	5/17/2026
Construction	Commissioning, Punchlist	1	6/16/2026
Licensing	Licensing, Staffing	0.5	7/1/2026
Operations	Initial Planting	1	7/31/2026
Operations	First Harvest	3	10/29/2026

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Retail Store & Lounge

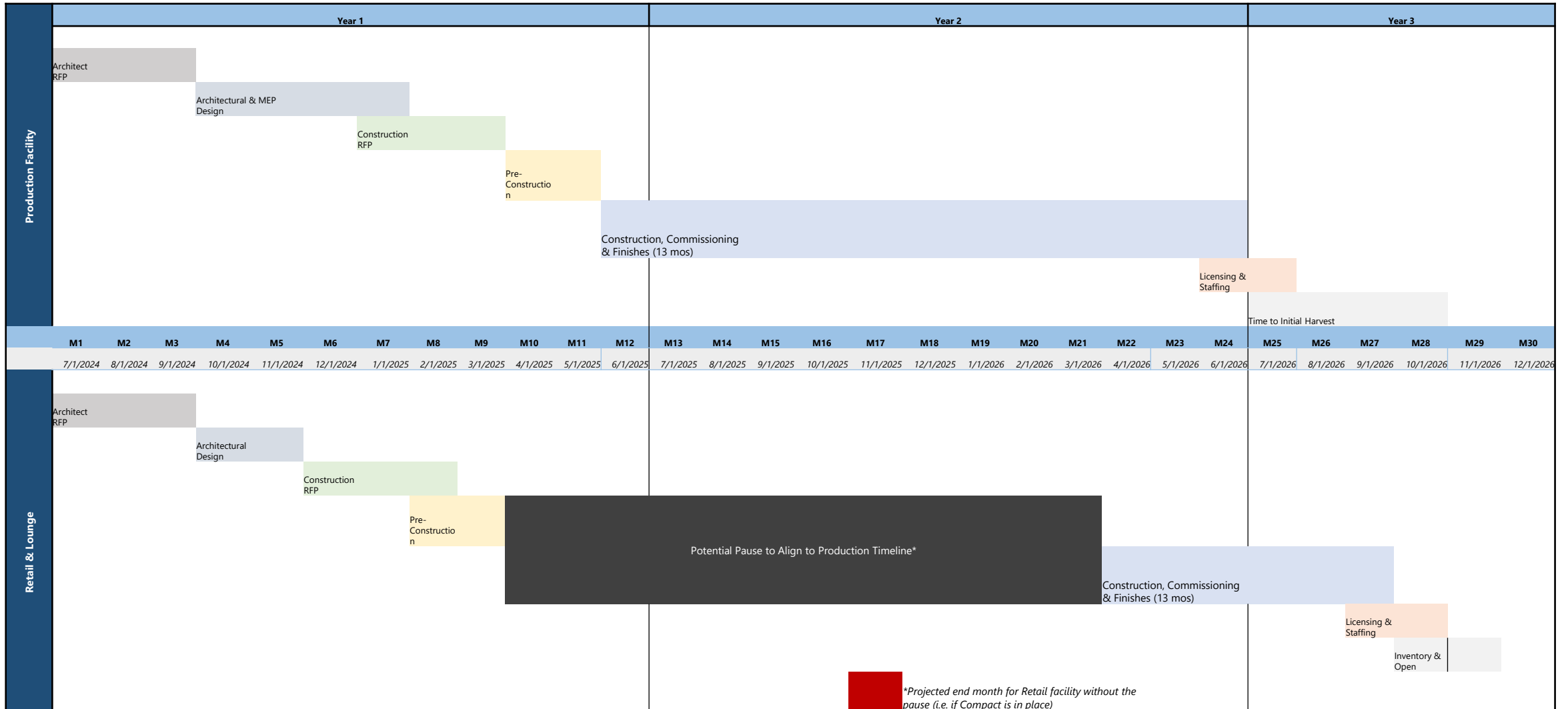
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Design	Final Review / Q&A	0.5	11/14/2024
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Preconstruction	Sitework & Material Sourcing	1	4/1/2025
Construction	General Buildout	5	8/31/2025
Construction	Commissioning, Punchlist	1	9/30/2025
Licensing	Licensing, Staffing	0.5	10/15/2025
Operations	Inventory Purchasing*	1	11/15/2025
Operations	Start Operations	0	11/15/2025

16.5

Timeline

(projections with no compact)



*Projected end month for Retail facility without the pause (i.e. if Compact is in place)